

Written evidence submitted by the Urban Transport Group (BUS0024)

1. Introduction

- 1.1. The Urban Transport Group (UTG) represents the seven largest city region strategic transport bodies in England, which, between them, serve over twenty million people in Greater Manchester (Transport for Greater Manchester), London (Transport for London), the Liverpool City Region (Merseytravel), Tyne and Wear (Nexus), South Yorkshire (South Yorkshire Mayoral Combined Authority), the West Midlands (Transport for West Midlands) and West Yorkshire (West Yorkshire Combined Authority).
- 1.2. We also have the following associate members: Tees Valley Combined Authority, Strathclyde Partnership for Transport, West of England Combined Authority (WECA), Nottingham City Council, Cambridgeshire and Peterborough Combined Authority and Translink.
- 1.3. This response is on behalf of our full members - though focuses principally on buses outside London.
- 1.4. Pre-pandemic 72% of bus travel in England took place within our full member areas (which are the Metropolitan areas plus London). Some of the highest levels of bus use in the country occur in our areas (such as Tyne and Wear, London and the West Midlands). Our members are also among the biggest investors in the bus (including in bus priority schemes, bus interchanges and in vehicles).
- 1.5. As UTG we:
 - run a network of bus policy leads from our member areas which is also a focal point for regular liaison with DfT and other key stakeholders;
 - maintain and develop an extensive research and evidence base on bus issues which can be accessed [here](#).

2. Ambitions and funding

Overview

- 2.1. We welcome and share the ambition of the National Bus Strategy, including its commitments to increase patronage and mode share through providing more frequent, cheap, reliable, comprehensive, and easy to understand bus services.
- 2.2. These are substantial objectives which we endorse and believe are fully justified. Public support for bus services represents excellent value for public money with the same pound of public subsidy achieving multiple policy goals from cutting road congestion costs for business to getting people into employment. In particular, public support for bus services aligns closely with key overarching Government policy objectives for levelling up and for carbon reduction. We summarise these benefits more fully in our September 2021 report '[Back the bus to level up](#)'.
- 2.3. We also welcome the substantial revenue support the Government has provided during the COVID crisis as well as the additional funding for bus that should flow to some places via the City Region Sustainable Transport Settlements (CRSTS) and via funding for Bus Service Improvement Plans (BSIPs). Although the funding being made available is substantially less than the £3 billion that was originally promised, it should make a real difference for those bus services that are targeted.
- 2.4. The National Bus Strategy emerged within a very challenging context for the sector. The hammer blow of the pandemic was preceded by years of decline in both bus networks and bus use. A universal transformation of buses to the degree which the National Bus Strategy envisages will therefore require a longer-term revenue funding regime capable of supporting its objectives. We are concerned that there appears to be no plan from Government to do this. This means that there is a danger that the bus strategy risks being seen as a product of temporary 'irrational exuberance' and that there is a slide back to the Governmental comfort zone, and historical norm, of decline management.

The urgent need for a long-term bus funding settlement and reform

- 2.5. Local Transport Authorities (LTAs) have been told by Government that the six months of additional COVID revenue support for bus services will be the last and after that the revenue funding regime will return to largely what it was prior to the pandemic. That revenue funding regime is mostly made up of BSOG (primarily a rebate on fuel tax) from DfT; funding for the National Concessionary Fares scheme from the Department of Levelling Up, Housing

and Communities (which is swallowed up within the wider local government funding settlement for local authorities) on the basis of a crude formula; support by Local Transport Authorities for socially necessary bus services which are not considered by operators to be commercially viable; and home to school transport funded by DfE.

- 2.6. We have also been told that we must use this six months to cooperate with commercial bus operators to ensure that networks are financially sustainable and if necessary reduced in scale.
- 2.7. A letter sent to LTAs by Baroness Vere says that: *'one of the conditions ... will be that both LTAs and operators work closely together to ensure that effective and financially sustainable [our underlining] networks which cater for the needs of the local public are implemented once recovery funding ends. These will ensure a managed transition and that effective networks are provided to passengers, whilst the sector reaches a position where it no longer requires ongoing Covid-19 recovery funding.'*
- 2.8. We are concerned that this approach does not accord with the national bus strategy's aspirations for more – rather than fewer – bus services. Whilst we recognise that additional investment from CRSTS and BSIPs should make bus services more attractive on those routes that receive it, it will not compensate for a wider lack of sufficient revenue subsidy for networks as a whole. The services that are also likely to be lost due to inadequate wider revenue support (such as off-peak services) could also be the ones least likely to benefit from capital infrastructure projects that will form the majority of CRSTS and BSIP funding. Once services are lost they are unlikely to return.
- 2.9. A reduced bus network would also have a disproportionate effect on low income households and areas, disabled people, women and ethnic minorities as the following statistics show:
 - Nearly a quarter of all households have no car or van available, rising to 45% for those in the lowest real income quintile^{6F1}.
 - People in households without access to a car make over four times as many local bus trips as those with car access^{7F2}. Outside London, people in the lowest income quintile make three and a half times more trips on the bus each year than those in the highest quintile^{8F3}.

- Non-White adults are more likely than White adults to live in households with no car or van. Black/African/Caribbean/Black British adults are most likely to live in households with no car or van (39% of adults, compared to 17% of White adults)^{9F4} .
- 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike^{10F5}. This proportion rises to 87% for jobseekers aged 18-24.
- People employed in routine and manual occupations make more bus trips, and travel further on the bus, than those in managerial/professional or intermediate occupations^{11F6} .
- Women make more trips by bus than men, with the difference most marked outside of London^{12F7} .
- Outside London, young people aged 17-20 make more trips on local buses than any other age group^{13F8} .
- People with a disability are more likely to travel by bus than people without a disability^{14F9}

2.10. It would also follow on from years of pre-COVID decline in bus services and bus use (as well as above inflation fares rises). For example, in the metropolitan areas:

- bus patronage fell by 15% between 2009/10 and 2018/19
- bus fares went up by 40% (above inflation) between 2005 and 2019
- bus miles declined from 354 million in 2009/10 to 302 million in 2018/19.

2.11. Both before and during the COVID crisis we have made the case that the existing funding regime for bus is fragmented, insufficient and lacks coherent overall objectives. Indeed, the six main sources of public funding for capital and revenue for bus services (excluding COVID-specific funding) come from three different government departments (DfE, DfT and DLUHC) working largely in isolation from each other and with a restricted understanding of the cumulative effects their decisions on funding have on bus services. Pre-pandemic all these sources of funding had been in decline. We explore this in more detail in this report '[Back the bus to level up](#)'.

2.12. We believe that the six month final period of COVID-related support should therefore be used to establish a long-term post-COVID revenue funding regime which is:

- Capable of delivering the bus strategy's aspirations for more, better, cheaper and greener bus services. This will require higher levels of subsidy than was the case pre-COVID given that funding prior to COVID was not sufficient to prevent year-on-year decline.
- Streamlined. The system of funding that existed pre-COVID (and which is essentially intact) was not coordinated or linked to a coherent set of objectives.
- Devolved to those transport authorities who wish to take responsibility for it. This would mean that subsidies could be far more effectively targeted to address local needs, circumstances and aspirations than is possible through either a one-size fits all national approach or if it is routed to commercial operators.

2.13. Throughout the course of the pandemic we have provided the DfT with papers and our legal advice on how this could be done but in our view this has not led to a substantive response or dialogue.

Promoting a return to buses following the pandemic

2.14. Throughout the pandemic messaging to public transport users in England outside London has been fragmented. Whilst London has a single 'voice of truth' in the form of TfL – in the rest of England there have been separate communications, messaging and promotional initiatives from individual rail operators, national rail, LTAs and bus operators. In addition, some of the wider government messaging on COVID highlighted public transport as a particular source of risk in a way that damaged public confidence. As we emerge from the pandemic the promotion of a return to public transport remains fragmented in England outside London. We continue to make the case for a Government-led campaign to promote the return of public transport in a more holistic way.

Franchising and enhanced partnerships

2.15. We welcome the recent comments of the Secretary of State for Transport following on from the failed legal challenge by operators to the

TfGM franchising proposal where he said: *“This is our vision, to see buses in Manchester – indeed everywhere around the country – run just like they are in London where you’re not so much looking up the timetable, you just know the next bus is on its way. I very much welcome this outcome and look forward to working with the mayor to deliver it.”*¹⁰

2.16. We believe this underlines the strong case for further simplifying and streamlining what remains a complex process for bus franchising. We have written to DfT, and provided DfT with legal input, making the case that DfT should review the experience of the use of the legislation as it stands and how it could be improved. However, again, in our view, we have not received a substantive response. The case for change is particularly strong given the bus strategy aspirations for full fares and service integration which is challenging to achieve consistently and comprehensively through the Enhanced Partnership mechanism.

2.17. We also note that the Welsh Government’s Buses White Paper envisages a new and streamlined legislative regime designed to enable franchising to be introduced across Wales in a far more rapid and appropriate way than is the case under the legislation that currently applies in England (the Local Transport Act 2017).¹¹

3. Decarbonisation of the bus fleet

3.1. Government support for low, and now zero emission, buses has been welcome over the years. However, we lack a clear long term and funded plan for the decarbonisation of the bus fleet. The history of Government support has tended to be short term packages of ad hoc funding for green buses when the funding becomes available. Furthermore, funding is often allocated by making Local Transport Authorities compete against each other. This is part of a wider tendency of national Government to prioritise competitive funding over block funding. This creates wider inefficiencies as LTAs devote resources to various competitive bids leading to unpredictable workloads (depending on how successful they are) and the loss of potential synergies between different policy areas. We explore this in more detail in our report [‘The Local Transport Lottery – the costs and inefficiencies of funding local transport through ad hoc competitions’](#).

3.2. There is also the wider problem of a) the fragmented modal approach the Government has taken to decarbonising vehicle fleets (with a far more strategic approach being taken to cars than other vehicle fleets) b) the division between policies for decarbonising different vehicle fleets and the provision of the necessary green energy and infrastructure c) the lack of a seat at the table for city regions when wider policies for the decarbonisation of urban vehicle fleets (and supporting green energy infrastructure) are being determined.

4. Innovation

4.1. Innovation and technology have a role to play in the future of the sector and in this section we highlight two areas in particular.

Smart, simple and integrated ticketing

4.2. As the public sector transport authorities for the largest urban areas we are united in our aspirations for, and commitment to, the delivery of simple, integrated, smart and affordable ticketing for the people and places we serve. What is good enough for London is good enough for other city regions and in our view the strongest case for delivery of smart and integrated ticketing is in large urban areas where people are more likely to want to make journeys across modes.

4.3. Government investment and support for contactless ticketing on rail¹² and for multi-operator ticketing on bus is welcome. However, these programmes are being pursued by separate parts of the DfT and there is no clear plan for how these programmes will support the affordable, multi-modal products across a range of smart devices and applications that large urban areas need. It is also critically important that national initiatives on bus and rail ticketing are aligned with the schemes that are already well established in the city regions including in relation to the importance and benefits of multi-modal zonal fares in large urban areas. Otherwise, there is a risk that a) these national initiatives will frustrate and delay the implementation of the ticketing products that users in the city regions want in favour of schemes that are modally fragmented, unattractively priced or effectively determined by vested interests b) that funding will be wasted on projects that soon prove to be not fit for purpose (something that has happened on a number of occasions in the past).

4.4. To this end there is a need for a) dedicated and senior capacity and capability within the DfT with a specific remit of supporting the delivery of smart, integrated and multi-modal ticketing in large urban areas b) capacity at DfT for research and development to avoid the risk of more false starts - smart ticketing technology and consumer behaviour evolves rapidly c) structured and strategic engagement between DfT and the city regions on the delivery of smart and integrated ticketing – acknowledging and building on the technology and products that locally accountable transport authorities have already put in place.

Demand responsive services

4.5. DRT has the advantage of flexibility and can be combined with the use of apps. Our members have supported many such schemes over the decades in different ways. However, at the same time DRT is by no means a silver bullet. Research¹³ has shown there are challenges around both the economics of these services and the market for them. This means that half of DRT schemes fail within seven years and 40% within two years. DRT can be effective but it requires long term commitment in terms of both promotion and resourcing if it is to realise its potential.

5. Bus safety

5.1. We were disappointed at the lack of focus in the National Bus Strategy on the need for a more strategic approach to leadership, oversight and enforcement on bus safety. For some time we have pressed the DfT to undertake a review of current arrangements but as far as we are aware this hasn't happened so we commissioned our own review, a '[Strategic analysis of current bus safety issues](#)'.

5.2. The report shows an under-resourced, fragmented, opaque and confusing bus safety regime for England outside London. The contrast with the approach to rail safety, and bus safety in London and Northern Ireland, is particularly stark. For buses in London there is a data, analysis and target led approach where areas of risk are systematically addressed. This is not the case outside London at the national level.

5.3. We continue to call on Government to review the bus safety regime (in particular the case for an overarching safety body) and for full incident and

accident reporting to allow for a more data and analysis driven approach to ratcheting up safety standards.

March 2022

Endnotes

¹ DfT National Travel Survey Table NTS0703 2019

² DfT Annual bus statistics: England 2019/20

³ DfT National Travel Survey Table NTS0705 2019

⁴ DfT National Travel Survey Table NTS0707 2019

⁵ Institute for Transport Studies (2013) Buses and the Economy II: Survey of bus use amongst the unemployed

⁶ DfT National Travel Survey Table NTS0707 2019

⁷ DfT National Travel Survey Table NTS0601 2019

⁸ DfT National Travel Survey Table NTS0601 2019

⁹ DfT (2017) Disabled people's travel behaviour and attitudes to travel

¹⁰ 'Transport Secretary: Greater Manchester will lead the way for buses across the country' 11/03/22 Quest Media Network <https://www.questmedianetwork.co.uk/news/regional-news/transport-secretary-greater-manchester-will-lead-the-way-for-buses-across-the-country/>

¹¹ [One network, one timetable, one ticket: planning buses as a public service for Wales | GOV.WALES](#)

¹² <https://www.gov.uk/government/news/360-million-investment-to-transform-rail-ticketing-across-the-country>

¹³ Currie, G, and Fournier, N. (2020) 'Why most DRT/Micro-Transits fail – What the survivors tell us about progress' in Research in Transportation Economics, Volume 83, November 2020

<https://www.sciencedirect.com/science/article/abs/pii/S0739885920300937>