

Written evidence submitted by CPRE, the countryside charity (BUS0035)

CPRE is the countryside charity that campaigns to promote, enhance and protect the countryside for everyone's benefit, wherever they live.

With a local CPRE in every county, we work with communities, businesses and government, nationally and locally, to find positive and lasting ways to help the countryside thrive.

Reliable, convenient and affordable bus services are essential for rural communities to be able to thrive. Research published by CPRE in 2020 showed that more than half of the small rural towns in the South West and North East of England are already 'transport deserts' or are at serious risk of becoming one, meaning that residents in these areas have virtually no alternative to car travel.¹ This is putting the sustainability of rural communities at risk in a wide range of ways, trapping older people who cannot drive in loneliness and isolation, cutting off younger generations from education and employment opportunities, and forcing low-income families into a cycle of debt and poverty just to be able to get to work. Furthermore, the high car-dependency caused by inadequate bus services to rural towns and villages is a major barrier to achieving the modal shift away from private car travel that is essential for meeting our transport decarbonisation targets.

CPRE was very hopeful that the government's national bus strategy would begin to deliver the comprehensive bus network that our towns and villages need. However, over the last year, the delivery of the national bus strategy has systematically threatened to leave rural communities further behind. Therefore, CPRE is providing written evidence to this inquiry to highlight these risks and challenges. We hope that this evidence is useful to members of the Transport Select Committee in scrutinising how the national bus strategy is playing out beyond major urban centres.

1. Challenges facing the sector as it recovers from the pandemic and the effectiveness of steps taken by both Government and stakeholders in response

The challenges facing the bus sector in rural communities have been significantly exacerbated by the pandemic and the path to recovery is far from clear at this point. With a deregulated bus market, the fundamental fact remains that, despite very real public need, longer travel distances and

lower population densities make it very difficult for operators to maintain profitability on services outside of major metropolitan areas. With the increase in home-based working and online shopping and the concomitant reduction in commuting and travel to high-street shopping centres, bus operators have lost a significant proportion of the core demand that supported the already limited rural network prior to the pandemic. At the time of writing, the latest statistics show that bus use outside London is at just 78% of its pre-pandemic level.²

As the sector recovers from the pandemic, it is clear that bus operators will be faced with difficult decisions about restructuring network provision to focus increasingly on core routes between large urban centres that remain profitable despite the lower post-pandemic demand. However, reductions in services and increases in fares to offset the impact of the pandemic will further suppress patronage on rural bus routes as they become less convenient and price-competitive.

CPRE strongly supports the additional £150 million made available by the government in March to support operators to continue to run services as they recover from the pandemic.³ However, this funding only pushes the cliff-edge decision making point for bus operators back to October 2022. At this stage it seems likely that bus patronage will remain below its pre-pandemic levels by the end of the summer and as long as profitability remains a Damocles sword over the already threadbare rural bus network in this country, the only way to prevent operators making further reductions in services to towns and villages across the countryside will be additional revenue support from the government.

Local authorities are also a particularly important stakeholder for the rural bus network, due to their role in supporting services that bus operators would not otherwise provide. Freedom of Information requests from CPRE in late 2020 to 45 higher tier local authorities covering large areas of countryside found that more than one in three had not carried out a systematic review of the public transport requirements within their area. Given the enormous pressure on local authority budgets, which have only increased during the pandemic, it is highly unlikely that councils will be able to significantly step in to fill gaps left by private sector retrenchment.

The fact that the relevant clause of the 1985 Transport Act (clause 63) does not meaningfully define 'public transport requirements' also means that

there is significant variation across the country in how councils define which communities receive supported bus services, with the responses to our FOI's showing that many councils are taking a minimalist approach in order to reduce burdens on their finances. When the national bus strategy was published the government promised that it would provide updated guidance for local authorities on how to deal with these "socially necessary" bus services. However, this has not been forthcoming and the longer this is delayed the more likely it is that local authorities will not ensure that rural communities remain connected to the bus network as private sector provision declines.

2. Progress against the ambitions and targets set out in national bus strategy including the effectiveness, pace and priority of the strategy's implementation

In the government's guidance to local authorities on how to produce a high quality Bus Service Improvement Plan (BSIP), the key documents for delivering the national bus strategy's ambitions, it was stated that BSIPs should include proposals and set targets for improved frequency, faster and more reliable services, cheaper tickets, more comprehensive coverage, easier to use, understand and better integrated services. Following the publication of BSIPs by local transport authorities (LTAs) across the country, CPRE has assessed a large number of these plans which relate to areas with a significant rural population and measured their content against the expectations of the government guidance.

This analysis has highlighted a number of serious shortcomings in relation to the implementation of the national bus strategy in rural areas. Firstly, by failing to provide sufficient detail in the BSIP guidance, the government has created a delivery system for their ambitions which has resulted in a postcode lottery in the plans for different communities across the country. For example, the BSIP for one County Council examined by CPRE sets out plans for hourly services on rural and suburban routes from 7am to 7pm, while another County Council BSIP commits only to explore increased interurban service frequencies along key corridors, with no set service standards for towns and villages. Similarly, the BSIP for one Combined Authority that covers a significant rural hinterland includes clear proposals for free bus travel for 16-18 year olds, while another council simply says it will review ticketing and fare options to 'determine the most suitable options to be developed going forward'. From these and many other

examples, it is clear that BSIPs across the country contain a constellation of differing service frequencies and fare offers and that this approach to rolling out the national bus strategy has failed to ensure that the network will be levelled up to a minimum standard for all communities.

Furthermore, the content of the BSIPs reviewed by CPRE make it clear that, again and again, LTAs have focused their ambitions on urban centres and that rural communities will continue to be left with a second rate service, even if the whole BSIP were implemented. Again and again BSIPs claim, with little supportive evidence, that delivering regular services to rural towns and villages, and measures such as restoring a lost Sunday network, would be prohibitively expensive. Yet at the same time, these documents also set out plans for numerous “superbus” highways and flat fare services in urban centres. This disparity leaves the unavoidable conclusion that BSIPs have failed to provide a vehicle for delivering the governments ambitions for frequent, reliable, affordable and well integrated bus services in rural communities.

In addition, there is clear evidence that the process of using BSIPs to bid for funding without clear allocation criteria or sufficient detail of the money available (the government only confirmed the total funding to support BSIPs long after they were published), has severely hampered the implementation of the national bus strategy’s overarching ambitions in rural communities. Without a clear understanding of how much money they could expect to receive, or confidence that they would be able to support services in the long-term due to the one-off funding made available alongside Bus Back Better, it is evident that LTA’s have not felt able to commit to the full ambition of the national bus strategy in rural areas, where ongoing revenue support is required for frequent, reliable and low fare services.

Evidence for this can be seen in the following quotes from County Council and Combined Authority BSIPs:

- “As part of the process of compiling our BSIP we have examined and costed three levels of service provision for all categories of service. The level set in section three, whilst still ambitious, does not include the highest service levels explored for rural areas. This is because...we can see no way how it could achieve any form of sustainability if Government funding was to end.”

- “For the Council to fully commit to all items across the full life of this plan it will require a commitment to longer term funding, especially for recurring items of revenue spend.”
- “There was concern that £3bn across England would not really go that far. Full buy-in wouldn’t be a given until the operators knew the actual level of funding.”

3. Innovation in the sector

In Bus Back Better, the government focused on the role of ‘innovative’ Demand Responsive Transport (DRT) in providing services for rural communities. Indeed, the national bus strategy claims that “in lower-density areas and at less popular times, conventional fixed-route buses can never compete with the attractiveness or flexibility of the car.⁴ Although the evidence from Germany and Switzerland, where every village, every hour bus networks are already being delivered, disproves this assertion, CPRE analysis of BSIPs covering rural areas shows that the majority of LTAs have followed the government emphasis on the role of DRT for smaller towns and villages. For example one County Council highlight their belief in their BSIP that DRT “can offer a cost-effective backstop for communities not served by traditional service buses.” Similarly, the BSIP produced by one combined authority covering a large rural hinterland shows in a number of maps a clear plan for significantly reducing the coverage of the regular bus network, with a series of DRT zones replacing services to most of the relevant rural communities.

CPRE believes that this emphasis on the use of DRT aided by ‘new technology’ as the first choice solution for meeting the transport needs of rural communities is very concerning. CPRE believes that every community deserves access to reliable and regular bus services in order for residents of all backgrounds to thrive, and while DRT can provide a safety-net of last resort, using this approach to avoid the cost of delivering conventional bus services is an abdication of the government’s responsibility to genuinely meet the needs of rural towns and villages. The available evidence actually shows that replacing conventional bus services with DRT often leads to a significant loss in bus patronage. Moreover, since the lower frequency of DRT services are accompanied by lower passenger numbers, the financial savings that are assumed to be possible by using DRT to serve rural communities can fail to materialise.⁵ Detailed modelling for CPRE has

shown that delivering an every village, every hour bus service across England, genuinely meeting the government's ambition of every community having access to cheap, reliable and quick bus journeys is both achievable and affordable (see below). As long as LTAs rely upon DRT as an innovation to meet the needs of rural communities as cheaply as possible, the national bus strategy will never achieve the ambitions set out by the government.

4. Bus funding over the short and long term

In the October 2021 Budget and Spending Review, the government set out that a dedicated fund of £1.2 billion, from the original £3 billion announced alongside the national bus strategy, would be made available to support the delivery of BSIPs.⁶ CPRE analysis of BSIPs produced by LTA's responsible for significant rural areas shows that this £1.2 billion will be seriously inadequate to deliver the ambitions set out in Bus Back Better.

The BSIPs produced by just 9 County Councils require investment of £1.49 billion, exceeding the total available funding on their own. Furthermore, it is worth noting that the Greater Manchester Combined Authority produced a BSIP which alone requires £1.09 billion of funding. Clearly, the money that the government is making available to make BSIPs a reality will be far from sufficient to match the already stunted level of ambition that LTA's have set for rural communities. Either the current government funding will be spread far too thin to deliver any meaningful change, or the DfT will be forced to pick a handful of winners to receive the money they have asked for, further ensuring that bus services will not be levelled up to a minimum standard for all communities.

Additionally, as noted above, the process of bidding through BSIPs, combined with the fact the government is using a one-off package of financial support, means that the current funding situation will not deliver against the government's ambitions in rural communities. The regular and reliable bus services that rural communities need require secure and long-term financial support in order to be sustainable. To ensure that rural towns and villages have access to the cheap, quick and reliable bus services that the government has called for, we need to see multi-year revenue support for guaranteed minimum service standards instead of a one-off funding pot. Detailed modelling for CPRE has shown that the cost to the government of investing in an every village, every hour bus service, that matches the best standards seen in Germany and Switzerland, would cost in the order of £2.7

billion per year, a figure far in excess of the government's current measures.⁷ This figure does not include the likely increases in fare revenue that would occur with an every village every hour network, as people become accustomed to a good public transport option and come to trust that it will be there to support them in the longer term. This higher long-term elasticity of demand in response to higher levels of bus provisions means that net costs for the comprehensive rural bus network CPRE advocates for would be expected to reduce in the longer term.

There are a range of options that the government could pursue to raise the funding for a fiscally neutral investment in the comprehensive every village, every hour bus network necessary to genuinely meet the ambitions set out in the national bus strategy. For instance, a road-user charging system on the Strategic Road Network, set at a price of just one pence per kilometre on car travel, would raise more than £3.6 billion annually, providing enough funding to pay for the entire upgrade to an every village, every hour bus network and provide these services completely fare free, transforming connectivity across rural England.⁸

5. Decarbonisation of the sector and modal shift from other forms of transport

In the Transport Decarbonisation Plan the government called for a future where we use our cars less and where public transport and active travel are the first choice for daily travel. Shifting many of the private car journeys that rural residents currently make onto bus services is an essential part of achieving the decarbonisation of the transport sector. Indeed, analysis has shown that, depending on the speed of uptake of electric vehicles, we will need to see up to a 27% reduction in miles per car per year to avoid overshooting our carbon budgets.⁹

This will only be possible if we have a comprehensive bus network delivering regular services that are well integrated and offer a convenient and affordable alternative to private car travel for rural communities. CPRE's analysis of the world-leading rural bus networks in the Swiss canton of Zurich, shows that a guaranteed hourly bus service for communities of 300 or more from 6am to midnight, 7 days a week, 365 days a year, is associated with public transport trips per capita six times higher than the English average outside London.¹⁰ Achieving a similar shift to public transport in rural England would require putting bus services under the

guiding mind of local authorities, thereby empowering them to adopt the ‘one network, one timetable, one ticket’ approach that makes the bus network in the Zurich canton such an attractive option.

The national bus strategy ostensibly opened the possibility for LTAs to make franchising arrangements that would empower them to better integrate bus services in their area. However, the extremely demanding timelines placed on LTAs to commit to an Enhanced Partnership or start the statutory franchising process, as well as the clear expectation set in Bus Back Better that “the majority of LTAs will choose... Enhanced Partnerships”, means that in reality very few areas could genuinely explore the potential for re-regulating their bus network.¹¹ As a result, in most areas, the national bus strategy has not empowered LTAs to move away from the privatized bus system that has systematically under-served rural communities. By failing to shift decisively away from the de-regulated market, Bus Back Better has not given the scope for pursuing the guaranteed service standards and smooth connections between different routes that is necessary to make bus services a convenient and competitive alternative to private car travel and ensure the modal shift essential to decarbonising rural transport.

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Endnotes

¹ <https://www.cpre.org.uk/resources/transport-deserts-report/>

² <https://www.gov.uk/government/statistics/transport-use-during-the-coronavirus-covid-19-pandemic>

³ https://www.gov.uk/government/speeches/local-transport-update-financial-support-for-bus-and-light-rail-services?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=ef2eedd0-8861-42b7-939c-42c6d2d498b1&utm_content=daily

⁴ <https://www.gov.uk/government/publications/bus-back-better>

⁵ <https://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2016/06/01094528/Demand-responsive-transport-users%E2%80%99-views-of-pre-booked-community-buses-and-shared-taxis-FINAL-2016.pdf>

⁶ <https://www.gov.uk/government/news/budget-and-spending-review-october-2021-what-you-need-to-know>

⁷ <https://www.cpre.org.uk/resources/every-village-every-hour-2021-buses-report-full-report/>

⁸ <https://www.cpre.org.uk/resources/every-village-every-hour-model/>

⁹ <https://green-alliance.org.uk/publication/not-going-the-extra-mile/>

¹⁰ <https://www.cpre.org.uk/resources/every-village-every-hour-2021-buses-report-full-report/>

¹¹ <https://www.gov.uk/government/publications/bus-back-better>