

## **Written evidence submitted by the Campaign for Better Transport (BUS0051)**

### **About us**

Campaign for Better Transport's vision is for all communities to have access to high quality, sustainable transport that meets their needs, improves quality of life and protects the environment. We are a charity and operate in England and Wales.

Thank you for the opportunity to provide evidence to your inquiry on the National Bus Strategy.

### **Summary**

The main points we raise are:

- The level of ambition in the National Bus Strategy and the specific measures proposed to improve bus services were very welcome.
- However, the speed and level of progress has been disappointing.
- The impact of the pandemic has devastated bus services, with more than a quarter disappearing between March 2019 and March 2021.
- Rather than accept current patronage numbers as “the new normal” and risk further cuts after the recovery grant ends, the Government much launch a national campaign to attract passengers back.
- The funding available through the National Bus Strategy is inadequate and means local authorities short of resources and expertise will continue to miss out.
- Authorities that do not receive transformational funding should be given capability funding and support from the Bus Centre of Excellence to develop ambitious and fundable plans.
- The six months until the recovery grant expires should be utilised to reform funding away from competitive pots towards a dedicated long-term bus funding pot with a bigger proportion directed at revenue support.
- A proportion of the roads investment programme should be redirected to fund local buses to the scale required.
- The Government needs to continue investment in zero emission buses to enable the phase-out of more polluting vehicles.

Below we expand on these points.

## **1. The ambitions of the strategy**

Campaign for Better Transport had been calling for a National Bus Strategy since 2011 when we started our *Save Our Buses* campaign. We have been highlighting the decline of local authority-supported bus services every year since then until 2019, and in that period there was a 43% reduction in local authority spending on supported bus services leading to well over 3,000 routes being fully or partially cut.<sup>1</sup>

This is why, after years of campaigning, we welcomed the publication of the Government's first ever National Bus Strategy in March 2021. It was hugely ambitious in its aim to address this long-term decline in bus services and to create a bus network fit for the future. It contained many of the policies we have campaigned for over the years, including:

- fares reform such as contactless payments and daily price caps to improve affordability
- more bus priority measures in urban areas
- improved real-time information for journey planning
- investment in zero emission buses
- commitment to reform the Bus Service Operators Grant (BSOG).

To deliver this, local transport authorities (LTAs) were asked to form Enhanced Partnerships with operators or work towards franchising, and to develop ambitious Bus Service Improvement Plans (BSIPs) to access funds from a £3 billion 'transformational' funding pot. We were pleased that all 79 LTAs across England committed to Enhanced Partnerships (with some combined authorities also pursuing franchising) and submitted BSIPs to the Department for Transport (DfT) for assessment.

## **2. Speed of strategy delivery**

The overall speed of progress against the strategy delivery has been disappointing. At the start, DfT suggested it wants to progress at speed and set very challenging timeframes for LTAs to submit BSIPs by October 2021 and Enhanced Partnership agreements by March 2022. However, once the BSIPs were submitted and DfT started evaluation, the timelines started shifting back.

Originally the BSIP allocations were due to reach authorities by the end of March 2022. A DfT letter to LTAs from January 2022 suggested the department was due to make only indicative funding allocations known in February 2022

and final allocations after the draft Enhanced Partnership Plans were submitted by the end of April. But as of 1 April, the indicative allocations have not been published.

The progress on zero emission buses has also been slow. It has taken over a year to shortlist for the All-Electric Bus City funding scheme (from February 2020 to February 2021) and seven months to announce the winners of the Zero Emission Bus Regional Areas (ZEBRA) scheme fast track (from March to October 2021). This means that delivery is only starting now and no buses of the Government's 4,000 target are on the road yet. By comparison, the decision for round one of the Scottish Ultra-Low Emission Bus Scheme was announced just over a month after it was launched, with buses already on the ground.

### **3. The impact of the pandemic**

Local bus services had been in decline before the pandemic, with local authority funding cuts leading to a vicious circle of worsening provision and fewer passengers, and in turn more service cuts. However, the pandemic has had a devastating impact on local bus services.

Due to Government messaging at the beginning of the pandemic to avoid public transport, nervousness about virus transmission has persisted among a certain segment of passengers. Despite operators' best effort, local bus use is still only at approximately 75-80% of pre-pandemic levels.<sup>2</sup>

This means that, despite Government funding support in the form of the Covid-19 Bus Service Support Grant and then recovery grants, many routes that were previously commercially viable are no longer so.

According to Department for Transport data, between 2011/12-2020/21, bus service provision across England (as measured in bus vehicle miles) declined by 27% (see Tables 1 and 2). This corresponds with data from the Traffic Commissioners showing that 'live' bus registrations dropped from 16,913 in March 2012 to 12,067 in March 2021 – a decline of 29% across England (see Tables 4 and 5).

However, the biggest drop has happened as a result of the pandemic. Whereas in the eight years between 2011/12-2018/19, bus vehicle miles in England dropped by 10%, in the two years between March 2019 and March

2021, bus vehicle miles dropped by 18% (see Table 2). This does not include any service cuts that would have occurred since March 2021 due to the continued uncertainty. In addition, while pre-pandemic, it had been local authority-supported services that had seen the biggest cuts (50% pre-pandemic vs 16% during), since the pandemic commercial services – which account for the majority (86%) of all services – have been most at risk, declining by 24% in the last two years since the pandemic as opposed to 2% pre-pandemic (See Table 3).

**Table 1: Vehicle miles on local bus services, by region (millions)<sup>3</sup>**

|   | 2011<br>/12 | 2012<br>/13 | 2013<br>/14 | 2014<br>/15 | 2015<br>/16 | 2016<br>/17 | 2017<br>/18 | 2018<br>/19 | 2019<br>/20 | 2020<br>/21 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| North East                                | 90          | 86          | 86          | 85          | 85          | 83          | 79          | 77          | 75          | 67          |
| North West                                | 182         | 177         | 172         | 171         | 166         | 152         | 146         | 147         | 136         | 112         |
| Yorks<br>hire<br>and<br>the<br>Hum<br>ber | 139         | 138         | 136         | 130         | 125         | 121         | 119         | 118         | 116         | 92          |
| East<br>Midla<br>nds                      | 95          | 98          | 97          | 96          | 94          | 93          | 86          | 85          | 81          | 62          |
| West<br>Midla<br>nds                      | 127         | 124         | 121         | 118         | 115         | 115         | 109         | 107         | 108         | 87          |
| East<br>of<br>Engla<br>nd                 | 110         | 112         | 113         | 109         | 109         | 109         | 104         | 97          | 97          | 67          |
| Lond<br>on                                | 302         | 302         | 302         | 301         | 303         | 304         | 302         | 296         | 292         | 286         |
| South<br>East                             | 150         | 149         | 151         | 152         | 146         | 156         | 151         | 145         | 142         | 108         |
| South<br>West                             | 112         | 111         | 113         | 112         | 109         | 105         | 99          | 99          | 96          | 80          |
| <b>Engla</b>                              | <b>1,30</b> | <b>1,29</b> | <b>1,29</b> | <b>1,27</b> | <b>1,25</b> | <b>1,23</b> | <b>1,19</b> | <b>1,17</b> | <b>1,14</b> | <b>960</b>  |

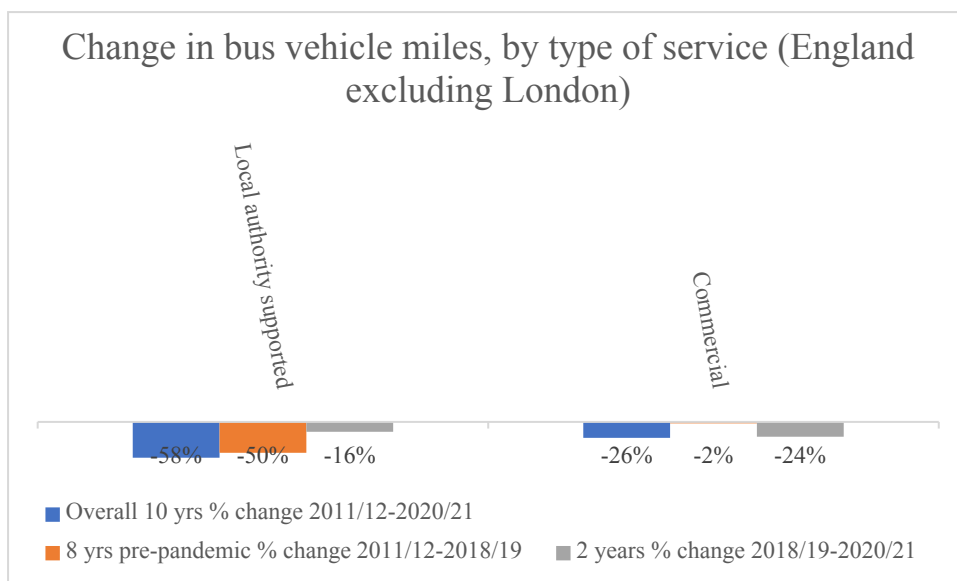
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|----|---|---|---|---|---|---|---|---|---|--|
| nd | 6 | 7 | 1 | 6 | 3 | 8 | 5 | 2 | 2 |  |
|----|---|---|---|---|---|---|---|---|---|--|

**Table 2: Percent change in vehicle miles on local bus services, by region**

| <b>Region</b>            | <b>Last 10 years<br/>(2011/12-2020/21)</b> | <b>8 years pre-pandemic<br/>(2011/12-2018/19)</b> | <b>Pandemic last 2 years<br/>(2018/19-2020/21)</b> |
|--------------------------|--|---|--|
| North East               | -26%                                       | -15%  | -13%   |
| North West               | -38%                                       | -19%  | -24%   |
| Yorkshire and the Humber | -34%                                       | -15%  | -22%   |
| East Midlands            | -35%                                       | -10%  | -28%   |
| West Midlands            | -32%                                       | -15%  | -19%   |
| East of England          | -38%                                       | -11%  | -31%   |
| London                   | -5%  | -2%   | -3%  |
| South East               | -28%                                       | -4%   | -25%   |
| South West               | -29%                                       | -11%  | -20%   |
| <b>England</b>           | <b>-27%</b>                                | <b>-10%</b>                                       | <b>-18%</b>  |

**Table 3: Change in local bus vehicle miles, by type of service (England excluding London)<sup>4</sup>**

|   | <b>Local authority supported</b> | <b>Commercial</b> |
|---|----------------------------------|-------------------|
| Overall 10 yrs % change 2011/12-2020/21     | -58%                             | -26%              |
| 8 yrs pre-pandemic % change 2011/12-2018/19 | -50%                             | -2%               |
| 2 years % change 2018/19-2020/21            | -16%                             | -24%              |



**Table 4: Live local bus registrations, by Traffic Area (as of 31 March)<sup>5</sup>**

|                        | 2011<br>/12 | 2012<br>/13 | 2013<br>/14 | 2014<br>/15 | 2015<br>/16 | 2016<br>/17 | 2017<br>/18 | 2018<br>/19 | 2019<br>/20 | 2020<br>/21 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Eastern                | 2834        | 2768        | 2557        | 2462        | 2267        | 2601        | 2472        | 2420        | 2341        | 1861        |
| North Eastern          | 3865        | 3818        | 3628        | 3362        | 3246        | 3915        | 3800        | 3709        | 3559        | 2770        |
| North Western          | 4144        | 3926        | 3404        | 3490        | 3274        | 3544        | 3353        | 3338        | 3177        | 2847        |
| London & South Eastern | 1238        | 1232        | 1004        | 1181        | 1160        | 1408        | 1369        | 1367        | 2341        | 1029        |
| West Midlands          | 2111        | 1991        | 1632        | 1779        | 1694        | 2388        | 2323        | 2275        | 2222        | 1532        |
| Western Traffic Area   | 2721        | 2583        | 2747        | 2310        | 2203        | 2726        | 2640        | 2697        | 2683        | 2028        |
| <b>England</b>         | 16913       | 16318       | 14972       | 14584       | 13844       | 16582       | 15957       | 15806       | 16323       | 12067       |

**Table 5: Percent change in live local bus registrations**

| Last 10 years | 8 years pre-pandemic | Pandemic last 2 years |
|---------------|----------------------|-----------------------|
|---------------|----------------------|-----------------------|

|                                       | (2011/12-<br>2020/21) | (2012/11-<br>2018/19) | (2018/19-<br>2020/21) |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| Eastern Traffic Area                  | -34%                  | -15%                  | -23%                  |
| North Eastern Traffic Area            | -28%                  | -4%                   | -25%                  |
| North Western Traffic Area            | -31%                  | -19%                  | -15%                  |
| South Eastern and London Traffic Area | -17%                  | 10%                   | -25%                  |
| West Midlands Traffic Area            | -27%                  | 8%                    | -33%                  |
| Western Traffic Area                  | -25%                  | -1%                   | -25%                  |
| England                               | -29%                  | -7%                   | -24%                  |

#### 4. Short-term (recovery) funding

Throughout the pandemic, the Government has provided funding to compensate for the loss of fare revenue and maintain bus services. As the figures above demonstrate, local bus service provision has declined nonetheless. The recovery grant is now due to expire at the end of October and HM Treasury has made it clear there is to be no more pandemic-related support after this time. A main condition of the grant was “that both LTAs and operators work closely together to ensure that effective and financially sustainable networks which cater for the needs of the local public are implemented once recovery funding ends”.

Campaign for Better Transport is worried that this means the bus sector is being forced to accept current patronage numbers as “the new normal” without being given a fair shot of recovery. Unless we can increase patronage numbers to as close to pre-pandemic levels as possible, further widespread cuts in routes and frequencies will be unavoidable. This would undermine the objectives of the National Bus Strategy, with bus cuts leading to an irreversible drop in journeys by bus, contributing to economic decline, the inability of vulnerable people to access basic services, social isolation and increased private vehicle pollution, emissions and traffic congestion.

Research by Transport Focus has continually indicated that a certain segment of the bus users (particularly older or vulnerable passengers) will not return unless the Government explicitly says it is safe to do so.<sup>6</sup> Campaign for Better Transport urges the committee to push for a government-led national

campaign to attract passengers back to public transport. This should be accompanied by reduced fare offers to encourage people back on board. This would support people on low incomes struggling with the cost of living crisis and promote levelling up and decarbonisation objectives. Such initiatives have been introduced in other countries like New Zealand.

## **5. Transformational (BSIP) funding**

The National Bus Strategy promised a total of £3 billion to transform bus services across England (outside London) and all LTAs were invited to work with operators and submit ambitious BSIPs for a share of the funding. This left the impression that the funding will be allocated across all LTAs based on the quality of their BSIPs. Eventually all 79 LTAs submitted BSIPs. However, the CPT estimated that the total funding requests from all authorities came to approximately £10 billion.<sup>7</sup>

Yet, the Spending Review in October 2021 severely diminished the amount of “transformation funding” available for the BSIPs to just £1.15 billion plus approximately £600 million from the City Region Sustainable Transport Settlements for bus infrastructure investment. A letter from the DfT to LTAs in January 2022 acknowledged this means that “prioritisation is inevitable, given the scale of the ambition across the country greatly exceeds this amount”.

How the BSIPs funding will be allocated will be crucial to what impact the strategy achieves. We know the DfT has reviewed and ranked all submissions but at the time of writing, the allocations have not yet been announced.

The main questions are:

- a) What proportion of LTAs will receive any funding? If only a small number of LTAs receive funding, this would leave many authorities missing out on improving local buses.
- b) For LTAs that do receive funding, what proportion of the amount they requested in their BSIPs will be funded? If only a proportion of their plan gets funded, LTAs may need to cherry-pick measures with the danger that the benefits expected may not materialise without the wider package planned.

## **6. Local authority capability**



Campaign for Better Transport welcomed the greater role given in the strategy to local authorities in improving services as they are best placed to work with operators in identifying gaps and addressing these in the best way to suit local needs. However, local authorities' capacity and capability to deliver this vary hugely. We were pleased that the National Bus Strategy recognised this issue and promised support through a £25 million capability fund and a Bus Centre of Excellence.

Just before the strategy was published, the DfT commissioned Campaign for Better Transport to examine what the capacity and capability gaps are in different types of authorities and how best the centre of excellence can help address these.<sup>8</sup> Our research found some LTAs, particularly smaller or more rural ones, struggled with lack of resources and expertise due to transport teams shrinking over time, which prevented them from putting compelling funding bids together. The prevalence of a competitive funding environment, coupled with some local councillors' reluctance to tackle car dependency, had therefore led to low levels of ambition on improving local bus services.

Yet these are also the kinds of authorities that have long been neglected and where investment is sorely needed to address existing public transport connectivity gaps and to level up left-behind communities. Our research found that 84% of already deprived neighbourhoods classed as 'left behind' have worse overall transport connectivity than the England average. A combination of poor public transport connections (local authority-supported bus services declined by 35% and commercial services declined by 11% in the six years to 2019/20) and low car ownership (40% of households do not own a car) prevent those communities from accessing jobs or vital public services.<sup>9</sup>

Penalising authorities that struggle with capacity and capability would only mean that those authorities and their communities will continue to miss out and perpetuate a cycle of decline. Therefore, DfT should ensure LTAs that do not receive BSIP funding in this spending round are given capability-building funding and support from the Bus Centre of Excellence to overcome barriers they may face internally and locally and to develop ambitious and fundable BSIPs.

## **7. Longer-term funding**

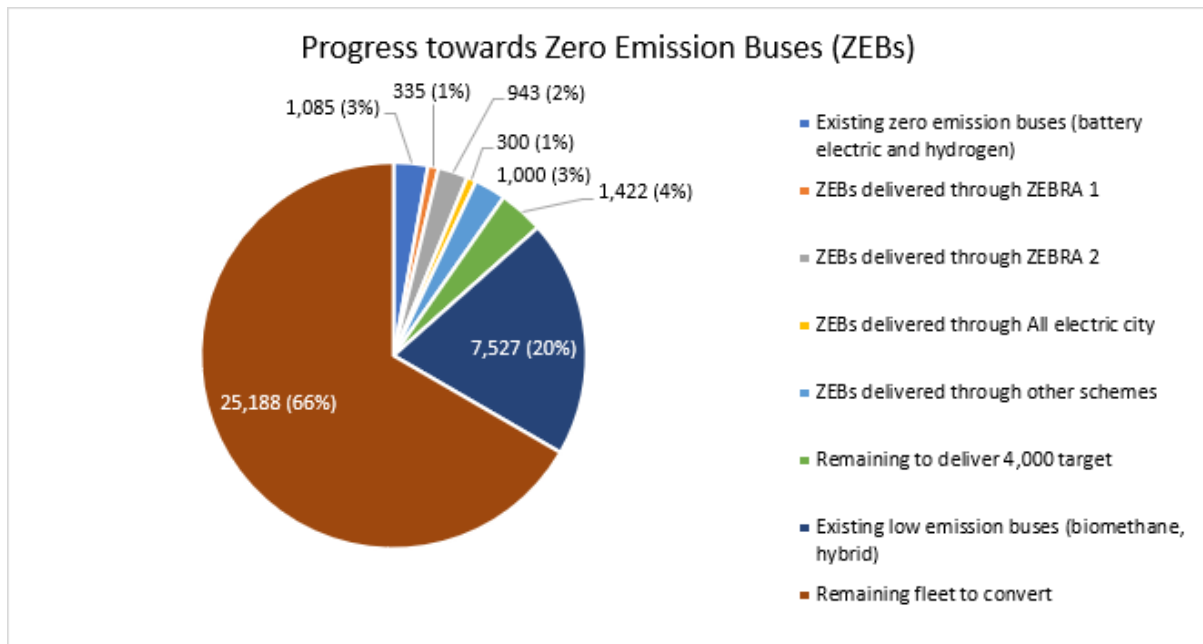
Given the impact of the pandemic, the current fragmented funding system is not fit for purpose. The six months until the recovery grant expires should be

utilised to reform the way local bus services are funded. In the longer term, Campaign for Better Transport believes we should be moving away from competitive funding pots towards a dedicated long-term bus funding pot allocated to all local authorities conditional on achieving certain outcomes. The funding structure should also be less capital investment-driven and more revenue-focused to ensure a good network coverage and affordable service provision for all in order to rebuild patronage numbers and to attract new customers to achieve the modal shift needed for net zero.

HM Treasury also needs to recognise the wider economic, social, health and environmental benefits of supporting local bus services, and fund the sector to the scale required. This does not need to come with an additional price tag, but it will require a realignment of priorities away from carbon-intensive, climate-damaging activities towards a greener future. For example, pausing future road building and reallocating just a fifth of the £27 billion roads investment budget would provide enough funding to deliver most of the remaining BSIPs.

## **8. Zero emission buses**

The National Bus Strategy committed the Government to delivering 4,000 zero emission buses by the end of the parliament. So far two rounds of ZEBRA funding have been announced. The chart below illustrates progress towards that target so far. Including approximately 1,000 zero emission buses the Government has funded in London and the devolved administrations, there are still another 1,422 to go to meet the 4,000 target. In addition, there is a long way to go until the rest of the bus fleet converts to low or zero emissions.



A recent report by Stagecoach found that people support the transition but are unwilling to see fares increase to pay for cleaner buses.<sup>10</sup> Inevitably then a degree of government funding will continue to be required, if the Government is to set a realistic date for the phase-out the sale of petrol and diesel buses.

### **In summary**

We believe the following steps are required to achieve the ambitions of the National Bus Strategy:

- running a national, government campaign to get people back on board public transport
- providing authorities that miss out on BSIP funding with capability funding and support from the Bus Centre of Excellence to overcome barriers
- moving towards a dedicated long-term bus funding pot for all local authorities, conditional on achieving outcomes and a bigger proportion directed at revenue support
- redirecting a fifth of the road building budget to fund buses on the scale required
- continuing investment in zero emission buses to enable the phase-out of polluting vehicles.

Please get in touch for any further information.

April 2022

## Endnotes

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<sup>1</sup> Campaign for Better Transport (2019), The future of the bus: Future funding arrangements, <https://bettertransport.org.uk/sites/default/files/research-files/future-bus-funding-arrangements.pdf>

<sup>2</sup> Department for Transport Statistics: Domestic transport use by mode: Great Britain, since 1 March 2020 (updated weekly), <https://www.gov.uk/government/statistics/transport-use-during-the-coronavirus-covid-19-pandemic>

<sup>3</sup> Department for Transport Bus Statistics, Table BUS0206a: Vehicle miles on local bus services by region: Great Britain, annual from 1970, last updated November 2021, available at <https://www.gov.uk/government/statistical-data-sets/bus02-vehicle-distance-travelled>

<sup>4</sup> Department for Transport Bus Statistics, Table BUS0205a: Vehicle miles on local bus services by metropolitan area status and country, and service type: Great Britain, last updated November 2021, available at <https://www.gov.uk/government/statistical-data-sets/bus02-vehicle-distance-travelled>

<sup>5</sup> Table 13: Local bus service registrations – live, new, variations and cancelled local bus services, Traffic Commissioners' annual reports, from 2011/12 to 2020/21. Last updated August 2021. All available at <https://www.gov.uk/government/collections/traffic-commissioners-annual-reports>. Please note the traffic areas do not correspond to the geographical regions above.

<sup>6</sup> Transport Focus, Travel during Covid-19 survey (updated weekly),

<https://www.transportfocus.org.uk/publication/week-79-travel-during-covid-19-survey-2/>

<sup>7</sup> Analysis by CPT of BSIPs covering areas serving 72% of passenger numbers found that they asked for a total of more than £7.2 billion. Scaled up to take account of all BSIPs this would rise to around £10bn. <https://www.cpt-uk.org/news/analysis-reveals-billions-of-pounds-shortfall-in-national-bus-strategy-plans/>

<sup>8</sup> The report was completed in July 2021 but has not yet been published.

<sup>9</sup> Campaign for Better Transport report for the All Party Parliamentary Group for Left Behind Neighbourhoods (2021), Connecting communities: improving transport to get 'left behind' neighbourhoods back on track, [https://bettertransport.org.uk/sites/default/files/research-files/Back\\_on\\_Track\\_Report\\_Mar\\_2021.pdf](https://bettertransport.org.uk/sites/default/files/research-files/Back_on_Track_Report_Mar_2021.pdf)

<sup>10</sup> Stagecoach (2022), Road map to zero: The transition to 100% Zero Emission Buses, what it means for people, and the journey to get there,

<https://www.stagecoachgroup.com/~media/Files/S/Stagecoach-Group/Attachments/media/publication-policy-documents/zeb-report.pdf>