

Written evidence submitted by the Local Government Association (BUS0059)

Local Government Association – Regulation of Social Housing

As Chair of the Local Government Association's (LGA) Environment, Economy, Housing and Transport Board, I am writing pursuant to the [inquiry into National bus strategy: one year on](#).

I wanted to provide the LGA's top lines around the themes outlined in the call for evidence and offer a meeting should you require any further information.

Bus Back Better:

The Local Government Association (LGA) welcomed ambitions set out in '[Bus Back Better](#)' 12 months ago. There was a clear analysis of the problems in the bus industry and its collaboration with local transport authorities (LTAs), as well as the transformative benefits that better buses could provide. The recognition that buses are better when services, fares, and quality are co-ordinated or controlled by LTAs was a refreshing recognition of long-standing arguments by LGA and other bodies, [including a report by transport consultants Systra](#) for the LGA ahead of the National Bus Strategy (NBS). Requiring every area to develop an Enhanced Partnership and ensuring operators work with LTAs to access future public subsidy accelerates cooperation.

The LGA maintains calls for all local authorities to have the right to decide whether they would like to pursue the franchising model, as Mayoral Combined Authorities (MCAs) can, rather than apply to the Secretary of State for permission. The NBS clearly set out the enormous potential and wide-ranging benefits that more and better buses could unlock for people, communities, the country, and the planet. The £3 billion funding announcement was a step in right direction although still not commensurate to the task the NBS set. Reductions in funding from central government to local government over recent years have resulted in a gap of nearly £700 million for concessionary fares which we reported to this committee in 2019. This gap has yet to be closed and continues to hamper the ability of councils to provide supported bus services or discretionary fare reductions.

Revenue funding for bus services remains complex, and the review into the reform for Bus Service Operators Grant from a fuel-based model remains

unfinished. The LGA has welcomed the emergency funding for bus services during the pandemic and the ongoing assistance with recovery. The recent extension of support in response to the Omicron wave is also welcome. However, rather than being able to use this support to grow bus services and patronage, this funding is helping to keep bus services from collapse.

The NBS provided a welcome simple process to access capacity funding for LTAs to develop Bus Service Improvement Plans (BSIPs). Unfortunately, the promised Bus Centre of Excellence remains an issue one year on and details of its proposed form and outcomes remain unclear. The deadline for delivering BSIPs was extremely tight, but LTAs have delivered everywhere. They took up the challenge set out in the NBS, setting out ambitious reforms to deliver on ambitious targets, while working closely with operators. To deliver the high-quality bus services to make public transport the natural choice rather than driving, as the Secretary of State has called for, [bids totalling £7 billion were sent to the Department for Transport](#). However, the NBS is failing to deliver on its own terms 12 months on. It is disappointing to learn that the insufficient £3 billion of promised funding has shrunk to an inadequate £1.2 billion budget to deliver on a strategy that seemed to offer a sea change in government attitudes to bus usage, and that generated a rapid and intense mobilisation by local government to help national government deliver on this priority.

One consequence of this large cut to funding means that the NBS is unlikely to be national. The Department for Transport has made clear that it will prioritise investment in areas where a lower level of funding can transform services. Significant effort from LTAs will be rewarded with reductions rather than transformative investment. The best BSIP, with the most exemplary partnership between the LTA and bus operator still requires significant funding – capital and revenue – to move from the page to passenger. The reduction to bus funding that could help deliver significant levels of modal shift from the car is even less understandable at this new time when cost of living pressures have risen sharply. The added geopolitical and fuel security dimension not considered in the NBS also adds another dimension to the call for ambitious funding for buses. Other countries are acting in response: Germany is providing [9 Euro monthly travel cards](#) for three months; [New Zealand has cut bus fares](#) (and other public transport fares) in half for three months also; [Ireland reduced fares by 20 per cent](#), and 50 per cent for young adults under 24, and Northern Ireland, where buses are publicly run, [has frozen public transport fares](#). This all requires extra funding from central government.

Rather than invest less than promised in the NBS, now is the time for the UK government to invest more in buses as other countries are. Without selling their car, switching to a 10 kilometres journey from car to bus for most drivers would push their travel costs up rather than down. Failing to fully fund the NBS is a missed opportunity for the Government to both help the households with the growing cost of living pressures and to demonstrate full commitment to its own transport decarbonisation plan. Better and cheaper buses can help the cost-of-living crisis for everyone, but in particular poorer households. Outside of London, [the bottom 40 per cent of households use the bus three times as much as the top 40 per cent of households.](#)

The LGA wants to see ambition restored to that set out by the Prime Minister at the launch of the NBS but lost in the year since. That requires not just returning the funding for reform and growth to the £3 billion as promised but considering the major new pressures on the cost of living and following the path of other countries using cheaper public transport as a sensible solution to contemporary challenges. Better buses have become more important since the launch of the NBS. It remains a deep disappointment to local government that where the Government's priorities are most clearly signalled – the Budget – buses have diminished in the Government's list of priorities.

Thank you very for carrying out an inquiry into this important issue and for giving the LGA opportunity to share our priorities. Should you require anything from the LGA in future, please do not hesitate to get in touch with my office.

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