

Written evidence submitted by the RMT (BUS0062)

Transport Select Committee Inquiry – National Bus Strategy: One Year On

Introduction

RMT Union is Britain's largest specialist transport union and has more than 80,000 members from almost every sector of the transport industry including thousands of bus workers in England (outside London). RMT would welcome the opportunity to give oral evidence to the Committee as part of its inquiry.

RMT Bus Member Survey

As part of RMT's response to the Inquiry, we surveyed our bus worker members for their views on the current issues affecting the bus industry and their views on whether the National Bus Strategy had delivered any improvements in their area.

The survey of nearly 550 bus workers found that:

- *75% of bus workers said that their company had cut bus services in the last year.*
- *Nearly 70% of bus workers think their company will look to cut bus services in the next year, with just 7% saying they didn't think there would be any cuts.*
- *Nearly 90% of bus workers think that cuts to bus services will lead to a further decline in passenger patronage.*
- *80% of bus workers have concerns about the impacts on local people and communities of bus service cuts.*
- *94% of bus workers think recruitment and retention of staff is becoming more of a problem in the industry. With 95% of those saying they think this is because of low pay; 77% saying because of better and conditions in other sectors and 73% saying because of excessive hours.*
- *78% of bus workers do not think that local authorities receive sufficient funding for local bus services.*
- *86% of bus workers think their bus company prioritises profit over*

passengers.

- *85% of bus workers think that it would be better for bus workers and passengers if local authorities were given sufficient funding to deliver their bus services via a municipal bus company, rather than relying on commercial operators to deliver services.*
- *91% of bus workers are not aware of any improvements to local bus services in their area that have arisen as a result of the National Bus Strategy.*

Some of the comments received in the survey include:

“Drastic cuts have knocked routes from half hourly to hourly, and now they are cutting more routes to two hourly and only running them three days a week.”

“Drivers leaving because of low pay and working conditions.”

“They are only interested in profit NOT Service to the public”

“Older passengers rely on bus services for the food shopping as they can't do a big weekly shop. Also the routine of getting out and seeing people could possibly have an effect on their mental health.”

“There are regulars who have lost work/jobs due to either cut runs or dropped runs. Or they have to get earlier/later services making their work days longer.”

“Bus services have been underfunded for decades, Bus back better deal good talk but not enough action.”

“Essential public services should never have been privatised.”

It is abundantly clear from the survey that the vast majority of frontline bus workers surveyed are of the view that the National Bus Strategy has thus far, failed to deliver any noticeable improvements to local bus services a year after it was published.

In many areas bus services have actually been cut since the strategy was published, with the majority of bus workers expecting further cuts in the future. It was overwhelmingly clear from the responses that staff shortages are

a major problem in the bus sector. Recruitment and retention problems in the bus sector are a long-standing issue, and something that RMT raised in our response to the Committee's 2018-9 Inquiry into the Bus Market. As the survey highlighted, low pay, excessive hours and poor working conditions are directly contributing to widespread staffing shortages and the Strategy has so far, failed to address this.

RMT fundamentally believes that the reason that the National Bus Strategy has been unable, thus far, to address the problems inherent in the bus sector, is that it has failed to tackle the direct cause of the majority of these issues, which is the deregulation and privatisation of the bus network. Whilst the majority of bus services are run as a commercial commodity by private operators concerned primarily with maximising shareholder profit, rather than as an essential public service that meets the needs of local communities, RMT believes that the aims of the National Bus Strategy will not be realised.

We will now examine these issues in relation to the Committee's call for evidence in more detail.

The challenges facing the sector as it recovers from the pandemic and the effectiveness of steps taken by both Government and stakeholders in response

There are undoubtedly significant challenges facing the bus sector as we emerge from the pandemic. It is clear that these problems were already entrenched but clearly have not been improved by the global health crisis.

As a 2021 report by the former UN Special Rapporteur on extreme poverty and human rights Philip Alston states, the UK Government's decision to impose deregulation and privatisation on the bus industry has *'provided a master class in how not to run an essential public service, and left residents with an expensive, unreliable, fragmented and dysfunctional bus system that is slowly falling apart. Bus operators have prioritised profits and dividends – extracting money from the system – and cut essential routes.'*¹

Indeed, as the Bus Strategy itself highlights, since deregulation there has been a significant drop in bus usage. In England (outside London) in the year before deregulation there were 3,650m bus journeys by passengers, but by 2018-19, this has dropped to 2,108m, a reduction of 42%.² The pandemic, of course, led to a significant reduction in passengers, and in 2020-21 there were just 718m

journeys. Notwithstanding the pandemic, the reduction in patronage witnessed in recent decades is undoubtedly linked to the reduction in service provision also experienced since deregulation. The Campaign for Better Transport reported recently that in the last decade alone more than a quarter of bus services in England have been lost.³ RMT's survey of bus members found that three-quarters reported bus services being cut in the last year alone, with nearly as many anticipating further cuts in the coming year.

The Government has provided a significant amount of funding for local bus operators since the outbreak of the Covid-19 pandemic, via the Covid-19 Bus Services Support Grant (CBSSG) and more recently the Bus Recovery Grant (BRG). Yet it has failed to make this public funding, the majority of which was to support commercial operators, conditional on bus services being protected in the long term. The Government has confirmed that operators in receipt of BRG funding must run 90% of their pre-pandemic scheduled commercial mileage, essentially meaning that they can run 10% fewer services than before the pandemic and still receive Government funding⁴. Furthermore, it was widely reported earlier this year before the BRG was due to end in April 2022, that bus operators were warning that they would make significant cuts to services when the funding finished. It has since been extended until October 2022, but there remains the very real threat that the service cuts mooted earlier in the year will be realised when the funding draws to a close in the Autumn as the commercial operators seek to protect profit margins.

The sector is also facing a significant recruitment and retention problem, with 94% respondents to our survey saying this is becoming more of an issue. RMT believes that the staff shortages stem from the poor working conditions inherent in the sector, namely, low pay, long hours and poor terms and conditions. In recent months there have been numerous reports that bus drivers are leaving the sector in favour of higher salaries in the haulage sector.

These are longstanding problems, and indeed the Committee's 2018-19 Inquiry recommended that the National Bus Strategy be '*underpinned by a national forum involving representatives from bus operators, trade unions and other stakeholders to examine and share information on issues such as improving services, **recruitment and retention**, skills, apprenticeship and bus safety*' and that the Government should '*explore how recruitment and retention in the bus industry can be improved*'. It is disappointing that the Government did not agree to convene such a forum, instead agreeing to a one-off roundtable meeting, which took place in November 2020 around a year after it published

its response to the Committee's Inquiry. RMT strongly believes there now even more of a need for the Committee's recommendation of a national forum comprising Government, operators and trade unions being realised.

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

The Government's strategy 'Bus Back Better' set out its aim of getting more people to travel by bus, eventually exceeding pre-Covid levels, and to make England's bus services 'more frequent, more reliable, easier to understand and use, better co-ordinated and cheaper'. It acknowledges that 'if we are not to abandon entire communities, services cannot be planned purely on a commercial basis.'

One of the fundamental problems with a deregulated bus market is that the commercial operators prioritise profitable services, and it is left to local authorities to subsidise non-profitable but socially necessary services. This has created a system whereby in certain locations and at certain times of the day, multiple operators compete on busy routes, but in other areas, socially or economically necessary routes which do not deliver a profit and which the local authority cannot afford to fund are cut. The impacts on local people and communities of service cuts can be significant and are not felt equally across society, as women, disabled people, older people, ethnic minorities and people on lower incomes are more likely to rely on bus services.⁵ Lack of provision and unreliable bus services can restrict individuals' access to employment, healthcare, education and can exacerbate social isolation and inequalities.

Deregulation has caused a 'postcode lottery' in terms of access to bus services, with some areas served better than others, and no baseline level of access for all communities. As the 2021 report by former UN Special Rapporteur Philip Alston highlights, in the UK there is currently no right to a minimum level of public transport, but yet 'it is abundantly clear that lack of transportation has serve impacts on people's ability to live a decent and fulfilling life'. In February 2022, RMT published an analysis of Government statistics which found that more than six million in England do not live within 1km walking distance of a local hourly bus service.⁶ Yet, it does not have to be this way and delivering a reliable and accessible local bus service should not be out of reach in the UK. In 2021, CPRE, the Countryside Charity, published modelling, carried out by Transport for Quality of Life, which found that the Government could deliver a

bus to every village, every hour across England from 6am to midnight, 7 days a week, for £2.7bn annually. The report also provides a range of options to make such a bus network revenue neutral, including by redirecting funding currently earmarked for road building.

To address the significant problems inherent in the sector, RMT has long called for the Government to produce a National Bus Strategy and for that to be underpinned by sufficient ring-fenced national funding that requires all local authorities to deliver their bus services via a municipal bus company. RMT believes that the creation of the Government's first National Bus Strategy should have been an opportunity for the Government to implement the structural changes required to deliver its aims, however, it instead appears to have caved to the commercial operators' opposition to greater regulation and instead 'relies largely on incentivizing partnerships between bus operators and local transport authorities, arrangements with a poor track record to date'.⁷

As the Committee will be aware, the Strategy requires all local transport authorities (LTAs) to establish Enhanced Partnerships with the bus operators in their area and to produce Bus Service Improvement Plans. The Strategy did not provide all LTAs with the automatic power to pursue franchising and the Secretary of State reserved the right to refuse an application for franchising '*if he believes an LTA does not, or will not, have the capability and resources to deliver the franchised model chosen; or that an Enhanced Partnership would deliver the improvements proposed more quickly and cost-effectively*'.

The Secretary of State confirmed to the Committee in October 2021 that just five local authorities had issued statutory notification of their intention to prepare an assessment of bus reform options including franchising, whilst three of those had also indicated they would also prepare an Enhanced Partnership. The vast majority of local authorities (74) had notified the Department of their intention to pursue Enhanced Partnerships.

As the Committee's 2018-19 Inquiry highlighted, the Government has previously legislated to ban local authorities from establishing new municipal bus companies. The Inquiry recommended that 'all local authorities should have the option of creating a municipal bus company'. Unfathomably, the Government's Bus Strategy failed to use this opportunity to reverse the ban. It did acknowledge that this legislation is 'ripe for review' but the Government has, as far as we are able to ascertain, not set out a timetable for this review or provided any further detail of how this would be conducted.

We do not believe that the Government's continued reluctance to address the ban on new municipal bus companies is driven by evidence and is far more likely to reflect the commercial operators opposition to this. Indeed, as Philip Alston's 2021 report states 'public ownership has a proven track record. It is the norm in cities across Europe, and France has seen a strong trend back toward municipal ownership with cities shifting from franchising to public operation in order to cut costs by eliminating private profit margins'.⁸

RMT believes that the Government must stop dragging its heels on this matter and take steps as a matter of urgency to reverse the ban on local authorities setting up new municipal bus companies. Not only would this give local authorities far greater control over their local bus services and enable them to meet the connectivity needs of their communities more effectively, it would also be cheaper. In fact, it has been estimated that the total gain from municipal bus operation in Britain (excluding London) would be around £506m a year.⁹ As Transport for Quality of Life explain, 'municipal operation would deliver greater financial gains than franchising', with revenue from profitable routes being used to support non-profitable routes rather than being paid out in shareholder dividends.¹⁰

In contrast, we are aware that the Welsh Government recently announced new legislative proposals for bus services in Wales which includes allowing local authorities to create new municipal bus companies.¹¹

In relation to socially necessary services, the Bus Strategy acknowledges that the trend with regard to provision of these services is 'sharply downward' and this lack of provision 'has a serious impact on people's ability to find and travel for work'. The Strategy commits to issuing new guidance on the meaning and role of 'socially necessary' services and expanding the category to include 'economically necessary' services for the first time. The Government also says it will consider statutorily requiring the provision of socially necessary bus services, including those which improve people's access to employment. Again, as far as we can ascertain, this guidance has thus far not been published and no legislation has been tabled.

Bus funding over the short and long term

Despite the bus sector being deregulated and privatised, it still receives substantial public funding. As the Committee's 2018-19 Inquiry highlighted, the

Government provides 42% of the funding for bus services, with the rest coming from passenger fares. Undoubtedly, delivering the expansion and improvements to the bus network that are necessary will require sustained public subsidy. However, under current arrangements, public money is propping up a system that enables the commercial operators to pay out significant profits in dividends. As mentioned previously, it is estimated that a move to municipal public ownership would save around £500m a year.¹²

Of course, the Covid-19 pandemic has resulted in a significant increase in public funding for bus services, via the CBSSG and BRG. Yet, as we highlighted earlier in our response, this significant public funding has not stopped the commercial operators threatening significant service cuts as the funding draws to a close. The Government must take action to ensure that bus service provision is protected and at the very least the c3300 services which have been lost since 2010 reinstated.¹³

In addition to reversing the ban on new municipal bus companies, RMT believes it is essential that local authorities get sufficient ring-fenced funding to deliver the improvements to bus services their communities require and to sustain this provision. When the Bus Strategy was published in 2021, there remained significant uncertainty about how the £3bn 'transformational' funding would be allocated and the extent to which local authorities would get clarity over long term funding.

Since then, as the Committee will be aware, it has transpired that the £3bn funding has not materialised and will instead be reduced to £1.2bn. As a recent briefing by the Local Government Association (LGA) states, 'the NBS is failing to deliver on its own terms 12 months on'.¹⁴ As the LGA also highlights, the bids submitted by local authorities via the Bus Service Improvement Plans totalled £7bn over three years, but the Government is only providing a fraction of that. Not all local authorities have been successful in securing funding, with the Government announcing in April which local authorities had been successful in securing funding from this budget, with around 40 not receiving anything.¹⁵ It is clear that not only has the Government failed to provide sufficient funding for local authorities to deliver bus services, but it has exacerbated the postcode lottery by selecting only a proportion of local authorities for 'transformation' funding.

Public investment in the bus network can deliver significant social, economic and environmental benefits. In fact, it has been estimated that these benefits

can give revenue expenditure on bus services a return on investment of up to £3.80 for every £1 spent.¹⁶

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

As the Committee will be aware, transport is the UK's largest emitting sector of greenhouse gases. In 2019, cars alone accounted for 55% of domestic transport emissions, with buses accounting for just 2.5% of emissions. Buses are far more energy efficient than private cars and as such have a central role to play in reducing carbon emissions by delivering modal shifts from cars. As the CPRE report explains, in order to meet the UK's transport decarbonisation targets, traffic will need to fall by between 20-60% by 2030.¹⁷ As the Bus Strategy highlights, while bus use has declined significantly since deregulation, private car ownership has increased significantly. Between 1985 and 2020 the number of private cars in Britain increased by over 80%.¹⁸

For the reasons already discussed in our response to the Inquiry, RMT believes that the Government's actions undertaken off the back of its National Bus Strategy will fail to deliver the significant modal shifts necessary to meet our climate change targets. An RMT briefing making the case for investment in public transport in order to tackle climate change is available [here](#).

April 2022

Endnotes

¹ <https://chrgj.org/2021/07/19/press-release-public-transport-private-profit-the-human-cost-of-privatizing-buses-in-the-united-kingdom/>

² Table BUS0103: <https://www.gov.uk/government/statistical-data-sets/bus01-local-bus-passenger-journeys>

³ <https://bettertransport.org.uk/media/04-April-2022-1-in-4-bus-services-cut>

⁴ <https://questions-statements.parliament.uk/written-questions/detail/2021-12-03/86638>

⁵ <https://chrgj.org/wp-content/uploads/2021/07/Report-Public-Transport-Private-Profit.pdf>

⁶ <https://www.rmt.org.uk/news/one-third-of-bus-services-in-england-could-be-cut-in-weeks/>

⁷ <https://chrgj.org/wp-content/uploads/2021/07/Report-Public-Transport-Private-Profit.pdf>

⁸ <https://chrgj.org/wp-content/uploads/2021/07/Report-Public-Transport-Private-Profit.pdf>

⁹ https://www.transportforqualityoflife.com/u/files/160314_Building_a_World-class_Bus_System_extended%20summary%20report_FINAL4_for_web.pdf

¹⁰ Ibid

¹¹ <https://gov.wales/one-network-one-timetable-one-ticket-planning-buses-public-service-wales-html>

¹² https://www.transportforqualityoflife.com/u/files/160314_Building_a_World-class_Bus_System_extended%20summary%20report_FINAL4_for_web.pdf

¹³ <https://bettertransport.org.uk/media/02-july-2018-buses-in-crisis-report-2018>

¹⁴ <https://www.local.gov.uk/parliament/briefings-and-responses/house-commons-debate-future-funding-urban-transport-31-march>

¹⁵ <https://www.bbc.co.uk/news/uk-politics-60987796>

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- ¹⁶ <https://www.cpre.org.uk/wp-content/uploads/2021/03/every-village-every-hour-report.pdf>
- ¹⁷ <https://www.cpre.org.uk/wp-content/uploads/2021/03/every-village-every-hour-report.pdf>
- ¹⁸ VEH0103: [Licensed vehicles by tax class: Great Britain and United Kingdom](#)