

Inquiry: Buses connecting communities
Transport Committee

UK100 Submission

Introduction

This submission is from UK100 which is a network of 116 local authorities and their leaders who have pledged to lead a rapid transition to net zero in their communities ahead of the Government's legal target.

Our submission focuses on the following key concerns that we consider crucial for achieving the objectives:

- 1. Empower local authorities:** Greater powers being devolved to local authorities to plan and manage bus services in their area is a positive step. This needs to come with necessary funding and support to effectively exercise these powers. The government should also empower local authorities to experiment with innovative service models like demand-responsive transport (DRT) and community transport. In addition, greater powers and control over other modes to ensure an integrated transport system at a local level should be the next step.
- 2. Prioritise rural needs:** Government funding and policy reforms must explicitly address the unique challenges faced by rural areas, including higher operational costs, lower population density, and limited access to alternative transport modes. This includes making it easier for local authorities not currently in a Combined Authority to shape their bus services.
- 3. Funding reforms:** Establish long-term, non-competitive funding models. Explore alternative funding mechanisms beyond traditional subsidies, such as revenue-sharing models with dedicated funding streams for rural transport. This is the policy direction of travel from the new government, but it needs to be delivered.

In our submission we answer the following questions asked by the Committee:

Q1. How the Government's proposed reforms of powers over buses in England, and recently-announced funding, should take into account the particular challenges of rural areas and local authorities outside major cities, and how authorities in these areas can make best use of those powers and funding.

Buses form an important part of public transport that enable people to move away from car ownership. As buses electrify they enable quick wins for decarbonisation. Buses are also vital to many households with lower incomes. The

net effect of deregulation has been that in most parts of the country there is little network oversight – bus operators run routes on the basis of profitability and cut those that are not profitable. There is no incentive to run ‘feeder services’ and competitors must not consult on routes, pricing or any other element of business.

The Government’s proposed reforms are a welcome step to address some of the challenges facing the sector in recent times. However, these reforms need to address the unique challenges faced by rural areas and local authorities outside major cities.

The opportunities for scale in cities enable lower carbon mass transit and walkable neighbourhoods with access to the majority of required shops and services. People in rural areas form diffuse populations spread across greater distances with jobs, services and shops distributed unevenly, requiring people to make longer journeys for commuting, leisure and to access services. Both tourism and agriculture create journey time unreliability on rural roads. Public transport is sparser and car use endemic: towns and villages without train stations are particularly car dependent.

We organise a Countrywide Climate Network (CCN) within UK100, where this issue regularly comes up, across these members there is innovation from all tiers of local government including Cornwall, North West Somerset, Portsmouth, Wiltshire and Lincolnshire/North Kesteven to name a few. We would welcome the chance to expand upon the challenges and solutions they have developed by bringing the committee and this part of the network together. We have also worked in Gloucestershire to bring together the county council and the districts to explore innovative solutions in a rural and semi-rural context.

Many rural areas are transport deserts, over 3,000 bus routes were withdrawn between 2010-18, due to insufficient people to make the bus service profitable for operators¹. Additionally, local authorities often face resource and capacity constraints that hinder their ability to effectively plan and deliver improvements.

To address these challenges, the reforms should:

- Provide specific funding allocations for rural areas that account for higher operational costs.
- Empower local authorities to experiment with innovative service models, such as demand-responsive transport (DRT) and community transport schemes.
- Ensure flexibility in the use of funds to allow adaptation to local needs and circumstances.

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

- Allocate long term funding to allow long-authorities to plan for the long term.
- Establish mechanisms for shared learning and best practices among authorities to replicate successful rural initiatives.

Q2. The effectiveness of recent Government policy in tackling declines in bus services.

UK100 has been calling for devolving powers for local leaders to develop a London-style integrated, reliable, more affordable, and simpler to use regional public transport network². Where these have been devolved, it is starting to deliver, for instance in Greater Manchester, their Bee Network is doing well to deliver an integrated public transport and active travel system for residents and businesses.

However, this is not the case for most local authorities which lost direct control of all bus services, since the industry was deregulated. Profit rather than public service gained importance and non-profitable routes were cut. The impact has been particularly severe in rural areas.

The recent Government policies and associated funding initiatives, have made initial strides in reversing the decline in bus services. However, their impact remains to be seen and some additional steps might be needed to ensure the benefits are equitably felt in rural areas as well. Factors limiting their effectiveness include:

- The legacy of short-term funding cycles that create uncertainty and hinder long-term planning.
- Limited alignment between national priorities and local needs.
- Insufficient support for capacity building within local transport authorities and councils.

Sustained investment and a long-term commitment to improving services are essential for these policies to achieve their intended outcomes.

Q3. How effectively bus services function as part of integrated multi-modal networks that improve mobility for people who live in areas with declining services.

The lack of an integrated whole-place approach to transport in all areas of the country except London, and emerging now in places like Greater Manchester, has severely restricted local authorities' ability to plan for zero carbon transport. The actions that have been taken are piecemeal and even the leading local authorities do not manage to incorporate the whole suite of measures needed.

² https://www.uk100.org/sites/default/files/publications/Powers%20in%20Place_Nov%2723.pdf

A well-functioning bus service can play a critical role in multi-modal networks -

- **Seamless transfers:** Well-timed bus schedules that connect with train stations, or other major transit hubs allow for efficient travel across the city.
- **Unified ticketing:** Integrated ticketing systems that allow passengers to use multiple modes of transport with a single ticket or card simplify travel and encourage multi-modal journeys.
- **Reaching underserved areas:** Buses can extend transportation services to areas not well-served by other modes, ensuring access to jobs, education, healthcare, and other essential services.
- **Route flexibility:** Flexible bus routes can adapt to changing travel demands and serve areas with fluctuating needs.
- **On-Demand services:** On-demand bus services can provide more personalised and responsive transportation options, especially in areas with lower ridership.

To improve integration, the Government should:

- Promote multi-modal ticketing solutions and real-time information systems.
- Invest in infrastructure to create effective transport hubs in rural and semi-rural areas.
- Encourage partnerships between bus operators, rail services, and active transport providers.

The English Devolution White Paper suggests that Strategic Authorities may gain greater autonomy over rail and road networks. This shift towards local decision-making, in collaboration with relevant agencies, would be a positive step towards greater regional control over transportation infrastructure.

Q4. The social and economic impacts of poor connectivity on access to education, healthcare, employment, and social inclusion in communities, as well as on the economy of towns and villages.

While this is not a focused area of UK100's policy work, the social justice arguments as well as the impact of poor connectivity on economic growth in towns and villages come up time and again from our members, especially in the CCN. We believe buses have a crucial role to play in addressing these issues as part of local integrated transport policies that also look to decarbonise surface transport and clean up our air.

Q5. The effectiveness of current funding models and governance structures in enabling local transport authorities and commercial operators to improve, sustain and keep bus services outside major metropolitan areas affordable, and the potential effectiveness of alternatives.

Current funding models and governance structures often fall short of enabling local authorities and operators to deliver sustainable and affordable bus services. Key issues include:

- Over-reliance on passenger revenue, making services vulnerable to declining ridership.
- Fragmented governance structures that hinder coordinated planning and decision-making.
- Inadequate coordination between local authorities, transport operators, and other stakeholders can lead to service gaps, duplication, and inefficient resource allocation.
- The Bus Service Operator Grant (BSOG) highlights the financially precarious nature of bus operations. This grant repays fuel duty spent, and as such is a perverse incentive as it undermines fuel efficiency and electrification. There is a need to move away from subsidising fuel costs to contributing to miles covered, with an uplift for rural areas.
- More broadly, the funding models used to assess investments (DfT's WebTAG, based on the Treasury Green Book) put a high value on free-flowing vehicle traffic and almost no value on active travel. This is a massive inhibitor of low carbon transport schemes wherever funding decisions are not devolved or specifically ring fenced for active travel.

Recommendations:

- The government must prioritise funding for rural bus services. This should be non-competitive and long-term funding to allow them to plan and implement strategies in the long-term.
- Streamline governance and funding structures to reduce administrative burdens on operators and improve service efficiency.
- Invest in data-driven decision-making by improving data collection, analysis, and sharing between stakeholders.
- Support the development of innovative service models such as DRT and community transport initiatives.
- Engage with local communities to understand their transportation needs and ensure services meet their requirements.

Q6. Evaluating the potential of alternative service models, including demand responsive transport (DRT) and community transport, and other innovations or technologies which could support or replace buses serving less populated communities, and what steps the Government should take to support them.

DRT can have potential in rural areas by providing flexible, on-demand services that can be tailored to specific travel needs. This can address the challenges of low ridership and inflexible timetables associated with traditional bus services. It can

improve accessibility for residents in remote areas, increase flexibility and convenience for passengers and has a potential for cost-effectiveness compared to traditional bus services in low-demand areas.

Wiltshire council has launched an on-demand bus service linking rural communities in North Wiltshire. Passengers can use a smartphone app to book a low-emission bus for door-to-door transportation within a defined service area. The council secured £1.2m from the Government's Rural Mobility Fund to support these services³. In Bristol, the Winford Pioneer (P1)⁴ has been designed with inputs from residents through online and paper based surveys. Services include pickup from the local secondary school so parents are saved on the trip and during the day, the bus has flexibility to pick up anyone with mobility issues from within three village zones.

Alternative service models, such as DRT and community transport, can offer significant potential for improving transport access and connectivity in less populated communities. By providing adequate funding, regulatory support, and capacity building, the government can play a crucial role in enabling the successful implementation and sustainability of these innovative solutions.

To maximise the impact of these innovative transport solutions, successful pilot programs should be scaled up across the country. This will ensure that more rural communities can benefit from improved access to mobility.

Q7. How successful Enhanced Partnerships (EPs) have been so far in improving bus services outside major urban areas, whether franchising is likely to provide a better framework for these areas, and whether there are alternative models worth exploring.

Q8. How well policy, funding and oversight of bus services allow services that straddle rural and non-rural areas, and local government boundaries, to be managed.

Policies, funding, and oversight mechanisms often struggle to accommodate services that straddle rural and non-rural areas or cross local government boundaries. This leads to fragmented service delivery and inefficiencies. To address this, the Government should:

- Encourage joint planning and service design across local authority boundaries to ensure seamless connectivity and avoid service duplication.

³<https://ioki.com/en/wiltshire-council-new-on-demand-and-semi-flexible-bus-services-to-connect-rural-communities-in-the-pewsey-vale/>

⁴<https://thebiglemon.com/p1/>

- Establish dedicated funding streams for services serving rural areas, including those that straddle local authority boundaries.
- Explore revenue-sharing models between authorities to incentivise cooperation and support services that benefit multiple communities.
- Improve data sharing and analysis across authorities to understand passenger flows and identify areas for service improvement.
- Develop national guidance and best practice frameworks for the planning and delivery of rural bus services.
- Ensure that local transport plans are aligned with regional and national transport strategies.

We would be grateful if in addition to considering UK100's response to the committee. Please get in touch if you would like to know more or explore our response in more detail. We would also be happy to give evidence, convene a discussion with our member local authorities, especially those working to deliver innovative solutions in rural areas to discuss the themes within this inquiry and our response further.