

# ADEPT

## Consultation Response: National Bus Strategy: one year on March 2022

### ADEPT National Bus Strategy: one year on Response

#### Are you providing your own response or responding on behalf of an organisation/group?

- Responding on behalf of organisation/group

#### If you are responding on behalf of an organisation or group, please provide the following details:

- Organisation Name: Association of Directors of Environment, Economy, Planning & Transport (ADEPT)
- Your name: Ann Carruthers
- Your Role: Chair, ADEPT Transport and Connectivity Board

#### Which category of organisation or group are you representing?

ADEPT represents place directors from county, unitary and combined authorities, along with Local Enterprise Partnerships, sub-national transport boards and corporate partners drawn from key service sectors throughout England.

ADEPT is a membership based, voluntary organisation with:

- 90+ county, unitary and combined authority members,
- 3 sub-national transport bodies,
- 14 local enterprise partnerships (LEPs) and
- 21 Corporate Partner members.

The key to unlocking economic recovery and renewal lies with local leadership. Place directors create the strategies, run the services and lead the projects that shape local places for their communities. The whole country benefits from investment in local place. Tackling inequality and climate change, while promoting health and wellbeing, supporting business and maintaining critical infrastructure is most successful when national investment is locally led.

ADEPT represents members' interests by proactively engaging central government on emerging policy and issues, responding to consultations and enquiries, creating national guidance, and promoting initiatives aimed at influencing government policy. ADEPT also represent public sector interests across all our key areas in national sectoral organisations.

## Call for Evidence

The Transport Select Committee is scrutinising the implementation of the Government's national bus strategy, Bus Back Better, and the challenges the bus sector faces as it recovers from the pandemic. We are particularly interested in receiving written evidence that addresses:

### **a) Challenges facing the sector as it recovers from the pandemic and the effectiveness of steps taken by both Government and stakeholders in response**

#### 1. Travel Patterns and Numbers

ADEPT believe that the greatest challenge facing the sector is uncertainty on future travel patterns and numbers as individuals and businesses adapt to working in a post-COVID-19 environment.

The COVID-19 pandemic has led to a large proportion of businesses introducing hybrid working. This has meant that a large proportion of the workforce is working at home for part or all the week. This has led to a significant change in the number of days and time of day that people commute, with commuting trips no longer solely confined to the AM and PM peak hours.

Prior to the COVID-19 pandemic, commuting was the most common purpose for travelling by local bus (making up 23 per cent of all bus journeys)<sup>1</sup>. This means if fewer people are commuting to work and more people travel outside of the traditional peaks, it may not be possible for operators to sustain existing levels of service.

#### 2. Funding

Another challenge facing the sector is funding. ADEPT support the government's recent commitment of £150m of additional Covid-19 emergency funding to support bus and light rail, as in the short term this will help maintain existing bus services. However, to avoid services being lost in 6 months' time when funding stops, a long-term funding settlement is needed. In many areas LTAs are looking to BSIP allocations to help ensure their local bus market recovers and evolves in the post-covid period.

ADEPT also supports the governments Covid-19 guidance on the reimbursement of concessionary fares. The guidance has helped ensure that operators do not face a sudden cut in funding because of a drop in concessionary bus passenger journeys by maintaining concessionary fare funding at pre-Covid levels. The latest guidance now gives LTAs the autonomy and flexibility to establish the right approach for a local area considering local circumstances. The guidance will allow LTAs to reduce their concessionary reimbursement payments to match actual passenger levels, but also ensure that this is a slow and steady transition.

From April 2023 LTAs will not be able to pay out concessionary payments at pre-Covid levels. Unless additional funding is provided, this may mean in areas where concessionary bus passenger journeys do not return to pre-Covid levels operators have to reduce services.

#### 3. Other

Bus operators are already struggling financially due to falling number of passengers, staff shortages, rising wages and rising fuel cost. Any additional funding received will likely be needed to keep

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/929992/annual-bus-statistics-year-ending-march-2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/929992/annual-bus-statistics-year-ending-march-2020.pdf)

these companies afloat, rather than improving operations. Current inflation costs are contributing to significant numbers of contracts being handed back to LTAs. This then involves negotiation on an inflationary increase or a retendering exercise in a market where tenders are coming in significantly higher than the previous contract.

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

ADEPT does not believe that significant progress can be made against the ambitions and targets of the NBS in the short to medium term.

In October 2021, in response to the requirements of the National Bus Strategy, 79 BSIPs were published by Local Transport Authorities (LTAs) across England. Most BSIPs contained ambitious targets to achieve improved journey times, reliability, passenger growth and customer satisfaction, and outlined the funding requirements to achieve these. The BSIPs are the first step in meeting the ambitions and targets set out in the National Bus Strategy, to 'level up' bus services across England toward London standards. They were however written before the full impact of the Omicron variant on bus sector recovery meaning many LTAs will be starting from a much more challenging position in delivering their ambitions than was anticipated when their BSIP was developed.

The challenging timeframes for producing BSIPs put significant pressure on LTAs, already struggling with workforce and budgetary issues. However, at the time of writing, LTAs are still waiting to be informed of the outcomes of the BSIP funding process. In addition, the total funding pot is now smaller than originally announced. The NBS required LTAs to be ambitious, however without sufficient funding those ambitions will not materialise and indeed, the risk that funding is allocated to the larger urban areas where undoubtedly there will be greater return, only means the more rural parts of the country fall even further behind. The situation is creating significant uncertainties for the sector, already on a knife edge. .

### **c) Innovation in the sector, including examples of new methods that have been trialled successfully**

Many BSIP plans include innovations such as digital demand responsive transport, new electric and hydrogen buses, integration with cycle hire and other modes, improving bus stations, interchange and waiting facilities with high-spec smart and 'green' shelters, audible and visible information and WiFi on all services. However, LTAs still await the funding needed to implement these innovative measures.

### **d) Bus funding over the short and long term**

The Bus Recovery Grant provided £255.5m of funding to operators and LTAs during the COVID-19 pandemic. The grant helped support bus operators and LTAs in a period when there was a sudden and rapid decline in passenger numbers, and only a gradual recovery.

In March 2022 DfT announced six months of additional funding for the bus industry, to help it continue to recover from the COVID-19 pandemic. This funding will help bus operators and LTAs adapt to changing travel patterns and maintain existing local bus services in the short term.

The government has said that the funding announced in March 2022 will be the "the final tranche of pandemic-related support to operators". It is unlikely that bus usage and travel patterns will change significantly between now and the end of September 2022 despite current fuel price increases leading to some people switching from car to bus travel. As such, without additional long-term

funding, it is likely that bus operators will need to cut services to reduce costs. While this may be part of a much-needed exercise to transform the bus sector to a viable fit for purpose option particularly in the more rural areas of the country, evolving the public transport model will need, at least initially, funding to implement and support.

Funding has also been made available to help bus operators and LTAs deliver BSIPs and Enhanced Partnerships as part of the National Bus Strategy for England. The government's decision to cut the funding pot from £3bn to £1.4bn will significantly limit the abilities of LTAs to meet the ambitious proposals set out in their BSIPs. The total cost of measures identified in BSIPs submitted by 53 out of 79 LTAs currently exceeds £7bn.

#### **e) Decarbonisation of the sector and modal shift from other forms of transport.**

There is a significant need for long term funding to maintain a stable passenger transport network and avoid a post-pandemic shift to private car travel. If public transport ceases to be a viable alternative it would result in rising traffic congestion and carbon emissions as passengers switch to travelling by private car.

Proposals and measures set out in BSIPs will increase the attractiveness of bus travel and encourage mode shift from other less sustainable modes of transport. This includes proposals such as cleaner and newer buses, simpler and cheaper ticketing, improved capacity and frequency, Wi-Fi and shorter journey times. These proposals cannot be brought forward without the appropriate funding.

Bus Back Better sets out how the bus sector can support the decarbonisation of the transport network. The document states that they will support the purchase of at least 4,000 new zero emission buses (more than a tenth of the fleet), set a date for ending the sale of new diesel buses in the UK and set an expectation for when the entire bus fleet will be zero emission. However, legal end dates are yet to be announced.

To deliver the decarbonisation benefits it is vital that the BSIP proposals are well funded by the government. If funding is reduced, or proposals are only implemented in part, there is a risk that the decarbonisation benefits will not be fully realised.