

Public transport

Summary of RSN policy messages

- Recognise the value of local transport provision to Government policy objectives.
- Ensure the Buses Bill is fully rural proofed, so that it benefits rural communities.
- Encourage collaboration between operators, local authorities and communities, to minimise the impacts of rural bus service cuts.
- Amend the local government funding formula, so rural areas get a fairer share and can better protect services like rural buses.
- Fund local authorities to offer school transport for 16 to 19 year olds in education.
- Retain the value of BSOG grant and ensure any reform protects rural bus services by ring-fencing its usage.
- Reform and fund the statutory concessionary fares scheme, so it is not limited to buses and extends to other transport modes that may exist in rural areas.
- Create a successor grants scheme to the Community Transport Minibus Fund.

Context

Those who live and work in rural areas typically need to travel further than their counterparts elsewhere. The Government's National Travel Surveys (2008-12) find that village residents travel 50% more miles than the national average.

Having transport options is vital for people's access to employment, training, services and leisure opportunities. Public transport is of particular importance to those without a car, whether because of age or income or another reason. The young, the elderly, jobseekers, those on low incomes and the disabled often rely on passenger transport. Lack of access to transport is a key facet of rural deprivation and isolation. Public transport also supports rural tourism and the visitor economy.

Access to transport can therefore help to deliver a range of public policy objectives. Recent analysis by KPMG found that every £1 of targeted investment in local bus infrastructure has typically generated over £3 of net economic benefit, with further gains in areas such as public health.

Rural issues

Among key rural issues are the following:

- Public transport provision: public transport services in rural areas can be infrequent or non-existent. Whereas 91% of residents nationally had access to a regular bus service near to where they lived, this (2012) figure stood at just 49% for those residing in villages.
- Car ownership: consequently, levels of car ownership are higher in rural areas. Indeed, many households would be unable to reach jobs and services unless they owned two or more cars. A notable feature is the high number of low income rural households who run a car. The amount spent on travel is considerably greater for rural than for urban households.
- Concessionary fares: passes offering free bus travel to pensioners and the disabled can be of considerable benefit to those entitled to them, but are of no real value for those living in rural areas where bus services are absent or the only outbound service runs before 9.30 am.
- Cuts to bus services: there have been widespread cuts to rural bus services, especially evening and weekend services. Other impacts include the scaling back of concessionary fare schemes to the statutory minimum and of non-statutory school transport. The Campaign for Better Transport has identified more than 2,000 supported bus services (many in rural areas) that were either cut back or withdrawn during the four year period to 2014. Even so, there are many examples of commercial operators stepping in to retain a service.
- Bus service funding: a large number of rural bus services are uncommercial and depend upon public subsidy to sustain them. The key reason for the cut backs is that local authority budgets have been squeezed harder and harder. Bus subsidy is a discretionary item of their expenditure, so is inevitably at risk of reduction or withdrawal under these circumstances.
- Post-16 travel: the compulsory leaving age from education or training has recently been raised from 16 to 18, though no similar change was made to statutory transport provision. Local authorities are not obliged to and are still not funded to provide school transport for those aged over 16. This can leave parents of older rural children with a hefty bill. Bus operators offer discounts to young people on a voluntary basis and policy changes affect their income on what may be marginal rural services.
- Community transport: plays an important role, with some 8 million passenger journeys made on the over 600 community transport schemes operating in rural areas in 2012. Compared with those elsewhere, rural schemes are smaller operations, relying heavily on volunteers, depending more on fare revenue for income (41%) and less on public sector grants for income (17%).

They typically offer a flexible (rather than regular) service, so can work best as feeders into regular bus routes or gap fillers to reach outlying settlements.

Government policies

Transport policy, including the provision of subsidy to support uncommercial bus services, is an upper tier (county or unitary) local authority function. As such, it is highly dependent on the level of revenue funding available to those authorities. Overall, this funding has been reduced by 40% since 2010. Also relevant is the distribution of the funding among local authorities, with rural authorities receiving significantly less (per resident) than urban authorities. This contrasts with the extra cost of running services, such as bus routes, in sparsely populated areas.

Bus passengers also benefit from the Bus Service Operators Grant (BSOG), which is a partial rebate on the duty on fuel that operators buy. It therefore helps to sustain marginal rural bus services. BSOG was reduced by 20% in 2012 and has been under further review since. A Government decision about reforming it is expected later in the 2015 Spending Review.

The Queen's speech in May 2015 announced that there would be new legislation in the form of a Buses Bill. This proposes giving local authorities that gain devolved powers the option to be more directly responsible for the running of bus services. It also enhances the scope for partnership agreements between local authorities and operators.

Defra and the Treasury published a Rural Productivity Plan in summer 2015. Although this contained a transport section, it did not refer to bus services. This could be seen as an omission, given the role bus services play getting people to education, training and employment, and thus contributing to productivity.

The Department for Transport operates a £25 million Community Transport Minibus Fund. Community transport organisations can apply to it for grants for new minibuses. The scheme is mainly intended to benefit smaller and rural operators.

RSN policy messages

The Rural Services Network considers that:

1. Local transport provision should be afforded higher priority by central government. This needs to extend across Whitehall departments and agencies, since accessibility underpins the delivery of a wide range of policy objectives. Central government has tended to focus its transport interest on

high-profile infrastructure projects rather than local networks, though the latter has more impact on the daily lives of communities.

2. The Buses Bill must be carefully 'rural proofed' by the Department for Transport and Defra, to ensure that its policy measures will be practical in rural areas and can deliver benefits to rural communities.
3. Bus operators, local authorities and communities should work in partnership to explore how to address the likely impact of proposed cuts in public subsidy for rural bus services. Local discussions and consultations can lead to outcomes which (at least) minimise the negative impacts e.g. through changes in timetabling or routing.
4. The Department for Communities & Local Government should amend the grant allocation formula it uses for local government funding, so that rural areas get a fairer share of the funding pot. This would reduce the financial pressures faced by rural local authorities and help them to sustain vital rural bus services that would fold without subsidy.
5. Given the increase in the statutory leaving age, local authorities should now be funded by central Government to enable them to provide transport to school for 16 to 19 year olds who remain in education. This could be of particular benefit in rural areas.
6. The value of Bus Service Operators Grant (BSOG) should be protected and great care should be taken so that further proposed reforms do not undermine the financial viability of rural bus services. It is acknowledged that the Government decided to maintain the value of BSOG for 2015/16. If it were cut in future this could impact significantly on marginal rural bus services, including those run by smaller bus operators.
7. The statutory concessionary fares scheme should be reformed so that it applies to, and is properly funded to apply to, the different types of public transport that might exist in different local areas (including community transport). It should not be restricted to bus travel, which is not always present in rural areas. All operators offering concessionary travel should be reimbursed on the principle that they are no better and no worse off.
8. An extension or replacement scheme is now needed to the Department for Transport's Community Transport Minibus Fund, so rural communities and scheme operators can continue to find local solutions to transport problems, either by extending their service operations or modernising their vehicle fleet.

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