

RURAL BUS SERVICES: COMMENTARY BY FIRST BUS

Preface

1 The Rural Services Partnership comprises local government, private business and third sector practitioners representing the various facets of life in rural England. First Bus provides advice and commentary on public transport issues within the Rural Services Partnership and has been commissioned to provide this input to the County APPG Call for Evidence on Rural Bus Services.

2 In response, here is a digest of relevant points which we summarize in our main submission. These are made in the context of a pre Covid 19 environment. The post lockdown situation is expected to be somewhat different from what went before but the nature and severity of the differences are, at the time of writing, difficult to predict. This is explored in an Appendix to the paper.

Setting the Scene

3 Local communities are reliant on transport to provide their interactions with other communities. Their residents, employers, employees, students and both providers and purchasers of goods and services need transport for these to all function. The economic viability, health and social wellbeing of the community depend on transport. Many residents have transport options but not all do, and even for those who can choose to use their own transport, there is a need for a safety net for when it is not available. Often, people using buses could use a car for the same trip purpose.

4 Most rural areas lost their train services many years ago meaning that what public transport remains is generally bus based – whether that is provided by bus operators, local authorities or groups of volunteers.

5 Since 1986, funding for rural bus services has come from three main sources – the commercial businesses of bus operators who can see an opportunity for a self-financed service; local authority supported services; and third sector charitable or self-funded operations. Each of these has come under pressure in recent years. The finances of commercial bus operation have become increasingly challenged due to both cost pressures and reduced revenue. Local authority support for bus service operation is not a mandatory expenditure line and as such, even where funding is allocated for this by central government, other calls on money for mandatory expenditure will come first – social care being an increasing example. An increasingly aged population and higher retirement ages have adversely affected the availability of volunteer drivers for community transport schemes, many of whom were prepared to offer their services for a limited number of hours per week.

6 The increased costs of commercial service operation, impact of concessionary travel and reimbursement, reductions in Bus Service Operator Grant, cuts to local authority expenditure and in some cases inflexible approaches to service procurement have all reinforced a decline in service provision over the last 10 years. Short term funding horizons and short-sighted challenge funding opportunities have not helped this situation. Experiments with demand responsive services have not generally met with much success but attempts to pool supply and match to demand through the Total Transport approach have had limited success. The role of the third sector has become less significant though and cost pressures have increased as more services have been brought under the mainstream local bus regime. Uncoordinated approaches to planning, transport, health and education have failed to provide an environment in which bus service provision is encouraged and can flourish, and

partnership opportunities have not been maximized. As technology advances in terms of information, decarbonization, improved air quality and automation, there is a risk that opportunities will be missed to take full advantage of these in rural areas. The bus provides the means to achieve economic and social renaissance in rural England, enabling sustainable development whilst maintaining and improving environmental benefits. We set out in this submission our recommendations for how this can be achieved.

Data

7 Firstly, a word of warning is offered on statistics. Campaigns to focus interest on the decline of bus services in rural areas have quoted the decline in service provision, but that is not an easy indicator to measure. Bus services have to be “registered” to operate – with the Office of the Traffic Commissioner. To commence a new service a registration has to be submitted. Every time that service changes, for instance a higher or lower frequency, a route extension or curtailment and an increased or decreased period of daily or weekly operation, that change has to be registered. When a service is to cease operation, then it must be deregistered. In all cases the action must be taken by the operator of the service. So, when a local authority supported service contract, awarded through competitive tendering, comes to an end, and the new contract is awarded to a different operator, this results in a “cancellation” and a new “registration”. But it might not result in a new registration if, for instance, the contract forms an extension to another operator’s commercial service, in which case an “amendment” will be recorded. So, this will look like a net loss of a service. Furthermore, operators occasionally consolidate multiple registrations into one, combining separate commercial and contracted operations for administrative convenience, again indicating a number of “cancellations” which are false positives - this appears to result in service withdrawals whereas in practice nothing changes. On the contrary, very rarely will a service be split into constituent parts – each registration attracts its own fee. We all need to be careful in the use of statistics!

8 Our Technical Appendix paper sets out a detailed consideration of the various internal and external factors affecting the delivery of rural bus services. This has generated a number of calls for action which we consider will stimulate a revival of the local bus. The establishment of an operational, regulatory and developmental framework, based on national policy and good practice, delivered at a local level, should foster an environment in which services can thrive. This will allow buses to deliver the economic and societal rebuilding of our communities in a post Covid-19 rural England, whilst achieving this in an environmentally sustainable manner.

Here are our five calls to action:

- A1 Our first call to action is for the establishment of a central resource of data, advice and good practice. Whatever is done to address the revival of the rural bus, we need to be able to measure its success and this requires a sound statistical basis. We see inconsistent application of policy tools and delivery mechanisms at a local authority level with instances where opportunities for improvement are missed; this requires clear and consistent guidance from central government with dissemination of the gains which have been realised through application of best practice.
- A2 Our second call to action is for the Government to develop an evidence based Rural Bus Policy that places a duty on (and allocates funding to) local authorities to provide socially necessary rural buses; emphasizes the benefits of Total Transport and mandates its full development potential, and strikes an appropriate balance between environmental benefits of non-fossil fuel transport and sustainable rural public transport. The funding settlement should in part

be based on the Local Transport Authority meeting specified criteria that incentivise them to address the issue, with payments based on measured indicators including increasing network coverage in rural areas, patronage growth and ensuring that the standard deviation of journey times resulting from traffic congestion does not increase. It should also be contingent on the development and implementation of a Local Bus Strategy which integrates public transport into the other local authority functions, including development and planning. A funding horizon of at least five years should be confirmed from the outset.

- A3 Our third call to action is that a full investigation is carried out into the opportunities, risks and financial implications of the introduction of a new regulatory regime applicable to local bus operation where vehicle size, operational mileage and hours and geographic scope are limited, irrespective of the nature of the organization providing the service. A trial area should be immediately established for such a regime, based on complementary services to conventional bus and utilizing the varied funding channels available to support operation, should be established to stimulate and determine operator interest and participation, and to confirm the benefits that can be realized.
- A4 Our fourth call to action is to ensure that the decarbonisation agenda and air quality management take account of both the economics and the practical constraints of rural bus operation, and that their particular requirements are accommodated in a timescale which allows for technological advancements to make zero emissions operation an affordable and sustainable goal for such operation. Buses in rural areas should be provided with an environment in which they can operate efficiently and provide rapid journey times achieved consistently in order to attract new users. An environment where new technologies can be tested and evaluated will be required if the potential benefits from these are to be realised for future rural services.
- A5 Our fifth and final call to action is for no additional regulatory burdens to be placed on rural bus services. Instead there should be an encouragement of partnership in its widest form, including the health, education and planning functions of authorities as well as transport. Coordination and collaborative working should make the most of existing legislative tools, with strong leadership from Central Government and promotion of best practice. Shared objectives should be agreed, with decisions taken and measures implemented focussed on outcomes - including patronage growth and a path to sustainable provision, and based on consensus or broad agreement rather than policy imperatives and imposed frameworks.

Appendix C: Covid 19 and the aftermath

C1 As we move back towards “normal” operations there are so many unknown factors that it is likely that the bus industry, particularly in rural areas, will be recovering for some years. We have the transition to get through yet, and that too may have a significant and lasting impact – we simply don’t know. A strategic fall in demand across the industry of about 20% has been widely forecast in the medium term; this would, under the current model, represent the final straw for most rural public transport.

C2 Both employers and employees have discovered new ways of working – in some cases saving both money and improving efficiency. Therefore we cannot expect pre Covid commuting patterns to return. Shopping seems to have been affected by increases in on-line grocery sales (expected) and local shop support (perhaps less so) – again, will we ever revert to our customary habits? Leisure activities may be more likely to return to pre Covid levels but the reopening of restaurants and pubs is likely to be at the end of the return from lockdown, with venues such as cinemas and cultural spaces being the last of all – with large volumes of people in close proximity. All of which generates great uncertainty on levels of bus demand in the future.

C3 Concessionary travel has changed for the duration of the pandemic with restrictions being removed from the use of elderly/disabled passes – which will be hard to put back, perhaps; and new concessions such as the free travel in Wales for NHS staff – which may be politically difficult to reverse. Free travel is not free for bus operators to provide and long term financial support will be required to underpin any changes which survive the end of lock down.

C4 There are also serious concerns about the psychological effects of the pandemic. Despite the welcome recognition by the public of the vital support role played by bus drivers, engineers and office staff in keeping key workers able to get to work, and providing access to essential services, will people remain comfortable with travelling on public transport? Most recently, governmental messages dissuading use of public transport will exacerbate those concerns. Without a major campaign across all stakeholders to encourage use of buses, trains and trams there is likely to be an increased public bias against these – people preferring to share their germs with their intimate family members in the private car.

C5 To combat that, we have a short window of opportunity to reclaim underutilised roadspace for public transport priority measures.

C6 We have seen a very positive economic response from national governments, supporting bus operators through crisis and into return to normal, with the objective of ensuring the survival of operators as service levels have fallen to perhaps 30% of normal but patronage and revenue to more like 5%. Pre Covid financial support in terms of successors to fuel duty rebate, concessionary fares reimbursement and contractual payments for supported services have been maintained, and the governmental support for furloughed workers has helped safeguard employment, at a time when many employees’ roles have been rendered temporarily superfluous. Specific payment schemes, including England’s Covid Bus Service Support Grant and its “Return” successor have been developed to enable operators to meet the gap between revenues and costs, and thereby remain viable as a return to normal demand and supply continues – but for how long these will remain in place, and what that new demand and supply looks like, are, as yet, unknown.

C7 However, public messaging has not been as positive, potentially reducing confidence through statements such as “don’t use public transport”, without the necessary qualifications relating to the need to protect capacity to ensure that key workers can still travel.

C8 On the supply side, although availability of mobile and contactless payment options is nearing universality in urban operations of larger operators, there is an added impetus for removal of residual cash transactions and we can expect to see rapid extension of the deployment of other payment means and innovation in the ticketing field. In rural areas where services are often provided by smaller operators who have not necessarily invested in the latest ticketing technology, we have seen moves by some local authorities and by the Welsh Government to provide financial assistance to introduce cash-free payment. In the short term there is a massive tension between demand that is bound to grow, albeit more slowly and to a lower level than would be hoped, and the need for social distancing – at 2m, this means buses can only run at 25% of their seated capacity at best. Beyond these temporary capacity restrictions, vehicle design may see reconsideration and reduction of unduly intimate areas (such as facing seats) but with a lack of capital to invest, this will not happen overnight.

C9 As decisions are taken regarding the future form of local bus services, including the availability of information and payment systems, due attention must be paid to the situation in many rural areas where internet access is poor and there may be significant numbers of poorer people without bank accounts (noting that this is not purely a rural issue). It is not acceptable, nor is it financially wise, for the bus industry and its stakeholders to simply disenfranchise these customers, not least because this group is likely to be one of the most prolific users anyway.

C10 With costs running ahead of revenues, and the additional “shock” cost of making SORN vehicles fit for service and reclaiming furloughed staff (assuming they haven’t found new employment in a less public and less challenging environment) the provision of a level of service to meet emerging demand will be all but impossible – without the government support mentioned above.

C11 Staggered start times for employment, retail and education (and within educational establishments) will be required for operators to stand any hope of delivering to meet demand in peak periods – as much in rural areas as urban.

C12 Whilst the effects of Covid 19 have resulted in various suspensions of legislation and relaxations of behavioural restrictions, how many of those survive the end of lockdown is hard to predict but it is considered likely that there will be very few or none. The crisis has accelerated development of streamlined ways of communicating with passengers both locally and nationally through automation of data feeds to existing national travel planning resources, ahead of the mandating of the Open Data provisions in England in 2021. These benefits will be sustained once the situation has returned to normal. Provision of up to the minute timetables, advance notice of future changes to these, crowding data, seat and wheelchair space availability has greatly all greatly improved decision making for potential travellers.

C13 Whilst DfT had set aside £3bn to be allocated for spending on buses from autumn 2020, including an intent to stimulate and support innovation in rural areas, and with pilot schemes being developed over summer 2020, it is hoped that this funding has not already been re-allocated to rebuild and help sustain the bus industry’s recovery.