

Rural Services APPG

All-Party Parliamentary Group on Rural Services
25th April 2023 at 10am -11:30am

Hybrid meeting: On-line via Zoom and in-person in Room W3, Westminster Hall

Discussion on off-grid gas heating in rural areas and rural bus services

SPEAKERS

Richard Stevens OBE, Managing Director, Go South West
Martin Dean, Managing Director Go-Ahead

MEMBERS

Robert Courts MP (Witney & West Oxfordshire)
Rt Hon Philip Dunne MP (Ludlow)
Helen Morgan MP (North Shropshire)
Greg Smith MP (Buckingham)
Derek Thomas MP (St Ives) CHAIR

REPRESENTING MEMBERS

Peter Anson, Parliamentary Assistant (Office of Rob Butler MP)
Arthur Virgo (Office of Rt Hon Philip Dunne MP)

OBSERVERS

John Birtwistle, Head of Policy, (First Bus)
Helen Harrison, Senior Policy Adviser (Defra)
Kevin Herron, (Policy Connect)
Greg Thompson, Public Affairs & Stakeholder Manage (Go-Ahead)
Matt Mann, Public Affairs Manager, (Confederation of Passenger Transport)

In attendance from Secretariat

Graham Biggs MBE (RSN)
Kerry Booth (RSN)
Bethan Aldridge – Minute taker (RSN)

Welcome

The Chair welcomed everyone to the APPG meeting.
Graham Biggs introduced Kerry Booth, new Chief Executive of Rural Services Network who is the new principal contact regarding the APPG.

1. Apologies for Absence

Lord Ewen Cameron of Dillington

Lord Rupert Carrington

Lord James Crathorne

Ben Lake MP (Ceredigion)

Rob Butler MP (Aylesbury)

2. Notes of Previous Meetings

Link to the APPG AGM meeting – [28th February 2023](#)

The notes of the meeting were agreed as a correct record.

3. Discussion on off-gas grid heating in rural areas

Discussion took place regarding Off Gas Grid households/businesses and move to Net Zero and the banning of the replacement of fossil fuel boilers in the future. The Chair noted that all in attendance were concerned about the issue of moving rural parts of the country too quickly. Also, although there is an understandable commitment to net zero, it can actually make some people's lives more difficult to manage, make homes harder to heat and the costs are almost prohibitive.

Graham agreed and that these points were the key current issues and had been raised at the APPG meeting with Lord Callanan in July 2022. The response was that the government had not yet decided the policy. This is still the position and there has been no formal government response to the Consultation. In terms of timescale, Graham reminded members that under the Consultation domestic rural properties would not be able to have new fossil fuel boilers after 2025 and the concern that rural is being treated unfairly in comparison with on gas grid areas where the cut-off date is 10 year later.

There also appears to be a "one-size-fits-all" approach from Government to electric heat pumps. The view in the rural sector is that to reflect the composition of the rural housing stock it is necessary to look at different non-fossil fuel types, where heat pumps are not the most appropriate solution for these particular properties.

Graham noted that Rural England CIC, a company that Rural Services Network works closely with, has undertaken research to look at the actual situation that homes would face if the proposals in the Consultation were in place in terms of conversion, insulation suitability, cost, and degrees of disruption etc. Householders are doing things to their homes for all the right reasons but being very poorly advised. The report is due to be signed off in the next couple of weeks.

The Chair noted that the Heat and Building Strategy set the tone but that it is important to get the right policy in place which also attracts Research and Development. Robert Courts MP agreed that written parliamentary questions, (rather than oral), enabled groups to get the attention of key civil servants and Ministers and that the Secretariat could help with the detailed drafting of these questions.

Helen Morgan MP raised concern regarding Listed Buildings and living in conservation areas. Constituents are struggling to make their buildings energy efficient and there is a policy issue with the Local Authority whereby if you ask permission for items like solar panels, then may be denied but if you just go ahead and install them, there is no enforcement. There is a concern about protecting heritage but ensuring homes are liveable.

The Chair also referred to EPCs and raising rural off-gas grid homes to the requisite level is more difficult and very expensive. Graham agreed and stated that if you are unable to do so then the value of the home or the ability to let the home is a serious issue. Helen Morgan MP noted that the way that EPCs are calculated is not based on carbon efficiencies but more on the electricity usage; her understanding is that EPCs are under review. Greg Smith MP also commented that this is having an impact on the private rental market and the availability of properties as property owners get out of this sector.

Action: (1) The Secretariat to update the Briefing Paper sent to Lord Callanan last summer and revise the references on the Built environment and historic buildings as raised by Helen Morgan.

Action: (2) After (1) above The Chair to invite Lord Callanan to an APPG meeting to discuss the Government's policy and strategy.

Action: (3) The Secretariat to draft written parliamentary questions for APPG members to utilise.

Action: (4) Those APPG members already engaged with the EPC issues to continue and feed back to the Secretariat any responses so that the Briefing Paper can be further up dated and regarded as a "live" issues document.

4. Rural Bus Services

Richard Steven, Go South West and Martin Dean, Go Ahead introduced themselves to the Group. They wished to discuss the National Bus Strategy, and that the bus sector needed long-term financial support to enable buses to be fit for purpose to meet the needs of rural communities and for the future of transport and Net Zero. He felt that the industry is at a turning point, and it could go either way. He commented that if we do not have a basic provision of transport connectivity in a rural setting, we are going to abandon people in their homes.

There has been a gradual decline in rural buses over recent years and this reduction has been acutely felt in rural settings which now have some transport not-spots across the country. In Cornwall, the Council and Go South West has formed a unique transport partnership. Government support has meant that there is a bus fares pilot but there has not been enough growth to cover the initial discount.

What people really want, and which was stated in the National Bus Strategy, is connectivity over price. They want frequency, access to health, education, employment, and a scope of service that is useful to them. People were saying to them that they would be prepared to pay a modest fare of a pound or so, on top of the concession, if that meant the service could continue to be provided.

Buses in a rural setting do not generate enough money to cover the cost of operating these services and making the routes commercially viable. The Cornwall model integrates college and school movements, commercial elements, and supported services and although is complex it is also a vibrant bus network. The cost of working out how to get to Net Zero needs to consider not only future proofing the service but also the infrastructure for electric buses and how you can connect them and how you can afford them.

The Chair confirmed that the partners had worked hard to make the Cornwall model work but realistically with all the challenges entailed it would be difficult to roll out across the country. The Chair asked if what is needed is public investment and public funds? Richard and Martin agreed that in some very rural settings then yes this would be required. They explained the current revenue/funding system and the cost of the English National Concession Scheme, and the reduction in passenger numbers, means that fare paying passengers bear the burden of

providing revenue. Since 2008 there has been a reduction in operating bus mileage and Local Authorities have cut the service, but it has put a higher cost to health, lost education opportunities/employment etc.

Graham Biggs raised the point about fair funding. Analysis has been done of discretionary spend on behalf of Local Authorities and bus transport support is discretionary. Urban areas budget to spend five times more than rural areas but the cost of statutory services is so significant in rural areas that there is little money left for discretionary services. Significant proportions of funding have gone to support statutory social care costs. The funding Local Government funding formula is unfair on rural areas.

John Birtwistle (First Bus), agreed with Richard and Martin's comments and further explained the background to the current bus transport system dating back to the 1985 Transport Act.

John also explained that a more holistic view of rural communities should be taken. The amount of money that public authorities have to spend, particularly in the health sector, where isolation (not just physical but also mental health problems) of those who no longer have access to goods, services, employment, education, health, falls back onto the Local Authority through health and social services provision but could have been spent on the bus network that would alleviate some of these social issues.

Richard Stevens and Martin Dean both noted that the cost of providing a bus journey in a rural setting is greater than an urban one but that the actual income from the concessionary scheme is not proportionally greater

They requested that MPs keep pressure on the Department for Transport with regard to their continued focus on rail transport rather than buses and to remind them that for every rail passenger there are two, or more, bus passengers. They made the point that a rural bus network operated on a commercial footing is not going to stand up at the moment and the Government needed to acknowledge that there would need to be public investment indefinitely.

John Birtwistle discussed European style funding which differs from the UK. Most of UK bus income comes through the fares that are paid. In Europe, most support comes through direct subsidy from national and local government and a relatively small proportion through fares.

The Bus Operators both agreed that they need certainty and longer-term funding to be able to provide sustainable bus networks in rural areas.

They asked if the APPG would support the Concession Scheme review and the transfer of the Bus Recovery Grant into a Bus Service Operators Grant (BSOG) (a well-established funding mechanism). As part of the BSOG review there may be a swap from a consumption-based grant to a mileage based one and therefore an incentive to work mileage.

They also argued that the Government must treat buses as essential national infrastructure and fund it accordingly.

Action: The Secretariat to draft a written parliamentary question asking about the Bus Strategy and the long-awaited Rural Bus Strategy.

5. Date(s) of Next Meeting

To be confirmed

Meeting finished at 12:20pm.