Future of transport: rural strategy - call for evidence

Introduction

Thank you for responding to our consultation. We are seeking views and evidence on what could be incorporated into our strategy for transport innovation in rural areas.

The closing date is 16 February 2021.

View all the questions

This survey supplies questions based on user choice, a full set of questions are contained throughout the consultation document (opens in new window).

Print or save a copy of your response

When you get to the end of this questionnaire, you will be offered the chance to either print or save a copy of your response for your records. This option appears after you press 'Submit your response'.

Save and continue option

You have an option to 'save and continue' your response at any time. If you do that you will be sent a link via email to allow you to continue your response where you left off.

It's very important that you enter your correct email address if you choose to save and continue. If you make a mistake in the email address you won't receive the link you need to complete your response.

Accessibility statement

Some aspects of this SmartSurvey form may not be accessible. We are working with SmartSurvey to make their form template more accessible.

There are alternative ways to respond to this consultation (opens in new window). If none of these ways are suitable then contact us.

For more information read the DfT accessible document policy (opens in new window).

Confidentiality and data protection

The Department for Transport (DfT), together with the Department for Business, Energy & Industrial Strategy is running a consultation collecting views and evidence on what could be incorporated into our strategy for transport innovation in rural areas.

In this consultation we're asking for:

- your name and email address, in case we need to ask you follow-up questions about your responses (you do not have to give us this personal information, but if you do provide it, we will use it only for the purpose of asking follow-up questions)

- whether you are representing an organisation or yourself

Additionally for organisations we are asking for the:

- organisation category which includes, in certain choices, a definition of size, this is to ascertain the organisation relationship to government

Your consultation response and the processing of personal data that it entails is necessary for the exercise of our functions as a government department. Any information you provide that allows individual people to be identified, including yourself, will be protected by data protection law and DfT will be the controller for this information.

Your personal data is processed on behalf of DfT by Smartsurvey, with respect that they run the survey collection software only, your personal data will not be shared with any other third parties, even those employed for the purpose of analysis. DfT's privacy policy (opens in new window) has more information about your rights in relation to your personal data, how to complain and how to contact the Data Protection Officer.

Your information will be kept securely and destroyed within 12 months after the closing date. Any information provided through the online questionnaire will be moved to our internal systems within 2 months of the consultation period end date.

Your details

1. Your (used for contact details only):

name? Graham Biggs MBE, Chief Executive, Rural Services Network

email? Graham.biggs@sparse.gov.uk

2. Are you responding: *

☐ as an individual? (Go to 'Future of transport: rural strategy - call for evidence')

☑ on behalf of an organisation?

Organisation details

Which category best describes your organisation?

☐ Local or regional government

☐ Academia or research institute

☐ Charity or other non-government organisation

☐ Small and medium-sized enterprises or start-up (fewer than 250 employees)

☐ Large enterprise (250 or more employees)

☑ Other:

The Rural Services Network comprises local government, private business and third sector practitioners representing the various facets of life in rural England. This response draws upon the responses of Rural Services Network members following an internal consultation.

Future of transport: rural strategy - call for evidence

We are seeking suggestions and evidence from all those with an interest in rural transport on what could be incorporated into our strategy for transport innovation in rural areas. The rural strategy will set out how:

- transport innovations and technological developments can be harnessed in rural communities
- central government, local authorities, communities and the private sector can influence emerging trends so they can best benefit rural areas

Issues facing rural areas

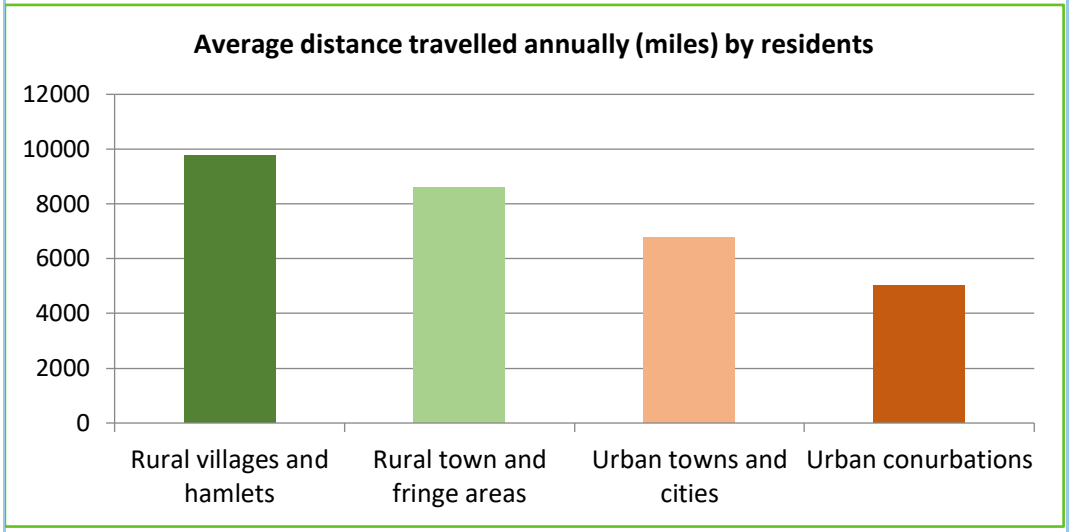
Rural areas face a range of mobility concerns which can lead to social and economic issues. These include:

- dependence on the private car
- access to vital services
- access to employment
- social isolation

3. What are your views on:

dependence on the private car?	➢ There is very high dependence on use of private cars across rural areas of England due to limited public transport networks and rural locations – this is especially true in sparsely populated areas. ➢ Rural residents travel further than their urban counterparts. Those living in small rural settlements (villages and hamlets) on average travelled

9,756 miles in 2018/19. That is 44% more than the average resident from an urban town or city.[1]



- Travel times required to reach a workplace or services are typically longer for rural than for urban residents. This time difference is most marked for those who rely upon public transport

Average minimum travel time by public transport or walking to reach nearest service or centre

To reach the nearest:	From rural areas	From urban areas
Employment centre (with 5,000+ jobs)	56 minutes	27 minutes
GP surgery	23 minutes	11 minutes
Further education institution	37 minutes	18 minutes

- Cumbria County Council say that the average distance travelled per person in Britain each day has risen to 18 miles. Seven out of ten journeys are by car and account for over 86% of total distance travelled
- It must be recognised that for many individuals, it is not just dependence on the private car, it is absolute preference and without substantial subsidy for improved and more frequent public transport services backed up by significant demand management measures this is not likely to change any time soon.
- More vulnerable people are less able to rely on the private car -they need good, sensibly priced, reliable timely transport for reasons that derive from all the corners of their lives.
- For residents without access to a private car this is can be a major challenge. Several Councils strive to meet these needs through maintaining an appropriate supported bus network and delivering or contracting demand responsive alternatives. Given levels of demand the latter require significant subsidy and there is no quick fix to avoid this. Subsidy is under constant extreme financial pressures facing rural Councils – especially in respect of statutory service costs of adult and children's social care
- Integrated transport services must be developed that take account (and make best use) of the existing facilities/resources in the short-

[1] *National Travel Survey 2019* statistics, Department for Transport.

	term; as well as how these may be developed should funding be made available to enhance their delivery ➢ There needs to be greater alignment between strategies. For example, the higher age of residents living in rural areas may also be playing a part in the lower number of walking and cycling trips. This is also likely to be linked to higher levels of inactivity and obesity amongst residents and therefore there needs to be greater alignment of strategies (e.g., Health and transport strategies – GPs prescribing walking and cycling) to maximise their benefits ➢ Walking, cycling and active travel – where they are realistic options - must remain the best options for short journeys to maximise the health benefits alongside the economic and environmental benefits of doing so; including both infrastructure provision and behavior change programmes ➢ Passenger transport systems (integrated into the walking and cycling networks) should be the favoured option for longer journeys; including flexible solutions and 'Mobility as a Solution' (MaaS) ➢ New mobility services must be designed to be inclusive of the rural areas (as well as the urban areas); particularly in the towns (and larger villages) in the rural areas. Potential improvements in rural areas, the high costs of provision of walking and cycling infrastructure (especially on longer-distance routes between towns/villages) and their likely usage puts them at a disadvantage when being assessed in terms of their benefit: cost ratio (BCR), when using existing assessment tools. If greater funding is to be allocated to such schemes in the future Government will therefore need to review its methodology for the value for money assessment of such schemes. The consultation states that "On average people in cities and towns travel approximately 40% more miles walking and cycling than those in rural villages and hamlets" and that "aspects of geography, such as islands or mountainous terrain can limit the number of routes in and out of some rural areas". The age of rural residents (and their ability to make journeys on foot and cycle) may also play a part in the reduced numbers of people making such journeys. There has been an increase in the number of people using e-bikes (which could be an opportunity in rural areas to overcome some of the issues of distance and terrain, for those that are able to use e-bikes). Cycle- hire schemes in rural areas, however, are unlikely to be delivered by commercial operators; and the high revenue costs of their ongoing delivery cannot be met through existing funding streams.
access to key services?	➢ Some individuals are unable to use public transport to access essential services due to frequency of services ➢ The National Audit Office (NAO) Accessibility of services tool https://www.nao.org.uk/other/transport-accessibility-to- local-services-a-journey-time-tool/ explores how access to different local services across England is enabled or restricted by the local public transport provision in an area. The tool could be used as the basis for assessing areas of need for focusing future public transport investment.
access to employment?	➢ Many rural areas are not well served by public transport which can preclude access to employment. ➢ There is a trend for major out of town employment development, including the logistics sector which means that these sites are often difficult to reach from rural areas other than by private car. It is therefore important that Planning contributions are secured as part of new developments to improve accessibility. Where bus services (either traditional or alternative delivery models) are not

	an option (e.g., due to the time the service is required), alternatives to public transport should be considered. Bicycle and moped loans and wheels to work schemes, for younger age groups, have proved a popular and effective method of enabling people living in rural areas to overcome such barriers to employment but have high revenue costs, which can make them difficult to deliver without sufficient revenue streams for their delivery.
social isolation?	➢ Many rural areas have little or no public transport links and this can increase levels of social isolation particularly pertinent during the COVID-19 pandemic ➢ Rural public transport services help reduce social isolation; this can have additional health benefits as physical mobility and fitness is aided by the active travel at each end of the public transport journey, and mental health benefits are derived from the planning and execution of the journey, social interaction with others during the journey and the access to wider social interaction activities that the service facilitates. In rural areas it is not just the elderly who experience social isolation; population sparsity exacerbates the issue for all sectors of society. ➢ In turn this can have a significant impact on healthcare expenditure and there are demonstrable benefits from spending on essential services, including public transport, which can reduce the need for long term and acute care related to health issues whose onset or exacerbation results from lack of human interaction.

4. Do you think there are other issues facing rural areas that we should consider in the strategy?

✔ Yes

☐ No (Go to ‘Future of transport: rural strategy - call for evidence’)

☐ Don’t know? (Go to ‘Future of transport: rural strategy - call for evidence’)

Issues facing rural areas: other

5. What issues?

Non-emergency patient transport services eligibility

➢ The eligibility criteria applied are purely medical and do not take into account issues of access challenges. Schemes such as East Riding of Yorkshire Council’s Medibus DRT network taking people to health appointments who have no other means of getting there and who have been refused NEPT in many cases should be supported and this needs to be reviewed at national level.

Loss of bus services

- Can be more of a problem for vulnerable people without access to private transport. However, services for vulnerable people are never going to be commercially viable. There remains a social need for such services even where there is no business imperative or commercial case.

- The recent report of the County Councils Network (CCN) and the County All-Party Parliamentary Group (APPG) – Reversing the Decline of County Buses (December 2020) - shows that support for buses in County Council authorities has reduced by 30% over the past 10 years, compared with a 23% reduction in urban areas, and there was a 12% reduction in journeys compared with 10% in urban areas, which indicates that rural areas have been disproportionately affected – and it also must be remembered that rural areas were less well served before these reductions.

- This is set against a trend of an increasing older population in rural areas and with reduced access to key services. The Council for the Protection of Rural England (CPRE) Report 'Transport Deserts' states that 56% of small towns in the South west and north east of England were found to be 'transport deserts' or at risk of becoming one.

- A common misconception is that bus operators cannot keep services running because they operate almost empty double deck vehicles all day long. Wouldn't it be more economical to run a minibus? In fact, in most cases it would not. The double deck vehicle is there to transport peak period flows – often a school service which works as part of the daily timetable but is itself partially underwritten by the local authority. The main element of cost is related to staff – up to 60% - and fuel and maintenance are a relatively small contributor. So, replacing the large bus with a small one will save a relatively small amount, and if the large vehicle has to be retained to do the school journeys, the cost is in fact increased as there are now two vehicles to be insured, taxed, licensed and maintained.

- Vehicles themselves have, through the requirements of legislation, become more expensive – both to buy (and therefore to depreciate) or lease, and to maintain. Ease of passenger access requires sophisticated suspension systems and low floor design packages components in less optimal ways; increasingly stringent emissions limits have for many years reduced fuel efficiency and are still adding weight, cost and complexity; demand for real time information, phone chargers, Wi-Fi etc. all add to the cost. Whilst savings can be made for the smallest vehicles, those carrying 22 or fewer passengers not needing to be low floor vehicles under PSVAR regulations, their lack of accessibility would then prevent the operation of an inclusive service available to all local users and would potentially be in breach of the Equality Act 2010 – but there are more cost-effective ways of making such small vehicles accessible to all.

- It is appropriate to consider the relative capital costs of small compared with full size vehicles. A double deck bus will typically cost £250k and be depreciated over 15 years – a cost of £16.7k per annum. A single deck bus would cost about £180k over the same 15-year period – so £12k per annum. A 16-seat basic minibus costing £65k would be depreciated over 8 years thus the cost is £8k a year. But considering that against the potential carrying capacity of the vehicle, let alone the loading that might be expected over a working week, yields (on the basis of 100 passengers for the double deck, 65 for the single deck and 20 for the minibus, to keep it outside PSVAR requirements) equivalents of 167p, 184p and 406p respectively – the case for investing in the minibus is not great.

- Drivers' pay has always been a contentious issue but with increasing availability of jobs in the service sector, often without the unsocial hours and demands of dealing with the public that bus driving entails, pay is no longer the only determinant in

employment choice and this pushes the “carrot” incentive requirement. The mandating of workplace pensions will have affected smaller family businesses which are more common in rural areas. Insurance costs across the industry have risen – partly as a reaction to the increased sophistication and repair cost of modern vehicles. A relevant issue here is that the conversion of many community transport services to registered local bus services in 2017 (explained in more detail below) has had an impact on insurance costs, whereby the blanket classification of all vehicles used on local bus services increased the insurance cost per vehicle by typically 166%.

- Whilst not every journey will necessarily cover its costs, and operations are therefore considered on a service-by-service basis, competition law (specifically the Competition Act 1998) prevents a bus operator cross subsidising a loss-making service with profits made elsewhere in its operation, as this effectively keeps another operator out of the market. There is an argument that where no other operator is prepared to offer a commercial service, maintaining a loss-making service might be considered to be in the public interest, therefore not anti-competitive, but deploying this argument on a network wide basis would be unlikely to meet the CMA’s (or another bus operator’s) test of reasonableness, and would be unsustainable in any event.

- Improved access to information can be facilitated by the roll- out of broadband connectivity across rural areas.

Lack of services for employment and at evenings and weekends

- This encourages young people to leave the area with socio-economic impacts resulting in demographic imbalance in rural communities, fewer working age residents, fewer bus users, and less spend in the local area. There remains a lack of investment for local community and voluntary groups to invest in local transport solutions, potentially run by volunteers.

- Greater co-operation and coordination are required across local authority boundaries to provide common standards of provision in rural areas.

- Potential for funding frameworks to support the development of solutions across wider authority areas through establishing a ‘transforming rural communities fund’

Concessionary Travel

- Concessionary travel and its funding have become ever more important since the English National Concessionary Travel Scheme (ENCTS) introduced national free bus travel for the elderly and eligible disabled in 2008. Today it is administered by 92 Concessionary Travel Authorities across England, with separate national schemes for Scotland and Wales. Each of these English authorities receives a sum of funding from central government which is designed to meet the objective that in total and individually, bus operators within that authority area are no better and no worse off than they would be in the absence of ENCTS.

- ENCTS also delivers wider benefits. Research from Greener Journeys indicates that the availability and use of bus services by pass holders help alleviate social isolation and loneliness, problems which can be exacerbated by spares population density in rural areas.

- Funding for ENCTS is allocated to local authorities centrally by the Department for Transport. Revisions to the funding allocation in 2011 moved about £120m from shire areas to London, without altering the objective for reimbursing operators of ‘no better and no worse off’. An independent analysis reported in Passenger *Transport* calculated that reimbursement rose from 92p in the pound to 98p in

London, but fell from about 62p to 54p in the Shires.

- Reduced reimbursement for the mandatory free carriage of concessionary pass holders, reflecting in some cases these reducing local authority budgets, has a seriously adverse effect on operator income, with typically 35% of passengers being carried “free”. Despite the national policy that operators should be reimbursed so that they are “no better and no worse off” than they would be in the absence of the concessionary scheme, in practice the costs and risks associated with an operator submitting an appeal against the level of reimbursement are such that most small (and many large) operators will be loath to do so.

- Levels of reimbursement have generally declined over time with the assumption that a higher volume of travel has been “generated” by the free concession. This has particularly serious effects where the proportions of free travellers are highest – there is less commercial income and reduced concessionary reimbursement coupled with higher volumes of passengers to carry. Tourist hot spots and areas attracting high numbers of older residents and visitors are affected the most – over 70% of passengers being carried “free” in some parts of Norfolk. This is simply unsustainable for a commercial operator.

- Some local authorities have local enhancements which for instance extend coverage of free travel before the statutory 0930 start time. These need to be funded locally and are invaluable where the local bus network is centered on the provision of home to school transport on openly accessible vehicles, which are often the only form of public transport providing early services, but by definition before 0930. But if there is no early bus, neither a pre-0930 enhancement, nor ENCTS itself, may benefit the local population. Where a local community is only served from 1000 or 1100, using a resource that has completed home to school journeys elsewhere, to enable service provision at marginal cost, this may be too late for medical appointments for instance.

- This too points to the need for a holistic approach to transport in the community context, ensuring that those who rely on the bus are able to access goods, services and facilities. Furthermore, the “total transport” approach using community transport and local bus resources to better meet the needs of local health authorities’ requirements for non-emergency transport whilst plugging “unaffordable” gaps in the bus network as explored later in this paper.

Trends in innovation for rural transport

Innovation has the potential to transform how people and goods move around rural areas both now and in the coming decades. We are seeing a number of trends emerge. These trends include:

- an increase in the use of active travel (including walking, cycling and e-bikes) in rural areas

- the potential for micromobility to move within rural areas

- more effective integration of journeys between modes for a single journey

- the use of digital innovation to provide more flexible services, such as demand responsive transport

- new modes of transport being developed, such as self-driving vehicles

- sense of rural community spirit, leading to the development of innovative shared community transport services

Greater detail about these is included in the consultation document.

6. What examples, in rural areas, do you have for the transport trend of:

increasing use of active travel modes?	**Increasing use of active travel modes** ➢ There is a need to build on the active travel initiatives implemented during the COVID-19 pandemic and deliver additional education in schools and workplaces. However, active travel remains unsuitable for a large number of rural transport needs, sometimes even as access to mainstream public transport services. Many vulnerable people are vulnerable because of physical disabilities. Whilst active travel is good for the able, it is not always an option for the rest. ➢ Many rural councils prioritise investment in active travel infrastructure in support of the National Planning Policy Framework priorities to reduce the reliance on the private car, including walking and cycling infrastructure secured through developer contributions as well as through its integrated transport block programme. ➢ Some County Councils install cycle counters as part of routes that it installs and use these to monitor cycling levels across the county (including in rural areas). The network of cycle counters is not, however, extensive across the rural areas. Pedestrian counts are also undertaken in each of the market towns in Nottinghamshire. Nottinghamshire has specifically divided its area into three geographic zones, one of which is the rural areas and the market towns within them so that cycling and walking infrastructure in these areas is not assessed/prioritised against similar facilities in urban locations. Use of public transport usually requires active travel at each end of the journey, maintaining the benefits of such activity but in a way which enables a higher proportion of the population to realise these benefits, and complementary to the sustainability of such public transport
micromobility?	**Micromobility** ➢ The emergence of vehicles such as electric scooters, electric bikes, skateboards and low powered last mile delivery solutions could also have a potential role for rural communities -but in very many rural areas are unsuitable due to infrastructure constraints ➢ Similar to the e-bike hire schemes, e-scooter hire schemes in rural areas, however, are unlikely to be delivered by commercial

	operators; and the high revenue costs of their ongoing delivery cannot be met through existing funding streams.
more effective integration of journeys?	**More effective integration of journeys** ➢ This is very challenging. The Total Transport initiative had little success. It should not be seen as an alternative to a decent and well -planned public transport network. ➢ The irrefutable problem with rural bus services is a relative lack of demand. Rural sparsity results in less demand for travel and the reduced facilities now available in many rural settlements, coupled with increased home working and internet-based shopping and leisure, has eroded the case for market town services that previously provided the backbone of local buses. What is needed is a means of strengthening that demand. The "Total Transport" concept has been embraced by many rural authorities, with varying degrees of success, and supported in principle by the Department for Transport. Where authorities look carefully at the commercial network, the bus services they support, the costs and provision of home to school transport, and the community transport networks they assist, it is often the case that greater efficiency can be achieved by combining both the supply and the demand for these and generating a more comprehensive provision of services that is sustainable by the overall demand, thereby creating greater travel opportunities and potentially growing the market. All delivered at reduced cost through partnership working between public and private sector. ➢ However, the single greatest source of supply and demand remains, with a few honourable exceptions, largely untapped. Local NHS Trusts spend considerable sums of money providing non-emergency patient transport to get people to and from appointments at hospitals, health surgeries and clinics. These costs are generally small compared with their overall budgets for clinical staff and facility operation, and are therefore frequently overlooked. But provision of these transport services consumes significant resources in a generally inefficient manner and, despite their provision, the costs associated with missed or delayed appointments, often attributed to travel problems, remain high. ➢ This could be addressed in large part by integrating such transport demands into the Total Transport model. There are further benefits which would arise from a wider provision of public transport achieved through this means – greater social inclusion and reduced loneliness of individuals, which not only would improve their quality of life but would also directly reduce pressure on those same NHS Trusts and help them serve the same population at reduced costs. Unfortunately, the level of engagement of NHS Trusts with Total Transport initiatives has been largely poor (with the significant exception of Devon). ➢ Not only does switching from private to public transport have considerable physical and mental health benefits for users, reducing demand for health services, but there is also considerable synergy between the transport demands for health care and the public transport system. This is particularly the case in rural areas and has been identified as a potential solution to the rural transport problem, through the concept of Total Transport. Demands for non- emergency patient transport, hospital and health centre staff and visitors, could be better accommodated by the local public transport network with multiple benefits including reduced transport costs to NHS trusts, better use of staff resources through fewer missed or rescheduled appointments,

freeing up underutilised and poor value car parking space at hospital sites and reducing traffic congestion with benefits for (inter alia) emergency vehicles.

- The fleets of vehicles and staff resources within local healthcare services can be substituted by additional public transport services, when these resources would otherwise be idle. Working with local authorities, local NHS Trusts and public transport/community transport providers, to share and pool resources, is likely to identify many such opportunities and benefits. Encouraging NHS Trusts to identify and value these benefits will be the first step in the integration of health and public transport resources to the overall benefit of society.
- By definition any use of such resources would need to be based on the same standards and regulation as any other provision of bus services, including the potential relaxations as proposed herein.
- In its 2018 data collection exercise for the Department for Transport (DfT) described above, the Rural Services Network (RSN) requested information from its constituent authorities on take of the Total Transport concept.
- Many authorities expressed uncertainty over Community Transport services following the recent clarification of the legal status of these. There was a strong view that short term challenge schemes/funds were not favoured, and that long-term funding solutions are needed. A general desire was expressed to explore ideas with DfT and work towards new solutions. This is reflected in our call for a new approach to rural bus operation set out herein.
- RSN considers that the Government should 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.
- We believe that better partnership working with all transport operators will develop a more comprehensive and more useable multi-modal transport offer
- The Bus Services Act 2017 introduced new powers for local authorities with elected mayors to take control of their local bus services through Franchising powers which superseded the Transport Act 2000 powers to introduce Quality Contracts. Take up of these former powers was restricted to a failed attempt in Tyne and Wear, and the only authority to pursue Franchising to date has been the Greater Manchester Combined Authority. The reason is that the cost and risk associated with Franchising is one which both conceptually and practically is not appropriate for a local authority to take on. Franchising means suspending the deregulated environment and the local authority specifying the full detail of the services to be provided, then inviting tenders from

operators to provide that service network. Whilst there are options to underwrite the revenue risk or to invite bidders to take that on, the latter is an increasingly untenable approach as operators will have very little commercial freedom over the service they provide. So, the risk lies with the authority who might also have to purchase vehicles and land for depots which will also have to be constructed at its own cost. In a time of reduced budgets for local authority expenditure this looks like an ever less viable approach.

- Partnership falls into a number of categories ranging from the Enhanced Partnership – a complex cumbersome and bureaucratic alternative to franchising without suspending the deregulated market altogether, through the Advanced Partnership (a successor to the Statutory Partnership which was also introduced by the Transport Act 2000, to the voluntary partnership). The latter is a flexible and agile method of encouraging engagement and cooperation between bus operators and local authorities, and between bus operators themselves, and is the method generally considered by operators to be the most suitable to achieve improvements as it increases the level of commitment by all parties without unduly restricting commercial freedom.
- As an example, a comprehensive all-operator voluntary partnership covering Ipswich and its hinterland, progressed from idea to signed agreement in a four-month period over the winter of 2019-20. The partnership is designed to deliver improved services and infrastructure, together with increased stability and better provision of services and information to the public, all in a context of anticipated major economic development and growth on the rural edges of the urban area which will need to be public transport oriented if it is to be sustainable.
- The toolkit of market interventions available to authorities is neither unfit nor lacking in options and should not be modified further.
- How might partnership be used to deliver an improved rural transport solution? The local transport authority working with all the providers of bus services in a given area could develop a network of services based on feeders into main core corridors either through a mix of contracted, de minimis and commercial services taking advantage of the suggested lighter regulatory touch where applicable. Through the establishment of a ticketing scheme under the Transport Act 2000, through tickets could be mandated that ensure an appropriate risk and reward balance for commercial services, incentivising operators to maintain their provision, whilst ensuring that feeder services also maintained a degree of commercialisation where feasible. The whole would be promoted as a network with promotion and information coordinated by the authority but without that restricting the ability of the individual operators to follow their own marketing and information strategies.
- Such partnership working needs delivery through mechanisms that align the policies and practices of all the stakeholders. This needs the commitment and participation of both tiers of local authorities, including non public transport functions particularly education, highways and planning departments, bus operators, community transport and volunteer providers, NHS and health procurers, Local Enterprise Partnerships, local business organisations, and community representatives. There need to be shared objectives and mutual trust leading to the development of defined outcomes, with progress monitored towards the achievement of these.

	➢ Our member, Nottinghamshire County Council, has commented "The average percentage of overall (rural and urban) bus mileage supported by Nottinghamshire County Council reduced from 24.9% in 2013/14 to 8.8% in 2018/19 accounting for a reduction from 4.3 million miles to 1.3 million miles - a 69% reduction in supported mileage (source: Department for Transport Local Bus Statistics, Table 208). Nottinghamshire County Council is planning to replace conventional local bus service contracts with 'Nottsbus Connect' demand responsive provision for areas with lower demand, using smaller vehicles and providing guaranteed connections with inter-urban services at 'hub' locations. This is to be supported in the future with technology for online bookings and building on the experience in other areas. The role of buses should also be explored for delivering goods to the 'last mile'/pick-up locations, utilising technology solutions and helping to sustain vital rural transport services. The development of walking, cycling and active travel (for short journeys) and passenger transport (for longer journeys) networks include how they integrate with one another. New mobility services will also need to be developed to form part of an integrated transport system combining the various modes for transport users.
digital models for more flexible services?	**Digital models for more flexible services** ➢ Increase use of real time travel information and extend smart and contactless ticketing options ➢ DRT has in many cases been provided using small Community Transport vehicles under local authority contracts. This potentially maximises cost savings from the network as the cheapest to operate buses would be used, and only go out for pre-booked demand. This has proved flawed in a number of ways: it was not economically sustainable, and by removing the product's visibility in the village it removed the service's most important promotional tool. Falling passenger numbers increased the subsidy per passenger, bringing the routes under closer scrutiny, leading to the abandonment of most such schemes. In June 2016, Transport Focus reported its study on the impact of moving from conventional bus services to DRT in rural areas. From in-depth studies of six schemes in three local authority areas (Hampshire, Suffolk and Worcestershire), it concluded that some 8% of passengers were lost in the conversion, and although the remaining users still left were happy that it met their needs, there was considerable antipathy from younger people. ➢ DRT can also have deleterious effects on local bus services where its planning and execution are not explicitly designed to be complementary to these. The Oxford PickMeUp service was designed to overcome this risk by charging its users a considerable premium fare where the journey could be made using conventional bus services. ➢ Demand Responsive Transport (DRT) is often unsuccessful or unsustainable as it fails to deliver an image of "permanence" or "reliability" that conventional local bus can. The sight of the village bus service at a regular time each day, or even just once a week, can be a helpful reinforcement message that it still exists and is available to use, even if just as an emergency fallback. DRT, by contrast, only appears at locations and times when there is demand and is therefore much less visible as an available service. ➢ Ride-hailing for taxis is mainly focussed in urban areas but could be deployed in rural communities and adopted as part of Mobility

	as a Service (MaaS) solutions for rural communities. Where community transport and taxis are the only form of transport in areas with no regular bus service, MaaS could be adapted for social car/community minibus scheme. It is possible within such a regime to aggregate taxi charges and public transport fares and include these within monthly payment capping through Account Based Ticketing (ABT). Therefore, isolated communities could be less disadvantaged financially by a lack of access to bus services. ➢ Ride sharing using smaller vehicles is becoming more commonplace in rural areas and can be developed further, including services operated by volunteers and shared transport providers. These services can potentially make use of online real time booking and payment systems, and provide transport links complementary to the bus service network. ➢ Data from new and existing mobility services should be shared (free of charge) where appropriate to help those providing services improve choice and the operation of transport systems. To ensure consistency of data available to highway authorities it would be beneficial if Government compiled the available data sources, obtained and distributed them (as is the case for journey time data). It is noted in this context that the Local Bus Services Act 2017 mandated the provision of patronage data by bus operators to local transport authorities where a service was being withdrawn or reduced in scope, to enable the authority to assess the need for a replacement and bidders for any resulting contracted service to bid for its operation.
data and digital improvements unlocking market knowledge?	**Data and digital improvements unlocking market knowledge** ➢ There remains more scope to explore options for digital offer include tickets valid between modes and operators ➢ One reason why people do not use bus services, and therefore services decline, is a lack of information. Under the Local Bus Services Act 2017 the government mandated the supply of open data by the bus industry. This is to include full information on routes timetables, fares and real time information – where you bus is now. All essential information for the potential or actual bus users. ➢ It is often overlooked that much of this information is already publicly available. Traveline, which is run jointly by bus operators and local authorities, provides full comprehensive information on all bus routes and timetables in the UK (plus coach, rail, and ferry) on its website and through its app. The Bus Open Data Service (BODS) provides an additional source of such data, plus fares and real time information for third party developers to access and, hopefully, add value. This has been available from January 2021. ➢ Bus operators themselves also provide comprehensive information on websites, as do some local authorities. Many bus operators also provide mobile phone “apps”, and these not only provide information about routes times and fares, many can show the location of the bus along the route, and indicate how many seats are available – including the availability of the wheelchair space. ➢ Once on the bus we have come a long way from the driver snarling at the presentation of a £5 note for the fare. Most buses, even in rural areas, are equipped with electronic ticketing equipment capable of accepting payment by contactless bank card, mobile phone, and/or prepaid card as well as accepting flash passes, area travelcards and cash. Almost all buses must now accept ENCTS contactless concessionary cards and that

	equipment too can be adapted to accept other products. Buses now often also provide up to date information to passengers as to the next stop, in addition to that being available on the mobile app. ➢ It is not considered that there are any further requirements for the provision of information, what is more important is that all stakeholders disseminate and promote the availability of this information as widely as possible. However, in rural areas, problems with poor broadband availability and mobile phone signal quality can restrict the availability of what is otherwise comprehensive and high-quality information. ➢ The imperative to reduce carbon and airborne pollution requires that people understand the cost of their journey choices. Journey planners and information system that calculate the true cost of making journeys by different modes, including (for private car travel) the costs of maintaining, taxing, insuring and depreciating the vehicle, the cost and time of finding parking, and the external costs of the journey including carbon production, airborne pollution and contribution to congestion) can facilitate a better comparison against public transport options, and help justify their provision. Of course, the public transport options must include the same set of costs, as well as access and egress costs and the time penalties associated with waiting and interchange. But providing a comprehensive set of data to the intending traveler can help in the making of informed decisions, leading to increased demand which justifies the provision of better services, and a virtuous circle of improvement. Once established this can provide the justification for, and the basis of, a polluter pays principle, further reinforcing modal shift and leading to environmentally and financially sustainable transport networks, even in rural areas.
new modes of transport?	**New modes of transport** ➢ There is support for new modes of transport If they can be shown to be more cost effective than a well- used local bus service, or meet specialist needs of hard to serve markets ➢ New active and sustainable modes include electric bikes, scooters and drone-based technologies for delivery of good and essential supplies, to complement the bus service. ➢ Much speculation on the future of autonomous vehicles centres on the benefits that they might bring to wider accessibility. How this might affect rural communities depends on the availability of this technology – an ‘uber style’ autonomous system would generate a dystopian future with the same road space being used by even more vehicles, conflicts caused by driver behaviour being initially increased but ultimately reduced through wider adoption of automated driving. There is however an alternative utopian vision where the only requirements for single occupancy vehicles are for those in society who are either physically unable to use different forms of transport, or who need access to “last mile” destinations. The benefits which might accrue from automation and autonomy would be better realised through their deployment in mass transportation systems – such as buses, where, as the cost of technology becomes marginal through economies of scale of production, the reach of public transport could be extended to cover currently uneconomic services in rural areas where the high (typically 45%) proportion of costs associated with labour are currently prohibitive. ➢ There are experimental applications of autonomy to public bus services in development for delivery during 2021, in Didcot Oxfordshire and to the north of Edinburgh. The regulatory and

	practical hurdles to be overcome in enabling their delivery are considerable – but rightly so to ensure public safety. Successful delivery of these projects will pave the way to proving the potential application of such technology elsewhere. They will need an ongoing willingness to allow innovation and experimental applications of new technology in order for this to be achieved.
strong community links?	**Strong community links** ➢ Public transport can be improved by seeking feedback from local communities and stakeholders including local groups with an interest in transport ➢ Many rural councils have been supporting and fostering such initiatives for many years. They are helpful but there are limitations to what they can achieve without state intervention and funding. ➢ Local voluntary and community groups operate community based voluntary transport schemes, providing essential connectivity. The sustainability of schemes is impacted by a lack of reassurance about medium/long term funding, which can lead to a lack of innovation and willingness to develop services. ➢ Much has been written about the role of community transport in recent years, with concerns expressed by commercial bus operators about the legality or otherwise of some of the activities undertaken by operators with "Section 19" and "Section 22" permits issued as permitted by the 1985 Transport Act. The former are permits which allow bodies for whom transport is not the primary function to provide services specifically for their members – these being education, social welfare, religion, community benefit or recreational groups. The latter are community transport permits which allow the operation of non-profit making services by organisations to meet the social and welfare needs of local communities. Services operated by the former are specifically not to carry members of the general public; the latter are permitted to do so. Both have a role to play in rural transport, but it is Section 22 operation, available to the general public, which has the greatest potential. ➢ Holders of Section 19 and Section 22 permits (more specifically the latter – the former by exception) have bid for local authority contracted services, or commenced "commercial" services of their own volition. There are apparent conflicts here in terms of the "public" nature of any service and the "non-profit" element of the operation. ➢ The Department for Transport has been investigating these services and has issued advice (most recently in January 2021) that is still being challenged by certain sectors of the industry. It is not considered constructive to address this topic here; rather to look at the underlying principles. Holders of Section 19 and Section 22 permits are not required to meet the same standard as holders of licenses to operate local bus services. In particular the rules about the financial standing of operators, maintenance of vehicles and drivers' hours (particularly in the context of other work activities undertaken by the individual) are far more relaxed. This has led to calls for the operation of local authority contracted services and commercial services by such operators to be prohibited, on the grounds of passenger safety and unfair competitive advantage (permit holders have far lower costs due largely to these lower regulatory hurdles). ➢ This ignores two major benefits that "community transport" can bring. Firstly, rather than competing – and potentially undermining conventional local bus services and operators, community

transport can fill the gaps where bus services cannot be provided economically – either by commercial services or, at reasonable cost per passenger trip, by local authority supported services. A network of complementary services can provide feeders into such conventional bus routes thereby improving their financial viability. Secondly there are excellent examples of diversification by community transport operators into “mainstream” bus and coach operation, meeting the full standards required of such operators by bringing the expertise gained through the successful operation of community transport. Examples include Hackney Community Transport and its various subsidiaries in (for example) Yorkshire and the West of England, and West Norfolk Community Transport. Between them these operate local authority contracted services, commercial services and Transport for London contracts in a professional, fair and well-respected manner. This role fits perfectly into the “Total Transport” concept described above.

7. Do you think there are other trends in innovation we haven’t included?

✔ Yes

☐ No (Go to ‘Encouraging transport innovation in rural areas’)

☐ Don't know? (Go to ‘Encouraging transport innovation in rural areas’)

Trends in innovation for rural transport: opportunities

8. What trends in innovation?

Other Trends in innovation

- The strategy recognises that “Rural communities have unique and different electric vehicle (EV) infrastructure needs compared with urban areas and addressing those needs will be a crucial part of the government’s strategy for EV charging infrastructure.” Nottinghamshire County Council is currently undertaking a study to identify what these specific issues are within the county and what products are currently available to help overcome them. Further guidance and/or case studies on such issues encountered elsewhere would be useful to help develop EV charging strategies in rural areas.”

- There is much media coverage of “dirty diesels” – and most bus services are provided using diesel vehicles. What is often misunderstood is that different emissions standards apply to light duty vehicles (cars and vans) and heavy-duty vehicles (buses and trucks). The latest light vehicles have to meet the Euro 6 standard which can be passed under laboratory conditions. But heavy vehicles have to pass a more stringent Euro VI standard – and pass it on the road, in everyday use. This Euro VI standard represents a reduction in airborne emissions of up to 99% compared with its Euro V predecessor, so the latest diesel buses and coaches are very clean indeed.

- In that context, the decarbonisation agenda is focusing largely on major urban areas at present and we must ensure that appropriate rural-proofing takes place if the same objective is placed on rural areas. There are practical issues to consider. An electric bus typically costs up to twice as much as its latest clean diesel (Euro VI) equivalent. But whilst there are limited numbers of the latter on the second-hand market, for operators unable to sustain new purchase costs, there are no second-hand electric buses yet available. Charging stations are a cost that needs to be added to the cost of going electric and under the current electricity supply regime, the costs of connecting a depot to the grid, including any necessary additional substation infrastructure to accommodate increased load on the system, is borne by the customer requiring the supply – in this case the bus operator. But, most importantly, the operating range of electric buses is still considerably lower than that of diesel – typically up to 150 miles per day, with diesel vehicles capable of twice that. By their nature, rural bus services generally incur greater daily mileage than urban routes and by no means all are suitable for electrification with current technology. In some cases, a second fleet would be required to take over whilst the main fleet received a mid-day charge.

- Outside London, where the increased costs of purchase and operation are picked up by Transport for London in contract prices submitted by operators, new purchase of hybrid diesel electric vehicles is now uncommon. They attract a significant price premium over diesel but offer relatively few advantages, the reduced fuel consumption typically being offset by increased maintenance and the need to replace components mid-life. They are gradually increasing their capability of zero emissions operation but at considerably increased cost. Poor reliability and component failure have led to many first-generation hybrid buses being rebuilt to use the latest Euro VI diesel engines, abandoning the electric hybrid component altogether.

- Technology moves rapidly in this field and we can expect to see cheaper, more durable and longer-range electric buses in the next few years. But today, rural electric operation is not viable when so many rural routes are already struggling to survive.

- Alternative fuels are also available, and if sufficient supply of biomethane can be secured, this can provide a very clean and environmentally sustainable source of powering buses, with relatively small cost premia compared with diesel. Hydrogen fuel cell vehicles are even cleaner – provided the hydrogen is obtained through the use of sustainable energy – but the cost of the vehicles and infrastructure is largely prohibitive even for urban operations, except through heavily subsidised purchasing competitions.

- The case for zero emissions bus operation in rural areas is a difficult one to make but if we are to achieve zero carbon for the UK, is one we will be forced into. The difficulty of making a business case for investment is far harder that for an urban environment – not only due to the simple cost differentials, but also practical issues such as vehicle range militate against investment as two vehicles may be required to do the work of one diesel – one having to return to base for a mid- duty recharge. The recent “Electric Town” challenge bidding round announced by DfT requires that all buses in the defined area are zero emissions, meaning that services worked in from rural areas need to be either electric, or equally expensive and technologically less robust extended range hybrid vehicles. A more pragmatic approach to maintaining service whilst meeting the environmental challenges of rural areas needs to be developed, phased to keep pace with technological advancement.

- As referred to earlier, every bus, however powered, can operate more efficiently and in a more environmentally friendly manner when it is freed from congestion. This enables schedules to be tightened to provide quicker and more consistent

running times which make the service more attractive to the passenger, as well as allowing for more intensive use of expensive assets. All serve to make the case for investment in the latest and greenest technology more achievable.

- The decarbonisation agenda and air quality management must 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 in the rural context will be required if the potential benefits from these are to be realised for future rural services.

Encouraging transport innovation in rural areas

We want to be able to harness innovation in transport to encourage a greater range of transport services to become available across rural areas. We recognise that some innovations could be available over the short term, while others will be developed over the next decade. We want to create the conditions to enable near-term innovation to be realised, whilst ensuring that the needs of rural areas are embedded in longer-term technologies and services as they are developed.

In the 'Future of mobility: urban strategy' [opens in a new window], we provided a set of principles to underpin our approach to transport innovation in urban areas. These include that:

- new modes of transport and new mobility services must be safe and secure by design
- the benefits of innovation in mobility must be available to all parts of the UK and all segments of society
- walking, cycling and active travel must remain the best options for short urban journeys
- mass transit must remain fundamental to an efficient transport system
- new mobility services must lead the transition to zero emissions
- mobility innovation must help to reduce congestion through more efficient use of limited road space, for example through sharing rides, increasing occupancy or consolidating

freight

- the marketplace for mobility must be open to stimulate innovation and give the best deal to consumers

- new mobility services must be designed to operate as part of an integrated transport system combining public, private and multiple modes for transport users

- data from new mobility services must be shared where appropriate to improve choice and the operation of the transport system

We think these principles are also relevant to guide the application of innovation to rural areas as well to ensure that this innovation can meet wider social and economic policy objectives and limit any unintended consequences.

9. Do you think the future of transport rural strategy should include that:

	Yes	No	Don't know?
new modes of transport and new mobility services must be safe and secure by design principle?	✓	The picture can't be displayed.	The picture can't be displayed.
the benefits of innovation in mobility must be available to all parts of the UK and all segments of society principle?	✓	The picture can't be displayed.	The picture can't be displayed.
walking, cycling and active travel must remain the best options for short urban journeys principle?	✓	The picture can't be displayed.	The picture can't be displayed.
mass transit must remain fundamental to an efficient transport system principle?	✓	The picture can't be displayed.	The picture can't be displayed.
new mobility services must lead the transition to zero emissions principle?	✓	The picture can't be displayed.	The picture can't be displayed.
mobility innovation must help to reduce congestion through more efficient use of limited road space, for example through sharing rides, increasing occupancy or consolidating freight	✓	The picture can't be displayed.	The picture can't be displayed.

	Yes	No	Don't know?
principle?			
the marketplace for mobility must be open to stimulate innovation and give the best deal to consumers principle?	✓		
new mobility services must be designed to operate as part of an integrated transport system combining public, private and multiple modes for transport users principle?	✓		
data from new mobility services must be shared where appropriate to improve choice and the operation of the transport system principle?	✓		

Which additional principals would you like to see in the strategy?

- The majority of the responses we received from our members answered yes to each of the above principles as long as, in each case, they are framed so as to take rural circumstances fully into account and that there is equitable and sustainable financial support for implementation as between urban and rural areas.

- **In the rural context there should be added as a key principle "Rural residents including those without access to a private car should have access to an appropriate, accessible and affordable level of public transport provision for their essential travel needs (employment, education and skills, health, shopping and access to key services"**

10. Are there specific considerations for testing and trialling new technologies in rural areas you think we should consider?

- Trial on-demand community transport solutions using technology for example apps to make bookings and track the journey. Engage with potential users to determine the offer they are looking for,

- Beware of assuming that people have access to the Internet and mobile phone technology - and have sufficient connectivity to such services, and will choose (and can afford) to use it.

- The outcome of the government Total Transport funded projects, as explored in detail above, should be considered as part of future innovation, including working with health service providers for integrated journeys, potentially provided by a consortium of funding partners. There is a great opportunity but much to do, requiring greater buy-in and input from the local health authorities.

11. In your view what should the role of:

central government be in encouraging innovation in rural areas?	**Central government** ➢ Create policies (following full consultation with transport providers, local authorities and sub-national transport bodies) to create access opportunities for rural residents to get to work, access education skills and training (all ages), access healthcare and shopping and leisure opportunities which are relevant to the circumstances of rural areas. ➢ Provide investment/ funding and specialist support to share knowledge and best practice, encourage innovation and take-up of new service delivery, including benchmarking or performance. Partnerships should be established with private sector transport providers and technology suppliers to trial new service options locally. Future opportunities will emerge including reviewing the need for regulation, where the impact on the market could be disruptive where it causes unintended outcomes such as undermining the viability of commercial providers, undermining local authority support for non-commercial services, and reducing competition. ➢ There is a need for 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 though application of best practice.
sub-national transport bodies be in encouraging innovation in rural areas?	**Sub-national transport bodies** ➢ Should provide strategic vision and integration across areas; provide funding and facilitate partnership working between different operators ➢ Sub-national transport bodies have an important role in bringing together ideas and best practice. They are not responsible for delivery of such proposals at a local level. In this respect Midlands Connect, for example, have many important studies ongoing including 'Innovation and Technology' and 'Future of Rural Mobility Study' to share knowledge and best practice, and thereby help guide and inform local authorities on topics such as this. Local Authorities though know the detail of their own patches and can then interpret these studies and documents once complete to utilise the elements that are most suitable to meet their own individual circumstances.
local authorities be in encouraging innovation in rural areas?	**Local authorities** ➢ Should use local knowledge of areas where trials would be beneficial and engage with communities regarding their aspirations ➢ Should pilot local delivery and advise central government and Sub-national transport bodies ➢ Local authorities should be supported with any changes to procurement and regulatory frameworks to provide conditions that enable innovation in rural areas to be delivered. Local transport and highway authorities should ensure that they work together

(where responsibilities are split) and with the private sector in partnership to identify and deliver transport solutions, utilising local knowledge and existing partnership arrangements.

- Whilst development can follow investment in major urban public transport corridors, that is only half the story. There is a need for planning authorities and transport authorities to work together to ensure that development can be served by public transport – whether on flexible routes or fixed corridors, and to avoid the common scenario where development generates car traffic by default, this being the only reasonable means of access. There has to be a fully developed strategy of land use and transportation planning to ensure that new developments can be served both physically and economically by public transport and in a sustainable manner, perhaps using developer contributions (section 106 payments) to kick start the process. This can include diverting or procuring additional services, providing housing or office occupants with an initial duration of free travel with dedicated passes, ensuring access to and promotion of full network and service information, but by linking trips into chains of demand, ensuring the ongoing provision of services once any initial subsidy has run out. In this way the pattern of ever-increasing car use associated with development, leading to decline of public transport making it ever harder to serve the next new development, can be reduced and the economic potential of the development can be realised in an environmentally sustainable manner.
- It is worth noting that this requirement is already in place, written into the National Planning Policy Framework (NPPF) and last updated in February 2019. The intent was to ensure that local planning authorities follow government guidance on sustainable development, particularly sustainable accessibility and mobility. However, there are many examples where local planning authorities tend to honour the NPPF in the breach, including it in Local Plans without following through when a developer applies for outline planning consent.

- At another, practical level, any land use which generates large volumes of people at specific times – largely education and health facilities but also major employment sites – needs to have their transport needs coordinated with the availability of supply. Ensuring for instance that bus services can service the needs of multiple educational establishments without the need to duplicate vehicles can have major implications for the cost of provision, enabling other services to be offered to the public instead.

Local authority supported services

- The 1985 Transport Act in its section 63 places a duty on Local Transport Authorities “to secure the provision of such public passenger transport services *as the council consider it appropriate to secure* to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose”.
- The important words in this section are those italicised. The duty is tempered by a value judgment as to what is an appropriate service to secure, i.e., to procure through the use of funds. Therefore, this becomes, in times of severe economic constraint, a discretionary spend and therefore subsidiary to mandatory spending requirements of local authorities.
- Some authorities have taken this as an opportunity to cease all

spending on local bus services. Those that do retain this budget line are obliged to tender on the open market for operators to supply the services, in return for subsidy payments. Some authorities combine this with their statutory requirements to provide home to school transport and effectively ensure that these needs are met through the provision of bus services which are available to provide a wider public service. Others maintain the provision of services which are effectively a second network, for the exclusive benefit of schools. The latter, whilst sometimes unavoidable due to local geography and/or the volumes of children to be transported, is generally a less efficient use of resources and potentially deprives the public of a wider network of services.

- In 2018 the Rural Services Network (RSN) engaged in a dialogue with the Department for Transport (DfT) to examine the future of local bus services in rural areas. As part of this exercise, RSN requested information from its constituent authorities on two particular topics specified by DfT – the nature of the commercial and contracted bus operations in their areas, and take up of the "Total Transport" concept explored below.
- These questions were put to the 47 Local Transport Authorities in RSN membership in Spring 2018. In commentary provided by the respondents it was identified that more significant reductions had taken place in 2015 when cuts were made to tendered service budgets, with approximately 50% reductions in many cases. So, whilst we were by then in a period of relative stability the damage had already been done. It is very relevant to note from the results reported that most rural authorities fit the general pattern of most services being commercially provided, but there are a few that present a completely different picture, indicating the difficulty of sustaining any form of commercial operation in the area – notably Herefordshire and Shropshire, this reflecting the relative absence of built up areas across these counties compared with the norm where there is an urban focus somewhere in a rural county, even in Devon for instance.

De minimis rules

- The "de minimis" powers available to local transport authorities enable the authority to enter into dialogue with an operator of commercial bus services with a view to making alterations to those services, with recompense for the additional costs of operation (and/or loss of revenue due to increase in journey time occasioned by any diversion) being paid to operator. This need not be done through the competitive tender process set out in the 1985 Transport Act (as amended) as set out above, provided that the requirements of the Service Subsidy Agreements (Tendering) (England) (Amendment) Regulations 2004 are followed. The secondary legislation is available by following this link. http://www.legislation.gov.uk/uksi/2004/609/made

- A report published at the request of the Department for Transport, intended to provide guidance and best practice for local transport authorities in their bus service tendering processes, and produced by Atkins in 2005, sets out the rules succinctly as follows:
- "PROVISIONS FOR *DE MINIMIS* CONTRACTS
- "2.43 *De Minimis* contracts have played an important role in the tendering process. *De Minimis* rules/exceptions to the Service Subsidy Agreements (Tendering) Regulations enable authorities, under certain circumstances, to let supported services without having to go through competitive tender.

- "2.44 The rules governing *De Minimis* contracts have been amended on a number of occasions, most recently by the Service Subsidy Agreements (Tendering) (England) Regulations 2004 which came into force on 1st April 2004. Detailed guidance on the application and interpretation of the rules is available on the DfT's website. *[unfortunately, this appears to have been removed since 2005]*
- "2.45 In summary the changes introduced mean that:
- LTAs with forecast expenditure on bus service subsidies in any one year of £600,000 or more are able to spend up to 25% on *De Minimis* contracts and within this 25% there is no limit on the expenditure on an individual contract or on the expenditure with a single operator; and
- LTAs with forecast expenditure on bus service subsidies in any one year of less than £600,000 the limit per contract is raised to £29,999 per contract in any one year and the previous £150,000 annual limit on expenditure with a single operator is removed."
- Source: MONITORING LOCAL BUS SERVICE TENDERS IN ENGLAND *Bus Tendering Good Practice Guide – Atkins, 2005*
- The effect is to enable modification of a service to meet needs which would not be met commercially, at marginal cost, and without having to secure operation of a new service in its entirety through a competitive tendering process. Such modifications typically include diversions or extensions to serve otherwise unserved communities or facilities, additional journeys, early or late service extensions. Tendering for a new service would generally be considerably more expensive for the authority and indeed might undermine the commerciality of the existing service, as an unintended adverse consequence. It might also result in passengers having to purchase more expensive multi operator bus tickets in order to make return journeys.
- These powers are used extensively by many local transport authorities, including some with the scope to use the full extent of the increased limits for de-minimis spend, but others use them sparingly or not at all. The reason sometimes cited for not making use of these powers is that the council's Procurement Department undertakes the bus service tendering process and, since these De Minimis powers are outside the scope of the general rules (including European legislation governing State Aid issues) on public procurement, their use is not considered.

Funding horizons

- A further issue relating to local authority supported services is the funding horizon for authorities. Contracts can be awarded for up to 8 years, and such a long time-frame both encourages bids from operators and allows them to offer a better value solution as they believe there is a guarantee of funding against which longer term investment decisions can be taken. However, contracts are increasingly being awarded for shorter durations. This is to a degree inevitable as local authorities are increasingly unable to guarantee that their budgets for bus service expenditure will have longevity, but this inevitably leads to a "race to the bottom" in terms of price, and often quality. It will not maximise overall value (as more frequent tendering is required, and the risk of operator collapse is heightened), nor will it promote longevity and stability, and consequent customer confidence. A greater degree of certainty of local authority budgets over a longer time period would be of considerable benefit in this regard.

12. Do you think government should encourage the private sector to develop innovative new transport services in rural areas?

✔ Yes

☐ No (Go to 'Final comments')

☐ Don't know? (Go to 'Final comments')

Encouraging transport innovation in rural areas: government

13. How do you think government should encourage the private sector?

- Provide funding to encourage the private sector to trial different solutions in partnership with local authorities and community groups.

- Funding for 'kickstart' type pilots channeled through local authorities must deliver projects that have a realistic chance of becoming commercially viable or there is little point in wasting public money. Equally if there is a real commercial opportunity becoming evident the market should be trusted to take advantage of it without government intervention.

- There is a commonly held view that public transport to support rural communities across large geographical areas will never be economically viable. Therefore, it must be regarded as a matter of equitable service, and infrastructure. The more costly it becomes to use, the less it will be used and fewer people will use it. People will quickly abandon an unreliable and/or infrequent service - as unable to rely on it for work or school/training or health purposes. People will only use a system that is timely as considered against work patterns, school/college, skills/training times and healthcare appointments in particular.

- Private sector transport providers are pro-actively trialing new transport services and several branded services are being rolled out, primarily in urban areas, but also in areas of lower demand as a replacement for conventional council supported bus services. Case studies for the services should be considered for the strategy.

- "Challenge" funding does not always achieve the desired effects. In the early 2000s a number of rural bus challenge competitions were established where local authorities and bus operators were encouraged to collaborate and submit bids for funding new innovative services. The funding was of a fixed duration, and the intent was that the services would grow patronage and become self-sustaining at the end of their supported period. But because the scheme was intended to deliver new innovative services, rather than build upon and adapt existing proven provision, the challenges of commercialisation (or of absorption within the local

authority supported network) were too great. Without a long-term sustainable business plan the services inevitably stopped once the grant funding was exhausted. In many cases this served to further reduce community reliance upon, and confidence in, local bus services, and their credibility as a sustainable resource was undermined.

Final comments

14. Any other comments?

Part A: OVERARCHING INTRODUCTORY COMMENTS AND CONTEXT SETTING

1. The Rural Services Network comprises local government, private business and third sector practitioners representing the various facets of life in rural England. This paper draws upon the responses of Rural Services Partnership members following an internal consultation.

2. This response is largely 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 remain, at the time of writing, difficult to predict. This is explored in an Appendix to the paper.

3. It is implied, but not explicitly stated, by the call for evidence, that the scope of the Rural Strategy is intended to include freight and goods transport as well as personal mobility. This seems to widen the call for evidence well beyond the specifics mentioned.

4. The call for evidence is silent on a number of current live issues and public transport policies that are, and have been for many years, having a major impact on rural areas. These include the concessionary fares scheme which by definition cannot bring benefit equal to that derived by urban residents where the bus services are few and far between, home to school transport, access to post 16 education and training, adequate funding to local government to support non-commercial bus routes, goods transport aspects of carbon net-zero in relation to agricultural products, carbon footprint of goods transport to rural (and urban areas) and procurement / support for community transport.

It is essential that these current issues are addressed without delay.

5. 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 and, 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.

6. 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.

7. 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.

8. The Consultation starts with the statement "Rural areas face a range of mobility concerns which can lead to social and economic issues".

9. We couldn't agree more. Our comments in relation to the specific issues referred to in the Call for Evidence are set out in this response. However, before we set out that response, we wish to amplify our above comments.

10. The starting point of the Call for Evidence implies that the only challenges/opportunities facing rural people relate to issues concerned with technological innovation and the need for transport to make a substantial contribution to achieving carbon net-zero. Undoubtably these are important challenges/opportunities and must be addressed over the next 10 to 20 years and there must be a Rural Transport Strategy to do that. However, those issues are only part of the picture.

11. A present there is no clear, national, policy in relation to rural transport and access and as a result rural people, businesses and communities currently face significant challenges in the here and now and into the medium term – a strategy to address them is urgently required.

12. Any Rural Strategy for Rural Transport must be based on the principles of **equity and fairness** in gaining access to public and commercial services. A future strategy for transport serving rural people requires policy commitments by current and future Governments; commitments that cut across all home departments and local government. Future rural transport strategy, in all its forms, is an essential, but not exclusive, part of these commitments.

13. The paucity of rural transport options is an issue which strikes at the heart of rural disadvantage, impacting people's access to employment, education and training, health, shops, and a host of other activities. It is a key driver of rural isolation and loneliness. It leaves rural communities highly car dependent, with consequences for the environment and national efforts to reach net zero (for carbon). This situation reflects a long-term lack of strategic policy thinking about what transport provision is needed and appropriate in rural areas.

14. Affordable, accessible and reliable public transport matter because:

- Transport options provide communities with better access to education, training and employment opportunities and vital services, as well as to leisure or social opportunities. This matters most of all to those individuals without ready access to their own means of transport, whether because of their age, health, income or lifestyle choice. The inverse is equally true. Transport options provide employers with access to a workforce and make retail outlets, service providers and other businesses accessible to all their customers or clients. They are important for local economies and improved transport networks can help rural areas to level up.

- One group for whom transport matters a great deal is young people who, from age 16 to 18, must attend further education, an apprenticeship or work-based learning. Rural young people (who are unlikely to own their own, or have access to, personal transport) require realistic options to give them a chance to follow their career or education ambitions.

- A lack of transport options can contribute towards loneliness, not least among older

people, where it leaves them physically isolated in smaller rural communities further exacerbating health problems. Conversely viable transport options often assist wellbeing and social inclusion. For some, public transport is the only means of transport they are able to use. A lack of transport options encourages car dependency (and for some makes it all but essential). This is detrimental to the environment, causing congestion, adding to air pollution and contributing to greenhouse gas emissions, contrary to the Government's net zero objective.

The rural dimension

Average minimum travel time by public transport or walking to reach nearest service or centre

To reach the nearest:	From rural areas	From urban areas
Employment centre (with 5,000+ jobs)	56 minutes	27 minutes
GP surgery	23 minutes	11 minutes
Further education institution	37 minutes	18 minutes

15. In 2017/18 passengers made 1,223 million journeys by bus in non-metropolitan areas of England, down by 7% since 2009/10.[2] Over the same period bus vehicle mileage has remained fairly stable for commercially run services, but has more than halved for local authority subsidised services. What these figures may mask is some operators taking a commercial risk to maintain a service where the subsidy is withdrawn.

16. This trend coincides with a 43% reduction in local authority expenditure on subsidy for bus services. Several local authorities have cut their supported bus expenditure to zero. Furthermore, local authorities in predominantly rural areas have less funding available to them for spending on bus services (than equivalent urban local authorities). [3]

Budgeted local authority expenditure per resident on bus service provision (2019/20)

Budgeted spend on:	Predominantly rural local authority areas	Predominantly urban local authority areas
Subsidised bus routes	£7.53	£39.41
Concessionary bus fares	£13.84	£25.38

17. Many bus routes financially supported by local authorities have been withdrawn or reduced.[4] This is thought to have affected over 3,000 services since 2009. Disaggregated figures for shire areas (alone) are available for 2016/17, showing that:

- 202 services were withdrawn altogether; and

[2] *The Future of Bus Funding*, Campaign for Better Transport (2019), using Department for Transport statistics.
[3] Analysis of Local Authority Revenue Account Budget data set, RSN (2020).
[4] *Buses in Crisis* annual reports, Campaign for Better Transport.

- 191 services were in some other way reduced.

18. Recent analysis has concluded[5] that £348 million of support funding would now be needed to restore rural bus provision in shire areas back to the level that it was at a decade earlier in 2009/10.

19. However, it is necessary to offer a word of warning 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.

20. Nevertheless, research in two English regions has concluded that many small rural towns were at risk of becoming transport deserts, with infrequent bus, rail, or public transport services. 72 out of 110 small towns in the South West and 20 out of 50 small towns in the North East met the transport desert definition.[6]

21. A good half (52%) of all community transport organisations either wholly or mostly serve rural communities.[7] However, those serving rural areas tend to be smaller in scale and to rely more heavily on fares revenue (as they receive comparatively less grant income).

22. More recent policy initiatives from DfT, the £20m Rural Mobility Fund competition for Demand Responsive Transport (DRT) projects and the £30m for restoring or improving supported services, in 2020 and set out in the "Funding for Supported Bus Services in 2020-21, have suffered from their timing at the onset of the Covid 19 pandemic. It is hoped that these shall begin to bear fruit as we exit from the current movement and social distancing restrictions. We welcome the inclusion in the latter of the 20% set aside for rural top up "…recognising that the loss of supported services in rural areas can leave people at risk of losing access to public transport services." There remains a risk that post Covid 19, the funding is spent on replacing services no longer commercially viable as a result of a strategic fall in transport demand (see Appendix to this response) and its allocation to authorities on the basis of previous supported bus mileage potentially reinforces the actions of those authorities which have sought not to prioritise such transport needs in any event.

23. In short, what is essential is that transport policies are rural-proofed and fit to apply to rural areas as well as urban ones. Many of the themes identified in the Call for Evidence are about deliverability, rather than the presence – or more likely absence – of rural transport options. Public transport (and particularly bus) is the only mode capable of achieving the objectives of decarbonisation and improved air quality, whilst maintaining and improving social equality and helping to re-stimulate the economy, but a "one size fits all" approach will leave many rural

[5] *Reversing the Decline of County Buses*, County Councils Network and County APPG (2020)

[6] *Transport Deserts*, CPRE – The Countryside Charity (2020).

[7] *State of the Sector - England*, Community Transport Association (2014).

communities no better off than they are today, and at risk of long-term structural decline.

Part B: Through our 'Revitalising Rural: Realising the Vision campaign the RSN makes the following specific policy asks of Government (reproduced verbatim):

1. **Covid-19** support: in the short-term Government must retain its emergency financial support for public transport networks, so that rural bus and rail routes survive whilst pandemic restrictions are in place and whilst passenger confidence remains low. A significant public information campaign is required as soon as social distancing restrictions can be further relaxed to re-assure people about safety and encourage them back onto public transport.

2. **Bus route provision**: Government must ensure that its planned National Bus Strategy has objectives for rural provision, with ambitions to better serve rural communities and their economic needs on a sustainable basis. A fair share of the extra resources now starting to flow must reach rural areas, to improve existing routes, restore valued lost routes and establish new routes where clear gaps exist. This must be backed up by ensuring predominantly rural local authorities regain and sustain their ability to offer necessary revenue support, which means Government implementing the findings of its Fair Funding Review and taking full account of the costs of rural service delivery.

3. **Zero emission buses**: as described in the section on decarbonisation, the high costs of introducing electric or hydrogen buses and their fueling facilities could prove problematic in rural areas. A comprehensive review is needed of the electric grid and, where appropriate, hydrogen supply, to address this risk.

4. **Community transport**: The Rural Mobility Fund is useful, if modest in its scale. Lessons from that Fund's current round should form the basis for a larger funding pot which is sustained over a longer period. It should, especially, promote the use of community and demand-responsive transport schemes which serve outlying settlements and feed into bus or rail routes. App-based journey planners and booking technologies should be piloted to attract new users, as should through ticketing between transport providers. However, in many rural areas this may require improvements to mobile connectivity.

5. **Cycling and walking**: Government should recognise the potential to improve cycling and walking infrastructure in rural towns, to nearby villages and in urban fringe areas. This can reduce car dependency and congestion, and improve access to rural employment, services, and retail centres. Funding streams being made available to develop such infrastructure must reach rural areas and not simply focus on larger urban settlements. The condition of rural roads needs addressing as it can be a barrier to cycling.

We feel that we should, at this point, make some brief comment on the decarbonisation of public transport in the rural context. Decarbonisation is highly desirable for rural public transport but has a number of partially hidden costs and challenges. Electric buses are considerably more expensive to purchase than diesel, hydrogen fuel cell vehicles even more so, and therefore need optimum operating efficiency to justify the investment. This means firstly addressing modal shift and the adverse impact of congestion on bus operation, even in rural areas. Secondly there are operational constraints on electric buses with the absolute maximum range now being up to 180 miles a day with an overnight charge. This can be insufficient for a day of rural bus duties, necessitating additional vehicles to provide the same level of service, or sometimes can be overcome with supplementary charging facilities for use during the day (for instance at a bus station). Fuel cell vehicles powered by hydrogen do not have the same range constraint. Thirdly, both electric and fuel cell vehicles require dedicated charging/fuelling facilities at depots. Both have a capital and (limited) operating cost – besides that of the fuel itself. But both rely on connections to an external grid, the cost of which, particularly where a local capacity upgrade is required, can be prohibitive. There is a need to address this issue on a national level, as more processes and services are becoming reliant on other than fossil fuels. A comprehensive review and future proof plan for the grid for electricity and, where appropriate, hydrogen supply is required for the UK, to guard against the situation where a particular initiative

or consumer is required to meet the entire cost of the next local upgrade at a punitive, unaffordable, and unfair cost.

These policy asks, and rural decarbonisation, are explored further in our responses to the consultation questions.

We ask that DfT consults again once it has reviewed the responses to this Call for Evidence in the context of the imminent Bus Strategy. RSN hopes that this will then lead to the drafting of a Rural Transport Strategy, which itself should be subject to widespread consultation.

ADDITONAL SPECIFIC POINTS

- There have been many previous calls for evidence and research on the subject of rural transport and before considering this one we encourage DfT to look back at RSN's former submissions as a reality check and moderator.

- We think of how Rural transport affects people's lives, but future strategies need to take account of how it also affects the economy and employment, and its impact on the local environment and on climate change.

- The Executive summary of the DfT's Future of Mobility: Urban Strategy (March 2019) states:

"Advances in data science, artificial intelligence and sensing technology have increased the speed of transport innovation. Cleaner transport, automation, new business models and new modes of travel promise to transform how people, goods and services move." The 'urban principles' around mobility innovation are also relevant for future innovation in rural areas to meet wider social and economic policy objectives. Those principles must, however, be framed so as to take rural circumstances fully into account and that there is equitable financial support for implementation as between urban and rural areas

- The Future of Mobility: Urban Strategy included reference to implementing a flexible regulatory framework initiating four new areas of focus for a regulatory review:
    - Micromobility vehicles, and how to trial them
    - Mobility as a Service
    - Transport data
    - Modernising bus, taxis and private hire vehicles legislation
- The future deployment of such standards should be available to all parts of the UK, therefore promoting equality of access and common standards of access to services.

A new model for rural bus?

- RSN has also been considering alternative legislative and delivery models for rural bus. A fundamental issue is whether there should be a less onerous set of standards that apply to vehicles and drivers that are relatively little utilised. If that is appropriate, then it must be a standard which applies irrespective of owner/employer and of service operation (commercial or supported). There are areas where we would be very clear that no such relaxation is appropriate – these include the requirement for the driver to have

the correct PSV driving license, to be medically fit and to not exceed the limits on working time including those hours spent on duties other than bus driving. Some other areas could perhaps benefit from a relaxation in the standards applied, based on the definition of the service operated, but care would be required to ensure that these could not be used to game the system.

- For instance, there is a requirement that a PSV operator must meet certain thresholds of financial standing per vehicle. It could be argued their application universally across all operators in all environments, from urban conurbations with 100 seat buses operating a 20-hour day, to rural 16 seat minibuses operating for 20 hours per week, imposes an unreasonable cost burden on rural operators. They could be subject to a different route licensing requirement taking operation out of scope of local bus for insurance purposes, the driver might having acquired a CPC not need to have continuous professional development, there could be longer periods between vehicle major inspections (subject to mileage limits), and buses capable of carrying fewer than 22 passengers are already exempt from the mandated construction specifications under the Public Service Vehicle Accessibility Requirements 2000 – with impacts both positive (reduced cost) and negative (reduced accessibility). The need to provide a service which is accessible to all is still required under the Equality Act 2010, but this can potentially be met in a more cost-effective manner with simpler technology.

- The overall criteria for operation which might benefit from a relaxed regime would need to encompass limits on vehicle size and passenger capacity, annual mileage in passenger carrying service, total hours operated per week, and a maximum radius of operation measured from a fixed point. The criteria should apply whether the operator is a PLC, sole trader, small family business, community transport or volunteer club. It would be important to ensure that qualification was measured not just on per vehicle basis, but across the overall operation across all qualifying vehicles. For instance, an operator with two vehicles could claim the lower level for one minibus by operating another vehicle at a far more intensive level than would normally be expected, rather than reasonably (and efficiently) spreading the operation across both vehicles.

- Through such a mechanism, rural services which would support nothing larger than a minibus, providing a service at peak periods five or six days a week with volunteer drivers, could be provided by a volunteer minibus scheme, community transport operator or a fully licensed PSV operator, on the same cost basis and to the same standard. For supported services, the funding agency would be expected to exercise appropriate and meaningful controls, but for all operations the national enforcement agency – Driver and Vehicle Standards Agency, acting as the monitor for the Office of the Traffic Commissioner, would uphold the same standard. This would meet the twin objectives of ensuring public safety and providing a level playing field for competition, whilst avoiding unnecessary cost burdens on the operator – which might otherwise preclude operation either commercially or with a reasonable level of support per passenger trip.

- Looking at all the key cost drivers for a minibus compared with a typical large single deck bus, under the current local bus operation regime:

Cost category	**Single deck 40 seat**	**Minibus 16 seat**	**Single deck/seat per annum**	**Minibus/seat per annum**
Fuel (diesel - net)	10 mpg @40k miles	20 mpg @ 20k miles	£273	£171
Driver (gross)	£16/hour @37.5hr/week	£14/hour @ 20hr/week	£780	£910

Depreciation	£12000 per annum	£8000 per annum	£300	£500
Maintenance	42p/mile	25p/mile	£420	£312.5
Insurance	12p/mile	12p/mile	£120	£150
Tyres	1p/mile	1p/mile	£10	£12.5
O license costs	£4450 per annum	£4450 per annum	£111	£278
Total annual cost	**£80560**	**£37336**	**£2014 per seat**	**£2333.5 per seat**

- This illustrates two issues – firstly that the usage of mini buses, whilst often the only affordable option for rural transport, at little over half the cost of a full-size bus, could be constituted to be false economy – when measured on a per-seat basis. This is why rural bus services with low average patronage are often provided with full size buses as this capacity is often required for peak school journeys. Secondly the impact of the move from "community transport" to fully licensed PSV operation, which imposes the O license costs and a dramatic increase in the costs of insurance from a typical value of £1500 per annum for a community transport operation. If these could be reduced, use of such smaller vehicles could be more affordable for commercial or (on a per passenger journey) contracted operations, increasing the scope of rural bus services considerably.

- It is worth noting however that there may be resistance from vehicle insurers to offer any reduction to operators as their risk assessment will be based on the provision of a service to carry members of the public, irrespective of the regulatory regime.

- The likely take up of such a new regime by operators is difficult to predict but the establishment of a Trial Area will give the opportunity for a controlled experiment and identify the appetite of all sectors of the public transport community to identify and take advantage of opportunities thus created.

    - In summary, RSN considers that a full investigation into the opportunities, risks and financial implications of the introduction of a new regulatory regime for rural buses. This would be 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 utilising the varied funding channels available to support operation, to stimulate and determine operator interest and participation, and to confirm the benefits that can be realized.

- The Law Commission review of taxis and private hire vehicle legislation commissioned by The Department for Transport, and the recommendations of the review including draft legislation should be considered as part of the Strategy.

- The Government's 'Planning for the Future' consultation to reform the planning system should be considered as part of the Strategy. This includes how the planning system should be reformed to better reflect the priorities in rural areas, especially in respect of securing developer funding for infrastructure and revenue to support access to key services as part of sustainable communities.

Funding

- Until 2013, many rural services were kept alive using Bus Service Operator's Grant (BSOG) – the successor to Fuel Duty Rebate (FDR). FDR was introduced in the mid-1960s specifically to maintain rural bus services, the intent being that a rebate of the duty paid on fuel by bus operators would enable them to maintain services whilst keeping fares at a level which was affordable and did not deter demand. The rebate, paid for by central government, was for many years set at 100% and was reasonably effective in its objectives, benefitting not just rural but suburban and evening journeys. However, with increasing awareness of climate change the desire to break the link with fuel use was growing (despite the illogicality of the argument that it did not encourage fuel efficiency, as even refunding the duty left operators with a strong incentive to reduce their residual fuel costs). The rate of rebate has continued to fall, and it now represents approximately 60% of the duty paid on diesel fuel.

- In 2013 a major reform of what was by then BSOG resulted in the rebate being abolished for supported (non-commercial) services and paid instead to the local transport authority. The amount paid was set at the value of the total BSOG paid on such services in the previous year and ring fenced for five years. But this has now expired and whilst the payments are still made to Local Transport Authorities by central government, they are no longer associated with the provision of local bus services and can be used by the recipient local authority as it thinks fit. Another "safety net" for rural bus services has thus been removed.

Appendix: Covid 19 and the aftermath

As we move back towards "normal" operations there will be many unknown factors, and 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.

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. All of which generates great uncertainty on levels of bus demand in the future.

Concessionary travel has changed for the duration of the pandemic with restrictions being removed from time to time on the use of elderly/disabled passes – which can be hard to put back. Other, new concessions, such as the free travel in Wales for NHS staff, 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.

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? 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.

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

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 at times fell to as low as 30% of normal, but patronage and revenue to more like 5%. Even at the time of writing, service supply is typically at 80% of normal with demand at 25%. The need to maintain social distancing on board is largely responsible for this disparity, as well as the need to continue to provide services for key workers and essential travel.

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.

Public messaging has not always 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.

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 means buses can even now only run at a maximum of 40% of their seated capacity. 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.

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.

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.

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 customers, including information on the number of seats available and occupancy of the wheelchair space. These benefits will need to be sustained once the situation has returned to normal, but there are constraints from both competition law and commercial confidentiality that will need to be taken into account as part of their dissemination. 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.

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 expected to have been 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. This will become clearer with the publication of the imminent Bus Strategy, which will probably have a significant impact on many of the issues raised in this Call for Evidence and necessitate, we believe, a second, subsequent Call following its publication.