

## 1. Bus Update

The bus is the most popular form of public transport in the UK with 1.5 billion local bus journeys being completed between April 2021 – March 2022.

Bus use in the West of England Combined Authority and North Somerset area had grown steadily over the fifteen years prior to the Covid pandemic, albeit from a relatively low base. Table below is taken from the West of England Bus Service Improvement Plan 2021 (<https://www.westofengland-ca.gov.uk/what-we-do/transport/bus-service-improvement-plan/> p21) .

**Table 1: Passenger journeys on local bus services by local authority area (million) <sup>4</sup>**

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Bath and North East Somerset	12.2	12.9	12.4	11.9	14.7	12.0
Bristol	32.7	35.7	39.1	38.4	42.8	40.3
North Somerset	5.7	6.0	7.7	7.6	5.5	5.3
South Gloucestershire	8.0	8.8	10.6	10.4	9.3	8.4
<b>TOTAL</b>	<b>58.6</b>	<b>63.5</b>	<b>69.8</b>	<b>68.3</b>	<b>72.3</b>	<b>66.0</b>

When Covid hit in 2020, the Government's message was to limit social contacts and on public transport to maintain a social distance and for the elderly to avoid it. The long running public service campaign by the Government has left a legacy message that has resulted in bus usage never recovering to pre Covid levels. For example, France which had a less strident public transport message about Covid, have seen bus patronage levels now recovered to pre Covid levels.

### a. Challenges Facing Bus Operators

Bus operators have face continued challenges as we come out of Covid.

#### i. Reduced patronage levels

Bus patronage levels have not recovered to pre Covid levels. In the West of England Combined Authority region bus patronage is currently around 76% of pre Covid levels. First Bus has said that most of its m-ticket customers have returned but they are making fewer journeys than previously.

Travel by holders of concessionary bus passes (older people and those with disabilities) has recovered to only 63% of the pre-Covid level. .

It's clear that the pandemic accelerated changes in lifestyles, with more working at home and online shopping.

#### ii. Operating Cost Inflation

Costs for bus operators have gone up dramatically, this is reflected in tender prices increasing by about 45% over the past year in the CA. This is due to:

- Escalation in fuel prices (following the invasion of Ukraine).

- There is a nationwide shortage of bus drivers.
    - First West of England has stated that their region is one of the two worst affected regions for bus driver shortages in the UK (the other region is Glasgow).
    - Bus drivers have left the bus industry for more highly-paid occupations such as lorry driving or less stressful occupations such as van driving
    - To try and retain existing bus drivers and attract new entrants, salaries have increased. For example, a starting salary at First Bus in the Bath depot is now £27k.
  - iii. Bus companies are commercial businesses and are under no obligation to continue to operate routes that are no longer viable.
- b. Government and local authority funding for bus services

i. Bus Recovery Grant

Throughout Covid, there was a succession of funding initiatives from central government to support the bus industry. These have been extended as recovery has been slower than expected. The current emergency funding will end in March 2023.

We await a decision from the new Government as to whether there will be any further extensions of bus support grants.

ii. Bus Back Better

The Government in March 2021 launched Bus Back Better, the new strategy for buses in England outside of London. £3 billion was earmarked to help improve bus services.

The Government however later decided to use nearly £2 billion of the £3 billion earmarked to help improve bus services to fund its bus support grants during Covid.

As part of Bus Back Better, each Local Transport Authority in the England was required to develop and submit an 'ambitious' Bus Service Improvement Plan (BSIP) and a bid for funding to deliver it.. The Government fund was hugely oversubscribed with the total number of Bus Service Improvement Plans totalling over £9 billion. Of the 79 BSIPs submitted to the Department for Transport, only 31 LTAs received an award.

The joint bid by the West of England Combined Authority and North Somerset Council was awarded £105.5m, consisting of £48m capital for North Somerset and £57.5m revenue for both authorities. Alongside this, the CA was awarded £540m in the City Region Sustainable Transport Settlement of which £407m is being used on bus infrastructure.

West of England Combined Authority is still awaiting the final confirmation of its Bus Service Improvement Plan funding allocation. However, the first phase of a fare reduction package has already been implemented.

- iii. Former Transport Secretary, Grant Shapps, announced in September 2022 that the Government would implement a £2 fare cap on a single journey to start in January 2023 (and run through to March 2023). Bus operators would voluntarily enter the Department of Transport scheme.

Given the new PM and Transport Secretary, we await final confirmation that this scheme will go ahead.

- iv Reimbursement to bus operators for concessionary travel was maintained at the pre-Covid level despite the dramatic fall in bus use by passholders during the pandemic and the subsequent period of recovery.
- v Financial support for non-commercial bus services by the CA (funded through the Transport Levy on its constituent councils) was increased by transferring an underspend on concessionary travel to the bus service support budget

c. October bus cuts and mitigation

On October 9<sup>th</sup> 2022, over 20 routes were withdrawn (or part of the route cut) by First West of England in the West of England region. This included commercial services that were no longer viable and contracted services that the company could no longer commit to resource, because of the driver shortage.

Additionally, HTC Group went into Administration in September, and this meant the collapse of the Bristol Community Transport bus services..

The CA was able to attract other bus operators to take on some of the withdrawn services and mitigate other changes but no operator was willing to take on services 11, 12, 20 and 42 in Bath.

2. B&NES' role in Public Transport

B&NES's role in Public Transport is as the Highway Authority. B&NES is responsible for bus stop infrastructure such as bus shelters, timetable cases, flag poles, Kassel kerbs, bus lanes.

The West of England Combined Authority is responsible for procuring bus services, for providing bus information (such as timetables), Real Time Information and marketing, for operating the English national concessionary travel schemes and for funding local community transport schemes.