

Key urban transport challenges and opportunities for the new Government

Funding

The Government's additional support for public transport during the COVID pandemic restrictions, and in the aftermath, has been both welcome and vital in keeping those public transport networks going. The extension of Bus Recovery Grant for six months provides an opportunity to look beyond COVID-related funding to a new long term revenue funding settlement for local public transport in the city regions which is simplified, enhanced and devolved. In this way we can ensure that every pound of public support for local public transport is targeted effectively and meets the specific local needs of people and places. It would also allow for more cost effective, long term planning and allow for better coordination with the funding being made available for public transport in the Bus Service Improvement Plans funding and in the City Region Sustainable Transport Settlements.

It is important to note that levels of public support for bus services prior to COVID had been both declining and insufficient to arrest year-on-year decline in bus networks and patronage. Overall, the short term revenue funding deals during the pandemic period have been predicated on continuing network decline. Operators were eligible if they provided broadly a minimum 80% of pre-COVID levels of services (though in reality some operators were not doing this). Given that this latest batch of funding was announced on the deadline day for service de-registrations and that CPT have [advised their members](#) that they have '*been clear on the need to manage expectations (particular Ministers' expectations) about the impact of any extended funding*', unfortunately this funding will not prevent some significant service reductions from going ahead.

With public transport usage currently plateauing at levels below those pre-COVID and with inflation rising (particularly energy costs) a **long-term revenue settlement for local public transport outside London is therefore needed which will be sufficient to realise both national and local objectives for more, cheaper, better and greener bus services as well as sustaining light rail systems.**

Funding should also be simplified and devolved to city regions (where city regions want to take on that responsibility) so that every pound of subsidy can be used in the public interest and in most efficient way given local circumstances.

Fares

The Government is progressing its plans for **smart and integrated ticketing** through separate silos for a) contactless ticketing for rail b) multi-operator ticketing for bus. However, there is no clear strategy for supporting the early introduction of



multi-modal smart, simple and integrated ticketing (including via bankcards and barcodes) in the city regions in a way that would replicate the experience that passengers enjoy in London.

There is an opportunity for a more integrated approach to ensure that a **London-style ticketing experience** is achieved in the other city regions more rapidly and in a way which helps tackle the cost of living crisis by ensuring access to best value, simple and integrated ticketing across bus, rail and tram systems.

The Transport Bill: Bus franchising, rail devo, new mobility

When more powers over local transport have been devolved to the city regions, by and large there has been a substantial and rapid difference in the quality and effectiveness of local transport provision. The success of the devolved Merseyrail Electrics and London Overground services are prime examples of this.

The planned Transport Bill provides an opportunity to deepen and widen the benefits of devolving further powers on transport. In particular, the [Transport Bill](#) should give city regions:

- a statutory role in the new structure to ensure that the policies of Great British Railways reflect the needs of the city regions as well as providing permissive powers to enable both partial and full devolution of rail services and rail infrastructure to city regions to give us maximum future flexibility over the responsibilities they may wish to take on, either now, or in the future.
- permissive powers for city regions to regulate the market for new mobility formats (such as e-scooters) so that if we wish, we have powers available to prevent excessive supply (such as the temporary flooding of markets) or poor practice (such as on parking).
- on buses, the powers for city regions to establish new municipal bus operators; for DfT to route bus funding to city regions and for city regions to receive those funding flows; and the streamlining of the process for franchising networks of bus services.

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