

Our Ref: JB/SA  
Your Ref:

15 May 2020

Baroness Vere  
Parliamentary Under-Secretary of State for  
Transport  
Department for Transport  
Great Minster House  
33 Horseferry Road  
LONDON  
SW1P 4DR

Dear Baroness Vere

## **FUNDING SUPPORT FOR TRANSPORT AUTHORITIES**

We have done what the Government has asked of us in support of the approach the Government has taken in response to the COVID-19 pandemic.

The financial consequences for our organisations have already been significant - with all our organisations losing the vast majority of their revenue from patronage.

The costs of providing a reduced service for essential users during the lockdown period have not been fully met - or in some cases not met at all (such as for Merseytravel on their exposure on the Merseyrail Electrics concession).

You have now asked us to ramp up services as soon as possible now that the lockdown is being eased.

The costs of doing this will be significantly higher than was the case during lockdown as we need to provide the biggest service we can, in order to maintain social distancing, whilst at the same time low passenger numbers will generate low levels of revenue.

There are also the one-off costs of starting up networks again.

At the same time, in order to keep bus companies operating we are being asked to continue to pay them to carry concessionary passengers (who because of COVID-19 are not travelling) and for socially necessary bus services (that because of COVID-19 are not being provided).

This means that local government (which itself is underfunded on its COVID-19 spending gap) is now being expected by national government to pay many millions of pounds a month to commercial bus companies on an ongoing and open ended basis and in the absence of a robust legal basis for doing so.

Although we are fully committed to serving the needs of our passengers, our people, and the places we serve - we are reaching the limits of our ability to continue to do what the Government is asking us to do.

Without a sustainable funding package from Government something will need to give sooner rather than later.

Those authorities outside London will need to concentrate their available and dwindling finances on the services they are directly responsible for (such as tram and light rail systems) rather than those which they are not (such as services which are not currently being provided by deregulated and commercial bus operators).

As well as ensuring that there is the quantum of funding necessary, we also need to move away from the fragmented approach to funding public transport that we have experienced during the lockdown phase. An approach which has been both modally compartmentalised and on a 'too little too late' basis (with the exception of national rail services, which had all its costs covered on the day lockdown was announced).

Instead we need to move to integrated funding support which goes directly to city region transport authorities to enable them to fund and plan their highly constrained bus, tram and devolved rail capacity in an integrated way that both maintains social distancing as far as is possible and also supports the vital role that public transport plays in city region economies.

We therefore need to move to single packages of funding support for transport authorities to cover the general and mode-specific costs of bus, mass transit and light rail, and devolved rail (backdated where necessary) which will fully close the funding gap created by COVID19 for the lockdown, restart and recovery phases.

The Mayors and Leaders for the areas we serve outside London have already written to the Secretary of State separately with a proposal on how this can be done for buses.

All of this also needs to happen immediately as we cannot continue to ramp up and maintain service levels whilst our income from patronage is decimated and with no sustainable funding solution from Government to fill the gap.

Yours sincerely,



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Chair, Urban Transport Group  
Executive Director, South Yorkshire PTE



**Eamonn Boylan**  
Chief Executive, Transport for Greater  
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**Laura Shoaf**  
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