



Department
for Transport

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Dear Colleagues,

I am writing to you regarding the continued provision of local bus services. I am grateful for the collaborative approach you and your colleagues have taken in working with the Department on this important issue. I know we all want the best for passengers on bus services up and down the country, and the Government is committed to continuing to support the sector and implement the ambitions in the National Bus Strategy.

Many households are facing pressures due to the rising cost of living and ensuring access to affordable public transport is now more crucial than ever. This combined with significant challenges facing the bus sector, including driver shortages, rising fuel prices and in some areas, limited return of patronage, means that further Government support is required. That is why we have today announced a £130 million extension to the Bus Recovery Grant to continue supporting bus services in England, outside London, for a further six months until the end of the financial year. Individual funding allocations will be communicated separately in due course.

We are clear, however, that the current cycle of providing recovery funding packages from central Government is not a sustainable, long-term option. We need Local Authorities to continue taking proactive action, working collaboratively with the Government and bus operators, using the full range of levers at our disposal, to ensure the long-term provision of financially sustainable, high-quality bus services.

We anticipate that this will include Local Authorities tendering more services in future to accommodate changing travel patterns or making changes to networks so that demands to travel can be met effectively. We will continue to encourage Local Authorities to build in-house capacity and capability to meet this demand, including by providing a capacity support grant in 2022/23 to enable Local Authorities to strengthen their in-house bus teams, and employ at least one dedicated Bus Enhanced Partnership Officer, funded to the end of 2024/25. Our expectation is that they will form a key resource for the new

Enhanced Partnership arrangements between authorities and operators, and have a key role facilitating both parties to deliver bus service improvements.

We also recognise the importance of funding provided for concessionary fares passengers in helping to support the wider bus network. If concessionary funding continues to be paid out at pre-pandemic levels, this funding can be used by operators to maintain and improve services, and we would encourage Local Authorities to support operators in this way, or to instead reinvest this into tendering services.

We know that in some areas patronage levels for concessionary passengers remains lower than for fare-paying passengers. If concessionary patronage does not increase, and the funding spent on local bus services declines, we have to be clear that Local Authorities should expect funding from the Revenue Support Grant to decrease in future Spending Reviews to reflect this position. We would therefore further encourage Local Authorities, working closely with bus operators, to work proactively to get concessionary passengers back on board. I will also be writing to bus operators to set out the role the Government expects them to play.

We will be extending the Statutory Instrument for another year to enable Local Authorities to legally reimburse operators above actual patronage levels for the English National Concessionary Travel Scheme (ENCTS). We will work with you and operators to identify what further measures can be taken to restore ENCTS patronage and payments to pre-Covid levels of funding.

There has been a structural shift in how people work and travel that was not envisaged when the National Bus Strategy was published. In some areas however, bus patronage is approaching pre-Covid levels. We will continue supporting and working with the sector to ensure this recovery continues, and to ensure that this country has high-quality bus networks that meet the needs of the people and communities that rely on them.

Yours,
Charlotte

BARONESS VERE OF NORBITON