National Audit Office – Bus Studies

Purpose of report

For discussion.

Summary

The National Audit Office is currently undertaking two pieces of related work on buses and public transport:

* An interactive mapping exercise examining access to public services and public spaces by private and public transport across England; and
* Improving bus services in England (outside London) – a value for money study which will include evaluative conclusions and recommendations (publication planned for Spring 2020 [tbc])

Given national interest across the main election manifestos and recent announcements, including proposals for a national bus strategy, further funding for local authorities and potential extension of bus powers, the NAO’s work provides an ideal opportunity to strengthen the evidence base for local public transport.

The NAO has therefore been invited to lead a discussion on their work. This will be introduced by Abdool Kara – Executive leader, Local Service, and Antonia Gracie – Manager, transport value for money.

The report sets out the LGA’s main asks in relation to bus services and an overview of the NAO and its proposed content for presentation at the board meeting.

Recommendation

That the Environment, Economy, Housing and Transport Board;

1. Notes the report; and
2. Discuss and provide input into the NAO’s work, in particular based on their own local experiences.

Action

As directed by Members.

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Background

1. The LGA’s policy position on local bus services is as follows;
   1. Councils recognise the important social, community well-being, environmental and economic reasons to support local bus services. Bus travel remains the most used form of public transport, with 4.36 billion bus passenger journeys in England in the year to March 2018 (the latest available figures). However, bus journeys have continued to decline - in England outside London they declined by 3.2 per cent over the same period. However, since their last peak in 2008/09 they are down by nearly 12 per cent.
   2. In terms of local bus provision, in 2017/18 there were 780 million vehicle bus miles provided *commercially* in England outside of London, down 4 per cent since the last peak in 2014/15. In 2017/18, local authority supported bus services stood at 114 million vehicle bus miles, down 54per cent from a peak of 247 million vehicle miles in 2009/10.
   3. Official statistics differentiate London and the rest of England outside of London as different regulatory frameworks operate. In London, bus passenger journeys are at the same level in 2017/18 (2.225 billion bus passenger journeys) as they were back in 2008/9, however, they have declined in recent years from a peak of 2.384 billion bus passenger journeys in 2013/14 (down 6.7 per cent). Further official bus statistics can be found [here](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774565/annual-bus-statistics-year-ending-mar-2018.pdf).
   4. In recent years the LGA has called for a raft of national measures that would support better delivery and help reverse the decline in local bus services, which have included:
      1. For the Government to address the £700 million shortfall in funding in the national concessionary bus fares scheme, which has resulted in councils diverted funding away from supported bus routes and discretionary fares support.
      2. For the Bus Services Operator’s Grant (BSOG) that currently goes to private operators to be devolved to local authorities so that we can better target the use of public subsidies. BSOG is a grant paid to operators of eligible bus services and community transport organisations on fuel used basis. In 2018/19, this was £201 million. A further £55 million was paid to local authorities for their own supported services. It does not incentivise private operators to use more fuel-efficient vehicles and is paid regardless of whether the service is commercially viable or not.
      3. For all areas to be given automatic rights to franchising powers, as set out in the Bus Services Act 2017, should they want them. They are currently only available automatically to mayoral combined authority areas.
      4. For all areas to be given powers to manage moving traffic offences through implementation of Part 6 of the Traffic Management Act 2004. Currently London and Welsh authorities have access to such powers to manage their traffic. This will help to reduce congestion and improve punctuality of bus services; poor bus reliability reduces the attraction of bus travel.
2. The National Audit Office provided the note below regarding its work:
   1. *National Audit Office’s programme of work on Local Transport -* Public spending watchdog the National Audit Office (NAO) will talk through its planned programme of work on local transport. This starts with a non-evaluative journey time mapping exercise and value for money study on improving bus services in England. Members of the NAO’s transport value for money team will talk through and discuss with the board its emerging findings and review questions.

* 1. *About the NAO -* The [National Audit Office](https://www.nao.org.uk/about-us/) is an independent organisation that scrutinises public spending for Parliament led by the Comptroller and Auditor General (C&AG). The C&AG has statutory authority to examine and report to Parliament on whether government is delivering value for money on behalf of the public. We do not question the merits of government policies, but assess whether resources have been used efficiently, effectively and with economy. Many of our reports are the subject of inquiries by the Public Accounts Committee, to whose recommendation’s government is required to respond.
  2. *Local transport mapping (planned early 2020) - O*ur mapping exercise looks at access to key government services (such as schools and hospitals) by different modes of transport, across England. The analysis uses journey time data, published by the DfT, to examine access to individual services; but also to create a combined accessibility metric looking at access to multiple services at the local level. In addition to looking at journey times to the nearest available service location, we are also using quality metrics (from Ofsted and CQC) to calculate journey times to the nearest ‘good’ or ‘outstanding’ service location. Our vision for this work is to provide a platform from which we can challenge and support government towards better joined up thinking around how local transport services are provided and funded, and the effect an efficient and sustainable local transport system can have on people’s lives, across policy decisions and initiatives.
  3. *NAO value for money study - Improving bus services in England (planned spring 2020) -* Bus services are a key contributor to wider objectives and public value; connecting and including people in disadvantaged groups; improving air quality and reducing emissions; and supporting economic development. There is significant (£2 billion) total taxpayer spend on supporting bus services. In September government committed to a national long-term bus strategy and funding settlement. We last reported in 2005 on the issues with the delivery chain for bus services when there was a PSA target. While the Department for Transport holds the policy lead, we will consider how the whole of government is working together to deliver value for money in bus services. We will not be evaluating local authorities.
  4. We will present emerging findings from our work followed by a discussion based on key questions for our study, including:
     1. What is the scale and nature of the gap between what bus services deliver for people and what community needs?
     2. Does your local place have the power to close the gap? Do you have the support you need from central government? What are the barriers?

Implications for Wales

1. This work only covers England outside of London.

Financial Implications

1. None.

Next Steps

1. The LGA will continue to press the next government on funding and powers to support better local bus provision.
2. The final report and bus mapping tool will be shared with the Board once they are published.