

Local Government Association (LGA)
Bus Services Bill
House of Commons, Committee Stage
Tuesday 14 March 2017



Key messages

- **Amendment 7, tabled by Andrew Jones MP**, amends the Bill to its original purpose of opening bus franchising to mayoral authorities automatically. The Government have stated the Bill in its current form (franchising for all transport authorities) is not the Act of Parliament it wishes or intends to pass, and the changes made are not in the spirit of the devolution deals that have been reached by the Government with local areas. The Bill introduces much needed improvements to simplify and make franchising more accessible. In the LGA's view, it is imperative the Bus Services Bill progresses in the House of Commons and becomes an Act of Parliament. As such, we are offering a way forward for all councils on bus franchising which acknowledges the Government's recent response to the Transport Committee's inquiry into the Bus Services Bill. Mayoral combined authorities should have automatic and immediate access to these powers and we want to ensure that all Government decisions on franchising for other areas are transparent, timely and achievable. Where it is appropriate, some local areas may wish to bid for bus franchising powers to improve local transport services. The LGA will be working with the Department for Transport to ensure the secondary legislation is clear about the process for accessing franchising powers, in order to secure the best deal for all councils, including those in non-mayoral combined authority areas.
- **Amendment 1, tabled by Andrew Jones MP**, intends to reverse an amendment made in the House of Lords and remove the power of the Secretary of State to issue an order for local authorities in an advanced quality partnership scheme to enforce traffic offences. Since 2004, the Secretary of State has had the power to issue an order to all local authorities to enforce moving traffic offences, but has chosen not to enact these powers. **Our view is that the Government should enact the powers that are already on the statute book, making them readily available to all transport authorities.**
- **We support Amendment 19, tabled by Daniel Zeichner MP, Lilian Greenwood MP and Nic Dakin MP**, which would mean local service contracts are able to specify that bus operators should meet certain standards of service on bus punctuality and bus journey speeds. This would ensure passengers receive consistently high standards of services, which in turn will improve passenger journeys and could lead to increased demand for bus services. We also **support Amendment 20, tabled by Daniel Zeichner MP, Lilian Greenwood MP and Nic Dakin MP** on equipping buses with Wi-Fi after a specified period for the same reason.
- **We welcome Amendments 35 and 36, tabled by Graham Stringer MP**, which would ensure the guidance issued by the Secretary of State on preparing an assessment for a franchising scheme is not overburdensome on

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a local authority. The amendment would provide local discretion for authorities to decline to assess a potential scheme if bus operators have previously proved unwilling or unable to implement similar schemes.

- **We support Amendment 24, tabled by Daniel Zeichner MP, Lilian Greenwood MP and Nic Dakin MP**, which ensures that central government will bear the financial risk of legal challenges brought against franchising authorities by bus operators.
- **We support Amendment 33, tabled by Graham Stringer MP**, which would ensure all bus operator data about operational performance in markets outside the franchising authority's area is available to them for the purposes of developing a franchising scheme. This information would be helpful for local authorities developing a franchising scheme.
- **We support Amendment 37, tabled by Jonathan Reynolds MP and Daniel Zeichner MP**, which would require operators to share information and particulars about their staff's pension scheme with the authority.
- **We support Amendment 38, tabled by Jonathan Reynolds MP and Daniel Zeichner MP**, which ensures journey speeds and reliability are included in draft regulations and guidance for authorities to consider when developing a case to franchise services.
- **We oppose New Clause 1, tabled by Andrew Jones MP**, which would prohibit county and district councils in England, combined and integrated authorities in England and passenger transport executives in England from setting up companies to provide local services. Councils should continue to be allowed to form new municipal bus companies which are able to compete in the open market place or for council contracts. Municipal bus companies can often offer good value-for-money and in most cases have high passenger satisfaction ratings.
- **New Clause 2, tabled by Daniel Zeichner MP, Lilian Greenwood MP and Nic Dakin MP**, calls on the Secretary of State to publish a National Strategy for local bus services within 12 months of the Act being passed. The strategy also needs to include consideration of a reduced fare concessionary scheme for young people aged between 16 and 19. We would welcome a National Strategy for local bus services, but it is crucial adequate funding is provided for the strategy and it is used as a framework for local decision making. On funding, local authorities are being forced to divert money from discretionary subsidised bus services such as free peak travel, community transport services and reduced fares to plug the funding gap in the concessionary fares scheme, which councils have a statutory duty to provide. It is for this reason we have called for the Government to fully fund the national concessionary fares scheme.
- **We support New Clause 6, tabled by Lilian Greenwood MP**, which would terminate the Bus Services Operators Grant and sums equivalent to those projected to be spent on the Bus Services Operators Grant to be provided to local authorities each year for expenditure on local transport. We have long called for the £250 million Bus Service Operators Grant to be devolved to councils to help target support to vital services.

Further information on key clauses

Amendment 7, tabled by Andrew Jones MP, on bus franchising

The LGA supports the progression of the Bus Services Bill, and wants to ensure Mayoral Combined Authorities has immediate access to bus franchising powers, as set out in the original proposal for the Bill. Any decision made by the Government on franchising for other areas should be transparent, timely and achievable.

We will be calling for the Government to commit to clarifying the criteria by which the Secretary of State will make a decision on whether an authority's bid for franchising powers will be considered. It is important that once the Secretary of State has approved a franchising deal for a non-mayoral area, that the decision then triggers automatic franchising rights to all other authorities of the same type.

We want to ensure that the Secretary of State's decision on any franchising application, regardless whether it is positive or negative, should also be made public, with a full explanation and within a set time period.

New Clause 1, tabled by Andrew Jones MP, on new municipal bus companies

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Councils should continue to be allowed to form new municipal bus companies which are able to compete in the open market place or for council contracts. Municipal bus companies can often offer good value-for-money and in most cases have high passenger satisfaction ratings.

Amendment 1, tabled by Andrew Jones MP, on traffic management powers

It is important that councils have enforcement powers to deal with moving traffic offences to help improve the reliability and punctuality of buses, making them a more attractive mode of travel. Part 6 of the Traffic Management Act 2004 gives the Government the power to make regulations and publish guidance related to the civil enforcement of road traffic contraventions. The power covers the enforcement of contraventions of locally made regulations for parking, bus lanes and certain moving traffic matters (such as banned turns, prohibitions on certain classes of vehicles, cycle lanes, pedestrian zones, weight restricted roads, one-way traffic and yellow box junctions).

The Secretary of State may already issue an order to allow authorities to enforce moving traffic offences. The LGA's view is that the Government should enact the powers that are already on the statute book, making them readily available to all transport authorities.

Funding reforms

As well as the wider measures above, we urge the Government to pursue, in parallel with the Bill, financial reforms to promote bus services. This includes fully funding the national concessionary fares scheme and devolving the Bus Services Operators Grant (BSOG), the vast majority of which currently goes directly to bus operators.