

# Local Government Association Briefing

## Bus Services Bill,

### House of Lords, Report Stage

### Monday 24 October



#### Key messages

- **We support Amendment 111 led by Lord Kennedy of Southwark, Baroness Jones of Whitchurch and Baroness Randerson in their intention to oppose Clause 21 of the Bus Services Bill.** Clause 21 prevents local authorities from forming a company for the purpose of providing a local bus service. This would remove powers granted to councils under the 2011 Localism Act and associated General Power of Competence Provisions. Councils should continue to be allowed to form companies which are able to compete either in the open market place or for council contracts if they are able to offer a better service and value-for-money for bus users.
- There are also wider funding issues to be considered. The Bus Services Operators Grant would automatically be devolved to local authorities which have franchising powers. This funding could be used to improve bus services for local residents, and should automatically come to all local authorities, not just Mayoral Combined Authorities. It will be crucial these extra powers are accompanied by the necessary funding to ensure that local authorities are able to exercise them effectively.

#### Further information on key clauses

***We support Amendment 111 led by Lord Kennedy of Southwark, Baroness Jones of Whitchurch and Baroness Randerson's intention to oppose the question that Clause 21 stand part of the Bill.***

We support Lord Kennedy of Southwark and Baroness Randerson in their intention to remove Clause 21 from the Bus Services Bill. Clause 21 prevents local authorities from forming a company for the purpose of providing a local bus service. The Bill states that councils will no longer be able to form municipal bus companies. We are concerned that this removes powers granted to councils under the 2011 Localism Act and associated General Power of Competence Provisions. Councils should be continue to be allowed to form companies which are able to compete either in the open market place or for council contracts if they are able to offer a better service and value-for-money for bus users.

Currently, the Bill does not allow a council to form new municipal bus companies, but it does not end existing municipal bus company arrangements. This could result in the perverse situation of a municipal bus company running the buses in an area that it wasn't allowed to set up their own services for.

# Briefing