

RURAL TRANSPORT FUNDING



A REVIEW OF PUBLIC TRANSPORT NEEDS IN THE COUNTRYSIDE

A report by

The **TravelWatch** network

promoting quality public transport.....

August 2006

CONTENTS

1. Executive Summary	Page 3
2. Background	Page 4
3. The Scale of the Rural Transport Problem	Page 4
4. Other issues affecting rural transport	Page 6
5. Wider benefits of rural transport	Page 7
6. Funding	Page 8
7. Research Methodology	Page 12
8. Conclusions and Recommendations	Page 13
Appendix 1 – E-mail to Local Authorities	Page 15
Appendix 2 – Letter to Defra from Transport 2000	Page 16
Appendix 3 – Examples of withdrawn rural buses	Page 20
Appendix 4 – Acknowledgements	Page 22

RURAL TRANSPORT FUNDING

1. Executive Summary

The remoteness of rural communities makes the provision of bus services difficult and largely unremunerative. Lack of public transport and the dispersal of facilities results in high levels of social exclusion for mobility impaired members of these communities, such as non drivers, the young, elderly and disabled.

The lack of access to key services such as retail, education, training, health and leisure is a major problem.

Around one in every five persons in England lives in a rural community. The historic lack of coordinated transport and land use planning has resulted in the concentration of local retail, educational, health and leisure facilities in dispersed locations and this has further compounded the scale of the problem.

Whilst most rural bus services are unremunerative they are nevertheless socially desirable. They frequently deliver significant benefits to non transport sectors of Local Authority and the Health Service. For example, public transport services, by reducing isolation, can save Social Services the costs of otherwise necessary home help visits and the NHS the costs of treating mental illnesses caused by isolation. Such “cross sector benefits”, if properly funded by the authorities which benefit from these quantifiable savings, could make many services sustainable.

Tourist attractions are major economic drivers in many rural areas but high levels of visitor access by car are unsustainable. Road congestion in National Parks and Areas of Outstanding Natural Beauty is growing faster than in urban areas and good access by public transport will increasingly be needed to address the problems caused by visitors who currently mainly arrive by car.

Whilst the securing by tender of non commercial bus services is the major funding mechanism for rural transport, other funding streams such as Rural Bus Grant/Challenge and Countryside Agency rural transport funding have been important catalysts in the last five years, but now appear to be moribund. Following the report by Lord Haskins in 2003 the delivery of the Countryside Agency’s rural transport funds has passed to the Regional Development Agencies but there seems as yet no clear indication as to how this process is to work.

Meanwhile valuable human capital in Rural Transport Partnerships is being lost. Compounding the problem is the rise in operating costs (mainly fuel, labour and insurance) which is being cited by operators as the main reason for the deregistration of what have up to now been commercial rural bus services.

There appears to be no clear discernable source of long term mainstream revenue funding to support valuable existing rural transport networks. **The Travel Watch network is seriously concerned that in the long term it may be too late to rescue many withdrawn rural bus services.** Specific examples of contractions of rural transport networks are cited.

2. Background

Following a meeting of Travel Watch Northwest at which the issue of rural transport was discussed, the Chairman ¹ suggested to the Travel Watch National Steering Committee ² that the issue of Funding for Rural Transport should be taken forward. This proposal was discussed and it was decided that in the first instance a position paper should be prepared.

This paper, the result of that decision, has been written as a contribution to a debate at national level. Before attempting to make a case for supporting rural transport it first of all examines the scale of the rural transport problem and, in that context, some specifically related issues, such as visitor transport.

Because the Countryside Agency has in the past been a significant catalyst for rural transport provision, the history of their funding mechanisms is examined in the context of their reorganisation and retrenchment.

3. The Scale of the Rural Transport Problem.

The “Rural Transport Problem” is not a single problem but rather the product of a number of issues, each making minor or significant contributions to the problem which itself is influenced by the spatial and demographic characteristics of the particular rural locality.

Whilst many rural dwellers are socially excluded by their remoteness, others can also be excluded by reasons of poverty ³, low income or unemployment. Many have no driving licence because of their age (adolescents and medically disqualified or impoverished senior citizens) or disability. There are pockets of deprivation in rural areas which outwardly appear prosperous. The incidence of essential but **unwanted car ownership** is higher in rural than urban areas. In many surveys of rural communities poor public transport, along with lack of affordable housing, is cited as the most pressing problem.

The “access poverty” which characterises many rural communities requires better transport and accessibility planning, and effective rural transport solutions ⁴.

¹ Brendan O’Friel

² representing Travel Watch in NW, SW and East and West Midlands

³ one in five rural households live below the official poverty line – “Priorities for Action” CRC July 2006

⁴ ibid

Whilst poor **access** to key services defines the rural transport problem, it is lack of **mobility** and the means to reach key service centres which compounds it.

The following English rural indicators ⁵, set alongside National averages for Great Britain, flag some remarkable difference between rural and urban transport..

Indicator	rural	GB
Population	about 20%	100%
Household with access to a car	85%	72%
annual car mileage	10,400	9,200
Households within 13 minutes of an hourly or better bus service	48%	89%
Rail trips per person per annum	7	20
Local bus trips per person per year	27	57
Journeys on foot	20%	26%
Average length of car journeys (miles)	10.5	8.5
Average length of bus journeys (miles)	6.9	4.2
Total distance travelled per annum (miles)	8,900	6,800
Source: Transport Statistics 2001		

These GB averages disguise the sharp differences between urban and deep rural areas, although they do point to them. Rural dwellers generally have to travel further to reach the services they require and are much more car dependent.

Whilst car ownership is growing nationally, it is higher in rural areas (85% compared to 72% in urban areas). However, nearly 16% of rural households do not own a car and 20% of adults in rural areas do not have a full driving license. Nor of course do dependent children and adolescents who are below the age of seventeen.

In rural areas traffic levels are increasing faster than in urban areas. On major rural roads traffic has increased by 93% between 1980 and 2000 compared to a 23% increase in urban areas.

Taken in tandem with other factors such as the relocation of services, facilities and employment, a tendency towards longer commutes and the effect of the “globalisation” of the supply of consumables (which can often damage small rural businesses), there will be serious consequences for rural areas if current trends continue.

These consequences might include:

- further pressures for more road building

⁵ Countryside Agency “Transport in Tomorrow’s Countryside” 2003

- fewer viable service outlets in rural areas
- pressure on rural land to accommodate even more cars travelling even further to homes, offices, shops and other remaining facilities
- inability of conventional public transport to meet demand for the very dispersed trips which these trends generate.
- worsening isolation and social exclusion for inhabitants without car access.

Many of the local amenities which urban dwellers take for granted, such as a “local” pub, petrol station, “hole-in-the-wall” cash dispenser, secondary school, theatres, cinemas, leisure centre and supermarket are inaccessible to rural dwellers without the use of transport. This will usually be private car or less often public transport. Sadly mobility then inevitably becomes more important than accessibility.

The following tabulation illustrate the general paucity of basic services in rural areas ⁶

Facility	Proportion of rural parishes in England with this facility
Doctor’s surgery	14%
Primary school	52%
Bank	9%
Post Office	54%
General Store	55%

The population of rural England in 2005 was 9.5M, a 14% increase since 1981. 18% of these are under 14 and 24% are over 60.

The proportion of residents living within 1km (aprox 13 minutes walk) of an hourly or better bus service correlates strongly with the size of settlements. This proportion is 95% in the case of people living within settlements with a population of 10 thousand or more, but it falls to 75% where the population is between three and ten thousand and to 50% where it is less than three thousand.

4. Other issues affecting rural transport

Rural rail is currently facing uncertainty as DfT’s Rail Utilisation Strategies are prioritising inter urban services and it is understood (Commission for Rural Communities 2005) that cycling and walking targets are unlikely to be met in rural areas.

“**Soft measures**” such as travel planning are known to deliver behavioural changes and funding could be made available for this purpose ⁷

⁶ “Rural services in 2000” Countryside Agency 2001

⁷ D Thornhill (see Acknowledgements)

Tourism is a key economic driver in many rural parts, but high levels of visitor access by private car are unsustainable. The failure of the Peak District National Park's bid to the Transport Innovation Fund to support road pricing [see T2000 letter, Appendix 2], and the defeat of a motion at the National Trust's AGM to encourage car free visiting are both illustrative and disappointing⁸.

A moderate increase in the number of day trips made by visitors to the countryside is predicted⁹, some of which will be by transport services provided for visitors, but it is not known how much use of such services might be made, or be possible, by the indigenous rural population¹⁰.

The impending free **concessionary travel** from April 2006 after 0930 for senior citizens will have an as yet unknown effect on rural services. On the one hand it might be expected to increase patronage and so prop up services, although there is little evidence of this in Scotland and Wales where existing schemes already allow countryside travel. On the other hand, some authorities argue that the reimbursement¹¹ they receive, (using a formula based on population rather than the Transport Act 2000 formula which replaces "revenue foregone") will be inadequate and stretch their rural transport budgets even further. Nexus, for example, complain that Tyne and Wear have an aging population already making good use of frequent and reliable buses. Providing free off peak travel thus becomes relatively expensive and as a result some marginal rural routes have had to be sacrificed

5. Wider benefits of rural transport

Cross sector benefits

A cross cutting study¹² of the provision of rural transport, education, health services and retailing and a later study of **cross sector benefits**¹³ show that

• transport and land use planning are poorly integrated, with centralisation of education, health, retail and leisure facilities increasing distances travelled, time so spent and generalised inconvenience.

• public transport, health, education and social transport are too often planned in isolation, despite the requirement for departments to co-operate in providing public, health, education and social services transport¹⁴.

⁸ *ibid*

⁹ Lumsden L, "The Future of Transport and Tourism in the NW", Institute of Transport and Tourism, UCLAN, May 2006

¹⁰ for example, to travel to facilities in the adjacent urban areas from which the transport originates.

¹¹ (Local Transport Today No 435 260106)

¹² "Making the Connection" Social Exclusion Unit, February 2003

¹³ "The Benefits of providing transport to address social exclusion in rural areas" PBA Consultants and Sheffield Hallam University 2005

¹⁴ Transport Act 1985 s 88

ÿ if it were possible to capture the cross sector benefits (see tabulation below) of many superficially “unremunerative but socially desirable” rural bus services then these could approach being or become “commercially” viable.

Cross sector benefits of rural bus services		
reason for passenger’s journey	benefit	measurable?
Employment	save unemployment benefit	Yes
Social care - shopping	save cost of domiciliary visit	
Training	improve employability	Partially - impact on take up of benefits (above)
Health care - leisure visit	improve health, reduce demand on NHS and Social Services	

Policy Links

The provision of rural transport can moreover contribute significantly to central and local governments’ achievement of their shared priorities. These have themselves derived from the then DETR’s 1998 “New Approach to Appraisal” [NATA] criteria ¹⁵, also shown, for comparative purposes, in the table below

Central and Local Governments’ shared priorities	Comparable NATA Criteria 1998
<ul style="list-style-type: none"> ÿ congestion ÿ access ÿ safety ÿ air quality ÿ social inclusion 	<ul style="list-style-type: none"> • integration • access • safety • environment • society • economy

Policies linking with the above priorities should in theory favour supporting such well tried rural transport ‘solutions’ as demand responsive transport and support for non commercial local bus services, Evidence based solutions rooted on robust Transport Needs Analysis or Accessibility Planning are known to be effective in promoting social inclusion.

6. Funding

Local Authorities

By far the largest amount of support for rural bus services comes from Local Transport Authorities exercising their powers under the **Transport Act 1985**

¹⁵ “New Deal for Transport” DETR 1998

to “secure by tender those services which the market does not provide to meet the requirements of their areas”.

Local Transport Authorities have reported year on year from 2000 that

• tender prices have risen above inflation (recently blamed on escalating operating costs, including fuel, insurance and labour - there is a national PCV driver shortage)

• operators are resorting to “tactically” de-registering services in the cynical hopes of winning any subsequent tender to reinstate them!

• bus patronage is declining

• bus fares are rising above inflation.

Undoubtedly operators’ costs are escalating and authorities have insufficient funds to meet these increases. Their invitations to tender to replace valuable or lost services are thus often for unsuitable “pared down” replacement substitute journeys which do not always or necessarily satisfy previously met needs.

Where a tactical deregistration has been made by an operator having a near *de facto* area monopoly and the tender for the “replacement” service has been won by another, possibly new, operator there has often been a loss of network benefits such as the ability to travel throughout on most journeys using the dominant operator’s day or weekly ticket. This reinforces the case for non operator specific Regional or County tickets such as the Derbyshire Wayfarer.

The Countryside Agency

Historically the **Countryside Agency** has probably been the second largest provider of support for rural transport services.

When the **Countryside Agency** inherited the Rural Transport Development Fund (**RTDF**)¹⁶ from the Rural Development Commission in 1999 it fundamentally altered the way in which this was administered. Previously an increasing number of relatively small grants (up to £25000) had been made to rural transport operators to “pump start” new and “innovative” rural transport services.

The Countryside Agency took a different “partnership” approach, creating over 800 **Rural Transport Partnerships (RTPs)** between 1999 and 2005. The RTP budget between 1999 and 2005 was £32M.

The partnerships each employed a Rural Transport Partnership Officer (RTPO) and were able to lever funds to match their own funding in support of rural transport services. The Countryside Agency did retain an ability to directly support a few freestanding projects through a separate Project Fund. .

¹⁶the RTDF was a statutory fund created by the Transport Act 1985

Crucially the financial ceiling of £125000 per RTPs, each of which also had their own delegated funds for “minor projects”, was raised significantly. In addition the Countryside Agency created a **Parish Transport Grant** which paid up to £1000 per annum over three years to parishes wishing either independently or in partnership with their neighbours to address their own transport needs. Between 1999 and 2005 over £15M was paid in over 300 different PTGs

The demise of the Countryside Agency

In 2003 a report by Lord **Haskins** entitled “The Delivery of Rural Policies in England” presaged fundamental changes, mainly occurring in 2005/6, in the Countryside Agency’s funding structures. Central to this report was a recommended split of the Countryside Agency’s policy and delivery functions.

A new **Commission for Rural Communities** (CRC) has been created by splitting off the Countryside Agency’s policy arm. It has responsibility for Policy and for “rural proofing” central and local government plans, including LTPs.

The “land management” functions ¹⁷ of the Countryside Agency are transferred to a temporary Land Management Agency ¹⁸ but the “economic” functions, including the disbursement of rural transport funds are devolved to **Regional Development Agencies** (RDAs).

Funding previously routed from Defra through the Countryside Agency passed to the English RDAs on 1/4/2005. It is apportioned on a “rural funding” formula which reflects patterns of significant rural disadvantage. However, in 2005/6 most of this was used to fund “legacy commitments” transferred from the Countryside Agency, including the protection of RTP Officer posts until 1/4/2006 ¹⁹.

The RDAs have conducted a strategic overview of their roles ²⁰. This recognised an evolution from being a delivery and funding agent to having a more strategic “navigating and influencing” role. They have proposed “mainstreaming rural priorities into emerging LTP2s, engaging in enhancing access to a broad raft of services and reducing the need to travel”. (Accessibility planning is now an essential component of LTP2s)

From rural transport providers’ or procurers’ perspectives this re-engagement with a sterile accessibility versus mobility debate can be not only worrying, but must also inevitably delay the announcement of what will be RDAs’ plans to end the hiatus in any new funding which began in 2005.

¹⁷ inherited from the Countryside Commission when that body merged with the Rural Development Commission in 1999 to form the Countryside Agency

¹⁸ The LMA will merge with English Nature and the Forestry Commission in 2007 under the provisions of a Natural Environment and Community Bill.

¹⁹ Briefing note to CTA Conference, GMex, November 2005 by Fyona Bryant, National RDA Co-ordinator, East of England RDA.

²⁰ RDA Tasking Framework

There has been anecdotal evidence that RDAs in different Regions have adopted disparate short term measures, and that there has been a general lack of transparency in the process. Funding for Rural Transport Partnerships (except for sw0ended in April 2006.

Only the SWRDA has announced any specific rural transport expenditure in 2006/7 by agreeing to support RTP Officers for a further year. The consultancy PBA discovered that WMRDA have encouraged RTPs in their area to combine their resources and submit a joint funding bid, and that NERDA (OneNE) have invited tenders for RTP support. Gloucestershire hoped to tap RDAs' Rural Renaissance and Modernising Rural Development funds for delivering "accessibility" (which might covertly include Transport!) projects.

Indeed the RDAs recognise ²¹ that "whilst in the short term strategic planning may require additional time and effort the longer term benefits may be substantial through securing improved access to mainstream funding and wider regenerative support".

Central Government Funding (DfT)

The new millennium also saw the introduction by the Department for Transport (DfT) of the **Rural Bus Challenge** fund (now withdrawn) which could meet capital costs and revenue shortfalls for new rural bus services. **Rural Bus Grant** is currently available up to 1/4/2007 and being paid by the DfT, based on a formula reflecting Transport Authorities' "rurality", and constrained by tight definitions of what comprises "new services" ²² and "rural areas" ²³. In 2005 the DfT also introduced a **Kickstart** program intended to support (through a limited national fund to which Local Transport Authorities are required to bid) unremunerative rural services until they become commercially viable, and a **Transport Innovation Fund** (TIF).

The TIF is mainly a capital funding programme aimed at large demand management schemes such as congestion charging and is unlikely to benefit rural bus services, although it does allow for a modest amount of revenue expenditure.

The second round of Local Transport Authorities' Local Transport Plans (LTP2) is a bidding exercise for capital schemes and again unlikely to significantly benefit rural services, apart from perhaps improving their operating environment and that of their passengers, thus making them more attractive

²¹ Briefing note to CTA Conference, GMex, November 2005 by Fyona Bryant, National RDA Co-ordinator, East of England RDA

²² modified in 2004 to allow a proportion of existing services to be supported.

²³ defined in specially issued 1:25000 OS maps

The funding hiatus

In real terms funding is declining, but in any case it suffers from a number of systemic problems. The cost (in time and money) of bidding for often modest funds can be relatively quite high and some local transport authorities consider that resources could have been better utilised in the upkeep of threatened services²⁴.

As well as continuing to support conventional rural bus services, other options such as vehicle brokerage, car sharing, taxi-buses and powered two wheelers need to be tried. The requirement underlying many rural transport grants that the project must be a new service rather than the continuance of an existing (and often much valued) service is leading to “innovation fatigue” as providers and procurers strive to tweak existing services to comply!

There is a tendency for a “silo mentality” to develop with procurers and providers delivering needlessly dedicated services which they could often make available to a wider clientele or even to the general public.

Grants, such as Rural Bus Grant and Rural Bus Challenge, have a finite life. Capital funding, for example for new and replacement vehicles, is often easier to obtain, but has ongoing revenue implications in terms of labour and maintenance costs. Such *ad hoc* funding can lead to instability and lack of confidence in service continuity. Given the ongoing unremunerative nature of rural transport there is a need for less short term funding and more core funding to at least deliver **reliable revenue funding streams** for rural transport services

The Regional Travel Watches are seriously concerned that in the long term it may be too late to rescue many withdrawn rural bus services.

7. Research Methodology

The authors decided at an early draft stage in the preparation of this paper to approach a representative sample of disparate “Shire” County Councils (commuter/rural; deep rural and “visitor” counties embracing National Parks and Areas of Outstanding Natural Beauty) to ascertain the effects of reduced funding, higher operating costs and deregistrations on their rural transport networks.

APPENDIX 1 Reproduces the eMail sent and tabulates their Transport Co-ordinators’ responses.

In the event this exercise was partly overtaken by the publication in February 2006 of the letter [**APPENDIX 2**] from Stephen Joseph, Director of the pressure group Transport 2000, to Jim Knight MP at Defra. This contained further examples of cuts and potential cuts to rural bus services. These have also been tabulated.

²⁴ Chris Dale, Cheshire BUUK, (see Acknowledgements

The letter highlights the economic (including congestion), environmental and social costs of cuts to rural bus services, especially, it suggests, in National Parks, which are overvisited by motorists.

It agrees that whilst integrating bus, rail and less conventional modes of public transport such as taxis, community transport and demand responsive services could be more efficient than scheduled bus services, there are significant barriers to so doing²⁵, not least

- the “lack of secure funding”,
- bus de-regulation and
- competition law.

8. Conclusions and Recommendations

- Public transport, health, education and social transport are too often planned in isolation. **Local Transport Authorities should observe the requirements of the Transport Act 1985 for these departments to co-operate in the delivery of public transport to meet these requirements.**
- If the cross sector benefits of many unremunerative but socially desirable rural transport services could be captured they could be financially sustainable. **Local Transport Authorities in partnership with other public sector providers and RDAs should devise mechanisms to capture these benefits.**
- Most rural transport services are unremunerative and stand little chance of ever becoming commercial. They must therefore rely on continuing core revenue funding, and should not have to depend on securing year on year grants and subsidies. **Revenue funding for rural transport services should be mainstreamed.**
- The regulation of taxis and PSVs by separate licensing authorities militates against taxis serving lightly used parts of rural transport networks by operating registered local services at separate fares. So too does the artificial (in rural areas) distinction between taxis and private hire cars. **The Government might consider amending the legislation or creating a single public road transport licensing authority. [Also suggested in T2000 letter – Appendix 2]**
- **Rural transport services are often poorly marketed and promoted. Funding should cover and be conditional on adequate marketing and promotion. Payment of BSOG²⁶ could be conditional on this. [Also suggested in T2000 letter – Appendix 2]**

²⁵ Barriers to Integration NWPTUF 2005

²⁶ Bus Service Operator grant (previously Fuel Duty Rebate)

- There is insufficient attention given by tourist attraction providers to visitor travel plans. **DEFRA could champion these and expand their sustainable development fund to support such plans [Also suggested in T2000 letter – Appendix 2]**

The **T2000 letter – Appendix 2** makes a further number of useful suggestions, **which Travel Watch endorses**, such as that :-

- Local Transport Authorities should adopt a **holistic network planning approach** combining educational, social service and public transport ²⁷
- There should be a review of the effects of bus deregulation and competition law on the provision of bus services especially in rural areas ²⁸
- **Defra** should champion sustainable rural transport to tackle the social exclusion of non motorists as well as addressing congestion issues.
- **Defra** should create a **rural transport task force** with a brief to promote social inclusion and support rural economies.

For more information about this report contact -

TravelWatch **NORTHWEST** *promoting quality public transport.....*

*Supported by: **NorthWest** Regional Development Agency, Greater Manchester PTE, Merseytravel, Manchester Airport plc, TransPennine Express, Virgin West Coast, Virgin CrossCountry*

**Po Box 4163
Manchester
M60 3ZQ**

**Tel: 0161 817 7416
Email: admin@travelwatch-northwest.org.uk
Web: www.travelwatch-northwest.org.uk**

²⁷ as required by section 88 of the Transport Act 1986

²⁸ The House of Commons Select Committee on Transport is currently reviewing bus services and TOWN responded to their consultation in June 2006

APPENDIX 1

The following eMail was sent to officers at

Cumbria
Derbyshire
Devon
Durham
Lincolnshire *
Yorkshire Dales NP *
Northamptonshire *
Northumberland *
Nottinghamshire *
Leicestershire

* = replies received (50%)

Dear Transport Co-ordinator

Following a meeting of the North West Public Transport Users' Forum ²⁹at Wigan in October 2005 at which the topic of Rural Transport was debated, the Forum's Chairman suggested to the Public Transport Users' Fora Steering Committee ³⁰ that the issue of Funding for Rural Transport should be taken forward at a National level.

We were tasked to prepare by 28/3/06 a first draft to inform the Steering Committee of the issues and of the agencies involved so that they could decide how best to take matters forward at a national level.

It would be very helpful to us to be able to cite evidence of rural bus services lost and the reasons for this such as discontinuation of funding (e.g. Countryside Agency, Rural Bus Grant or Rural Bus Challenge), low usage, high costs (especially escalating tender prices) or "tactical" de-registrations.

We are not looking for a comprehensive list' but rather a few high profile examples from different parts of England with different rural characteristics.

Any help you can provide will be greatly appreciated. If at all possible we would like to hear from you by 21/3/06.

With many thanks in anticipation.

Paul Fawcett (NWPTUF) and David Thornhill (EMPTUF)

²⁹ since renamed Travel Watch Northwest

³⁰ now Travel Watch Steering Committee

APPENDIX 2 Letter to Defra from Transport 2000

Jim Knight MP
Parliamentary Under-Secretary of State
Department of Environment, Food & Rural Affairs
Nobel House
17 Smith Square
London SW1P 3JR

1st February 2006

Dear Jim

I am writing to thank you for meeting us recently to discuss rural transport issues, and to follow up points we made and suggest some ways forward.

As we said, we see a real crisis developing with rural bus services. We are aware of a number of authorities where significant cuts in supported services are planned or have actually occurred. Cambridgeshire are consulting on three options for services, all of which involve varying degrees of cuts; Herefordshire's website is announcing cuts from next month; Northamptonshire have indicated they are planning cuts; North Yorkshire are considering reductions which could mean an end to all Sunday buses in the Yorkshire Dales National Park from April.

At the same time commercial services are being cut back by operators, which means that there are more demands for services to be subsidised. Even where services remain, fares are being increased well above inflation. The reason for these cuts and fares rises is a double whammy – cost increases in running bus services, and council funding shortfalls. Bus funding is not subject to Revenue Support Grant guidance, it is in an "other services" block which means that it can easily be cut, and raided to make up shortfalls elsewhere. Costs of running buses are increasing in real terms – the analysis we presented at the meeting shows that the main increases are in insurance and more recently fuel.

In relation to visitor travel, there is an even bigger problem – the end of the Countryside Agency's "Wider Welcome" programme has left a hole and many very good services and projects, including some in the Good Practice Guide you mentioned at the meeting, have fallen into this. The Studland project in your own constituency is one example of a transport partnership in difficulties as a result. The programme was supposed to be replaced by RDAs with funding from DEFRA – our experience is that this has (with one or two exceptions) not happened, and that glossy accessibility strategies are hiding inaction on the ground.

There are several reasons why this gloomy picture should cause concern. Traffic is a huge and increasing problem in rural areas, and in areas like National Parks is one of the principal threats to the environmental quality that makes them so special. Those using public transport make a vital contribution to the rural economy – Bill Breakell quoted the figure of £200,000 that Hull

residents brought to the North York Moors Park. Public transport is also vital to combat social exclusion among residents in rural areas, and the lack of it is pushing households who can't really afford it into running second cars (which are often older, poorly maintained and polluting). It is also important for visitors and tourists – without good public transport there is a real danger of National Parks and other countryside becoming ghettos reachable only by those with cars. For example, the Yorkshire Dales bus cuts will negate all the excellent outreach work the Park has done in Bradford with its award-winning TARGET project (itself at risk).

We suggested at the meeting that there are a number of possible ways forward. On the general **rural transport** issue, we entirely accept the points you and Elliott made at the meeting about looking across the piece, including rail and taxi options (and ferries as well where applicable) as well as buses, and good integration between them. We discussed demand-responsive and community transport and there are successes in this, though again the lack of secure funding limits their role. Also, and unlike other countries, taxi licensing here is not part of the transport authority role and powers (even where they are within unitary authorities), which means it's not possible to integrate taxi and bus services, and taxi deregulation has made things worse. So one way forward would be to bring taxi licensing within the scope of transport authorities.

However, even with this, we do think that in principle traditional bus services can be made more attractive in rural areas and the stigma you mentioned removed – indeed, as I said, the Jurassic Coast service, which is now commercially run, shows the potential. You pointed out the importance of not running empty buses around; our work suggests that marketing is key – and yet is absent from many rural services, even some directly funded by Government. In the short term, requiring a marketing strategy within bus tenders ought to be standard practice; longer term, it could be incentivised through the bus regulation regime (for example if the fuel duty rebate was extended, one could make part of it dependent on operators doing some basic marketing). Getting local authorities, tourism bodies and RDAs actively supporting marketing is important too. Our work also suggests that tackling the rising cost of bus insurance – perhaps by a review of the insurance market for buses by the competition authorities – would also help.

Clearly changes to bus regulation are bound up with the review currently being undertaken by DfT – but irrespective of any moves to franchising by local authorities, we'd like to see a new bus regulatory body, taking on the passenger-focused elements from the Traffic Commissioners (and also the competition issues from the Office of Fair Trading). This body could also look at local authority policy and measures.

There is also a need for proper network planning, so that ordinary buses (for residents and visitors), school and social services transport, community transport and taxis as above can be planned together, and integrated with rail wherever possible (the Community Rail Partnerships and pilots have good examples here). This might be done by transport partnerships bringing

together the different players and services – DEFRA or at least its agencies (taking account of your point about delegated funding and responsibilities) could have a role to play here in funding such partnerships.

This however requires the bodies to which your funds are delegated to play their part – we expressed concern that the RDAs have not in general used the funding you have delegated to them to support sustainable rural transport, and we think it would be very helpful if you were to write to them all emphasising the importance of them using the funding delegated to them to provide real support for sustainable tourism and social inclusion initiatives, as part of the PSA to promote accessibility and rural economic development.

On **visitor travel** in particular, we think that DEFRA and its agencies – especially Natural England - must become the champions of sustainable transport in the countryside, pushing and co-ordinating others in Government to contribute to this. A stronger emphasis on visitor travel plans for individual properties, attractions, events and indeed whole areas like the South Downs would certainly help. Visitor Travel Plans are a useful management tool for developing practical sustainable leisure travel options, and we would like to see DEFRA promote them and involve DCMS and DfT in this.

As an example of the achievement of such plans, the 2004 Navy Day in Plymouth managed to get 52% of visitors there by public transport. I also mentioned the Car-Free Leisure network which we run and which brings together practitioners and policy-makers in this area. DfT have funded this but have indicated it is not a priority for them. Funding from within the DEFRA family would help retain this.

We also mentioned a specific proposal that the Council for National Parks has developed for a Sustainable Travel Fund for the Parks, similar to (but separate from and additional to) the sustainable development fund. Dr Ladyman has said he is interested in this and will look at it, and I understand the CNP will send DfT and your department a detailed proposal.

Given the problems we have outlined, we think it is vital that DEFRA actively supports this. We would also like DEFRA to support innovative strategies to tackle traffic problems in the countryside, such as the Peak District environmental levy/ road charge scheme, which was turned down recently by DfT for Transport Innovation Fund money.

All this amounts to a series of proposals and measures. However, I would emphasise that the problem is urgent, because of the reductions in services and the fares increases, with underlying problems of cost increases and a shortage of long term funding for rural transport. We think that both to take an overall view of the problem and possible solutions, and also to make the case for increased funding in next year's Spending Review, a **rural transport task force** should be created, with the brief to review needs and trends and suggest ways forward that will enhance sustainability and sustainable tourism, reduce social exclusion and support the rural economy. This could also look

at links to land use planning so that bus and rail services can be accessed more easily by public transport.

We hope these ideas and proposals are useful and that you are able to support at least some of them. Clearly, we recognise that responsibility for transport issues rests with DfT; however, we think that current trends threaten several of DEFRA's core aims and targets, and that the Department will have to tackle the issue. We would be happy to discuss this further with you or officials.

Yours sincerely

Stephen Joseph

Director

APPENDIX 3

Examples of rural bus services recently withdrawn

Service	Local Transport Authority	reason for withdrawal
Bowland Transit	Lancashire CC	funding
Carnforth Connect	Lancashire CC	funding
Rural bus network	N Yorks CC	Rising costs ³¹
17 rural bus services in the YDNP ³²	N Yorks CC + Yorks Dales National Parks Authority	Services including Sunday visitor services with highest subsidy per passenger most at risk
Denby Dale Minibus	WYPTE	low usage
Subsidised rural bus network	Cheshire	high cost
Visitors' "Trail Bus"	Cheshire	funding
Macclesfield Microbus ³³	Cheshire	low usage
"Lincs Connect" network	Lincolnshire CC	No immediate threat because CC budget increased to match costs but transfer of RTP funds to RDAs a concern in the longer term
Rural bus network	Nottinghamshire CC	£300k cuts. Rural sections of interurban routes and evening and Sunday services at risk
Rural bus network	Northumberland	Budget halved from £500k to £250k. Compounded by deregistrations, Looking to Community Transport and taxis to replace some services.
Subsidised bus network	North Lincolnshire Unitary Authority	Cuts to early morning and late evening tendered services – as the bids for tenders are rising in price ³⁴
Subsidised bus network	County Durham	Cut of £600k in 2004/5 budget following similar cut in 2005/6 of £700k ³⁵

³¹ Bus and Coach Professional No 123 170206

³² also identified by T2000

³³ low usage caused by restriction of service to under 18s – "Innovation strangulation"? Chris Dale BUUK Cheshire

³⁴ Bus and Coach Professional No 133 7/7/06

Subsidised rural bus network	Gloucestershire	Able to support to 3/2007
The following cuts are identified in T2000's letter		
Rural bus network	Cambridgeshire CC	Current consultation on scale of cuts
Ditto	Hertfordshire CC	Cuts announced on web
Ditto	Northants CC	Cuts planned

³⁵ ibid

APPENDIX 4

ACKNOWLEDGEMENTS

This paper was drafted by Paul Fawcett, Travel Watch NW who has also given his consent to the use of text from the draft of his forthcoming book "Rural Transport " (to which he holds the copyright). This occurs between "The Scale of the Rural Transport Problem" and "Some other specifically related issues"

The paragraphs headed "The Case for Rural Transport" are largely based on a presentation to TOWN by Malcolm Craig, CRC, and Iain Aitchison, Lancashire County Council, at Wigan in October 2005

Valuable inputs (see footnotes) were made at the draft stage by Chris Dale and David Thornhill of, respectively, Travel Watch(s) Northwest and East Midlands.

John Moorhouse, Administrator, Travel Watch Northwest has edited the final draft of the report.

PF
Aug 2006