

Local Government Association Briefing

Bus Services Bill, House of Lords, Report Stage Wednesday 12 October



Key messages

- **The LGA supports Amendment 3 to Clause 1 tabled by Lord Bradshaw and Baroness Randerson.** This seeks to ensure local authorities have the power to enforce traffic offences, as part of an advanced quality partnership scheme. However, it is important that all 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.
- **We support Amendment 14 to Clause 4 tabled by Baroness Jones of Whitchurch and Lord Kennedy of Southwark** which would remove the condition for the Secretary of State to approve bus franchising powers for non-Mayoral Combined Authorities. We are calling for all areas to be given automatic rights to bus franchising powers. The decision to gain responsibility for bus franchising should be taken locally, based on robust evidence, and taking into account the needs of passengers, local residents and other circumstances, such as the performance of local bus markets. The requirement for the Secretary of State's approval for non-Mayoral Combined Authorities for franchising is counter to the principles of devolution, which is why we are calling for this condition to be removed.
- **We support 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 3 to Clause 1 tabled by Lord Bradshaw and Baroness Randerson to ensure local authorities have the power to enforce traffic offences, as part of an advanced quality partnership scheme.

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

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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.

We support Amendment 111, tabled by Baroness Jones of Whitchurch and Lord Kennedy of Southwark to amend Clause 4 on bus franchising powers

We support Amendment 111 to Clause 4 tabled by Baroness Jones of Whitchurch and Lord Kennedy of Southwark which would remove the condition for the Secretary of State to approve bus franchising powers for non-Mayoral Combined Authorities. We are calling for all areas to be given automatic rights to bus franchising powers. Currently, the Bill states that only Mayoral Combined Authorities will have automatic access to franchising powers with no further input from central Government. The Government has indicated that for other areas franchising powers will only be granted to authorities where the capability and track-record of the authority concerned is sufficiently strong and where there is an appropriate economic geography.

The decision to gain responsibility for bus franchising should be taken locally, based on robust evidence, and taking into account the needs of passengers and local residents. The requirement for the Secretary of State's approval for non-Mayoral Combined Authorities for franchising is counter to the principles of devolution.

This Bill supports the devolution agreements that the Government has already signed with North East, Tees Valley, Liverpool City Region, Sheffield City Region, West Midlands, Greater Manchester, West of England Combined Authority, East Anglia Combined Authority and Greater Lincolnshire and Cornwall. These devolution agreements include a commitment to introduce a simpler route to bus franchising than currently exists.

As part of its recent devolution agreement Cornwall has been promised bus franchising without the need for a Mayor or Combined Authority status and, according to the Bill, should Cornwall wish to pursue franchising it will need to apply through the Secretary of State.

Franchising could be a practical option for many other local authorities and not just combined authorities with mayors. Jersey, in the Channel Islands, has successfully franchised its bus service. There are 80 buses serving 100,000 people, and the scheme has led to an increase in passengers of 32 per cent in three years; savings of around £1 million of public subsidy per year; and the addition of five additional routes and increased frequency of services.¹

Whilst the LGA proposes that franchising be automatically available to all areas, should the Government not accept our proposed change then it is important that the Secretary of State be required to make public full details of their decision

¹ For further information, view the HCT Group report here:

http://www.hctgroup.org/about_us/hct_group_news/519/Jersey%20model%20of%20bus%20franchising%20shared%20by%20HCT%20Group

when either giving consent or denying an application for franchising.

We support the 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.