



Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
11 Downing Street
London SW1A 2AB
By email

CC: Rt Hon Mark Harper MP, Secretary of State for Transport

13th February 2023

Dear Chancellor,

With just a month until your budget on the 15th of March, the ongoing financial uncertainty is a cause of deep concern for public transport. As the vital economic, environmental and social benefits of our public transport networks are shared by every taxpayer, this concerns all of us. This is a matter of urgency.

The impact of inadequate public transport, integrated with active travel and shared transport networks has on the economy, on businesses and on communities, particularly in a cost-of-living crisis, is profoundly significant. Research by Campaign for Better Transport found that poor access to public transport is a major factor in areas becoming left behind and becoming '[Transport Deserts](#)'. In practice this means people losing access to education and jobs, missing hospital appointments, suffering poor health outcomes and being disconnected from family and friends.

The facts are alarming. Even with short-term government support, bus services across Great Britain have declined by seven per cent since the pandemic began, and over a thousand bus services have been lost in the past year alone. Meanwhile, rail services have been plagued by service reductions, industrial action, widespread delays and cancellations, as well as planned fare increases. The funding squeeze as a result of inflation is threatening further service cuts on both buses and rail.

Bus operators and local authorities are deeply concerned, with the Bus Recovery Grant running out at the end of March. As bus ridership is still on average 15 per cent below pre-pandemic levels, many routes will no longer be financially viable. This would compel operators to either reduce frequencies, cut routes or even close depots, pulling out of whole counties, and would lead to devastating consequences for the remaining 85 per cent of people who still use the buses regularly, not to mention hitting the economy hard.

The time to prevent further cuts is fast running out. The deadline for operators to announce changes in services has already passed. Some are holding out in the hope of a government intervention at the risk of taking a hit on income if the support does not materialise, so there is no time to waste. It is vital that reassurance is given of a long-term funding plan not just to support existing services, but to revive those which have been lost, to get the country and the economy moving again.

This is about more than the pandemic, the energy crisis, inflation, or any other factor. The reality is that buses have been neglected and underfunded for decades, with local authority funding for bus services suffering a 43 per cent reduction in real terms between 2009/10 and 2018/19. The national bus strategy 'Bus Back Better' aimed to reverse decades of decline, but it has simply not lived up to its ambition. Support is also urgently needed to address driver shortages and to improve integration with other services.

Meanwhile, recent rail service cuts have had a negative impact on usage, as connections between services have become more problematic and unattractive, putting people off using rail. This reinforces the need to support Train Operating Companies and Local Transport Authorities with better service integration and simplified multimodal ticketing. Affordable fares have been shown to work, so they are

essential to encouraging people back onto public transport, particularly in a cost-of living crisis. We therefore ask that you ensure that the Transport Secretary's welcome plans for fares and ticketing reform will prioritise affordability, ensuring that the greenest form of transport is the most affordable. We are pleased to hear of the Government's commitment to East-West Rail and other vital rail infrastructure projects. However, with the real terms decline in the Department for Transport's settlement and ongoing negotiations for how this will be reconciled, we are concerned about possible cuts to rail services and infrastructure spending, with the case often curiously made that taxpayers should not support a service which brings economic, environmental, and social benefits to all. We would appreciate reassurance that the future for our railways is defined by growth, not decline, and we urge you to ensure that HS2 does not draw spending capacity away from the wider national network, as has been promised.

Investing in public transport and active travel is the best way to achieve economic growth, levelling-up and net zero. We therefore ask that you reprioritise investment away from costly carbon-intensive projects like roadbuilding towards low-carbon, clean and healthy transport provision. While public finances are tight, these improvements could be funded at no extra cost by trimming the roadbuilding budget and ending the cut to fuel duty. For example, just a tenth of budget for the £2.5 billion A303 Stonehenge scheme would provide top-up funding for buses for a year, while cutting the scheme would truly transform bus and rail services.

Ahead of your budget we urge you therefore to:

- Accelerate long-term reform of local transport funding with settlements for all local transport authorities, giving them greater power over funding and investment decisions
- Guarantee an enhanced funding package for local bus and tram services as soon as possible, so that local transport authorities can support long-term service improvements
- Ringfence a proportion of local authority block grants for buses, transferring responsibility from the Department for Levelling Up, Housing and Communities to the Department for Transport
- End the costly cut to road fuel duty, thereby raising £5 billion to invest into the bus and rail network
- Boost investment in active travel, to the levels needed to meet the Government's targets for increased walking and cycling trips by 2025 and by 2030
- Protect capital spending on the railways while making savings on the DfT's and Network Rail's own excess costs, ensuring value for money for the taxpayer
- Implement root-and-branch reform of rail fares and ticketing as promised, with affordability and flexibility prioritised so that rail, the greenest form of travel, is affordable for all

We look forward to hearing from you and can provide more information as required.

Yours sincerely,



Paul Tuohy, CEO, Campaign for Better Transport

Dawn Badminton-Capps, Director for England, Bus Users UK

Oliver Lord, UK Head of Campaigns, Clean Cities Campaign

Kyle Lishak, Head of UK, Client Earth

Paul Miner, Acting Director of Campaigns & Policy, CPRE the countryside charity

Roger Geffen OBE, Policy Director, Cycling UK

Claire Haigh, Founder & CEO, Greener Vision

Doug Parr, Policy Director, Greenpeace UK

Luke Murphy, Head of Fair Transition Unit, Institute for Public Policy Research

Liz Emerson, Co-Founder and CEO, Intergenerational Foundation

Stephen Edwards, CEO, Living Streets

Richard Burge, Chief Executive, London Chamber of Commerce and Industry

Leo Murray, Director, Possible

Chris Todd, Founder & Director, Transport Action Network

Jonathan Bray, Director, Urban Transport Group