

Bus Services (No. 2) Bill [HL]

[AS AMENDED IN GRAND COMMITTEE]

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[AS AMENDED IN GRAND COMMITTEE]

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B I L L

TO

Make provision about local and school bus services; and for connected purposes.

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

*Franchising schemes: general***1 Availability of franchising schemes**

- (1) The Transport Act 2000 is amended as follows.
- (2) In section 123A (franchising schemes), for subsection (4) substitute—
 - “(4) In this Part “franchising authority” means a local transport authority whose area is in England.” 5
- (3) In section 123C (Secretary of State consent to franchising and notice requirements)—
 - (a) omit subsections (1) to (3);
 - (b) in subsection (4), for “the authority” substitute “a franchising authority”; 10
 - (c) for the heading substitute “Notice of assessment”.
- (4) In section 143A (power of franchising authorities to obtain information) omit subsection (5).
- (5) In section 160(2) and (2A) (regulations and orders) omit “123A(4),”. 15

2 Specification of areas

In section 123H of the Transport Act 2000 (making and publication of scheme), after subsection (2) insert—

- “(2A) Where a scheme specifies more than one area under subsection (2)(a), the areas specified need not be contiguous.” 20

3 Specification of services

- (1) In section 123H of the Transport Act 2000 (making and publication of scheme), after subsection (2A) (inserted by section 2 of this Act) insert—
 - “(2B) Local services may be specified for the purposes of subsection (2)(b)—
 - (a) by reference to the routes or places intended to be served, 5
 - (b) by describing the intended services in general terms,
 - (c) by any combination of the ways specified in paragraphs (a) and (b) of this subsection, or
 - (d) in such other way as the authority or authorities think fit so as to enable the intended services to be identified.” 10
- (2) Subsection (3) applies where, before this section comes into force—
 - (a) a franchising authority or authorities has published a consultation document under section 123E(2) of the Transport Act 2000 relating to a proposed franchising scheme, but
 - (b) the scheme has not been made in pursuance of the consultation document. 15
- (3) Where this subsection applies the franchising authority or authorities may, when making the scheme in pursuance of the consultation document, specify local services in any way mentioned in section 123H(2B) of the Transport Act 2000 (inserted by subsection (1) of this section), whether or not the services so specified were included in the description contained in the consultation document as required by section 123F(1)(c) of that Act. 20
- (4) Part 3 of Schedule 9A to the Transport Act 2000 (inserted by the Schedule to this Act) does not apply in relation to a variation of an existing franchising scheme if— 25
 - (a) the only variation is of the local services specified under section 123H(2)(b) of that Act in relation to the scheme, and
 - (b) the variation is to have effect before the end of the period of 2 years beginning with the day on which this section comes into force.
- (5) An “existing franchising scheme” is a franchising scheme made before this section comes into force. 30

4 Minimum period before provision of services

- (1) In section 123H of the Transport Act 2000 (making and publication of scheme) omit subsection (4).
- (2) Subsection (3) applies where, before this section comes into force— 35
 - (a) a franchising authority or authorities has published a consultation document under section 123E(2) of the Transport Act 2000 relating to a proposed franchising scheme or a variation of such a scheme, but
 - (b) the scheme has not been made or varied in pursuance of the consultation document. 40
- (3) Where this subsection applies the franchising authority or authorities may, when making or varying the scheme in pursuance of the consultation

document, specify a minimum period under section 123H(2)(d) or (3)(c) which is less than six months.

5 References to local services

- (1) The Transport Act 2000 is amended as follows.
- (2) In section 123E(4)(a) (consultation), after “local services” insert “which have one or more stopping places”. 5
- (3) In section 123N(2)(a) (revocation), after “local services” insert “which have one or more stopping places”.
- (4) In section 123Q(5)(a) (application for service permit), after “local services” insert “which have one or more stopping places”. 10
- (5) In section 123R(5)(a) (conditions), after “local services” insert “which have one or more stopping places”.

Franchising schemes: non-franchised services

6 Criteria for granting service permits

- (1) Section 123Q of the Transport Act 2000 (application for service permit) is amended in accordance with subsections (2) to (4). 15
- (2) After subsection (5) insert —
 - “(5A) If the application is for a service permit for a cross-boundary service, the authority or authorities may grant the permit applied for if they are satisfied that — 20
 - (a) the benefits to persons making journeys on the proposed service will outweigh any adverse effect on any local service that is provided under a local service contract in the area to which the scheme relates, or
 - (b) the benefits of the proposed service to the economy of the relevant area, or to persons living in that area, will outweigh any such adverse effect. 25
 - (5B) If the application is for a service permit for a service that is not a cross-boundary service, the authority or authorities may grant the permit applied for if they are satisfied that the benefits of the proposed service to the economy of the area to which the scheme relates, or to persons living in that area, will outweigh any adverse effect on any local service that is provided under a local service contract in that area.” 30
- (3) In subsection (6), for “if they are not satisfied as to the matters in subsection (5)(a) and (b)” substitute “except under subsection (5), (5A) or (5B)”. 35
- (4) After subsection (7) insert —
 - “(8) In this section —

“cross-boundary service”, in relation to a franchising scheme, means a service that—

- (a) has one or more stopping places in the area to which the scheme relates, but
- (b) begins or ends, or begins and ends, outside that area;

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“relevant area”, in relation to a cross-boundary service, means the combined area of each—

- (a) local transport authority,
- (b) council in Scotland, and
- (c) Transport Partnership created under the Transport (Scotland) Act 2005,

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in which the service has a stopping place.”

- (5) In section 123S(2) of that Act (revocation and suspension)—

- (a) in paragraph (a), for “that a matter in section 123Q(5)(a) or (b)” substitute “if the permit was granted under subsection (5) of section 123Q, that a matter in paragraph (a) or (b) of that subsection”;
- (b) after that paragraph insert—

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“(aa) if the permit was granted under subsection (5A) or (5B) of that section, that the authority or authorities are no longer satisfied as mentioned in the subsection in question,”.

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- (6) The amendments made by this section apply only in relation to applications for a service permit made on or after the date on which this section comes into force.

7 Registration of services provided under service permits

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- (1) The Transport Act 2000 is amended as follows.

- (2) In section 123J (effect of local service contracts: registration and provision of services), after subsection (4) insert—

“(4A) Subsection (2) does not apply in relation to a local service which is provided under a service permit.”

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- (3) In section 123P (service permits), after subsection (2) insert—

“(3) The authority or authorities must inform a traffic commissioner of the grant of a service permit under this section.”

- (4) After section 123P insert—

“123PA Registration exemption for services provided under service permits

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- (1) The franchising authority operating a franchising scheme, or the franchising authorities operating such a scheme acting jointly, may grant an exemption from registration in respect of any local service which is, or class of local services which are, provided under a service permit in the area to which the scheme relates.

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- (2) Where such an exemption has effect, sections 6 to 9 of the Transport Act 1985 (registration of local services) do not have effect in relation to the service, or class of services, so far as operated in that area.
- (3) The franchising authority or authorities may vary or revoke an exemption granted by them under this section. 5
- (4) Where an exemption is granted, varied or revoked under this section, the franchising authority or authorities must—
 - (a) publish, in such manner as they think fit, details of the grant, variation or revocation of the exemption, and
 - (b) before the end of the period of 14 days beginning with the day on which the exemption is granted, varied or revoked, inform a traffic commissioner of the grant, variation or revocation of the exemption.” 10
- (5) In section 123S (revocation and suspension), after subsection (2) insert—
 - “(2A) The franchising authority or authorities must inform a traffic commissioner of the revocation or suspension of a service permit under this section.” 15
- (6) In section 123V(1) (transitional provision about schemes), after paragraph (b) insert—
 - “(ba) the application of section 123PA in relation to services or classes of services (registration exemption for services provided under service permits),”. 20

8 Substitute road services

- (1) Section 123J of the Transport Act 2000 (effect of local service contracts: registration requirements and provision of services) is amended as follows. 25
- (2) In subsection (5)—
 - (a) omit the “or” at the end of paragraph (a);
 - (b) at the end of paragraph (b) insert “, or
 - (c) a service falling within subsection (8).”
- (3) After subsection (7) insert— 30
 - “(8) A service falls within this subsection if it is a local service provided under an agreement entered into, where a service for the carriage of passengers by railway or tramway has been temporarily interrupted—
 - (a) under section 40 of the Railways Act 2005 (substitute road services), or 35
 - (b) with the person who usually provides the railway or tramway service.”

*Franchising schemes: procedure***9 Report on assessment of proposed scheme**

- (1) Section 123D of the Transport Act 2000 (audit) is amended in accordance with subsections (2) to (8).
- (2) For subsection (1) substitute — 5
 - “(1) A franchising authority, or two or more franchising authorities acting jointly, may not proceed with a proposed franchising scheme unless they have obtained a report from an independent approved person on the assessment of the proposed scheme (see section 123B).”
- (3) In subsection (2) — 10
 - (a) omit “auditor’s”;
 - (b) for “auditor” substitute “approved person”;
 - (c) in paragraph (a), for “123B(3)(d) or (e)” substitute “123B(3)(d) and (e)”.
- (4) For subsection (3) substitute —
 - “(3) The Secretary of State must issue guidance as to — 15
 - (a) the time at which it is appropriate to appoint an approved person to produce a report for the purposes of subsection (1), and
 - (b) the matters to be taken into account by a franchising authority when selecting such a person, including for the purposes of 20
determining whether a person is independent.”
- (5) In subsection (5), for “auditor” substitute “approved person”.
- (6) In subsection (6), for “Auditors” substitute “Approved persons”.
- (7) For subsections (7) and (8) substitute —
 - “(8) In this section “approved person” means a person specified, or of a 25
description specified, in regulations made by the Secretary of State.”
- (8) For the heading substitute “Report on assessment of proposed scheme”.
- (9) In section 123E of that Act (consultation) —
 - (a) in subsection (1), for “an auditor’s” substitute “a”;
 - (b) in subsection (2)(c) omit “auditor’s”. 30
- (10) The amendments made by this section do not apply in relation to an appointment of a person as an auditor, in relation to a proposed franchising scheme, before this section comes into force.

10 Variation of schemes

- (1) The Transport Act 2000 is amended as follows. 35
- (2) In section 123M (variation of scheme) —
 - (a) in subsection (3), after “date” insert “or dates”;

- (b) omit subsection (4);
 - (c) in subsection (7), for “to (6)” substitute “to (6A) and Schedule 9A”;
 - (d) omit subsections (8) and (9).
- (3) After section 123M insert—
 - “123MA Variation of scheme: supplementary”**
 - (1) Subsections (2) to (10) of section 123H apply in relation to a franchising scheme varied in accordance with section 123M as they apply in relation to a franchising scheme made in accordance with subsection (1) of section 123H, but subject to subsection (2) of this section.
 - (2) Where the variation of the scheme adds to the scheme area the scheme must specify, in addition to the information previously specified under section 123H(2)(c) and (d), the date and minimum period to be specified in relation to local service contracts relating to local services to be provided in the additional area.
 - (3) In Schedule 9A—
 - (a) Parts 1 and 2 contain provision about the procedure to be followed when varying the area specified under section 123H(2)(a) in relation to the scheme, and
 - (b) Part 3 contains provision about the procedure to be followed when making certain other variations of the scheme.
 - (4) For the purposes of this section and Schedule 9A—
 - (a) a variation of a franchising scheme “adds to the scheme area” if it involves adding an area to the area specified under section 123H(2)(a) in relation to the scheme, and
 - (b) “the additional area” is the area added.
- (4) The Schedule inserts new Schedule 9A into the Transport Act 2000.

11 Direct award of contracts to incumbent operators

- (1) The Public Service Obligations in Transport Regulations 2023 (S.I. 2023/1369) are amended as follows.
- (2) After regulation 16 insert—

“Direct award of bus contracts to incumbent operators

16A.—(1) A franchising authority, or two or more franchising authorities acting jointly, may make a direct award of a public service contract where—

- (a) the contract is a local service contract in relation to a franchising scheme,
- (b) no local services provided in the area to which the contract relates are provided under a local service contract, and
- (c) the award is made to a public service operator who, throughout the period of three months ending with the day on which the contract is

entered into, is providing local services which are the same as, or substantially similar to, the local services to which the contract relates.

(2) Where a franchising authority makes a direct award of a public service contract under this regulation, it must, within six months of granting the award, and while ensuring the protection of commercially sensitive information and commercial interests, publish a notice on its website which— 5

- (a) sets out the information specified in paragraph (3), or
- (b) where any of the information in paragraph (3) has already been published (whether under regulation 23 or otherwise), provides details of where that information can be accessed, 10

and, where the award is made by two or more franchising authorities acting jointly, the notice must be published on each authority's website.

(3) The information referred to in paragraph (2) is—

- (a) the name of the public service operator, its ownership and, if relevant, the name of the party or parties exercising legal control, 15
- (b) the duration of the public service contract,
- (c) a description of the passenger transport services to be performed,
- (d) a description of the parameters of the financial compensation,
- (e) information about any quality targets, such as punctuality and reliability and any applicable rewards and penalties, and 20
- (f) information about any targets or requirements intended to protect the environment or to ensure local services are accessible and inclusive.

(4) In this regulation, each of the following terms has the same meaning as in Part 2 of the Transport Act 2000— 25

“franchising authority”;

“franchising scheme”;

“local service”;

“local service contract”.

(3) In regulation 9 (duration of public service contracts)— 30

- (a) in paragraph (1)(c), after “under” insert “regulation 16A (direct award of bus contracts to incumbent operators) or”;
- (b) in paragraph (4), after “measures)” insert “, regulation 16A (direct award of bus contracts to incumbent operators)”.

(4) In regulation 22(3)(b) (pre-award publication), at the end insert “or regulation 16A (direct award of bus contracts to incumbent operators)”.

Enhanced partnership plans and schemes

12 Socially necessary local services

- (1) The Transport Act 2000 is amended in accordance with subsections (2) and (3). 40

- (2) In section 138A (enhanced partnership plans and schemes) –
- (a) in subsection (3), after paragraph (b) insert –
- “(ba) lists which of those local services the authority or authorities consider are socially necessary local services,”;
- (b) after subsection (4) insert –
- “(4A) A review under subsection (4) is not to include a review of the list of socially necessary local services required by subsection (3)(ba); but the authority or authorities must keep that list under review and amend it from time to time as appears to them to be necessary.”;
- (c) after subsection (14) insert –
- “(15) In this section and section 138C “socially necessary local service”, in relation to the area to which an enhanced partnership plan relates, means a local service which –
- (a) enables passengers to access –
- (i) essential goods and services,
- (ii) economic opportunities (including employment), or
- (iii) social activities, and
- (b) if cancelled, is likely to have a material adverse effect on the ability of passengers to access those goods, services, opportunities or activities.”
- (3) In section 138C (requirements in respect of local services), after subsection (9) insert –
- “(9A) An enhanced partnership scheme must –
- (a) specify requirements that apply where the operator of a socially necessary local service listed as required by section 138A(3)(ba) proposes –
- (i) to cancel a registration under section 6 of the Transport Act 1985 in relation to the service, or
- (ii) to vary the registration in such a way as is likely to have a material adverse effect on the ability of passengers to access the goods, services, opportunities or activities mentioned in section 138A(15)(a) in relation to the service;
- (b) require a local transport authority or authorities, having been notified of a proposed cancellation or a proposed variation which is likely to have such an effect, to consider whether any alternative arrangements may be made so as to mitigate that effect.”.
- (4) The local transport authority or authorities to whose area or combined area, or part of it, an enhanced partnership relates on the day on which this section comes into force (“the commencement day”) must, before the end of the period of one year beginning with that day –

- (a) vary the plan in accordance with subsection (3) of section 138K of the Transport Act 2000 so that it identifies which of the services provided in the area are socially necessary local services, and
- (b) vary, in accordance with that subsection, each enhanced partnership scheme which, on the commencement day, relates to the whole or part of the area to which the plan relates so that section 138C(9A) of that Act is satisfied in relation to the scheme. 5

13 Measures specified in schemes

- (1) The Transport Act 2000 is amended as follows.
- (2) In section 138A(6)(b) (contents of schemes), for the words from “routes in” to “local services” substitute “local services in the whole or part of that area”. 10
- (3) In section 138D(2)(a) (measures specified in scheme), omit “serving the routes” (in both places).

14 Passenger benefit requirement

In section 138C of the Transport Act 2000 (requirements in respect of local services), for subsection (9) substitute— 15

- “(9) The requirements that may be specified in an enhanced partnership scheme also include requirements—
- (a) as to operators of local services establishing and operating arrangements that facilitate the operation of the scheme; 20
- (b) that persons using local services in the area to which the scheme relates benefit from any reduction in the cost of operating those services that results from facilities provided or measures taken by—
- (i) the Secretary of State, 25
- (ii) a local transport authority, or
- (iii) any other person exercising functions of a public nature.”

15 Variation of schemes

After section 138K of the Transport Act 2000 insert— 30

“138KA Variation where scheme includes provision under section 138E

- (1) A variation of an enhanced partnership scheme may not be made under section 138K in a case to which subsection (2) of this section applies unless—
- (a) the Secretary of State has directed the authority or authorities concerned to make the variation, or
- (b) the variation is one that the authority or authorities are required to make by section 12(4)(b) of the Bus Services (No. 2) Act 2025. 35

- (2) This subsection applies to any case specified in the scheme as one in which the scheme may be varied in accordance with the scheme (see section 138E).
- (3) The Secretary of State may give a direction under this section only if, on an application made by the authority or authorities, the Secretary of State is satisfied that—
 - (a) the variation cannot be made in accordance with the scheme because of unreasonable or obstructive behaviour by one or more operators of local services, or
 - (b) persons using local services in the area to which the scheme as varied will relate will benefit from the variation of the scheme.
- (4) A direction under this section does not affect the application of the other requirements that must be met before the scheme can be varied under section 138K.”

16 Objections by operators

- (1) The Transport Act 2000 is amended in accordance with subsections (2) to (6).
- (2) In section 138F (preparation, notice and consultation)—
 - (a) for subsection (2)(c) substitute—
 - “(c) require any objections to be made before the end of the period of 28 days beginning with the day on which the notice is given (“the objection period”).”;
 - (b) after subsection (4) insert—
 - “(4A) A local transport authority or authorities may give notice of a proposal under subsection (1)(d) before the end of the objection period if every person to whom the notice under subsection (1)(c) is required to be given has confirmed in writing that they do not intend to object.”;
 - (c) in subsection (5), for “period for objections stated in the notice under subsection (1)(c)” substitute “objection period”.
- (3) In section 138G (making of plans and schemes)—
 - (a) for subsection (3)(c) substitute—
 - “(c) require any objections to be made before the end of the period of 28 days beginning with the day on which the notice is given (“the objection period”).”;
 - (b) after subsection (3) insert—
 - “(3A) The authority or authorities may make the plan and scheme with modifications before the end of the objection period if every person to whom the notice under subsection (2) is required to be given has confirmed in writing that they do not intend to object.”;

- (c) in subsection (4), for “period for objections stated in the notice under subsection (2)” substitute “objection period”.
- (4) In section 138L (variation: preparation, notice and consultation) –
 - (a) for subsection (2)(c) substitute –
 - “(c) require any objections to be made before the end of the period of 28 days beginning with the day on which the notice is given (“the objection period”).”; 5
 - (b) after subsection (4) insert –
 - “(4A) A local transport authority or authorities may give notice of a proposal under subsection (1)(d) before the end of the objection period if every person to whom the notice under subsection (1)(c) is required to be given has confirmed in writing that they do not intend to object.”; 10
 - (c) in subsection (5), for “period for objections given in the notice under subsection (1)(c)” substitute “objection period”. 15
- (5) In section 138M (making a variation) –
 - (a) for subsection (4)(d) substitute –
 - “(d) require any objections by persons who are operators of qualifying local services at the qualifying time to be made before the end of the period of 28 days beginning with the day on which the notice is given (“the objection period”).”; 20
 - (b) after subsection (4) insert –
 - “(4A) The authority or authorities may vary the plan or scheme (with or without modifications) before the end of the objection period if every person to whom the notice under subsection (3) is required to be given has confirmed in writing that they do not intend to object.”; 25
 - (c) omit subsection (8)(c).
- (6) In section 138O (revocation) – 30
 - (a) omit subsection (7)(a);
 - (b) for subsection (7)(d) substitute –
 - “(d) require any objections to the revocation by persons who are operators of qualifying local services at the qualifying time to be made before the end of the period of 28 days beginning with the day on which the notice is given (“the objection period”).”; 35
 - (c) after subsection (7) insert –
 - “(7A) The notice under subsection (6) may state the date on which the plan or scheme is to be revoked. 40
 - (7B) The authority or authorities may revoke the plan or scheme before the end of the objection period if every person to whom

the notice under subsection (6) is required to be given has confirmed in writing that they do not intend to object.”;

(d) omit subsection (11)(c).

- (7) In the Enhanced Partnership Plans and Schemes (Objections) Regulations 2018 (S.I. 2018/404) omit regulations 7(2) and 8(2).

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17 Advance notice of requirement to provide information

In section 143B of the Transport Act 2000 (power to obtain information about local services), after subsection (4) insert—

“(4A) A local transport authority or authorities may not require an operator to supply information under this section unless, at least 14 days before imposing the requirement, they have given notice to the operator—

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- (a) of their intention to impose the requirement, and
- (b) of the date on which they intend to do so and the period that they intend to allow for the provision of the information.

(4B) When imposing the requirement the authority or authorities must have regard to any representations made by the operator in response to the notice under subsection (4A).”

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Local government functions

18 Local government bus companies

- (1) In the Bus Services Act 2017 omit section 22 (restriction on formation of bus companies by local government in England).

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- (2) A director of a local government bus company who is—

- (a) paid for acting in that capacity, or
- (b) an employee of the company or a subsidiary of the company,

is disqualified for being elected or being a member of a relevant authority if the company is under the control of the authority.

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- (3) For the purposes of subsection (2), a company is under the control of a relevant authority if—

- (a) the company is a subsidiary of the authority, or
- (b) the authority is one of two or more relevant authorities that are members of the company and the company would be a subsidiary of those authorities if they were a single body corporate.

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- (4) Subsections (1) to (3) apply in relation to a director of a subsidiary of a local government bus company as they apply in relation to a director of such a company.

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- (5) In subsections (2) to (4)—

“local government bus company” means a company formed by a relevant authority or authorities for the purpose of providing a local service;

“local service” has the same meaning as in the Transport Act 1985 (see section 2 of that Act);

“relevant authority” means —

- (a) a county council in England,
- (b) a district council in England, 5
- (c) a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009,
- (d) a combined county authority established under section 9(1) of the Levelling-up and Regeneration Act 2023, or
- (e) an Integrated Transport Authority for an integrated transport area in England; 10

“subsidiary” has the same meaning as in the Companies Act 2006 (see section 1159 of that Act).

(6) In the Transport Act 1985 —

- (a) in section 66 (exclusion of powers of district councils to run bus undertakings) — 15
 - (i) in subsection (1), for “subsection” substitute “subsections (1A) and”;
 - (ii) after that subsection insert —

“(1A) Subsection (1) does not prevent a non-metropolitan district council in England from forming a company for the purpose of providing a local service.” 20

- (b) in section 73(5) (activities of public transport companies), at the end insert —

“(c) in relation to the provision of local services by a public transport company or any other activity of the company relating to such services.” 25

(7) In section 123O(3) of the Transport Act 2000 omit the words from “apart” to the end.

(8) In Schedule 4 to the Levelling-up and Regeneration Act 2023 omit paragraph 212. 30

19 Grants

In the Transport Act 2000, after section 154 insert —

“154A Grants by local transport authorities in England

- (1) A local transport authority whose area is in England may make grants to operators of the services mentioned in subsection (2) towards their costs in operating those services in that area. 35
- (2) The services are —
 - (a) local services which have one or more stopping places in the authority’s area, and 40

- (b) services which have one or more stopping places in the authority's area and would be local services but for section 2(4)(b) of the Transport Act 1985.
- (3) Grants under this section are to be of such amount and subject to such conditions (including conditions requiring their repayment in specified circumstances) as may be determined by the authority. 5
- (4) If a local transport authority is a mayoral combined authority, the function under subsection (1) is a function of the combined authority exercisable only by the mayor acting on behalf of the combined authority. 10
- (5) If a local transport authority is a mayoral CCA, the function under subsection (1) is a function of the combined county authority exercisable only by the mayor acting on behalf of the combined county authority.
- (6) The Secretary of State may issue guidance as to the exercise of functions under this section by local transport authorities and mayors; and they must have regard to any such guidance. 15
- (7) The guidance may, in particular, include guidance—
 - (a) about the protection of services mentioned in subsection (2) that are socially necessary, 20
 - (b) about how the services mentioned in that subsection can contribute to economic growth and the protection of the environment, and
 - (c) setting out practical considerations to be taken into account when exercising functions under this section. 25
- (8) The Secretary of State may at any time vary or revoke guidance issued under subsection (6).
- (9) The Secretary of State must publish—
 - (a) guidance issued under subsection (6), and
 - (b) any variation or revocation of the guidance. 30
- (10) Section 88(1) of the Transport Act 1985 (application to subsidy agreements of sections 89 to 92 of that Act) does not apply in relation to grants under this section."

Information about local services

20 Information provided on registration of local services

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- (1) The Transport Act 1985 is amended as follows.
- (2) In section 6 (registration of local services)—
 - (a) in subsection (9)—

- (i) for paragraph (e) substitute—
 - “(da) in the case of regulations made by the Secretary of State, for the prescribed particulars in respect of a service to be given to such persons as may be prescribed; 5
 - (e) in the case of regulations made by the Secretary of State, for an application for registration, or for the variation or cancellation of a registration, not to be accepted by a traffic commissioner unless— 10
 - (i) the applicant gives, to such persons as may be prescribed, such information as a traffic commissioner may reasonably require in connection with the application, or 15
 - (ii) the applicant is subject to requirements imposed by regulations made by virtue of section 141A(1)(a) of the Transport Act 2000 and complies with those requirements; 20
 - (ea) in the case of regulations made by the Welsh Ministers, for an application for registration, or for the variation or cancellation of a registration, not to be accepted by a traffic commissioner unless the applicant gives to a traffic commissioner such information as a traffic commissioner may reasonably require in connection with the application.”; 25
- (ii) in paragraph (j), for “to a traffic commissioner” substitute “—
 - (i) in the case of regulations made by the Secretary of State, to such persons as may be prescribed; 30
 - (ii) in the case of regulations made by the Welsh Ministers, to a traffic commissioner”; 35
- (iii) after paragraph (ka) insert—
 - “(kb) in the case of regulations made by the Secretary of State, as to the use and disclosure of information given or records made available under this section;”;
- (b) after subsection (11) insert—
 - “(12) Regulations made by the Secretary of State under this section may make provision about the manner and form in which information is to be provided (including, in particular, provision requiring it to be provided electronically).” 40
- (3) In section 6I (records of registration etc)—
 - (a) in subsection (4), for “a traffic commissioner” substitute “such persons as may be prescribed”; 45

(b) in subsection (7), for paragraph (b) substitute—

“(b) as to the particulars to be supplied under subsection (4);

(c) about the manner and form in which the particulars are to be supplied under that subsection (including, in particular, provision requiring them to be supplied electronically); 5

(d) as to the use and disclosure of records kept and particulars supplied under this section.”

21 Information about local services 10

(1) Section 141A of the Transport Act 2000 (power to require information about English bus services) is amended as follows.

(2) In subsection (2)—

(a) at the end of paragraph (a) omit “or”;

(b) at the end of paragraph (b) insert “, or 15

(c) in order to monitor the provision of relevant local services and to facilitate the exercise of functions by the Secretary of State.”

(3) In subsection (3)—

(a) in paragraph (a), for “and tickets” substitute “, tickets and passenger numbers”; 20

(b) at the end of paragraph (b) omit “and”;

(c) after paragraph (c) insert—

“(d) information about operators of the services,

(e) information about the vehicles used to provide the services, including information about their features and equipment, the way in which they are to be used in relation to particular routes, the distance travelled by them and the number of journeys made by them, and 25

(f) a statement, in relation to a relevant local service, as to whether the service consists of excursions or tours.” 30

(4) In subsection (4)—

(a) at the end of paragraph (a), omit “and”;

(b) at the end of paragraph (b), insert “, and

(c) information about the costs of operating the services and the number of staff engaged in operating the services.” 35

(5) In subsection (8), for paragraph (b) substitute—

“(b) provision for the information to be provided to a traffic commissioner.” 40

22 Information obtained under Statistics of Trade Act 1947

In the Statistics of Trade Act 1947, after section 9A insert—

“9B Exception for publication of information about local bus services

- (1) Nothing in section 9 prevents or penalises the publication by the Secretary of State of information about relevant local services obtained under section 1 of this Act during the qualifying period from—
 - (a) a person who, when the information was obtained, held a PSV operator’s licence, or
 - (b) another person acting on behalf of such a person.
- (2) For the purposes of this section, information about relevant local services includes (but is not limited to) information about—
 - (a) the vehicles used to provide the services, including information about their features and equipment, the distance travelled by them and the number of journeys made by them;
 - (b) the number of tickets sold for travel on the services and the number of passengers who travelled on them;
 - (c) the revenue earned from and the costs of operating the services;
 - (d) the number of staff engaged in the operation of the services.
- (3) In this section—
 - (a) “PSV operator’s licence” has the same meaning as in the Public Passenger Vehicles Act 1981 (see section 82(1) of that Act);
 - (b) “relevant local service” means a local service which has one or more stopping places in England;
 - (c) “the qualifying period” means the period—
 - (i) beginning with 1 May 2015, and
 - (ii) ending with the day on which section 22 of the Bus Services (No. 2) Act 2025 came into force;
 - (d) “local service” and “stopping place” have the same meanings as in the Transport Act 1985 (see sections 2 and 137(1) of that Act).

9C Notice and effect of publication of information under section 9B

- (1) At least 30 days before publishing any information in reliance on section 9B, the Secretary of State must publish a notice—
 - (a) describing in general terms the information to be published, and
 - (b) stating that the information is to be published in reliance on that section.
- (2) The notice must be published on a website maintained by or on behalf of the Secretary of State (and may also be published in any other manner that the Secretary of State thinks appropriate).
- (3) On the publication of any information in reliance on section 9B, the following cease to apply in relation to the information—

- (a) section 9, and
- (b) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under that section.”

Enforcement

23 Powers of inspectors

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- (1) Section 24 of the Public Passenger Vehicles Act 1981 (regulation of conduct of inspectors) is amended in accordance with subsections (2) and (3).

- (2) After subsection (1) insert –

“(1A) Regulations under subsection (1)(b) may, in particular, make provision about whether or not a person authorised to act as an inspector by a relevant authority may act in that capacity in relation to a relevant local service –

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- (a) at times when the public service vehicle used to provide the service is outside the area of the authority (including when the vehicle is in Wales or Scotland);
- (b) which does not have a stopping place in the area of the authority.”

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- (3) For subsection (4) substitute –

“(4) In this section and section 25 “inspector”, in relation to a public service vehicle, means –

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- (a) a person authorised to act as an inspector by the holder of the PSV operator’s licence under which the vehicle is being used, and
- (b) in the case of a vehicle being used to provide a relevant local service, a person authorised to act as an inspector by a relevant authority.

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- (4A) In this section –

“relevant authority” means –

- (a) a local transport authority (within the meaning given by Part 2 of the Transport Act 2000) whose area is in England, or
- (b) Transport for London;

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“relevant local service” means a local service which has one or more stopping places in England;

“stopping place” has the same meaning as in the Transport Act 1985.”

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- (4) In the Public Service Vehicles (Conduct of Drivers, Inspectors, Conductors and Passengers) Regulations 1990 (S.I. 1990/1020), “inspector” includes an inspector authorised as mentioned in section 24(4)(b) of the Public Passenger Vehicles Act 1981.

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24 Local transport authority byelaws

- (1) In the Transport Act 2000, after section 144 insert –

“Local transport authority byelaws

144A Power of local transport authorities to make bus byelaws

- (1) A local transport authority whose area is in England, or two or more such authorities acting jointly, may make byelaws regulating one or more of the following –
- (a) travel on their local services;
 - (b) the maintenance of order –
 - (i) on their local services;
 - (ii) at bus facilities in their area or combined area;
 - (c) the conduct of persons –
 - (i) while travelling on their local services;
 - (ii) using bus facilities in their area or combined area.
- (2) The byelaws may, in particular, make provision –
- (a) with respect to tickets issued for entry to and travel on local services and the evasion of payment of fares or other charges;
 - (b) with respect to interference with, or obstruction of, local services and bus facilities;
 - (c) prohibiting vaping by persons on local services;
 - (d) prohibiting smoking and vaping by persons at bus facilities;
 - (e) with respect to the prevention of nuisance.
- (3) The byelaws may provide that a person contravening them is guilty of an offence and liable, on summary conviction, to a fine not exceeding –
- (a) level 3 on the standard scale, or
 - (b) such lower level or lower amount as is specified in the byelaws.
- (4) In this section –
- (a) references to the local services of a local transport authority or authorities are to local services –
 - (i) provided under local service contracts entered into by the authority or authorities under a franchising scheme, or
 - (ii) to which an enhanced partnership scheme made by the authority or authorities relates;
 - (b) “bus facility” means –
 - (i) premises used as a bus station by local services, or for the provision of associated facilities in relation to such a bus station;
 - (ii) a bus shelter and the land on which it stands;

- (c) “bus station” and “associated facilities” in relation to a bus station have the same meanings as in the Transport Act 1985 (see section 83(5) of that Act);
- (d) “bus shelter” means a shelter or other accommodation provided at a stopping place for the use of persons intending to travel on local services. 5

144B Byelaws: procedure

- (1) Where a local transport authority or authorities propose to make byelaws under section 144A, they must—
 - (a) publish a copy of the proposed byelaws on their website or websites, and 10
 - (b) publish on their website or websites and in one or more local newspapers circulating in the authority’s or authorities’ area or combined area a notice of the proposal to make byelaws.
- (2) The notice must— 15
 - (a) state the manner in which a printed copy of the proposed byelaws will be open to public inspection,
 - (b) in the case of a notice published in a newspaper, give details of the website or websites where a copy of the proposed byelaws can be found, and 20
 - (c) state that any person affected by the proposed byelaws may make representations about them to the authority or authorities within the period specified in the notice.
- (3) The period specified for the purposes of subsection (2)(c) must be a period of at least 28 days beginning with the day after that on which the notice is published. 25
- (4) The local transport authority or authorities must not submit the byelaws for confirmation unless they have considered the representations that have been made to them.
- (5) The Secretary of State may— 30
 - (a) confirm (with or without modifications) the byelaws submitted for confirmation, or
 - (b) refuse to confirm them.
- (6) The Secretary of State may fix a date for the coming into force of any byelaws confirmed under subsection (5)(a); but if no such date is fixed the byelaws come into force at the end of the period of 28 days beginning with the day after that on which they are confirmed. 35
- (7) The power to make byelaws under section 144A includes the power to make byelaws amending or revoking byelaws made under that section. 40
- (8) The Secretary of State may by regulations revoke byelaws made under section 144A.

144C Byelaws: copies and evidence

- (1) If the Secretary of State has confirmed byelaws made under section 144A, the local transport authority or authorities which made them must print copies of the byelaws, of which—
 - (a) at least one must be kept at the authority's principal office or at each of the authorities' principal offices, 5
 - (b) one must be sent to the Secretary of State, and
 - (c) one must be supplied to any person who requests it, on payment by the person of such reasonable charge as the authority or authorities may determine. 10
- (2) The authority or authorities must publish on their website or websites—
 - (a) a copy of the byelaws, and
 - (b) a notice stating—
 - (i) that the byelaws have been confirmed and when they come into force, 15
 - (ii) where printed copies of the byelaws can be inspected, and
 - (iii) how printed copies of the byelaws can be obtained.
- (3) The production of a printed copy of byelaws which is indorsed with a certificate—
 - (a) stating one or more matters specified in subsection (4), and
 - (b) purporting to be signed by an officer of a local transport authority by whom the byelaws purport to have been made, 20

is evidence of what is stated in the certificate. 25
- (4) Those matters are—
 - (a) that the byelaws were made by the local transport authority or authorities,
 - (b) that the copy is a true copy of the byelaws,
 - (c) that the byelaws were confirmed by the Secretary of State on the date specified in the certificate, and 30
 - (d) the date of the coming into force of the byelaws.

144D Powers of authorised persons in relation to byelaws

- (1) An authorised person may—
 - (a) issue a fixed penalty notice (see section 144E) to anyone who that person has reason to believe has committed an offence under—
 - (i) byelaws under section 144A, or
 - (ii) this section; 35
 - (b) require a person who the authorised person reasonably suspects of committing or attempting to commit an offence under byelaws under section 144A to do one or both of the following— 40

- (i) to give their name and address;
 - (ii) to leave any vehicle or premises in relation to which the byelaws apply.
- (2) An authorised person may use reasonable force to remove a person who has failed to comply with a requirement under subsection (1)(b)(ii). 5
- (3) A person who fails to comply with a requirement under subsection (1)(b) commits an offence and is liable, on summary conviction, to a fine not exceeding level 3 on the standard scale.
- (4) The Secretary of State may issue guidance about the exercise of functions under this section and section 144E, and local transport authorities whose areas are in England and authorised persons must have regard to the guidance when exercising those functions. 10
- (5) The Secretary of State may at any time vary or revoke guidance issued under subsection (4). 15
- (6) The Secretary of State must publish—
 - (a) guidance issued under subsection (4), and
 - (b) any variation or revocation of the guidance.
- (7) In this section “authorised person” means a person authorised for the purposes of this section by the local transport authority or authorities which made the byelaws. 20

144E Fixed penalty notices

- (1) A fixed penalty notice issued under section 144D is a notice offering the person to whom it is issued the opportunity of discharging any liability to conviction for the offence by payment of a fixed penalty to the person specified in the notice. 25
- (2) Where a person is issued with a fixed penalty notice in respect of an offence—
 - (a) no proceedings may be taken for the offence before the end of the period of 14 days following the date of the notice; 30
 - (b) the person may not be convicted of the offence if the person pays the fixed penalty before the end of that period.
- (3) A fixed penalty notice must—
 - (a) give reasonably detailed particulars of the circumstances alleged to constitute the offence; 35
 - (b) state the period during which (because of subsection (2)(a)) proceedings will not be taken for the offence;
 - (c) specify the amount of the fixed penalty;
 - (d) state the name and address of the person to whom the fixed penalty may be paid; 40
 - (e) specify permissible methods of payment.

- (4) An amount specified under subsection (3)(c) must not be more than £100.
- (5) A fixed penalty notice may specify two amounts under subsection (3)(c) and specify that, if the lower of those amounts is paid within a specified period (of less than 14 days), that is the amount of the fixed penalty. 5
- (6) Whatever other method may be specified under subsection (3)(e), payment of a fixed penalty may be made by pre-paying and posting to the person whose name and address is stated under subsection (3)(d), at the stated address, a letter containing the amount of the penalty (in cash or otherwise). 10
- (7) Where a letter is sent as mentioned in subsection (6), payment is regarded as having been made at the time at which that letter would be delivered in the ordinary course of post.
- (8) In any proceedings, a certificate that — 15
 - (a) purports to be signed by or on behalf of the chief finance officer of the local transport authority concerned, and
 - (b) states that payment of a fixed penalty was, or was not, received by the date specified in the certificate,
 is evidence of the facts stated. 20
- (9) In this section “chief finance officer”, in relation to a local transport authority, means the person with responsibility for the authority's financial affairs.”
- (2) Subsection (3) of section 235 of the Local Government Act 1972 does not prevent byelaws being made under that section which could also be made under section 144A of the Transport Act 2000 where the local authority making the byelaws made an application to the Secretary of State under regulation 6 of the Byelaws (Alternative Procedure) (England) Regulations 2016 (S.I. 2016/165) before this section came into force. 25

Safety and accessibility of stopping places 30

25 Safety and accessibility of stopping places

- (1) The Secretary of State may give guidance about stopping places for local services, and facilities in the vicinity of such stopping places, for the purposes of —
 - (a) promoting the safety of persons using such facilities, or 35
 - (b) facilitating travel by persons with disabilities (within the meaning given by section 6 of the Equality Act 2010) on local services.
- (2) The guidance may, in particular, include guidance about —
 - (a) the location, design, construction and maintenance of stopping places and facilities in the vicinity of stopping places; 40

- (b) how persons required to have regard to the guidance are to engage with other persons in relation to stopping places and facilities in the vicinity of stopping places.
- (3) The Secretary of State may at any time vary or revoke guidance under this section. 5
- (4) The Secretary of State must publish guidance given under this section and any variation or revocation of the guidance.
- (5) The Secretary of State must consult the Disabled Persons Transport Advisory Committee—
 - (a) before giving or revoking guidance under this section, or 10
 - (b) before varying guidance under this section in a way which, in the opinion of the Secretary of State, results in a substantial change to the guidance.
- (6) The following must have regard to guidance published under this section when commissioning the design, construction or maintenance of a stopping place for a local service, or any facilities in the vicinity of a stopping place for a local service— 15
 - (a) a local transport authority (within the meaning given by Part 2 of the Transport Act 2000) whose area is in England;
 - (b) a local traffic authority (within the meaning given by section 121A of the Road Traffic Regulation Act 1984), in relation to stopping places on roads in England outside Greater London; 20
 - (c) a strategic highways company (within the meaning given by section 1 of the Infrastructure Act 2015), in relation to stopping places on highways in England. 25
- (7) In this section—
 - “facilities” means any facilities provided—
 - (a) to assist persons with accessing a stopping place,
 - (b) for the use of passengers awaiting, boarding or alighting from a public service vehicle being used to provide a local service, 30
 - or
 - (c) to assist with the positioning of a public service vehicle being used to provide a local service at a stopping place so as to enable passengers to board or alight from the vehicle;
 - “local service” has the same meaning as in the Transport Act 1985 (see section 2 of that Act); 35
 - “public service vehicle” has the same meaning as in the Public Passenger Vehicles Act 1981 (see section 1 of that Act);
 - “stopping place” has the same meaning as in the Transport Act 1985 (see section 137 of that Act). 40

*Safeguarding for school services***26 Safeguarding duty: drivers of school services**

In the Public Passenger Vehicles Act 1981, after Part 2 insert —

“PART 2A**SAFEGUARDING DUTY: DRIVERS OF SCHOOL SERVICES**

5

29A Duty to check barring information

- (1) The operator of a public service vehicle may not permit another person to drive the vehicle for a school service unless condition 1 or 2 is met.
- (2) Condition 1 is that —
 - (a) the operator has, within the past three years, checked a relevant enhanced criminal record certificate issued within that period relating to the person who is to drive the vehicle, and 10
 - (b) the certificate does not show that the person is barred from regulated activity relating to children.
- (3) Condition 2 is that — 15
 - (a) the operator has, within the past three years, checked —
 - (i) a relevant enhanced criminal record certificate relating to the person who is to drive the vehicle, and
 - (ii) up-date information given, within the past three years, under section 116A of the Police Act 1997 in relation to the certificate, 20
 - (b) the certificate does not show that the person is barred from regulated activity relating to children, and
 - (c) the up-date information is not advice to request the person to apply for a new enhanced criminal record certificate. 25
- (4) In this section —

“enhanced criminal record certificate” means an enhanced criminal record certificate issued under section 113B of the Police Act 1997;

“relevant enhanced criminal record certificate” means an enhanced criminal record certificate which includes, by virtue of section 113BA of the Police Act 1997, suitability information relating to children. 30

29B Interpretation of Part 2A

- (1) A reference in this Part to regulated activity relating to children is to be construed in accordance with Part 1 of Schedule 4 to the Safeguarding Vulnerable Groups Act 2006. 35
- (2) For the purposes of this Part, a person drives a public service vehicle for a school service where —

- (a) by driving the vehicle the person is engaging in regulated activity relating to children by virtue of paragraph 2(1)(f) of Schedule 4 to the Safeguarding Vulnerable Groups Act 2006,
 - (b) the children using the service are being conveyed between their homes and institutions for providing primary, secondary or further education that they are attending, and 5
 - (c) the vehicle is being used in circumstances such that a PSV operator's licence is required for its use.
- (3) In this Part—
- (a) “primary education”, “secondary education” and “further education” have the meanings given in the Education Act 1996 (see section 2 of that Act); 10
 - (b) “children” means persons who have not attained the age of 18.”

Training of staff 15

27 Training about crime and anti-social behaviour

- (1) The Transport Act 2000 is amended as follows.
- (2) After section 144E (inserted by section 24 of this Act) insert—

“Training of staff

144F Training about crime and anti-social behaviour 20

- (1) The holder of a PSV operator's licence must ensure that the training requirement is fulfilled in relation to any person who—
 - (a) drives a public service vehicle being used under the licence to provide a local service, or
 - (b) on behalf of the holder of the licence deals directly with— 25
 - (i) passengers travelling on vehicles being used under the licence to provide local services, or
 - (ii) issues related to such passengers.
- (2) The training requirement is that, within the past five years, the person has completed training the aim of which is to assist the person to identify, respond appropriately to and, where possible, prevent— 30
 - (a) criminal offences that would cause a victim or potential victim of the offence to fear for their personal safety, and
 - (b) anti-social behaviour, within the meaning given by section 29(1) of the Anti-social Behaviour Act 2003. 35
- (3) The Secretary of State may by regulations require holders of PSV operators' licences—
 - (a) to keep such records relating to their compliance with the requirements of this section as are specified or described in the regulations, 40

- (b) to publish, in such manner and at such times as the regulations specify, such information relating to their compliance with the requirements of this section as is specified or described in the regulations, and
 - (c) to provide to the Secretary of State such information relating to their compliance with the requirements of this section as the Secretary of State may require. 5
- (4) The Secretary of State may issue guidance about compliance with the requirements of this section and of regulations made under it.
- (5) The Secretary of State may at any time vary or revoke guidance issued under subsection (4). 10
- (6) The Secretary of State must publish—
 - (a) guidance issued under subsection (4), and
 - (b) any variation or revocation of the guidance.”
- (3) In section 155 (sanctions), after subsection (1ZD) insert— 15
 - “(1ZDA) Where a traffic commissioner is satisfied that the holder of a PSV operator’s licence has, without reasonable excuse, failed to comply with a requirement of section 144F or of regulations made under that section, the traffic commissioner may make one or more orders under subsection (1A)(a) or (d).” 20

28 Training about disability

- (1) Regulation (EU) No 181/2011 of the European Parliament and of the Council of 16 February 2011 concerning the rights of passengers in bus and coach transport and amending Regulation (EC) No 2006/2004 is amended as follows.
- (2) In Article 2 (scope), at the end of paragraph 2 insert “, and where the service is a local service, point (a) of Article 16(1) shall also apply”. 25
- (3) In Article 3 (definitions), at the end insert—
 - “(y) “local service” means a local service within the meaning given by the Transport Act 1985.”
- (4) In Article 16 (training)— 30
 - (a) in paragraph 1(b), for “as described in part (a) of Annex II” substitute “—
 - (i) as described in part (a) of Annex II, and
 - (ii) in relation to local services, as described in part (b) of Annex II.”, and 35
 - (b) after paragraph 1 insert—
 - “1A. Carriers and terminal managing bodies must ensure that the requirements of paragraph 1 have been completed within the past five years in relation to any of their personnel who fall within point (a) or (b) of that paragraph in relation to local services.” 40

29 Training about disability: further provisions

- (1) The Secretary of State may by regulations made by statutory instrument require carriers and terminal managing bodies—
 - (a) to keep such records relating to their compliance with the disability training requirements as are specified or described in the regulations, 5
 - (b) to publish, in such manner and at such times as the regulations specify, such information relating to their compliance with the disability training requirements as is specified or described in the regulations, and
 - (c) to provide to the Secretary of State such information relating to their compliance with the disability training requirements as the Secretary of State may require. 10
- (2) The power to make regulations under this section includes power to make—
 - (a) consequential, supplementary, incidental, transitional or saving provision; 15
 - (b) different provision for different purposes.
- (3) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.
- (4) The Secretary of State may issue guidance about compliance with the requirements of— 20
 - (a) the disability training requirements, and
 - (b) regulations made under this section.
- (5) The Secretary of State may at any time vary or revoke guidance issued under subsection (4).
- (6) The Secretary of State must publish— 25
 - (a) guidance issued under subsection (4), and
 - (b) any variation or revocation of the guidance.
- (7) In this section—
 - (a) “Regulation 181/2011” means Regulation (EU) No 181/2011 of the European Parliament and of the Council of 16 February 2011 concerning the rights of passengers in bus and coach transport and amending Regulation (EC) No 2006/2004, 30
 - (b) “carrier” and “terminal managing body” have the same meanings as in Regulation 181/2011, and
 - (c) “disability training requirements” means the requirements of paragraph 1 of Article 16 of Regulation 181/2011 as they apply by virtue of paragraph 1A of that Article. 35
- (8) After regulation 10 of the Rights of Passengers in Bus and Coach Transport (Exemptions and Enforcement) Regulations 2013 (S.I. 2013/1865) insert—

“Enforcement: disability training and information

40

10A.—(1) It is the duty of a traffic commissioner to exercise the powers available to the commissioner under this regulation and any other enactments

in such manner as may be necessary or expedient in the opinion of the commissioner to remedy or avoid any contravention of—

- (a) the requirements of paragraph 1 of Article 16 of Regulation 181/2011 as they apply by virtue of paragraph 1A of that Article;
- (b) the requirements of regulations made under section 29 of the Bus Services (No. 2) Act 2025.

(2) If a traffic commissioner is satisfied that a carrier or terminal managing body has, without reasonable excuse, contravened any such requirement, the traffic commissioner may impose a penalty on the carrier or terminal managing body.

(3) Paragraphs (6) to (8), (10) to (12) and (14) to (16) of regulation 10 apply in relation to the imposition of a penalty under this regulation on a carrier or terminal managing body as they apply in relation to the imposition of a penalty under paragraph (4)(b)(ii) of that regulation on a relevant person.”

Zero-emission vehicles

30 Use of zero-emission vehicles for registered local services in England

- (1) The Transport Act 2000 is amended as follows.
- (2) After section 151 insert—

“Zero-emission vehicles

151A Use of zero-emission vehicles for registered local services in England

(1) The operator of a local service registered under section 6 of the Transport Act 1985 which has one or more stopping places in the relevant area may not use a vehicle that falls within subsection (2) to provide the service in that area.

(2) A vehicle falls within this subsection if—

- (a) it is constructed or adapted to carry both seated and standing passengers, with the number of seated passengers being more than 22 (determined in accordance with regulations made under section 26 of the Public Passenger Vehicles Act 1981),
- (b) it is first registered under the Vehicle Excise and Registration Act 1994 on or after a date specified in regulations made by the Secretary of State, and
- (c) the tailpipe emissions from it include any of the following—
 - (i) carbon dioxide;
 - (ii) carbon monoxide;
 - (iii) hydrocarbon;
 - (iv) nitrogen oxide;
 - (v) particulates.

(3) The Secretary of State may by regulations—

- (a) specify descriptions of document that may be relied on in order to determine for the purposes of this section what is included in the tailpipe emissions from a vehicle,
 - (b) specify descriptions of vehicle in relation to which subsection (1) does not apply, and
 - (c) specify local services or descriptions of local service in relation to which subsection (1) does not apply.
- (4) The date specified under subsection (2)(b) may not be before 1 January 2030.
- (5) In this section “the relevant area” means England outside Greater London.
- (3) In section 155 (sanctions), after subsection (1ZDA) (inserted by section 27 of this Act), insert—
 - “(1ZDB) Where a traffic commissioner is satisfied that the operator of a local service has, without reasonable excuse, operated the local service in contravention of section 151A(1) of this Act, the traffic commissioner may make one or more orders under subsection (1A)(a) or (d).”

General

31 Power to make consequential provision

- (1) The Secretary of State may by regulations make provision that is consequential on this Act.
- (2) Regulations under this section may amend, repeal or revoke provision made by or under an Act passed—
 - (a) before this Act, or
 - (b) later in the same session of Parliament as this Act.
- (3) The power to make regulations under this section includes power to make—
 - (a) consequential, supplementary, incidental, transitional or saving provision;
 - (b) different provision for different purposes.
- (4) Regulations under this section are to be made by statutory instrument.
- (5) A statutory instrument containing regulations under this section that amend or repeal provision made by an Act may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.
- (6) Any other statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

32 Extent

- (1) The following provisions extend to England and Wales and Scotland—

- (a) section 11;
- (b) sections 22 and 23;
- (c) sections 28 and 29;
- (d) section 31, this section and sections 33 and 34.

- (2) The remaining provisions of this Act extend to England and Wales only. 5

33 Commencement and transitional provision

- (1) Sections 31 and 32, this section and section 34 come into force on the day on which this Act is passed.
- (2) Section 26 comes into force at the end of the period of six months beginning with the day on which this Act is passed. 10
- (3) The remaining provisions of this Act come into force—
- (a) for the purposes of making regulations, on the day on which this Act is passed;
 - (b) for remaining purposes, on such day or days as the Secretary of State may by regulations made by statutory instrument appoint. 15
- (4) The Secretary of State may by regulations made by statutory instrument make transitional or saving provision (in addition to any transitional and saving provision made by this Act) in connection with the coming into force of any provision of this Act.

34 Short title 20

This Act may be cited as the Bus Services (No. 2) Act 2025.

SCHEDULE

Section 10(4)

PROCEDURE FOR VARYING FRANCHISING SCHEME

After Schedule 9 to the Transport Act 2000 insert—

“SCHEDULE 9A

Section 123MA(3)

PROCEDURE FOR VARYING FRANCHISING SCHEME

5

PART 1

ADDING TO SCHEME AREA

Application

- 1 A franchising authority or authorities must comply with the requirements of this Part of this Schedule before varying the area specified under section 123H(2)(a) in relation to a franchising scheme where the variation adds to the scheme area. 10

Assessment

- 2 (1) The franchising authority or authorities must prepare an assessment of the proposed variation. 15
- (2) The assessment must—
 - (a) describe the effects that the proposed variation is likely to produce, and
 - (b) compare the proposed variation to making an enhanced partnership plan or scheme in relation to the additional area. 20
- (3) The assessment must also include consideration of—
 - (a) whether the proposed variation would contribute to the implementation of—
 - (i) the authority’s or authorities’ policies under section 108(1)(a), and 25
 - (ii) other policies affecting local services that the authority or authorities have adopted and published,
 - (b) whether the proposed variation would contribute to the implementation by neighbouring relevant local authorities of—
 - (i) those authorities’ policies under section 108(1)(a), and 30
 - (ii) other policies affecting local services that those authorities have adopted and published,
 - (c) how the authority or authorities would operate the scheme as proposed to be varied,
 - (d) whether the authority or authorities would be able to afford to operate the scheme as proposed to be varied, 35

- (e) whether the scheme as proposed to be varied would represent value for money, and
 - (f) the extent to which the authority or authorities are likely to be able to secure that local services in the area of the scheme as proposed to be varied are operated under local service contracts. 5
- (4) Sub-paragraphs (2) and (3) do not prevent inclusion of other matters.
- (5) The Secretary of State must issue guidance concerning the preparation of an assessment under this paragraph, and that guidance may, in particular, include guidance about methods to be used when assessing a proposed variation. 10
- (6) Franchising authorities must have regard to any such guidance.
- (7) In this paragraph “relevant local authority” means –
 - (a) a local transport authority,
 - (b) a London transport authority, or
 - (c) a council in Scotland. 15

Notice of assessment

- 3 Before preparing an assessment of a proposed variation under paragraph 2, the franchising authority or authorities must publish, in such manner as they consider appropriate, a notice stating that they intend to prepare such an assessment. 20

Report on assessment

- 4 (1) The franchising authority or authorities may not proceed with the proposed variation unless they have obtained a report from an independent approved person on the assessment of the proposed variation (see paragraph 2).
- (2) The report must state whether, in the opinion of the approved person – 25
 - (a) the information relied on by the authority or authorities in considering the matters referred to in paragraph 2(3)(d) and (e) is of sufficient quality,
 - (b) the analysis of that information in the assessment is of sufficient quality, and 30
 - (c) the authority or authorities had due regard to guidance issued under paragraph 2 in preparing the assessment.
- (3) The Secretary of State must issue guidance as to –
 - (a) the time at which it is appropriate to appoint an approved person to produce a report for the purposes of sub-paragraph (1), and 35
 - (b) the matters to be taken into account by a franchising authority when selecting such a person, including for the purposes of determining whether a person is independent.
- (4) Franchising authorities must have regard to any such guidance.

- (5) The Secretary of State must issue guidance concerning the matters to be taken into account by an approved person when forming an opinion as to whether the information relied on, and the analysis of that information, by an authority is of sufficient quality for the purposes of sub-paragraph (2).
- (6) Approved persons must have regard to any such guidance. 5
- (7) In this paragraph “approved person” means a person specified, or of a description specified, in regulations made by the Secretary of State.

Consultation

- 5 (1) This paragraph applies if, after a report under paragraph 4, the authority or authorities wish to proceed with the proposed variation. 10
- (2) The authority or authorities must—
 - (a) publish a consultation document relating to the proposed variation (see paragraph 6),
 - (b) publish the assessment of the proposed variation,
 - (c) publish the report on that assessment, and 15
 - (d) give notice of the proposed variation in such manner as the authority or authorities consider appropriate for bringing it to the attention of persons in the area to which the scheme as proposed to be varied relates.
- (3) A notice under sub-paragraph (2)(d) must— 20
 - (a) describe the proposed variation, and
 - (b) state where copies of the proposed variation and the documents mentioned in sub-paragraph (2)(a) to (c) may be inspected.
- (4) After giving notice under sub-paragraph (2)(d), the authority or authorities must consult— 25
 - (a) all persons operating local services which have one or more stopping places in the area or areas to which the scheme as proposed to be varied relates,
 - (b) all other persons holding a PSV operator’s licence or a community bus permit who would, in the opinion of the authority or authorities, be affected by the proposed variation, 30
 - (c) such persons as appear to the authority or authorities to represent employees of persons falling within paragraph (a),
 - (d) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit, 35
 - (e) any other relevant local authority any part of whose area would, in the opinion of the authority or authorities, be affected by the proposed variation,
 - (f) a traffic commissioner,
 - (g) the chief officer of police for each police area covering the whole or part of the area to which the scheme as proposed to be varied relates, 40

- (h) the Passengers' Council, and
 - (i) the Competition and Markets Authority.
- (5) The authority or authorities may modify the proposed variation after consulting those persons and organisations.
- (6) In sub-paragraph (4)(e) "relevant local authority" means— 5
 - (a) a local transport authority,
 - (b) a district council,
 - (c) a National Park authority,
 - (d) the Broads Authority,
 - (e) a London transport authority, or 10
 - (f) a council in Scotland.

Consultation document

- 6 (1) A consultation document under paragraph 5(2)(a) relating to the proposed variation must include—
 - (a) a description of the area to which the scheme as proposed to be varied relates, 15
 - (b) a description of areas within that area for which different provision is proposed to be made, if such provision is proposed to be included in the scheme as proposed to be varied,
 - (c) a description of the local services that are proposed to be provided under local service contracts, 20
 - (d) a description of the local services that are proposed to be excepted from regulation arising because of the scheme as proposed to be varied,
 - (e) the date on which the scheme is proposed to be varied, 25
 - (f) the date or dates by which it is proposed that local service contracts first be entered into under the scheme as proposed to be varied,
 - (g) the period or periods it is proposed will expire between the making of local service contracts and the provision of local services under such contracts, 30
 - (h) a description of the authority's or authorities' proposed plans for consulting in order to seek views on how well the scheme as varied is working,
 - (i) a statement about how, in conducting the procurement process for the provision of local services under the scheme as varied, the authority or authorities propose to facilitate the involvement of small and medium-sized operators in the provision of local services, and 35
 - (j) the date by which responses to the consultation must be received.
- (2) The consultation document must also include a summary of the assessment prepared under paragraph 2 in relation to the proposed variation. 40

Response to consultation

- 7 (1) A franchising authority or authorities that conduct a consultation under paragraph 5 must publish a report setting out—
 - (a) the authority’s or authorities’ response to the consultation;
 - (b) the authority’s or authorities’ decision on whether to vary the franchising scheme. 5
- (2) If the decision is to vary the franchising scheme, the report must be published at the same time as the notice of the decision is published under section 123M(2)(a).
- (3) The authority or authorities must give notice of the report to a traffic commissioner. 10
- (4) If the authority or authorities decide to vary the franchising scheme, the report must set out how, in conducting the procurement process for the provision of local services under the scheme as varied, the authority or authorities will facilitate the involvement of small and medium-sized operators in the provision of local services. 15
- (5) If a franchising authority are a mayoral combined authority, the function of deciding whether to vary the franchising scheme is a function of the combined authority exercisable only by the mayor acting on behalf of the combined authority (including in a case where the decision is to vary a scheme jointly with one or more other franchising authorities). 20
- (6) If a franchising authority are a mayoral CCA, the function of deciding whether to vary the franchising scheme is a function of the combined county authority exercisable only by the mayor acting on behalf of the combined county authority (including in a case where the decision is to vary a scheme jointly with one or more other franchising authorities). 25

PART 2

REDUCING SCHEME AREA

Application

- 8 A franchising authority or authorities must comply with the requirements of this Part of this Schedule before varying the area specified under section 123H(2)(a) in relation to a franchising scheme where the variation does not add to the scheme area. 30

Consultation

- 9 (1) The authority or authorities must— 35
 - (a) publish a consultation document relating to the proposed variation (see paragraph 10), and
 - (b) give notice of the proposed variation in such manner as the authority or authorities consider appropriate for bringing it to the attention of persons in the area to which the scheme relates. 40

- (2) A notice under sub-paragraph (1)(b) must—
 - (a) describe the proposed variation, and
 - (b) state where copies of the proposed variation and the consultation document may be inspected.
- (3) After giving notice under sub-paragraph (1)(b), the authority or authorities must consult—
 - (a) all persons operating local services which have one or more stopping places in the area or areas to which the scheme relates,
 - (b) all other persons holding a PSV operator’s licence or a community bus permit who would, in the opinion of the authority or authorities, be affected by the proposed variation,
 - (c) such persons as appear to the authority or authorities to represent employees of persons falling within paragraph (a),
 - (d) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit,
 - (e) any other relevant local authority any part of whose area would, in the opinion of the authority or authorities, be affected by the proposed variation,
 - (f) a traffic commissioner,
 - (g) the chief officer of police for each police area covering the whole or part of the area to which the scheme relates,
 - (h) the Passengers’ Council, and
 - (i) the Competition and Markets Authority.
- (4) The authority or authorities may modify the proposed variation after consulting those persons and organisations.
- (5) In sub-paragraph (3)(e) “relevant local authority” means—
 - (a) a local transport authority,
 - (b) a district council,
 - (c) a National Park authority,
 - (d) the Broads Authority,
 - (e) a London transport authority, or
 - (f) a council in Scotland.

Consultation document

- 10 A consultation document under paragraph 9 relating to the proposed variation must include—
 - (a) a description of the area to which the scheme as proposed to be varied relates,
 - (b) a description of the local services that are proposed to be provided under local service contracts under the scheme as proposed to be varied,
 - (c) the date on which the scheme is proposed to be varied, and
 - (d) the date by which responses to the consultation must be received.

Response to consultation

- 11 (1) A franchising authority or authorities that conduct a consultation under paragraph 9 must publish a report setting out—
 - (a) the authority’s or authorities’ response to the consultation;
 - (b) the authority’s or authorities’ decision on whether to vary the scheme. 5
- (2) If the decision is to vary the franchising scheme, the report must be published at the same time as the notice of the decision is published under section 123M(2)(a).
- (3) The authority or authorities must give notice of the report to a traffic commissioner. 10
- (4) If a franchising authority are a mayoral combined authority, the function of deciding whether to vary the franchising scheme is a function of the combined authority exercisable only by the mayor acting on behalf of the combined authority (including in a case where the decision is to vary a scheme jointly with one or more other franchising authorities). 15
- (5) If a franchising authority are a mayoral CCA, the function of deciding whether to vary the franchising scheme is a function of the combined county authority exercisable only by the mayor acting on behalf of the combined county authority (including in a case where the decision is to vary a scheme jointly with one or more other franchising authorities). 20

PART 3

OTHER VARIATIONS

Application

- 12 A franchising authority or authorities must comply with the requirements of this Part of this Schedule before varying a franchising scheme where the variation— 25
 - (a) does not include a variation of the area specified under section 123H(2)(a) in relation to the scheme, but
 - (b) does include one or more of the following— 30
 - (i) a variation of the local services specified under section 123H(2)(b) in relation to the scheme;
 - (ii) a variation of the scheme sub-areas specified under section 123H(3)(a) in relation to the scheme;
 - (iii) a variation of the period specified under section 123H(2)(d) or (3)(c) in relation to the scheme; 35
 - (iv) a variation of the local services that are excepted under section 123H(5) from regulation arising because of the scheme.

Consultation

- 13 (1) The franchising authority or authorities must consult—
- (a) in the case of a variation mentioned in paragraph 12(b)(i), (ii) or (iv)—
 - (i) any other relevant local authority any part of whose area would, in the opinion of the authority or authorities, be affected by the proposed variation, 5
 - (ii) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit, 10
 - (iii) the Passengers’ Council,
 - (b) in the case of a variation mentioned in paragraph 12(b)(ii) or (iii), the Competition and Markets Authority,
 - (c) in the case of a variation mentioned in paragraph 12(b)(iii), a traffic commissioner, and 15
 - (d) in the case of any variation mentioned in paragraph 12(b)—
 - (i) persons operating local services who would, in the opinion of the authority or authorities, be affected by the proposed variation, and
 - (ii) any other persons whom, in the opinion of the authority or authorities, it would be appropriate to consult. 20
- (2) In sub-paragraph (1)(a)(i), “relevant local authority” means—
- (a) a local transport authority,
 - (b) a district council,
 - (c) a National Park authority, 25
 - (d) the Broads Authority,
 - (e) a London transport authority, or
 - (f) a council in Scotland.

Response to consultation

- 14 (1) A franchising authority or authorities that conduct a consultation under paragraph 13 must publish a report setting out— 30
- (a) the authority’s or authorities’ response to the consultation;
 - (b) the authority’s or authorities’ decision on whether to vary the scheme.
- (2) If the decision is to vary the franchising scheme, the report must be published at the same time as the notice of the decision is published under section 123M(2)(a). 35
- (3) The authority or authorities must give notice of the report to a traffic commissioner.
- (4) If a franchising authority are a mayoral combined authority, the function of deciding whether to vary the franchising scheme is a function of the combined authority exercisable only by the mayor acting on behalf of the 40

combined authority (including in a case where the decision is to vary a scheme jointly with one or more other franchising authorities).

- (5) If a franchising authority are a mayoral CCA, the function of deciding whether to vary the franchising scheme is a function of the combined county authority exercisable only by the mayor acting on behalf of the combined county authority (including in a case where the decision is to vary a scheme jointly with one or more other franchising authorities).”

Bus Services (No. 2) Bill [HL]

[AS AMENDED IN GRAND COMMITTEE]

A

B I L L

TO

Make provision about local and school bus services; and for connected purposes.

Lord Hendy of Richmond Hill

Ordered to be Printed, 13th February 2025.

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