# Reversal of bus deregulation paves way for local authorities to reclaim transport control



MPs have voted decisively to repeal a 2017 ban on councils setting up their own bus companies, with a majority of 275 approving the Bus Services (No. 2) Bill as it nears becoming law. This legislation marks a significant shift in local transport policy after decades of deregulation, aiming to empower town halls with greater control over bus routes, timetables, fares, and the ability to protect "socially necessary" services from being axed abruptly. Transport Secretary Heidi Alexander described the Bill as the most substantial overhaul of bus services in a generation, highlighting its potential to improve service accessibility, introduce greener buses, and integrate bus networks more effectively into local transport systems.

The Bill introduces new duties on local authorities to partner with bus operators in identifying services considered essential for social connectivity and public need. It requires councils to specify conditions that operators must meet when attempting to cancel or alter such routes, as well as to explore alternative measures that could mitigate the impact of service changes. This approach responds to longstanding criticisms of deregulation, which have led to reduced services, especially in rural and less commercially viable areas. For instance, independent MP Chris Hinchliff lamented the creation of "public transport deserts" in rural towns and villages, pointing to severe social consequences like increased pollution, isolation, and limited access to education and employment.

The Bill also permanently removes the requirement for councils to seek government consent before setting up franchised bus networks akin to those in London and Manchester, thereby streamlining the process for local authorities to take more direct control. This change is supported by provisions making franchising easier and faster to implement, according to parliamentary briefings. Such reforms aim to reverse the perceived failures of decades of privatisation and deregulation that critics argue have harmed public transport reliability and accessibility.

Safety and accessibility were key concerns addressed during parliamentary debate. Discussions highlighted the problematic design of "floating bus stops," where a cycle lane is positioned between the bus stop and pavement. Vulnerable users such as people who are blind, partially sighted, elderly, or those with young children have found these setups intimidating and hazardous. Labour MP Marsha de Cordova, who is registered blind, described crossing cycle lanes to reach bus stops as “quite terrifying and very dangerous.” The government has pledged to publish statutory guidance and conduct further research on improving these stops, with Active Travel England supporting councils in reviewing and remediating existing designs.

While Labour and independent MPs broadly welcomed the Bill as a corrective step towards more inclusive and locally responsive public transport, Conservative shadow transport minister Jerome Mayhew cautioned that the new powers could expose local authorities to financial risks without adequate government support. He also raised concerns about passenger safety related to floating bus stops, advocating for a possible ban or strict regulatory measures in future parliamentary votes.

The Bill has passed all readings in the House of Commons and will return to the House of Lords for final consideration of amendments before receiving Royal Assent and becoming law. Government impact assessments have rated the legislation as fit-for-purpose, noting its comprehensive coverage of over 20 measures aimed at enhancing bus services nationwide, including training for bus staff, enforcement improvements, and zero-emission targets.

This legislation represents a pivotal moment for local transport policy in England, potentially reversing the legacy of deregulation by equipping local authorities with the tools to rebuild and modernise bus networks to better serve their communities, particularly those in rural and underserved areas.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/), [[6]](https://backhousejones.co.uk/what-the-bus-services-no-2-bill-2024-means-for-authorities-and-operators/), [[7]](https://www.gov.uk/government/publications/bus-services-no-2-bill-rpc-opinion-green-rated)
* Paragraph 2 – [[1]](https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/), [[5]](https://governmentbusiness.co.uk/news/03062025/bus-bill-protect-vital-routes-local-communities), [[2]](https://www.parliament.uk/business/news/2025/june/bus-services-no.-2-bill-call-for-evidence/), [[3]](https://lordslibrary.parliament.uk/research-briefings/lln-2025-0001/)
* Paragraph 3 – [[1]](https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/), [[6]](https://backhousejones.co.uk/what-the-bus-services-no-2-bill-2024-means-for-authorities-and-operators/), [[3]](https://lordslibrary.parliament.uk/research-briefings/lln-2025-0001/)
* Paragraph 4 – [[1]](https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/), [[3]](https://lordslibrary.parliament.uk/research-briefings/lln-2025-0001/), [[6]](https://backhousejones.co.uk/what-the-bus-services-no-2-bill-2024-means-for-authorities-and-operators/)
* Paragraph 5 – [[1]](https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/)
* Paragraph 6 – [[1]](https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/), [[3]](https://lordslibrary.parliament.uk/research-briefings/lln-2025-0001/), [[5]](https://governmentbusiness.co.uk/news/03062025/bus-bill-protect-vital-routes-local-communities)
* Paragraph 7 – [[1]](https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/), [[7]](https://www.gov.uk/government/publications/bus-services-no-2-bill-rpc-opinion-green-rated)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.irishnews.com/news/uk/mps-agree-to-overturn-ban-on-councils-setting-up-bus-companies-2FELLEYH55OJPKT22AXSV3A6FU/> - Please view link - unable to able to access data
2. <https://www.parliament.uk/business/news/2025/june/bus-services-no.-2-bill-call-for-evidence/> - The UK Parliament has issued a call for evidence on the Bus Services (No. 2) Bill, inviting stakeholders to submit their views. The bill aims to implement Labour manifesto pledges to remove the ban on local authority-owned bus companies and to expand local authority powers to franchise local bus services. It seeks to make franchising easier, improve enhanced partnerships, and protect socially necessary services. The bill also introduces mandatory bus staff training and byelaw-making powers, mandates zero-emission buses, and provides guidance on the accessibility of bus stopping places.
3. <https://lordslibrary.parliament.uk/research-briefings/lln-2025-0001/> - The House of Lords Library has published a briefing on the Bus Services (No. 2) Bill, detailing its provisions and implications. The bill aims to make it easier and faster for local transport authorities to franchise bus services, remove the ban on local authorities creating their own municipal bus companies, and safeguard socially necessary services within enhanced partnership models. It also includes measures to improve transparency and accessibility of data about local bus services, enhance enforcement powers to tackle fare evasion and anti-social behaviour, and improve safety and accessibility of bus stops for disabled people.
4. <https://www.parliament.uk/business/news/2025/january/bus-services-bill-set-for-lords-committee-stage/> - The Bus Services (No. 2) Bill is set to undergo detailed examination in the House of Lords' committee stage, scheduled to begin on 28 January 2025. The bill aims to give local authorities control over routes, timetables, connections, and fares. The committee stage will involve a thorough line-by-line examination of the bill, with members considering proposed amendments on subjects including the impact of the new law on rural areas and the regular review of bus fares.
5. <https://governmentbusiness.co.uk/news/03062025/bus-bill-protect-vital-routes-local-communities> - The Bus Services (No. 2) Bill, which received its second reading in the House of Commons on 2 June 2025, aims to protect vital bus routes from being scrapped at short notice. The bill introduces tighter requirements for cancelling vital bus routes, especially those used by vulnerable or disadvantaged passengers. Councils will identify necessary local services and work with bus operators to put strict requirements before these services can be changed or cancelled. The bill also allows local authorities to emulate the success of locally controlled bus networks by lifting the ban on local authorities establishing their own bus companies.
6. <https://backhousejones.co.uk/what-the-bus-services-no-2-bill-2024-means-for-authorities-and-operators/> - The Bus Services (No. 2) Bill, introduced in 2024, proposes substantial reforms to the governance of local bus services in England. It builds on the framework established by the Bus Services Act 2017, with the overarching aim of giving local transport authorities greater control over the planning, delivery, and oversight of bus networks. The bill removes the requirement for local transport authorities to seek the Secretary of State’s consent before introducing franchising arrangements, enabling any local transport authority in England to develop and implement franchising schemes. It also repeals the legislative ban on the formation of new municipal bus companies, allowing councils to establish publicly owned companies to run services.
7. <https://www.gov.uk/government/publications/bus-services-no-2-bill-rpc-opinion-green-rated> - The Regulatory Policy Committee (RPC) has provided an opinion on the Department for Transport’s impact assessment in respect of the Bus Services (No. 2) Bill. The RPC rated the impact assessment as fit-for-purpose (green). The bill makes provision about local and school bus services and covers 21 individual measures, which aim to deliver the Government’s five-point plan for improving the bus network and consistency in local areas across the country. These measures include facilitating franchising, permitting the establishment of new local authority bus companies, enhancing the accessibility and safety of bus travel, modifying the registration process for bus services, and reducing emissions from bus travel.