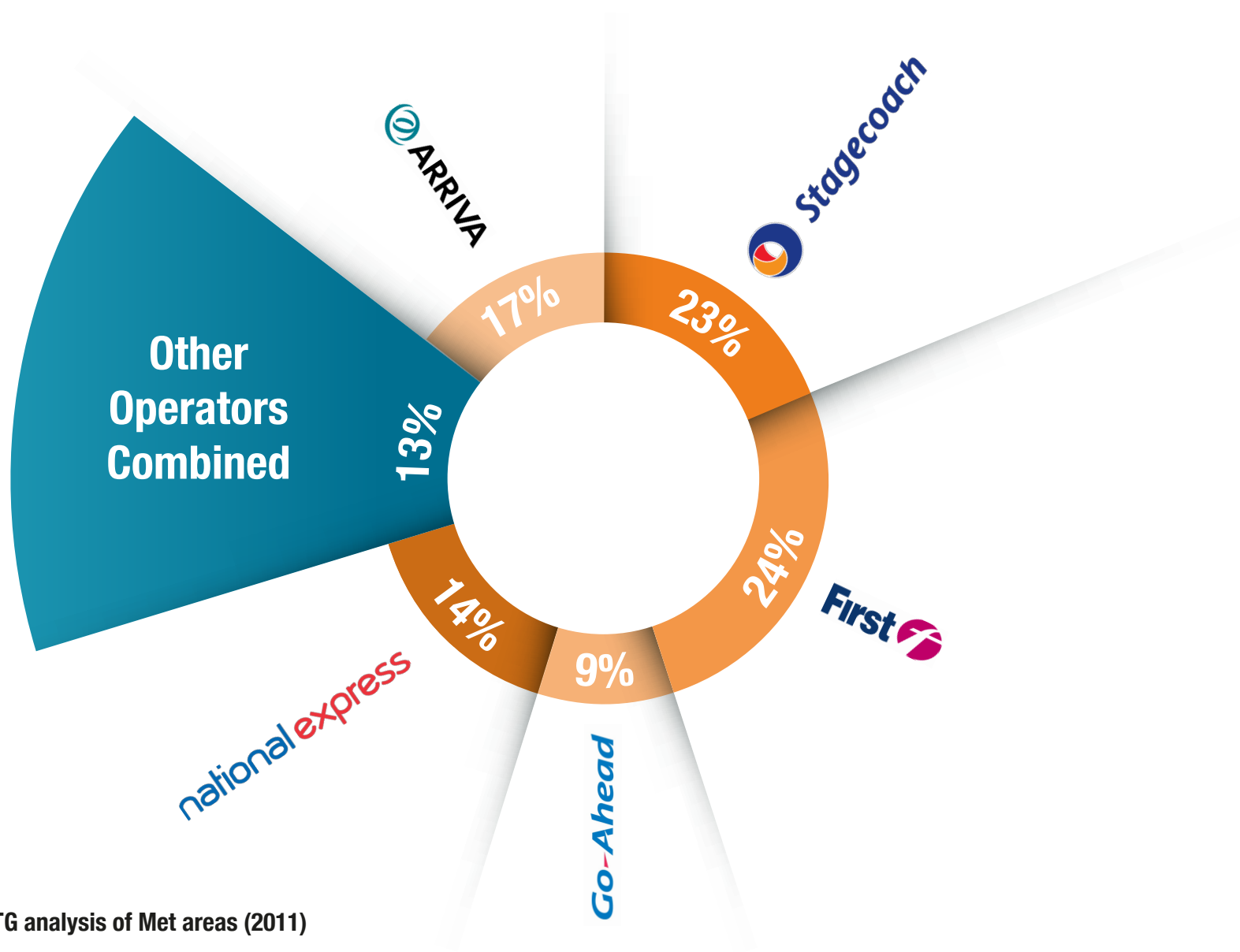


Outside London, buses were deregulated in 1985.
With few restrictions different companies can charge
different fares and can operate when they like.



However, in practice bus services are now largely operated by five big companies who rarely compete directly.



Source: UTG analysis of Met areas (2011)

In London bus services are planned and regulated by Transport for London so that there is one network ticketing system (oyster). The services themselves are provided under franchise by TfL.



The public sector provides 40 per cent of private bus companies income mainly through fuel subsidies, support for the older persons pass and support for non-commercial services.

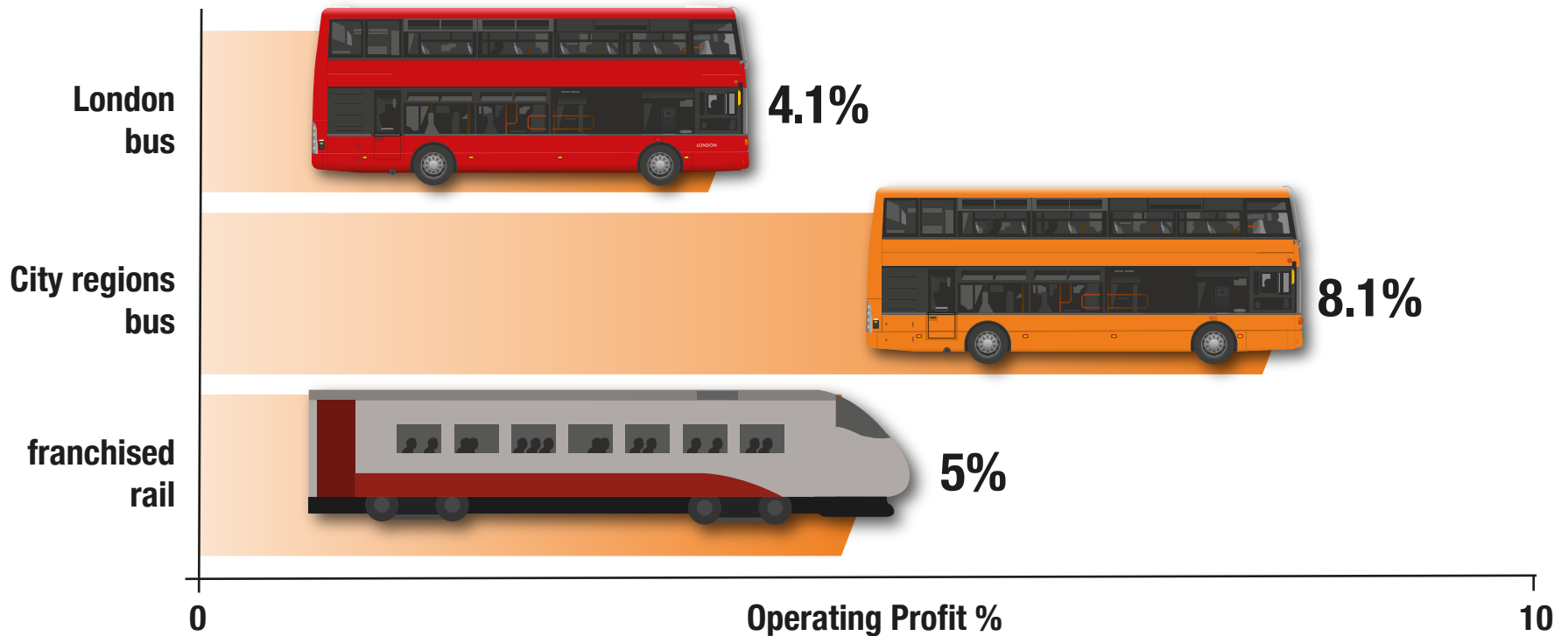


Source: DfT statistics (2013/14)

This is an inefficient use of public funding as the public sector pays separately for the outcomes it wants (concessionary fares, greener buses, off-peak services). In particular there is no cross subsidy between peak services (which operators provide commercially) and off peak services (which local authorities subsidise the same operators to provide).



It's a system that is highly profitable for the corporations that dominate bus provision. In general and over time these corporations make far more from bus services outside London than they do from regulated bus services in London or train services elsewhere.



Source: UTG analysis (2014) and ORR stats (2013/14)

**Patronage has fallen by 51%
in the largest city regions
outside London since 1984.**

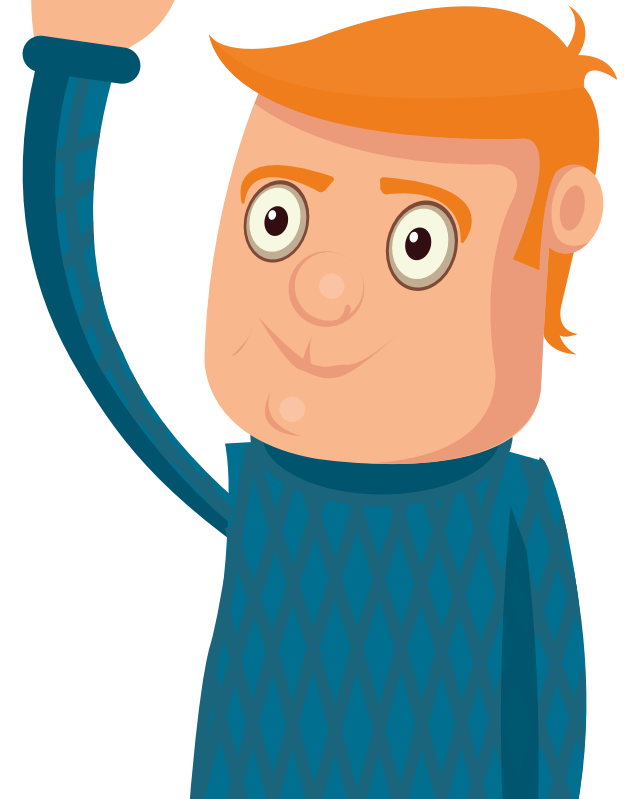


Source: DfT stats (1984 to 2014/15)

**Deregulation:
Many tickets,
many fares...**



**Franchising:
Simple
ticketing on
all services**



Deregulation

Limited controls over bus age and emissions.



Franchising

Clean green buses can be specified.



Bus franchising can help get cities where they want to be. Greener, cleaner, smart, legible and easy to get around whilst making the best use of limited road space and providing value for money for users and taxpayers.



Franchising

Franchising includes contractual standards and guarantees on cleanliness and reliability.



Franchising can make best use of existing public funding to achieve better outcomes through buying a single outcome and capping profits.

