



Briefing

Bus Policy

For most travellers in the city regions, the bus is public transport. This briefing looks at why buses matter and how bus policy works. It explains the significant challenges facing the sector and how city regions are backing the bus. It also sets out how better bus services could help the city regions build back better from COVID-19.

Why buses matter

Over 80% of all public transport trips in Metropolitan areas (Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, the West Midlands and West Yorkshire) are made by bus – some one billion journeys annually, amounting to around half of all the bus trips made nationally outside of London.

Buses deliver multiple and overlapping economic, transport, social and health benefits. It is estimated that each £1 invested in bus brings an economic return of £4.48. Approximately half of these benefits accrue to bus users and half to the wider community thanks to decongestion, health, safety and clean air benefits, as well as wider economic and social benefits associated with increased access to the labour market, education and volunteering.

Just one double decker bus can take 75 cars off the road, freeing up space for walking and cycling provision, as well as cutting congestion. A new generation of cleaner, greener buses is a further boost to its environmental credentials.

Better bus services are also central to promoting social inclusion and keeping people connected to opportunity – especially the quarter of all households (and half of those on the lowest incomes) without access to a car.

Throughout the COVID-19 pandemic, the bus has been vital in ensuring key workers can get to work and in connecting people to essential shops and services. Bus services have demonstrated their ability to flex and adapt according to need and have worked to ensure that the travel experience is as clean and safe as possible.

For more on why buses matter, see our report, [‘The cross-sector benefits of backing the bus’](#) which highlights how investing in bus services is key to achieving a wider range of policy objectives across Government.

How bus policy works

Bus services outside London were deregulated in 1986. Since then, there have been two systems of bus provision – one for London and one for the rest of Britain.

In London, Transport for London (TfL, which is accountable to the Mayor) specifies in detail what bus services are to be provided. TfL decides the routes, timetables and fares – everything down to the colour of the buses. The services themselves are operated by private companies through a competitive tendering process. There is no on-road competition.

This has given London a world-class, 24/7 bus network with a fully accessible, green and clean vehicle fleet. It has also made it possible for London to introduce integrated smartcard ticketing in the form of Oyster.

Investment
in bus
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spent



The bus industry is facing major challenges in the years ahead

Bus Policy

How bus policy works (cont'd)

In the rest of the country, it is a free market meaning that anyone (subject to minimum safety and operating standards) can start up a bus service. In this environment, bus operators are free to run whatever services they like as well as decide the fares they will charge and the vehicles they will use. Although in theory, it is a competitive market, in reality, most bus services are provided by five large companies who rarely compete against each other (Arriva, First, Go-Ahead, National Express and Stagecoach).

Under this two-tier system, buses in London have thrived. Since 1986/87, patronage in London has doubled, mileage has increased by 71% and fare increases have been lower than in the Metropolitan areas.

Outside London, the picture has been very different. Over the same period, patronage in the Shires fell by 23% and in the Metropolitan areas passenger numbers have halved. Meanwhile, mileage in the Metropolitan areas fell by 12% whilst remaining at the same level in the Shires. Fares outside London have followed a largely upward trajectory in real terms with some of the steepest increases occurring in the Metropolitan areas.

The national lockdown implemented in response to the COVID-19 pandemic led to dramatic reductions in bus use with local and national Government stepping in with financial support to keep services running as revenue plummeted. In return for this additional funding, bus operators have been set high level conditions which seek to ensure that bus services match local needs.

Tough times for the bus?

In helping to keep cities moving, connect people to jobs and services, as well as cut carbon emissions and improve air quality, buses play a key role in supporting economic recovery and rebalancing the national economy. This has been recognised in the commitment by national Government in February 2020 to provide an additional £5bn of funding over the next five years to improve bus and cycle links. For bus, priorities include investment in higher frequency services; new bus priority schemes; more affordable, simpler fares; and at least 4,000 new zero emission buses.

This is welcome, but the scale of the challenge should not be underestimated. Public transport demand is likely to be well below pre-COVID levels for some time, necessitating continued financial support from Government to ensure bus services are available and affordable for passengers and can play their part in building back better.

The severe impact of the COVID-19 crisis on bus services follows on from a period when reductions in Department for Communities and Local Government (now the Department of Housing, Communities and Local Government) funding for local government put local authority budgets for supported bus services under pressure.



Bus Policy

**Our cities have,
and will continue
to, back the bus**

Local government funds bus services that would not be profitable for bus companies to run on a commercial basis. Often these are evening or weekend services or buses to isolated housing estates or rural areas. According to research by Campaign for Better Transport, between 2009/10 and 2018/19 more than half of local transport authorities cut their financial support for buses by 50% or more. They calculate that across England, cuts totaling £400 million had been made in the last decade, resulting in 3,000 local authority supported services being lost in this time, with 243 in 2018/19.

Metropolitan areas were initially able to protect their supported services from the cuts. However, maintaining this position became increasingly difficult as local authority budgets continued to be squeezed and commercial operators reviewed the viability of less profitable routes.

Our cities—backing the bus

Despite the challenges of bus deregulation, the current spending environment and COVID-19, our cities have, and will continue to, back the bus.

Investing in the bus

The Metropolitan areas continue to improve their vast network of close to 66,000 bus interchanges, stops and shelters which, together with local authority investment in highway improvements and upgrades to vehicle fleets by bus operators, help the bus reach its potential as an attractive, congestion-busting, green way to travel.

In Greater Manchester, for example, a £122m Bus Priority Programme, funded by the combined authority and DfT was designed to cut journey times, provide a better experience for passengers and enhance links to employment and key destinations. Since completion, premium 'Vantage' bus services making use of the high-quality bus priority infrastructure have seen patronage grow 36% in three years and modal shift from the car in the range of 20-25%.

The Programme also took the opportunity to improve facilities for pedestrians and cyclists, and general traffic where possible, along the bus corridors. The Oxford Road bus corridor incorporated award winning Dutch-style segregated cycle lanes which contributed to a more than doubling of cyclist numbers, 64% of whom had been encouraged to cycle by the quality of the cycle lanes provided.

Meanwhile, in London, TfL is responsible for one of the largest bus networks in the world. TfL has invested heavily in green vehicle technology over the last decade and now has one of Europe's largest fleet of hybrid buses with around 3,700 vehicles. Hybrid buses reduce emissions of local pollutants and CO² by up to 30% compared to conventional buses. TfL is going further and investing in zero emission buses with the introduction of around 200 fully electric buses and 10 hydrogen fuel cell buses. The Mayor of London has set an ambitious target for London in the Transport Strategy, that all 9,200 buses across London should become zero emission by 2037.

TfL has also invested in smart, simple ticketing—as well as the popular multi-modal Oyster card, and passengers can use their contactless bank cards to pay for travel on the go. The Metropolitan areas also promote multi-modal and smart ticketing, including the Pop card in Tyne and Wear, MCard in West Yorkshire and Swift in the West Midlands.



Bus Policy

Supporting bus services

Metropolitan areas spend over £129 million funding over 59 million kilometres of bus services that would not be viable for operators to run on a commercial basis. These include evening and Sunday bus services as well as lifeline bus services to rural areas or isolated housing estates. They also fund bus services to connect people to key employment sites that are outside of usual commuting areas or where working hours do not correspond to traditional patterns. In London, these services are packaged up in the broader contracts that bus operators bid for.

By providing impartial, comprehensive travel information, transport authorities in the Metropolitan areas and London help people to make sense of their local bus services and the wider public transport network. Efforts to improve comfort, safety and security in waiting environments and on-board buses also encourage communities to make the most of their bus services.

Providing concessionary fares

Transport authorities also administer the English National Concessionary Travel Scheme for older and disabled people. London and all Metropolitan areas have enhanced the standard offer with their own additions, such as free all-day travel for some groups or extending free travel to other modes such as local trains and trams. They also offer free or discounted bus travel to other groups such as young people and jobseekers.

The Bus Services Act

The Government recognised that the existing powers that Local Transport Authorities have over bus services are not fit for purpose. In particular, the process by which Local Transport Authorities can franchise networks of bus services (in the same way that London does) is too convoluted, costly and difficult. The Bus Services Act 2017 seeks to address this by providing a simpler and more viable route for franchising networks of buses. Franchising would enable Local Transport Authorities to plan, develop and regulate bus services as well as offer passengers simpler integrated ticketing and guarantees on service quality. These powers are available to Mayoral Combined Authorities as of right and for other areas at the Secretary of State's discretion. At the time of writing, two transport authorities (Merseytravel and TfGM) have triggered this process.

The legislation also introduces new ways in which services can be improved within the existing deregulated market through formalising the way in which operators work with transport authorities in voluntary partnership.

These include Enhanced Partnership Schemes where a local transport authority and multiple commercial bus operators agree a Bus Plan. The operation of services is then restricted to those operators that deliver the requirements of the Plan, such as minimum vehicle quality standards or compliance with a joint ticketing scheme.

An Advanced Quality Partnership is made by the local authority, where it implements measures (for example, a bus priority scheme or a new interchange) and use of those measures is restricted to bus operators that meet agreed quality standards (typically minimum vehicle and driver standards).

There are further modifications that could be made to the legislation to streamline these processes.

Bus Policy

Where next for the bus?

The bus faces considerable challenges which go beyond the legislative framework (although this will undoubtedly help). Alongside the fallout from the pandemic these challenges include:

- competition from private hire vehicles (some using new business models to charge less than it costs to provide the service)
- growing car ownership among older people
- traffic congestion
- social attitudes to the bus

The Urban Transport Group has a research programme looking at the wider reasons for bus decline in order to shape effective responses.

If the bus is to bounce back, we will need to:

- evolve emergency COVID-19 funding support into something more considered, long-term, simple and effective. Principally, this could be achieved through routing public subsidy for bus through transport authorities who would use that funding to buy networks of services from private operators that best meet the needs of the places they serve and which deliver simple and affordable fares.
- ensure that the transition to devolved capital and revenue funding support for bus is sufficient to address the long term challenges the sector faces.
- streamline the current legislation to ensure it is easier and faster for local transport authorities to use the powers granted within the Bus Services Act 2017.

More information

Keep up to date with bus policy developments by visiting our online Bus Policy Hub www.urbantransportgroup.org/resources/bus

