

Driving Britain Forward

CPT's bus priorities for the next government

Contribution of Bus

Buses are at the centre of British life. They are the nation's most affordable, accessible and popular form of public transport, carrying over 10 million people a day.

- Bus passengers spend over £40 billion each year on leisure and retail activitiesⁱ, while bus commuters add over £64 billion to the economyⁱⁱ
- Buses help everyone to get where they need to be, particularly lower income families, 40% of whom have no access to a car and use the bus three times more often than wealthier householdsⁱⁱⁱ
- Taking the bus is a simple, affordable way of reducing environmental impact: switching just two car journeys per driver per month to bus would keep us on the path to net zero while bringing huge benefits in reduced air pollution and congestion^{iv}

We all gain whenever someone takes the bus. That's why the next government needs a national strategy to encourage more people to do so more often.

Here's how it can be done



A five year funding settlement, giving certainty and encouraging private sector investment in new vehicles and more services

Targeted measures to keep fares low when the national fares cap ends, giving a helping hand to passengers who need it most

A long-term government-industry partnership to drive the transition to zero emission bus travel, leveraging private sector investment and enabling a transition to a zero emission fleet by 2035

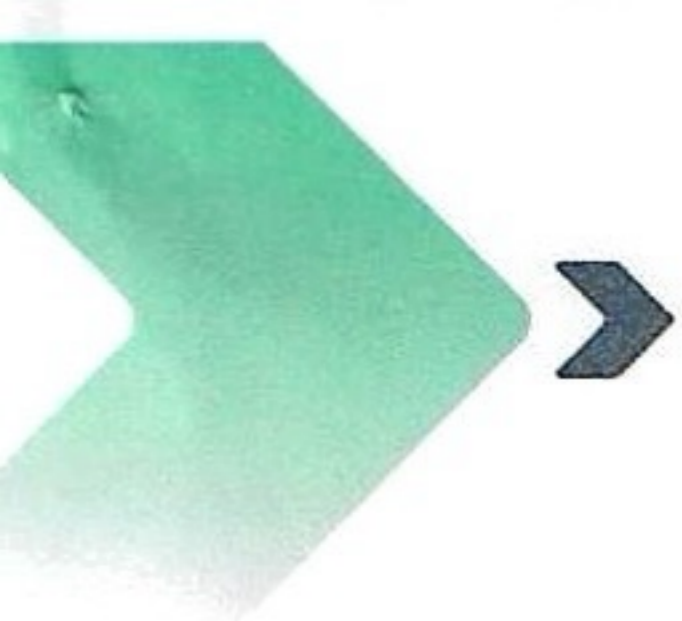
National and local targets to increase bus speeds, attracting more passengers and reducing operating costs

A new statutory, funded definition of essential bus services, giving councils clarity over the services they must provide to ensure access for everyone

A workforce strategy led by industry, supported by government, training the drivers and engineers needed to grow the industry and transition to zero emission operation



It's a strategy built on the successful partnership between central government, local government and the private sector. It's a strategy which can be delivered – and needs to be delivered – whatever form of regulatory framework bus services operate under. It's a strategy which maximises the value for money of public funding by leveraging private sector investment and creating a sustainable, virtuous cycle of growth



A five year funding settlement

The government currently spends around £400m per year on directly supporting bus services, through payments to operators and councils. A lack of clarity over the existence and size of future funding streams undermines confidence and prevents operators and councils from investing in longer-term service development.

Conversely, a clear future stream of income will build confidence. It will enable, for example, operators and councils to develop new routes over a period of two-three years giving them time to grow and become sustainable in a way which wouldn't be possible within a single year. Same investment, better results.

The government should maximise the value for money of its investment by announcing a five-year spending plan, as happens in rail. This should include an updated reimbursement mechanism for free travel by older and disabled people which is clear, fair and which reflects post-pandemic travel patterns.



Keeping fares low

Bus travel has always been an affordable way to travel, particularly for regular commuters. In recent years, operators have built on this value with new ticketing options to cater for post-pandemic travel patterns and have worked with government to deliver a two-year national £2 fare cap.

New research for CPT^v shows though that there are a wide range of trade-offs to consider as government reviews its £350m plus annual investment into the fare cap. In considering the balance between different policy goals such as net zero, economic growth and managing the cost of living it is likely that there will be better value-for-money ways of helping passengers.

The next government should continue to support passengers from January 2025 with a package of targeted measures that support sustainable modal shift.



National and local targets to increase bus speeds

Slow buses cost us all: they increase operating costs for operators, soaking up money which could be invested in more services; waste bus passengers' time; and deter others from taking the bus at all. After decades of decline by an average of 1% per year^{vi} the average bus now travels at just 10.7 miles per hour^{vii}, and much more slowly in congested urban areas.

Reversing the trend is possible and would be transformational. Research shows that a 10% increase in bus speeds – to just under 12 miles per hour on average – could increase passenger numbers by 2.5% and reduce operating costs by 8% or up to £250m per year; a cost saving which operators will work with councils to reinvest in local services. It also has the potential to save the average household £400 a year in transport spending.^{ix}

The next government should set and monitor a target for all local transport authorities to increase bus speeds by 10% over the lifetime of the next parliament. Councils in the north and midlands will be able to use existing capital funding streams to invest in bus priority measures which offer immediate customer benefit, a long-lasting impact and great value for money; the next government will need to ensure that southern councils also have access to capital funding to deliver bus priority in their areas.



A new statutory definition of essential bus services

Too many people in rural areas and small towns lack access to the transport services they need to participate fully in the workforce and their community. Bus services which cannot be run on a commercial basis can be supported by councils, but declining budgets and competition with statutory priorities such as education and adult social care mean that funding has declined and 56% of lifeline services covering 180 million miles a year have been lost since 2009/10.^x

This is a national problem which needs a national solution.

The next government should work with us and councils to adopt a simple definition of essential services into legislation and, over time, fund councils to invest in missing services.



A government-industry partnership to drive the transition to a zero emission bus network

While we have made great strides in greening the bus fleet, a stop-start approach to funding has held back manufacturers' production plans and operators' purchasing decisions.

The transition to a zero emission fleet is an opportunity for Britain to lead the world in manufacturing, operating and engineering a zero emission bus network. And government investment leverages private sector investment; the government's recent ZEBRA funding scheme, for example, attracted around £1.20 of private investment for every £1 of central government investment.

The next government should announce a five year £1 billion investment programme to leverage more private sector investment in new vehicles and put us on track to a zero emission fleet by the middle of the next decade.



A workforce strategy led by industry, supported by government

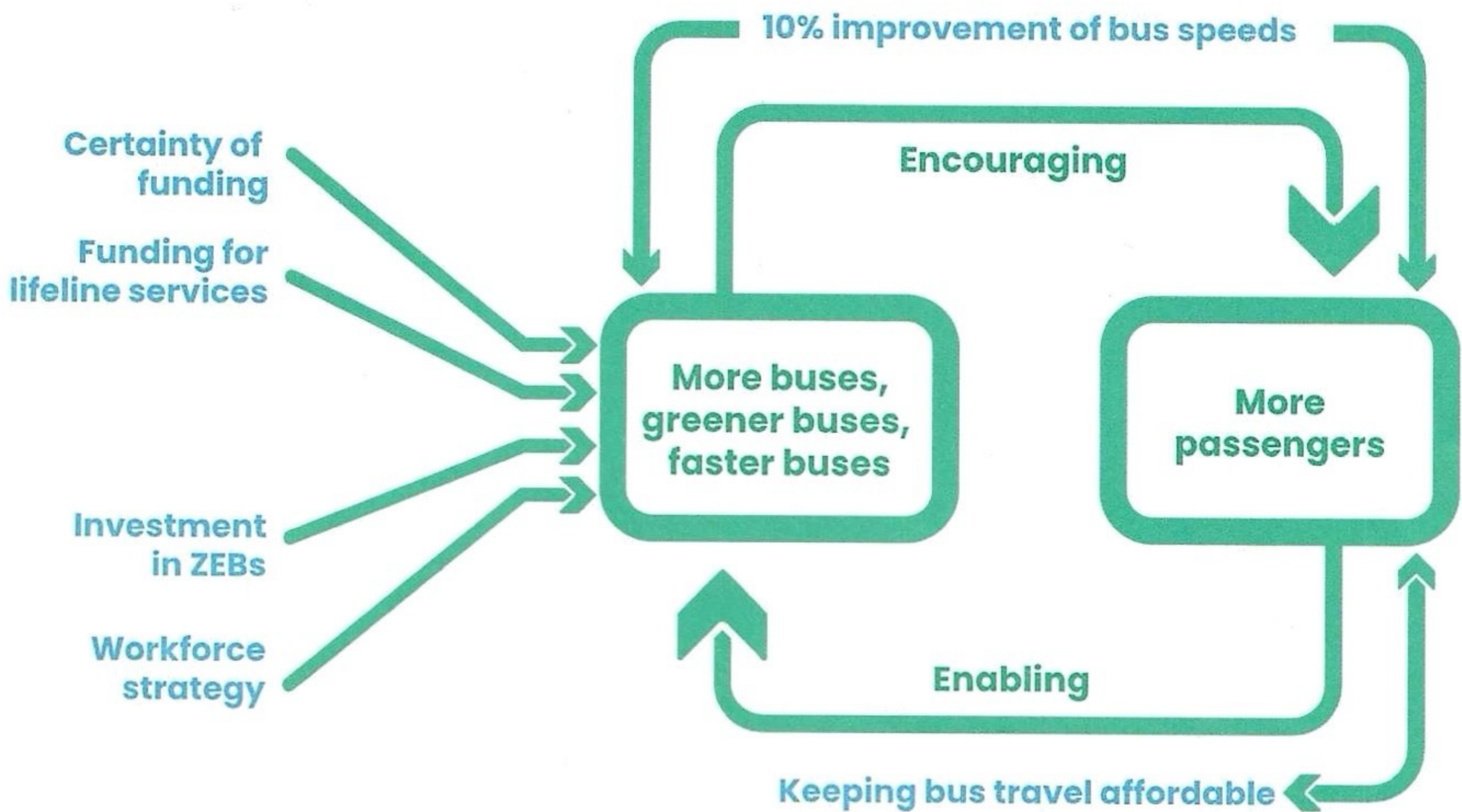
Despite record levels of recruitment and record investment in training and apprenticeships, staff shortages remain persistent across the industry with almost 7% of driver roles currently vacant. The shortages of drivers and engineers are already a brake on growth and could hold back the industry from delivering the potential outlined elsewhere in our plan.

The industry will continue to focus on recruiting and retaining a skilled, diverse workforce fit for the opportunities of growth and the transition to zero emission operation. Government can help in a variety of ways, for example by: removing red tape, endorsing and amplifying our campaigns, working with us to reform apprenticeships, ensuring Jobcentres across the country work with local operators.

The next government should put its full support behind an industry-led strategy to develop the workforce the sector needs to grow and to prepare for the zero emission future.



All the elements of our priorities for the next government work together to attract more passengers and deliver more, faster buses, creating a virtuous cycle which over time reduces the need for government expenditure.



Our priorities give the next government the opportunity to build a better bus network with us:

- ✓ more buses going to more places more often...
- ✓ carrying more passengers, to...
 - revitalise local economies;
 - connect communities; and
 - minimise the impact of travel on the environment

ⁱ CPT and Opinium Polling 2023

ⁱⁱ Institute for Transport Studies, Buses and economic growth

ⁱⁱⁱ Department for Transport, National Travel Survey 2022 (tables NTS0703, NTS 0705)

^{iv} WPI Economics, The Decarbonisation Dividend

^v Alternatives to the National Fare Cap, KPMG, January 2024

^{vi} David Begg, The impact of congestion on bus passengers

^{vii} CPT, Bus Industry Costs in 2023

^{viii} 2FM Research for CPT

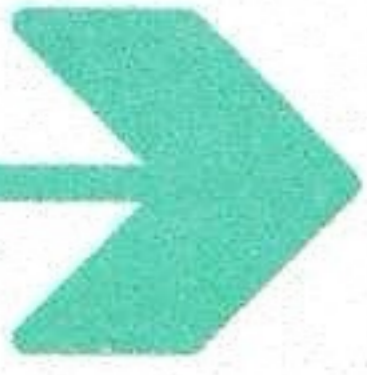
^{ix} Social Market Foundation, Getting the measure of transport poverty

^x Department for Transport Bus Statistics (table Bus02a_mi)

^{xi} CPT analysis of Zebra 1 business cases

^{xii} CPT Operator Survey, September 2023

Picture courtesy of: Stagecoach



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Driving the industry forward for 50 years