



Bus Policy

For most travelers 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 850 million trips annually before the pandemic, 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](#).

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 was vital in ensuring key workers could get to work and in connecting people to essential shops and services and now they are essential to building back better.

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 buses are run

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 Great 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 and modern vehicle fleet. It has also made it possible for London to have fully integrated, smart and simple ticketing.

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).



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Under this two-tier system, buses in London have thrived. Between 1986/87 and the last pre-pandemic figures in 2019/20, patronage in London has almost doubled, mileage has increased by 70% and fare increases have been lower than in the Metropolitan areas.

Outside London, the picture has been very different. Over the same period up to the start of the pandemic, patronage in the Shires fell by 27% and in the Metropolitan areas passenger numbers have more than halved. Meanwhile, mileage in the Metropolitan areas fell by 12%. Fares outside London have followed a largely upward trajectory in real terms with some of the steepest increases occurring in the Metropolitan areas

The Bus Services Act and the national bus strategy

The 2017 Bus Services Act allows Local Transport Authorities outside London to franchise networks of buses (in the same way that London does). 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, the two transport authorities which have made the most progress are Greater Manchester (with the first services expected to run in 2023) and Liverpool City Region.

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.

Bus Back Better, the national bus strategy, published in 2021 set out ambitious aspirations for bus networks. It envisaged cheaper fares, services where there are no services at present, and more frequent services where there are. Originally £3 billion was promised to support the bus strategy's aspirations but this was subsequently significantly reduced. The funding was predicated on each Local Transport Authority bidding into Government on the basis of ambitious Bus Service Improvement Plans (BSIPs) and a requirement to introduce an Enhanced Partnership Scheme or franchising. Not all areas were successful in bidding and the funding available for those that did was lower than they were asked to bid for. However, BSIP funding should bring benefits to some areas – including lower fares, new services and more bus priority.

The impact of COVID and an ongoing funding crisis

Restrictions on movement implemented in response to the COVID-19 pandemic led to dramatic reductions in bus use with local and national Government stepping in with packages of short-term financial support to keep services running as revenue plummeted.

The severe impact of the COVID-19 crisis on bus services follows on from a period when reductions in both direct Government support for bus services, and for local government



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had been in decline. 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 over this period.

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](#), is 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.

Investment in bus priority is set to step up in the coming years as a result of City Region Sustainable Transport Settlement and BSIP funding. For example, the West Yorkshire BSIP aims to achieve by 2030, a 15% reduction in bus journey times, a 10% increase in punctuality, and improved reliability. This will be delivered using a £700 million fund for bus priority infrastructure. Similar programmes are in place across all UTG members.



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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, 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.

Supporting bus services

Metropolitan areas spend over £149 million funding over 33 million miles 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.

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.



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What next for the bus?

The bus faces considerable challenges, alongside the fallout from the pandemic, these challenges include:

- the impact of the cost of living crisis (particularly on discretionary travel)
- growing car ownership among older people
- traffic congestion
- increased operating costs due to inflation
- social attitudes to the bus
- deteriorating industrial relations and staff shortages

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

- Provide long term enhanced, simplified and devolved revenue funding which is capable of meeting national and local aspirations for the bus
- Streamline the existing legislation for buses to make it easier for local transport authorities to take control of their local bus services either through franchising or direct provision.

For more reports and briefings on the bus go to the [bus hub on our website](#)

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Urban Transport Group Wellington House 40-50 Wellington Street Leeds LS12DE

T 0113 251 7204 E info@urbantransportgroup.org W www.urbantransportgroup.org