

Making the connections:  
The cross-sector benefits of  
supporting bus services



# The cross-sector benefits of the bus - in summary



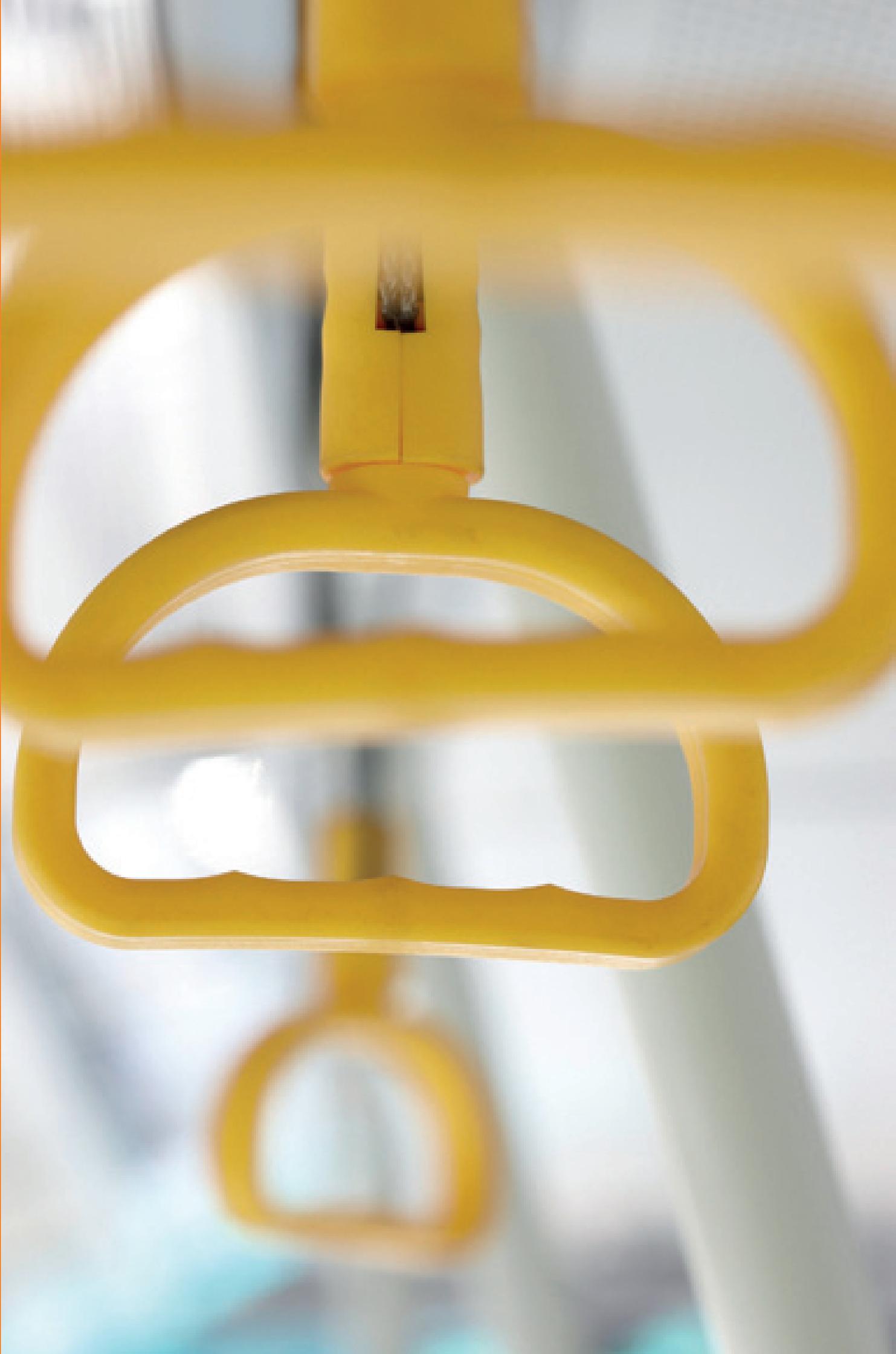
With over five billion bus trips made every year<sup>1</sup>, for most people in Great Britain the bus **is** public transport. Public support for the bus represents excellent value for money, making a significant contribution to the achievement of policy goals across Government – from boosting employment to tackling physical inactivity; increasing exports to enabling access to education; and from cutting greenhouse gas emissions to supporting culture and sport.

This report articulates the benefits of investing in the bus - department by department - relating the benefits to the individual policies that each department works to. It shows that the bus is key to achieving key policy goals of half of all Government departments across Whitehall.

It is vitally important to highlight this contribution given that the cross-sector benefits of the bus often go unrecognised in the complex way in which bus services are supported. Changes to these funding streams are often made without consideration of the cumulative impact on bus services and the knock-on effects on the ability of other departments to achieve their goals. In light of this, this report makes recommendations on how the funding of bus services could be reformed to recognise the cross-sector benefits they bring.

## A growing evidence base

This report complements our 2013 report on 'The Case for the Urban Bus: The Economic and Social Value of Bus Networks in the Metropolitan Areas'<sup>2</sup> by expanding on the wider benefits the bus brings for departments across Government and to places beyond the Metropolitan areas. It is part of a growing evidence base on the benefits of the bus, which also includes important research completed by the University of Leeds on buses and labour markets<sup>3</sup>.



## Contents

An introduction to the bus	6
Departmental chapters	15
Cabinet Office	25
Department for Business, Innovation and Skills	31
Department for Communities and Local Government	41
Department for Culture, Media and Sport	55
Department for Education	65
Department for Environment, Food and Rural Affairs	75
Department for Work and Pensions	87
Department of Energy and Climate Change	99
Department of Health	107
Deputy Prime Minister's Office	115
HM Treasury	125
Reforming bus funding to safeguard cross-sector benefits	139

# An introduction to the bus



## Who uses the bus?

Buses form the backbone of public transport. Over five billion bus trips are made every year in Great Britain<sup>4</sup>, over three times the total number of rail passenger journeys<sup>5</sup>. Local bus services cover 1.6 billion miles a year<sup>6</sup>.

Some 91% of people in Great Britain are within thirteen minutes' walk of a bus stop with at least an hourly service<sup>7</sup>. Accordingly, bus services are used by a wide variety of people. Research by the Institute for Transport Studies<sup>8</sup> found that 30% of people are frequent bus users<sup>9</sup>, including:

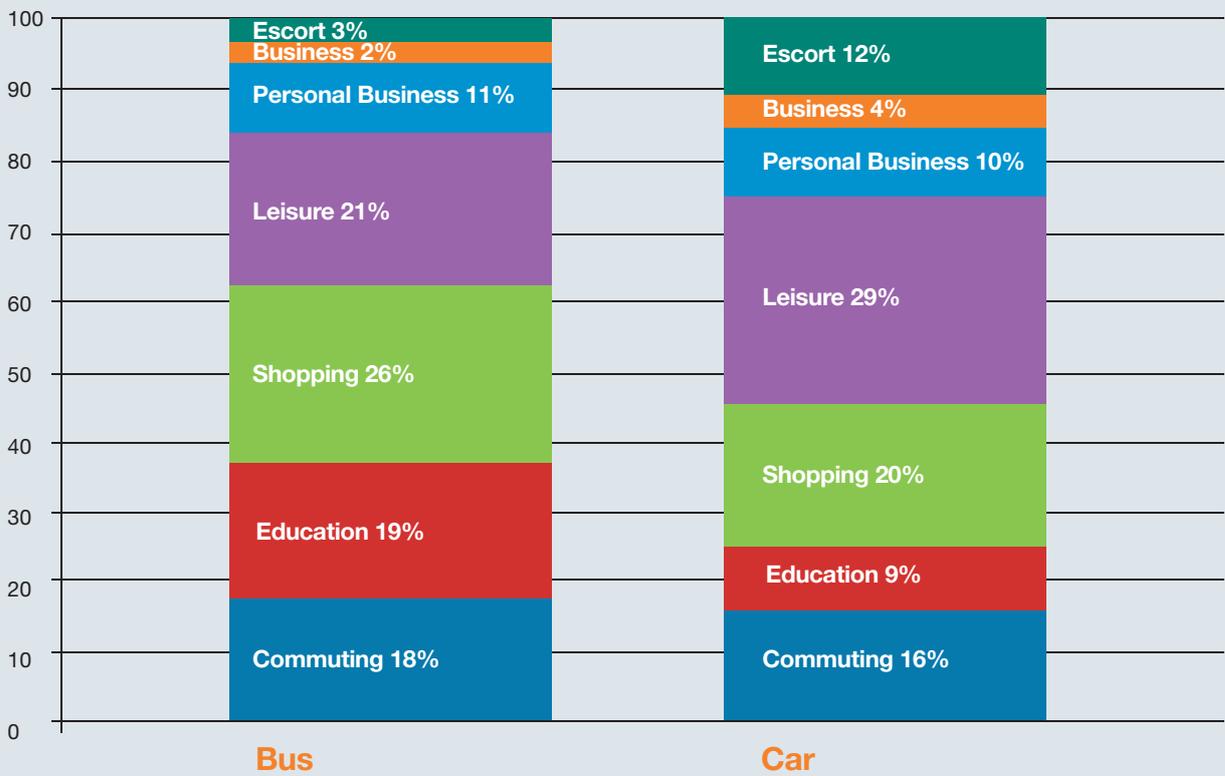
- A quarter of men and a third of women.
- Over half of 16-19 year olds and over a third of 20-29 year olds.
- Around 20% of full-time employees and 30% of part-time employees.
- 70% of those with no car available (25% of GB households have no car or van, many more have only limited access to a vehicle).

People use the bus to reach many different types of activity. The figure overleaf compares the journey purpose split for bus and car travel. It shows the range of journeys people make by bus and that, compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. Some 39% of bus trips are for work or education purposes, whereas the equivalent figure for car trips is 29%. More bus trips than car trips are also made for shopping, indeed, more people access the high street by bus than by any other transport mode<sup>10</sup>.

**30%**  
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## Journey purpose split by mode 2012



Source: DfT National Travel Survey table NTS0409

## How are bus services provided?

In England there are two systems for providing bus services. In London, bus services are planned and funded by Transport for London (TfL). TfL specifies which bus services are to be provided; deciding the routes, timetables and fares. Private companies then bid to provide those services.

In the rest of England, as well as in Scotland and Wales, bus services are provided on a fully commercial ('deregulated') basis. This means that, subject to minimum safety and operating requirements, anyone can start up a bus service. In practice, over 70% of bus services are provided by five large operators (Stagecoach, First, Go-Ahead, National Express and Arriva)<sup>11</sup>.

Local Transport Authorities are permitted to support services where no commercial service has been provided but where a need exists (for example, unprofitable off-peak services or services to rural areas and isolated housing estates). These 'socially necessary' services (also known as 'tendered' or 'supported' services) make up around a fifth of the network.

In Northern Ireland, all bus services are provided by a state-owned corporation.

## How are bus services funded?

In England outside London, public support for bus services comes in six main forms.

### 1. Local Transport Authority (LTA) funding of non-commercial, socially necessary bus services ('tendered' or 'supported' services).

Support for these services cost around £450 million in 2012/13<sup>12</sup> but can generate benefits in excess of £3 for every £1 of public money spent<sup>13</sup>. Most of these benefits accrue to bus users who would otherwise not been able to access opportunities or who would have seen a steep increase in their transport expenditure.

### 2. LTA funding of concessionary fare schemes

including the Government's statutory National Concessionary Travel Scheme for older and disabled people, as well as discretionary spending on enhancements to that scheme, and on concessions for other groups like children and young people and jobseekers.

The annual cost of the English national concessionary fare scheme is around £900 million<sup>14</sup>. £1.50 of benefits are generated for every £1 of public money spent on the scheme<sup>15</sup>. These benefits accrue to other transport users and society at large as well as to those receiving the concession.

### 3. Government funding of the Bus Service Operators Grant (BSOG) as a rebate on fuel duty for bus operators.

Outside London, BSOG funding amounted to £345 million in 2012/13<sup>16</sup>. Support for BSOG generates in excess of £2.80 of benefits for every £1 of public money spent<sup>17</sup>. Over a quarter of these benefits accrue to other road users through decongestion.

### 4. Ad hoc national funding programmes like the Green Bus Fund and LTA capital investment in interchanges, stops, shelters and bus priority schemes.

LTA funding is estimated to amount to between £150 million and £200 million per year, on average<sup>18</sup>.

### 5. Local Education Authority funding for home to school transport (including bus).

National expenditure on home to school transport is around £1 billion per year<sup>19</sup>.

### 6. LTAs, to a greater or lesser extent, providing financial support for bus service information (including call centres, websites, mobile apps and printed information) and for the staffing of bus stations, monitoring of service use, security and other services.

The public funding that the bus relies on comes from different government departments working largely in isolation from each other (e.g. Department for Transport (DfT), Department for Education and the Department for Communities and Local Government (DCLG)) and therefore restricted understanding of the cumulative effects their decisions on funding have on bus services.

Public spending on bus has cross-sector benefits that extend far beyond those departments that provide the funding. At the same time, spending decisions by these departments that affect bus funding can impact on their ability to meet their policy goals and the ability of a wide range of other departments to meet theirs.

**Public support for socially necessary bus services can generate benefits in excess of £3 for every £1 of public money spent.**

# Why the bus matters across sectors

The bus benefits a wide range of policy areas, across a variety of Government departments. These benefits are discussed in more detail in the individual departmental chapters that follow this section.

## The bus matters to the economy

The bus plays a key role in achieving strong and sustainable economic growth by connecting people and businesses to opportunities, reducing congestion and increasing economic productivity. In Metropolitan areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>20</sup>. Around half of these benefits are to bus users stemming from greater access to jobs, training and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through reduced congestion, pollution and accident rates as well as through improved productivity.

The bus is also important in stimulating economic growth outside the urban conurbations, in our towns, villages and rural areas. More people access high streets by bus than by any other mode, bringing a combined retail and leisure spend of £27.2bn<sup>21</sup>. In rural areas, buses connect local businesses to customers and employees and support tourism.

The bus plays a vital role in enabling access to employment. In British cities outside London, 77% of jobseekers do not have regular access to a car, van or motorbike<sup>22</sup>. Having found employment, affordable bus travel helps ensure that work pays and can be sustained. One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel by bus<sup>23</sup>.

The UK bus industry itself is a major employer and enjoys a growing international reputation for high quality bus manufacturing, contributing to UK exports.

**In Metropolitan areas, bus networks generate an estimated £2.5bn in economic benefits against public funding of £0.5bn.**

## The bus matters to social mobility

The bus contributes to a fairer and more equal society by ensuring that, regardless of their background, people can access the opportunities they need to achieve social mobility. The bus connects people of all ages to education helping to improve their long term prospects and some 400,000 workers are in better, more productive jobs as a direct result of the bus<sup>24</sup>.

The bus is a unique and effective tool of social policy – it is intrinsically targeted at those groups who are most in need of support without resort to complicated means-testing arrangements. This is because the groups most in need are the same as those most likely to rely on the bus, including young people, people on low incomes, older people, disabled people and jobseekers.

## The bus matters to communities

The bus helps to build communities. It plays a key role in expanding the supply of accessible land for housing and other developments by ensuring these are still within easy reach of amenities. Places that are built around the bus, together with walking and cycling, benefit from reduced traffic volumes and liveable streets that encourage interaction and community spirit. The bus also connects people to volunteering opportunities and provides a communal experience in itself, enabling people to play an active part in society.

## The bus matters to health

The bus is an easy way for people to incorporate physical activity into their daily lives – just walking to and from the bus stop can provide up to half of the recommended daily level of exercise<sup>25</sup>. The bus also enables people, regardless of their background, to access health promoting activities from sports centres to supermarkets stocking healthy food.

Bus services can also contribute to mental wellbeing by helping people to stay active and also by enabling them to connect with others, keep learning, give to others and to take notice – recognised as the five ‘ways to wellbeing’<sup>26</sup>.

By helping people maintain and enhance their health, the bus helps to make the NHS more efficient by minimising admissions. It can also reduce costly missed appointments by providing direct and punctual transport links.

Changes to the way bus travel is organised could offer scope for further efficiencies in patient transport. The cost to the NHS of non-emergency patient transport is around £400 million<sup>27</sup>. A broadly similar figure (£450 million<sup>28</sup>) was spent by Local Transport Authorities in 2012/13 on providing all supported bus services across England outside London – used by over six million people each day<sup>29</sup>. This suggests considerable scope for savings in the way non-emergency patient transport is delivered.

## The bus matters to the environment

If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>30</sup>. The best used bus services in urban centres may be reducing carbon emissions from road transport by 75% or more<sup>31</sup>. The UK has considerable expertise in bus manufacturing, including low carbon innovation which improves bus performance further.

The bus can also reduce demand for energy and help individuals and businesses to reduce their carbon footprint. Planning which connects developments to bus networks and promotes their use helps to reduce car dependence and negative impacts on the environment.

**If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub>.**

# Safeguarding the contribution of the bus

## How funding for bus services has been affected by public spending cuts

The contribution of the bus to policy goals across sectors has been put at risk as a result of three key trends affecting bus services outside London:

1. A general preference from Government for capital funding (e.g. for large infrastructure projects) rather than for revenue funding, which bus services rely on.
2. Cuts to DCLG funding for local government (where LTA funding for bus services comes from).
3. Local transport spending outside London losing out to London, national roads and national rail in DfT spending plans since 2010.

These trends have led to reductions in funding for all of the six main sources of public support for buses.

By 2014/15, overall funding for bus networks outside London will be around £500 million lower than if 2010/11 funding levels had increased in line with inflation. This figure would have paid for the entire supported bus services budget in England outside London for 2010/11.

The impacts of these cuts are being felt on the ground in the form of bus service reductions and fare increases. For example, according to research by Campaign for Better Transport, during 2013/14 some 46% of local authorities made cuts to their budget for socially necessary, supported bus services<sup>32</sup>. The same research found that in just three years £19 million has been cut overall from supported bus budgets across England. A small number of local authorities have cut their supported bus budgets by 100%<sup>33</sup>. DfT statistics show that between 2010/11 and 2011/12, the number of local authority supported bus miles outside London fell by 10%<sup>34</sup>.

If these cuts continue, and if the bus is seen as a low priority when decisions are taken in Whitehall on local government and transport funding, the wide-ranging, cross-sector benefits of bus services are placed at risk. In turn, individual Government departments will find it more difficult to meet their key policy goals.

## Reforming bus funding to safeguard cross-sector benefits

The central proposition of this report is that a new 'Connectivity Fund' should be established to safeguard the contribution bus services make to the economy, social mobility, communities, health and the environment. In addition to the money currently available through BSOG, the Fund should be of a value to plug the £500 million hole in bus funding that will have developed between 2010/11 and 2014/15. This works out at just over 10% of the Department for Transport's spend on the UK's entire rail network, bearing in mind that four journeys are made on bus networks outside London for every one journey on UK national rail.

The Connectivity Fund would bring together the existing BSOG fund with top slicing from other Government Departments into a ring-fenced pot for local government to support bus services. Such an approach recognises and captures the important role of bus services in the achievement of policy goals across Government.

The Connectivity Fund would need to provide local transport authorities with the flexibility to allocate spending in the most effective way, depending on local needs. This could include, for example, removing bottlenecks, improving network coverage or developing passenger incentives. As described above, such investments in bus can be expected to deliver significant returns for the economy, social mobility, communities, health and the environment.

Further details of the Connectivity Fund, and how it might work, can be found in the final chapter of this report, together with details of two further funding proposals designed to safeguard the contribution of bus services to wider policy goals. These are: a trial over a major area of the concept of 'Total Transport' (where health, social services, education and mainstream transport fleets and budgets are pooled to provide a single service) and a 'Bus Bonus' scheme (offering a tax benefit concession for commuters who use buses).

## Structure of the report

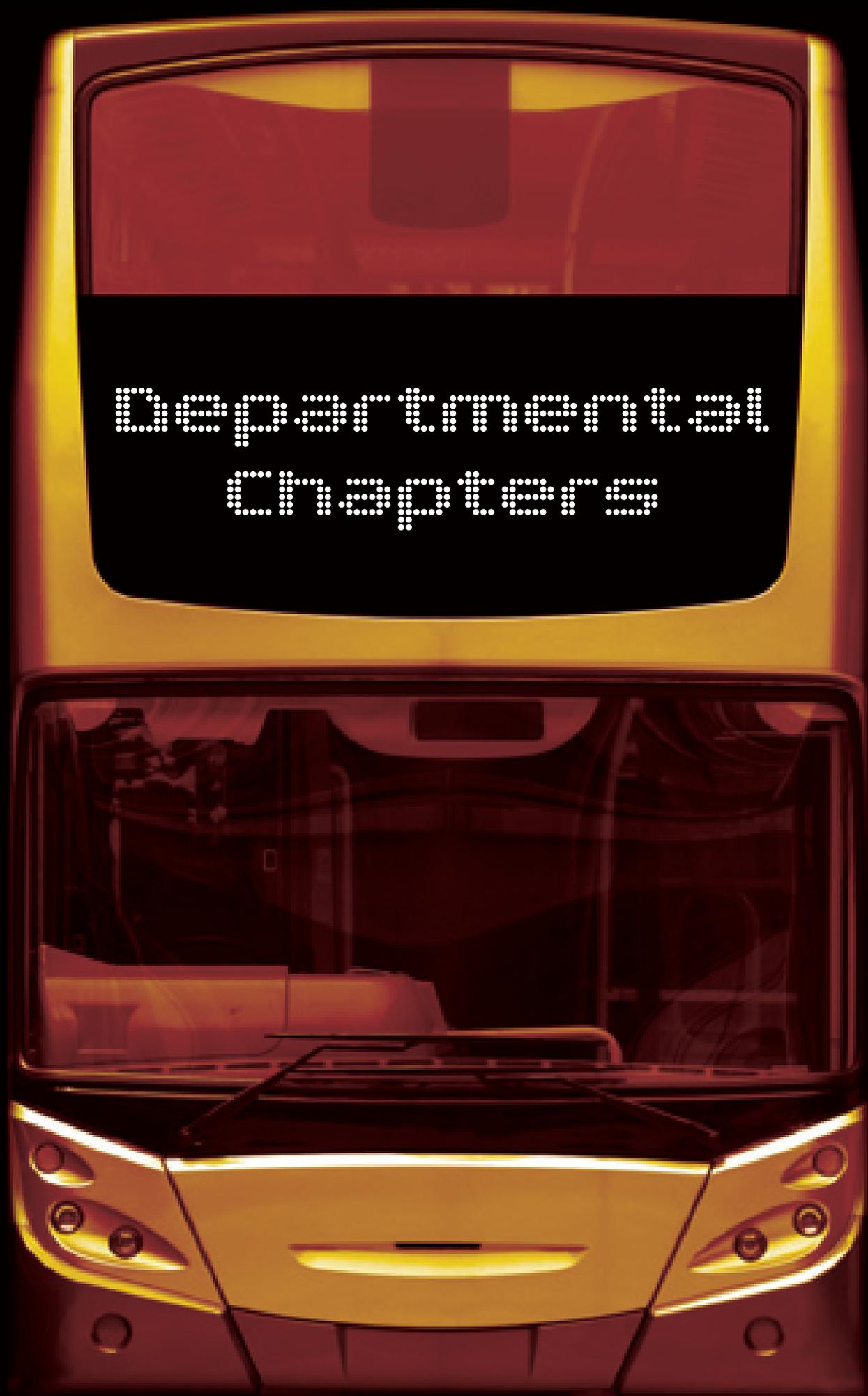
The remainder of this report sets out the benefits of investing in the bus - department-by-department - relating the benefits to the individual policies that each department works to.

This is followed by an analysis of current bus funding arrangements and our proposals for reforming bus funding to safeguard the cross-sector benefits the bus brings.



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2. **pteg** (2013) The Case for the Urban Bus.
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31. David Simmonds Consultancy for Greener Journeys (2012) What is the environmental value of investment to increase use of buses?
32. Campaign for Better Transport (2013) Buses in crisis: A report on bus funding across England and Wales.
33. <http://www.bettertransport.org.uk/campaigns/save-our-buses/bus-cuts> accessed on 04/04/14.
34. DfT Bus Statistics Table BUS0205a.



Analysis of the policy goals of each Government department (excluding the Department for Transport) revealed that investing in bus services contributes to the policy goals of 11 out of 24 Government departments, covering 41 policy goals in total. The analysis did not include the Department for Transport (DfT) as the aim of this report is to highlight the benefits that the bus brings to other policy areas. However, if DfT is factored in, this results in the bus contributing to the policy goals of half of all Government departments and 46 policy goals.

The analysis is based on the relevant policy goals of each Department as set out on the [www.gov.uk](http://www.gov.uk) website under 'Our policies'. The analysis was conducted between March and April 2014.

Each departmental chapter is intended to function as a standalone briefing on how the bus meets each of the relevant policy goals that the department analysed works to. Some policy goals are shared by more than one department meaning that there is some duplication between the chapters. This duplication is necessary to ensure that each chapter can be read in isolation from the others. This format allows the reader to either look at each departmental chapter in turn or to select only those that are of interest to them.

The chapters are arranged alphabetically and colour-coded to enable readers to rapidly locate the sections of interest. The policy goals covered in each departmental chapter are summarised below for quick reference.

Having read one, some, or all of the departmental chapters, the reader can then turn to the final chapter of this report for details of our proposed reforms to bus funding, aimed at safeguarding the contribution of the bus to policy goals across Government.

## Cabinet Office

### **1. Creating a lasting legacy from the 2012 Olympic and Paralympic Games:**

The bus can assist in enabling people to incorporate physical activity into their daily lives. Simply walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot and can provide up to half of the recommended daily level of exercise<sup>35</sup>.

### **2. Promoting social action: Encouraging and enabling people to play a more active part in society:**

The bus can help connect people to volunteering opportunities, regardless of their economic or social background. At a more micro level, the communal experience of bus travel enables people to play a more active part in society through the opportunities it presents for connecting with other people.

### **3. Increasing opportunities for young people and helping them to achieve their potential:**

For most young people, the bus is public transport and is vital for connecting them to valuable opportunities both in and out of school. The experience of independent bus travel in itself develops important life skills and expands horizons.

# Department for Business, Innovation and Skills

## **1. Increasing the UK's exports and attracting inward investment:**

The quality of local transport connections is a barrier to export for one in four businesses<sup>36</sup>. The UK is developing a strong international reputation for bus manufacturing with potential for continuing export growth. Good bus services can also form part of a package to help attract inward investment to UK towns and cities, facilitating agglomeration and access to markets, customers and staff.

## **2. Achieving strong and sustainable economic growth:**

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>37</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

## **3. Boosting private sector employment in England:**

Buses are critical to ensure that city centres remain accessible and attractive for job creation and retention. They also play a key role in connecting otherwise isolated communities to employment. The UK bus industry itself is a major source of employment for thousands of people and enjoys a growing international reputation for high quality manufacturing.

## **4. Supporting economic growth through local enterprise partnerships and enterprise zones:**

The bus plays a key role in opening up local economic growth through connecting people and businesses to opportunities, reducing congestion and increasing economic productivity.

## **5. Widening participation in higher education:**

Affordable and available bus services mean that students have more choice about where to study and can base their decisions primarily on the courses available, and the quality of the establishment, rather than the costs of getting there.

# Department for Communities and Local Government

## **1. Making sure Council Tax payers get good value for money:**

The national travel concession for older and disabled people generates £1.50 of benefits for every £1 of public money spent<sup>38</sup>. Local government spending to support non-commercial bus services can generate benefits in excess of £3 for every £1 of public money spent<sup>39</sup>.

## **2. Improving the energy efficiency of buildings and using planning to protect the environment:**

Bus infrastructure can be designed or retrofitted to maximise energy efficiency. Planning which connects developments to bus networks and promotes their use helps to reduce car dependence and negative impacts on the environment.

## **3. Increasing the number of available homes:**

The bus plays a key role in expanding the supply of accessible land for housing and other developments, as well as in raising the value of existing real estate.

## **4. Bringing people together in strong, united communities:**

The bus reduces traffic volumes creating liveable streets which promote a sense of community.

## **5. Provide housing support for older and vulnerable people:**

Good bus services enable older and vulnerable people to retain their independence and stay active, reducing the need for housing support and care.

## **6. Boosting private sector employment in England:**

Buses are critical to ensure that city centres remain accessible and attractive for job creation and retention. They also play a key role in connecting otherwise isolated communities to employment. The UK bus industry itself is a major source of employment for thousands of people and enjoys a growing international reputation for high quality manufacturing.

## **7. Support economic growth through local enterprise partnerships and enterprise zones:**

Metropolitan bus networks alone generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>40</sup>. The bus plays a key role in opening up local economic growth through connecting people and businesses to opportunities, reducing congestion and increasing economic productivity.

## **8. Improve high streets and town centres:**

More people access the high street by bus than by any other mode bringing a combined retail and leisure spend of £27.2bn<sup>41</sup>.

## **9. Making the planning system work more efficiently and effectively:**

Ensuring bus connections are fully integrated with planning processes from the earliest stages helps to prevent extra costs and delays to the development process and ensures that, on completion, those developments will be accessible to as many people as possible, increasing their likelihood of success.

## Department for Culture, Media and Sport

### 1. Creating a lasting legacy from the 2012 Olympic and Paralympic Games:

The bus can assist in enabling people to incorporate physical activity into their daily lives. Simply walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot and can provide up to half of the recommended daily level of exercise<sup>42</sup>.

### 2. Getting more people playing sport:

Available and affordable bus services connect people to opportunities to participate in sport, regardless of their economic or social background.

### 3. Supporting vibrant and sustainable arts and culture:

Affordable and available bus services help to connect people to arts and cultural activities, regardless of their social or economic background. Commissioning art work in and around public transport infrastructure reaches large numbers of people and incorporates arts and culture into everyday life.

### 4. Creating a fairer and more equal society:

The bus helps ensure that everybody, regardless of their background, can access the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

### 5. Helping the UK tourism industry to grow:

The bus can bring visitors in to tourist hotspots and enable them to explore in a way that is affordable and minimises congestion. Bus users make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>43</sup>.

## Department for Education

### 1. Increasing opportunities for young people and helping them to achieve their potential:

For most young people, the bus is public transport and is vital for connecting them to valuable opportunities both in and out of school. The experience of independent bus travel in itself develops important life skills and expands horizons.

### 2. Raising the achievement of disadvantaged children:

Without available and affordable bus services young people can find themselves restricted in their education and employment choices.

### 3. Helping to reduce poverty and improve social justice:

Around half of households on the lowest incomes have no access to a car or van<sup>44</sup> – the bus can provide a passport out of poverty, connecting people to the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

### 4. Getting more people playing sport:

Available and affordable bus services connect people to opportunities to participate in sport, regardless of their economic or social background.

### 5. Increasing options and improving provision for children with special educational needs:

Travel training to enable children with special educational needs to use bus services helps to build life skills and independence as well as reducing costs for local education authorities.

# Department for Environment, Food and Rural Affairs

## **1. Stimulating economic growth in rural areas:**

The bus has an important role to play in supporting rural tourism, connecting rural businesses to customers and making it practical for employees to seek work in rural areas.

## **2. Encouraging businesses to manage their impact on the environment:**

Encouraging employees to use the bus can help businesses reduce their environmental impact. Business travel can account for 50% or more of a (non-manufacturing) company's carbon footprint<sup>45</sup>.

## **3. Protecting and improving people's enjoyment of the countryside:**

Up to 96% of visitors visiting England's National Parks arrive by car<sup>46</sup> and car ownership among resident populations is high<sup>47</sup>. Transferring more journeys to bus reduces congestion around key rural beauty spots, enhancing people's enjoyment of these places.

## **4. Reducing demand for energy from industry, business and the public sector:**

The bus can help reduce demand for energy through the use of fuel efficient vehicles and energy efficient infrastructure.

## **5. Protecting and enhancing our urban and natural environment to improve public health and wellbeing:**

Improvements to bus fleets are vitally important in improving air quality, a key public health concern, particularly in urban areas. The bus can also enhance rural and urban environments by contributing to reduced traffic volumes and more liveable streets, thereby improving health and wellbeing.

## **6. Making sure government policies and programmes benefit rural businesses and communities:**

The bus is an essential lifeline for rural communities, particularly for households with no, or limited, access to a vehicle.

## **7. Reducing the UK's greenhouse gas emissions by 80% by 2050:**

If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>48</sup>. The potential for the bus to contribute towards CO<sub>2</sub> reduction is greatest in urban areas<sup>49</sup> and improvements in bus fleet efficiency is one of the seven strongest CO<sub>2</sub> emission reduction measures for transport in these areas<sup>50</sup>.

## Department for Work and Pensions

### 1. Helping people find and stay in work:

Some 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>51</sup>. Available and affordable bus services are vital in enabling access to job opportunities. Having found work, the bus supports people to stay there. One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel by bus<sup>52</sup>.

### 2. Simplifying the welfare system and making sure work pays:

Affordable bus services help to ensure that any gain from employment is not cancelled out by transport costs. Above inflation bus fare rises jeopardise this goal.

### 3. Improving opportunities for older people:

Older people are among the biggest users of bus services<sup>53</sup>. Facilitated by the English National Concessionary Travel Scheme (ENCTS), older people use the bus to connect to opportunities, contribute to society and stay healthy and independent. The ENCTS generates £1.50 of benefits for every £1 of public money spent<sup>54</sup>.

### 4. Helping to reduce poverty and improve social justice:

Around half of households on the lowest incomes have no access to a car or van<sup>55</sup> – the bus can provide a passport out of poverty, connecting people to the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

## Department of Energy and Climate Change

### 1. Encouraging businesses to manage their impact on the environment:

Encouraging employees to use the bus can help businesses reduce their environmental impact. Business travel can account for 50% or more of a (non-manufacturing) company's carbon footprint<sup>56</sup>.

### 2. Increasing the use of low-carbon technologies:

The UK has considerable expertise in bus manufacturing, including low carbon innovation. Investing in bus fleets and manufacturing can increase the use of low-carbon technologies and support British jobs.

### 3. Reducing demand for energy from industry, businesses and the public sector:

The bus can help reduce demand for energy through the use of fuel efficient vehicles and energy efficient infrastructure.

### 4. Reducing the UK's greenhouse gas emissions by 80% by 2050:

If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>57</sup>. The potential for the bus to contribute towards CO<sub>2</sub> reduction is greatest in urban areas<sup>58</sup> and improvements to bus fleet efficiency are one of the seven strongest CO<sub>2</sub> emission reduction measures for transport in these areas<sup>59</sup>.

# Department of Health

## 1. Reducing obesity and improving diet:

Transport is among the key issues determining whether a person leads a healthy lifestyle. Simply walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot and can provide up to half of the recommended daily level of exercise<sup>60</sup>. The bus also connects people to health promoting activities and places, from leisure centres to supermarkets stocking cheap, healthy food.

## 2. Making mental health services more effective and accessible:

The bus can contribute to mental wellbeing by enabling people to connect with others, be active, keep learning, give to others and to take notice. The bus has also been found to reduce mental stress by one third compared to car travel<sup>61</sup>.

## 3. Making the NHS more effective and less bureaucratic:

The bus has a role to play in minimising hospital admissions by helping people to stay independent and healthy. It can also reduce costly missed appointments by providing direct and punctual transport links. Changes to the way bus travel is organised could offer scope for further efficiencies in patient transport.

# Deputy Prime Minister's Office

## 1. Improving social mobility to create a fairer society:

The bus helps ensure that everybody, regardless of their background, can access the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

## 2. Creating jobs:

Buses are critical to ensure that city centres remain accessible and attractive for job creation and retention. They also play a key role in connecting otherwise isolated communities to employment. The UK bus industry itself is a major source of employment for thousands of people and enjoys a growing international reputation for high quality manufacturing.

## 3. Help for working families:

The bus is of vital importance to working families, connecting them to jobs, social networks, education and leisure. Available and affordable bus services are particularly vital in enabling low income families to access opportunities. Without such bus services, families can be forced into car ownership which they can ill afford.

## 4. Stimulating local growth:

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>62</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

# HM Treasury

## 1. Helping people to find and stay in work:

Some 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>63</sup>. Available and affordable bus services are vital in enabling access to job opportunities. Having found work, the bus supports people to stay there. One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel by bus<sup>64</sup>.

## 2. Promoting social action: Encouraging and enabling people to play a more active part in society:

The bus can help connect people to volunteering opportunities, regardless of their economic or social background. At a more micro level, the communal experience of bus travel enables people to play a more active part in society through the opportunities it presents for connecting with other people.

## 3. Achieving strong and sustainable economic growth:

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>65</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

## 4. Spending taxpayers' money responsibly:

Each of the key forms of public support for bus services have been found to generate significant benefits, ranging from £1.50 to £3 for every £1 of public money spent<sup>66</sup>.

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The Cabinet Office (CO) supports the Prime Minister and Deputy Prime Minister, and ensures the effective running of government. The CO is the corporate headquarters for government, in partnership with HM Treasury, and takes the lead in certain critical policy areas.

## How the bus can help CO – at a glance

### **1. Creating a lasting legacy from the 2012 Olympic and Paralympic Games:**

The bus can assist in enabling people to incorporate physical activity into their daily lives. Simply walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot and can provide up to half of the recommended daily level of exercise<sup>67</sup>.

### **2. Promoting social action:**

Encouraging and enabling people to play a more active part in society: The bus can help connect people to volunteering opportunities, regardless of their economic or social background. At a more micro level, the communal experience of bus travel enables people to play a more active part in society through the opportunities it presents for connecting with other people.

### **3. Increasing opportunities for young people and helping them to achieve their potential:**

For most young people, the bus is public transport and is vital for connecting them to valuable opportunities both in and out of school. The experience of independent bus travel in itself develops important life skills and expands horizons.

More detail on each of these CO policy goals, and how the bus can help in their achievement, is provided on the following pages.

## CO policy: Creating a lasting legacy from the 2012 Olympic and Paralympic Games

This policy aims to create a lasting economic, sporting and cultural legacy to benefit the whole country.

### How the bus can help

It is envisaged that one of the key Olympic and Paralympic legacies will be to *'transform people's relationship with physical activity, including sport, whatever their age, background or ability.'*<sup>68</sup> The bus can assist in enabling people to incorporate physical activity into their daily lives.

Transport is among the key issues determining whether a person leads a healthy lifestyle. Walking, cycling and public transport offer an alternative to the sedentary lifestyles that cars encourage. They are also among the cheapest, most accessible ways of encouraging physical activity. It is something that people are easily able to incorporate into their daily routines, meaning they are more likely to keep up the habit.

The role of the bus in particular in promoting physical activity can often go unrecognised, however, walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot. The bus does not usually provide a door-to-door service, meaning that a walking or cycling trip at either end will normally be required.

An American study<sup>69</sup> found that people who use public transport spend a median of 19 minutes daily walking to and from public transport. Some 29% of people achieved the required 30 minutes or more daily physical activity solely by walking to and from public transport. People in low income households, minority groups and high-density urban areas were particularly likely to spend 30 minutes or more walking to and from public transport.

Similar results have been observed in the UK. A study by Mindlab<sup>70</sup> found that walking as part of a return trip by bus provided up to half the recommended daily level of exercise. Study participants walked an average of 1.3km (taking around 15 minutes) when taking a return journey by bus, 2.5 times more than when taking the same journey by car.

Research has also been conducted into the impact free concessionary bus travel has on levels of physical activity with the results showing that it results in more trips and more active travel:

- Research by Imperial College London<sup>71</sup> found that people with a free bus pass are more likely to walk frequently and take more 'active travel' journeys.
- A longitudinal study<sup>72</sup> of 9,000 people in England found that free bus passes for older people had increased their public transport use and that older people who used public transport had reduced odds of being obese compared with those who did not. It found that those who used public transport, or took advantage of free bus travel, were 25% less likely to be obese in 2008 than those who did not.
- Research into the health impacts of free bus travel for young people in London found that it generated extra walking journeys that either would not have otherwise been undertaken, or would have been carried out as a car passenger<sup>73</sup>.

**Walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot.**

## CO policy: Promoting social action: encouraging and enabling people to play a more active part in society

In recognition of the fact that it is not always as easy as it could be for people to give their time and skills to society and local communities, this policy aims to reduce some of the obstacles that people face.

### How the bus can help

The bus can help connect people to volunteering opportunities, regardless of their economic or social background. A quarter of all households do not have access to a car or van, rising to almost half for families on the lowest real income levels<sup>74</sup>. The bus is vital in enabling these households to give their time and skills to the community.

Affordable and available bus services encourage volunteering. Older people, for example, contribute £176bn to the economy in the form of consumer spending but also unpaid childcare, adult social care and volunteering<sup>75</sup>. The easier we can make it for this group to travel, the more contribution they can make. The national concessionary bus travel scheme for older people undoubtedly assists with this.

Whilst the national concessionary scheme for older people facilitates volunteering, other groups still find the cost of travel to be a significant barrier to giving their time.

According to young people's volunteering groups<sup>76</sup> *'one of the biggest barriers young people face to volunteering is transport.'* They further note that *'Young people may have limited access to funds or may be living on a low income and so aren't able to pay for travel to their volunteering opportunity'*. They suggest that young people are much more likely to start, and continue, volunteering if opportunities can be found near to where they live *'particularly if they only have to walk down the road rather than take a bus'*. Measures to improve the affordability of travel for young people could help break down these barriers and open up more volunteering opportunities.

### Case study: Young Scot card – volunteer extension

The Scottish Government supported Young Scot National Entitlement Card offers savings on bus and rail tickets for 16-18 year olds. For full-time volunteers, the card is valid up until the holder's 26th birthday<sup>77</sup>.

At a more micro level, and unlike car travel, the communal experience of bus travel enables people to play a more active part in society through the opportunities it presents for connecting with other people. Travelling on a bus presents opportunities to do things for other people – such as giving up a seat for someone else or helping someone with a buggy get off the bus. Even simply talking to people at the bus stop or on the bus can make a big difference to people who might otherwise be lonely or isolated. A recent study of young people's use of buses in London found that *'Buses provide a key site for sociability and public engagement in the city.'*<sup>78</sup>

## CO policy: Increasing opportunities for young people and helping them to achieve their potential

This policy is concerned with increasing the quality of education for young people and ensuring that there are high quality options for both academic and vocational education. It also aims to help young people develop into responsible citizens with access to wider opportunities that help them to remain engaged, realise their potential and actively participate in decision-making.

### How the bus can help

The bus is vital for connecting young people to the opportunities that help them to achieve their potential. For most young people, the bus is public transport, as the chart below illustrates.

Research by the Department for Transport found that young people identify the lack of available bus services, especially in the evenings and weekends, as a key barrier to participating in education, employment and leisure activities<sup>79</sup>.

Young people rely on the bus to reach a whole host of valuable opportunities, from attainment-boosting after school activities and weekend jobs to visiting friends and volunteering in the community. Available and affordable bus services help to equalise access to these experiences which are so vital to their growth and development.

Analysis of the National Travel Survey<sup>80</sup> indicates that, for under 17s, the bus is likely to be most important in enabling access to education. Around 20 per cent of trips to and from school by 5-16 year olds are made by bus<sup>81</sup>. In the vast majority of cases, these trips are made on mainstream, local buses rather than on buses running exclusively for school pupils<sup>82</sup>.

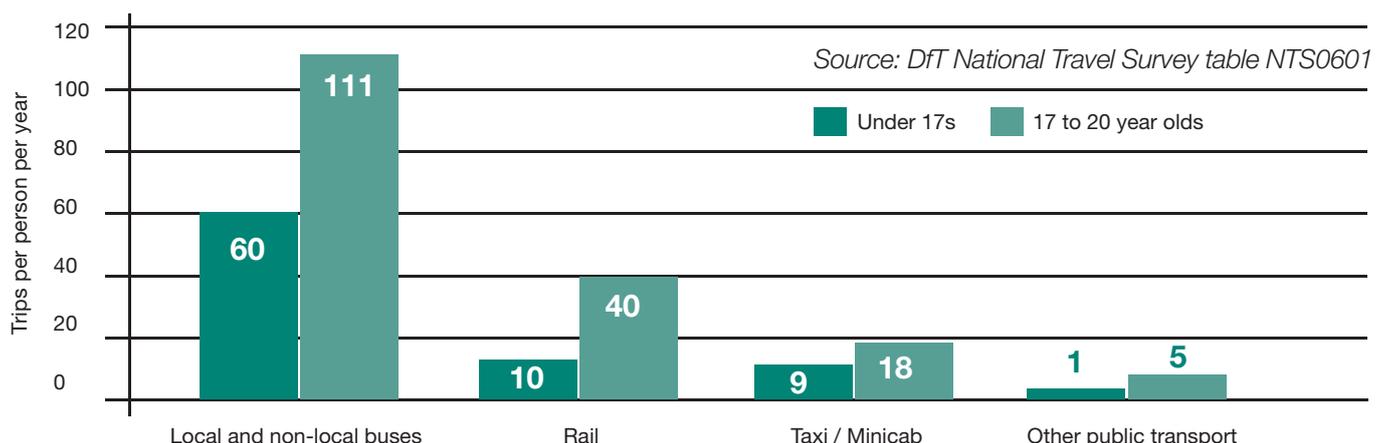
For this group, travelling by bus independently can also be a valuable educational experience in itself, offering the opportunity to develop important life skills such as planning

a journey, understanding timetables and handling money. Furthermore, independent travel builds confidence, brings young people into contact with a wide range of people, helps in the development of social skills and expands horizons. The latter is important in preventing the territoriality that can see some young people in later years reluctant to travel far beyond their immediate neighbourhood<sup>83</sup>, something that can place unnecessary limits on education, employment and social opportunities.

The bus is also vital in opening up opportunities for 'older' young people (17-20 year olds). Again, the bus is most used for education trips but it also enables this group to commute to work and visit friends<sup>84</sup>. For this group of young people, many of whom have yet to pass their driving test or cannot afford to drive, the bus offers an important independent means to access college, university, work, friends and social life.

Colleges surveyed by the Association of Colleges estimate that some 72% of students take the bus to college<sup>85</sup>. Affordable and available bus services mean that students have more choice about where to study and can base their decision primarily on the courses available, and the quality of the establishment, rather than the costs of getting there. As more colleges opt to specialise in particular subjects, rather than offering a broad range of courses, it is likely that students will have to travel further to pursue their chosen educational path.

### Young people's public transport trips 2012



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The Department for Business, Innovation and Skills (BIS) is described as the department for economic growth. It invests in skills and education to promote trade, boost innovation and help people to start and grow a business. BIS also protects consumers and works to reduce the impact of regulation.

**At the time of writing, BIS activity is guided by 28 key policies. Investing in the bus can contribute to the achievement of five of these policy goals.**

## **How the bus can help Business, Innovation and Skills – at a glance**

### **1. Increasing the UK's exports and attracting inward investment:**

The quality of local transport connections is a barrier to export for one in four businesses<sup>86</sup>. The UK is developing a strong international reputation for bus manufacturing with potential for continuing export growth. Good bus services can also form part of a package to help attract inward investment to UK towns and cities, facilitating agglomeration and access to markets, customers and staff.

### **2. Achieving strong and sustainable economic growth:**

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>87</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

### **3. Boosting private sector employment in England:**

Buses are critical to ensure that city centres remain accessible and attractive for job creation and retention. They also play a key role in connecting otherwise isolated communities to employment. The UK bus industry itself is a major source of employment for thousands of people and enjoys a growing international reputation for high quality manufacturing.

### **4. Supporting economic growth through local enterprise partnerships and enterprise zones:**

The bus plays a key role in opening up local economic growth through connecting people and businesses to opportunities, reducing congestion and increasing economic productivity.

### **5. Widening participation in higher education:**

Affordable and available bus services mean that students have more choice about where to study and can base their decisions primarily on the courses available, and the quality of the establishment, rather than the costs of getting there.

More detail on each of these BIS policy goals, and how the bus can help in their achievement, is provided overleaf.

## BIS policy: Increasing the UK's exports and attracting inward investment

The government wants to double the UK's exports to £1 trillion by 2020 and attract more inward investment in UK infrastructure projects. This policy aims to contribute towards these goals.

### How the bus can help

In a recent survey focusing on the export market, one in four businesses felt that the quality of local transport connections is a barrier to export. This is greater than the number of respondents who felt poor international connections creates a barrier to export (one in five)<sup>88</sup>. Improving bus and other local transport connections is therefore important in creating export opportunities.

The UK has developed considerable expertise in bus manufacturing and there are now several companies with a strong international reputation. This is therefore one area where the UK could develop its exporting potential – the global bus market is estimated to exceed 400,000 vehicles per annum and be worth close to £60 billion<sup>89</sup>.

Good bus services can also form part of a package to help attract inward investment to our towns and cities. Low cost transport facilitates agglomeration economies, bringing firms closer together, and resulting in lower unit costs and higher productivity. The bus, together with other public transport, also provides easy access to markets, customers and qualified staff.

## Case study: Buses - a UK manufacturing success story

### Wrightbus and the New Bus for London

Two British companies – Heatherwick Studio in London and Wrightbus in Ballymena, Northern Ireland – were selected to design and manufacture the replacement for the iconic London Routemaster bus. The result is a powerful showcase for British design and low carbon technology.

HRH Prince Harry and Prime Minister David Cameron used two of the vehicles to launch the 'Great Global Bus Tour'<sup>90</sup>, starting in New York and taking in four continents and 16 countries. The tour was aimed at promoting Britain as a world class destination for trade, tourism and investment, qualities felt to be embodied in the iconic New Bus for London.

The first New Bus for London entered service in February 2012 and a further 600 were ordered in September 2012 – the largest order of hybrid buses ever placed in Europe<sup>91</sup>. In the same year, Wrightbus won a three year £41m contract to supply 550 double decker buses to Singapore<sup>92</sup>. The company has a varied portfolio of products, sold across the world including the StreetCar RTV, designed to operate in the tough environment of the Nevada desert<sup>93</sup>.

### Optare

Export sales for Yorkshire-based bus manufacturer Optare reached a record £10.5m in the six months to September 2012<sup>94</sup>. Optare won the prestigious Society of Motor Manufacturers and Traders Award for Automotive Innovation in 2012 for its fast-charging electric bus. Optare is the only producer of full-size, commercially viable, battery powered buses in the UK<sup>95</sup>.

### Alexander Dennis

Based in Falkirk, with additional manufacturing bases in Guildford and Scarborough, Alexander Dennis (ADL) more than doubled its turnover between 2007 and 2011, from £170m to £360m<sup>96</sup>. Nearly 40% of sales are to overseas markets, including to Hong Kong, New Zealand and North America<sup>97</sup>.

## BIS policy: Achieving strong and sustainable economic growth

This policy aims to stimulate economic growth while supporting people who work hard and want to get on in life.

### How the bus can help

From a transport point of view, BIS actions towards achieving strong and sustainable economic growth focus on investing in major infrastructure projects. Whilst this is vital to economic growth, public transport revenue spending (such as support for bus services) also has a key role to play. A study by the American Public Transportation Association found that \$1 of public transport revenue spend generates 70% more jobs than \$1 of public transport capital spend<sup>98</sup>.

Around 4.7 billion bus trips are made in England every year, around three times the total number of trips on national rail. In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>99</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

Compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. For example, 38% of bus trips are for work<sup>100</sup> or education purposes compared to 29% of car trips<sup>101</sup>. Research has shown that if buses were not available, one in ten bus commuters would be forced to look for another job or give up work altogether<sup>102</sup>. Most other bus users would be likely to see a steep increase in their transport expenditure or the amount of time spent travelling. In a recent survey of businesses, over half considered the bus to have a role in employee recruitment and retention<sup>103</sup>.

### Case study: **npower, Sunderland**

When energy company npower relocated over 1,800 workers to new, but difficult to reach, offices in a former coal mining area between Sunderland and Durham in 2010, one of the major issues to be addressed was how staff would get to work.

In response, the company worked with Go North East to create four new bus routes for existing staff and new recruits, tailored to match shift working hours. The services were initially funded entirely by npower, but one of the routes has been so successful that it has since opened up commercially.

There are now more than 15,000 journeys per month on the services and nearly 20% of the people who work at the business park now travel by bus.

## An American study found that \$1 of public transport revenue spend generates 70% more jobs than \$1 of public transport capital spend.

As well as connecting people to employment and education, bus services provide vital links to shopping and leisure opportunities. More people access the high street by bus than by any other mode – 40% of shoppers access the high street by bus, compared with 30% by car<sup>104</sup>. Bus users in Great Britain make 1.4 billion shopping trips per year, spending an average of £30 for every return trip. This gives a total estimated retail spend of £21 billion<sup>105</sup>. The same research found that bus users also make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>106</sup>. By enabling these activities to take place, buses support the wider functioning of the economy.

Some of the most important economic benefits generated by bus networks accrue to other transport users and society at large through decongestion; reduced accidents, noise and pollution; agglomeration benefits and the stand-by value of bus networks.

Congestion in urban areas has been estimated by the Cabinet Office to cost the UK economy around £11bn a year<sup>107</sup>. In most large cities, buses carry more than a quarter of all motorised trips into city centres<sup>108</sup>. If all, or even half, those bus trips were made by car instead then city centres would literally grind to a halt. In practice, there is little spare capacity left at peak times, which means that future growth would be severely constrained.

The delays and unreliability caused by congestion add to the end cost of consumer products, reduce the productivity of businesses and employees and therefore stymie their ability to innovate and access new markets and resources. A survey of businesses put the cost of congestion at around £17k per business, per year, with 90% of businesses reporting congestion to be a problem for them<sup>109</sup>. Buses were singled out in the Eddington Transport Study as offering *'a very cost-effective way to reduce congestion and support productive labour markets.'*<sup>110</sup>

Lower congestion stimulates agglomeration economies, which bring workers, businesses and customers closer together, and generate significant productivity benefits. It is estimated that bus networks in Metropolitan areas alone generate in excess of £400m per year in agglomeration benefits<sup>111</sup>.

As urban areas grow, so does the pull of agglomeration, in turn making them more productive and increasingly attractive to businesses. Beyond a certain point, this can lead to congestion creeping up again, driving firms away. The bus widens the catchment area of economic centres, making more land available for development and unlocking space to grow.

## Case study: **Supporting growth in the Leeds City Region**

According to Metro, the strategic transport body for West Yorkshire, Leeds City Region could miss out on 22,000 potential jobs by 2026 due to worsening transport constraints, as firms would struggle to recruit from a shrinking labour pool. Local leaders have identified 33 projects which would make the greatest contribution to linking jobs and housing. This will be paid for by the West Yorkshire Plus Transport Fund, worth in excess of £1bn.

As a result of this investment, Metro expects that, by 2036, the city region will be able to accommodate around 20,000 more jobs and generate £1.3bn in annual Gross Value Added than would otherwise have been the case.

Investment in bus is a key focus for the Fund, which will see investment in a new trolleybus system, a core bus network upgrade (leading to improved journey times, increased frequencies and lower fares) and examination of new partnership or franchising options to deliver better bus services.

Support for the bus industry also contributes directly to job creation (see next section). Furthermore, the UK has also developed considerable experience and an international reputation in bus manufacturing (see page 33). Overall, the bus industry directly contributes £2.86bn to UK output through the farebox. With a total turnover in excess of £5bn, almost all of this gets further recycled into the economy through employee spending and the supply chain<sup>112</sup>.

## **BIS policy: Boosting private sector employment in England**

This policy aims to increase the number of lasting, private sector jobs by supporting the private sector to expand and ensuring that government cash delivers jobs.

### **How the bus can help**

The key mechanism used by BIS to support this policy objective is the £3.2bn Regional Growth Fund (RGF) a competitive fund operating across England, designed to create private sector jobs. Despite the Department for Transport contributing generously towards this funding pot, virtually none of the RGF money found its way to urban transport schemes. This is a considerable oversight given that investing in urban transport, including the bus, supports the expansion of the private sector and directly supports British jobs.

According to analysis by Centre for Cities<sup>113</sup>, cities concentrate 58% of all jobs in Great Britain – the vast majority of these tend to be private sector. Many also tend to be in the most productive and fast growing sectors of the economy. For example, in Leeds, the proportion of private sector jobs is 75% and the proportion of knowledge intensive jobs is 19%.

Buses are critical to ensure city centres (where the most productive jobs tend to cluster) remain accessible and are able to grow. Buses carry more than a quarter of all motorised trips into the largest city centres<sup>114</sup>. If half of these trips transferred to the car, city centres would literally grind to a halt, discouraging private sector investment and expansion.

In the worst case scenario (assuming road networks are operating roughly at capacity), if bus networks were to collapse this would lead to a 12.4% reduction in city centre jobs<sup>115</sup>. Across the six Metropolitan areas, this would equate to a loss of over 100,000 jobs, equivalent to £4.6bn per year in lost GDP. To put this into perspective, this is roughly twenty times the amount of operating subsidy which metropolitan bus networks receive as a whole.

If buses were not available, one in ten commuters would be forced to look for another job or give up work altogether<sup>116</sup>. In a recent survey of businesses, over half considered the bus to have a role in employee recruitment and retention<sup>117</sup>.

## Case study: **Buses open up job opportunities at ASOS**

ASOS is the largest online fashion store in both the UK and Europe. ASOS partnered with Unipart to manage its European distribution centre when it relocated to South Yorkshire.

ASOS Unipart began recruiting in early 2011. Teaming up with Jobcentre Plus, they sought to draw candidates from a jobseeker market of largely semi-skilled people aged 19-25 from the local area.

Initial survey data showed that more than 75% of candidates did not drive or have access to vehicles. This made it nearly impossible to get to the site, where buses were infrequent and there were no evening or Sunday services. Jobcentre Plus was finding that up to 92 potential candidates per week were unable to accept or apply for a role at ASOS.

In response, South Yorkshire PTE, in partnership with local bus operators, altered bus routes stopping at the site and adjusted and expanded timetables to match shift patterns.

Following the alterations, bus patronage on the enhanced services grew from 108 in the first week of service in late June 2011, to 831 per week in September 2011. The bulk of this increase is likely to represent people connected to jobs that they otherwise could not have reached.

Supporting the bus industry also leads directly to private sector job creation. The sector directly employs 124,000 people across Great Britain. Unlike many other parts of the economy, the bus industry is largely local in nature. Drivers and maintenance staff tend to live near their place of work and their jobs cannot easily be moved to a different region, let alone a different country.

The UK has also developed considerable expertise in bus manufacturing and there are several companies with a strong international reputation, such as Optare and WrightBus. Buses need to be replaced every 10-15 years, generating a steady stream of orders of around three to five thousand new buses every year<sup>118</sup>. Assuming two thirds of new buses are manufactured in the UK, then bus manufacturing is likely to employ around 2,000 people<sup>119</sup>. A 10% increase in bus kilometres, for example, could be expected to create 200 new full time jobs in manufacturing alone.

## BIS policy: Supporting economic growth through local enterprise partnerships and enterprise zones

This policy seeks to foster an economy driven by private sector growth, with business opportunities evenly balanced across the country and between industries. To contribute towards this goal, the Government has worked with local authorities to create local enterprise partnerships (LEPs) across the country as well as 24 Enterprise Zones. This policy is shared with DCLG who, together with the Department for Transport, has created the £730 million Growing Places Fund, used by LEPs to support infrastructure.

### How the bus can help<sup>120</sup>

The bus is a key tool that LEPs can use to support economic growth locally, in turn contributing to a healthy national economy. Compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. For example, 38% of bus trips are for work<sup>121</sup> or education purposes compared to 29% of car trips<sup>122</sup>. Metropolitan bus networks alone generate over £2.5 billion of economic benefits every year, which is around five times the level of public funding they receive.

Just over £1.3bn of total benefits accrue to passengers, who would otherwise have been unable to reach work, education and other opportunities, or who would have been faced with a steep increase in travel costs.

The remaining £1.2bn of benefits accrue to other road users and society at large, essentially through decongestion (which supports private sector growth), reduced accidents and pollution, the stand-by value of bus networks and increased economic productivity.

The bus industry also generates a considerable amount of economic activity in its own right. Overall, the industry has a turnover in excess of £5bn, the majority of which is ploughed back into local economies through the supply chain and consumption expenditure by staff.

The establishment of the Growing Places fund is a positive recognition of the power of transport to open up local economic growth. Buses play a key role in connecting businesses to employees and customers.

### Case study: **Connecting communities with Manchester Airport and Enterprise Zone**

A key employer for the residents of Wythenshawe in Manchester is Manchester Airport. Many of the jobs available cover unconventional working hours and it is vital that residents of this deprived area are able to take them up.

In response, Transport for Greater Manchester began providing a 'Local Link' bus service between 3am and 5.30am to cater for airport workers on early shifts or night workers returning home. The service takes people from door-to-door and is booked in advance. In May 2013, the service was extended to cover 24 hours a day, not only to the airport but also to the wider Manchester Enterprise Zone.

## Case study: **Cobalt Business Park, North Tyneside<sup>123</sup>**

Cobalt Business Park in North Tyneside is the UK's largest office park, including businesses such as Orange, Procter and Gamble, Balfour Beatty and Formica. The park has a recruitment catchment of over 1.1 million people. Some 600 bus services come through the park daily, connecting to over 40 residential destinations and helping to open up the local labour pool.

*"The bus services in and around Cobalt Business Park have helped retain our staff as well as helped with staff recruitment. Without the services many of our employees wouldn't be able to get to work, they are crucial to Formica in this respect and they have helped transform accessibility to the Park".*

*Richard Pollington, European President at Formica Ltd*

*"I think it would be very difficult to create a business park of this size without having a bus provision – it's part of the package of sustainable transport".*

*Lynne Cramman, Travel Coordinator for Cobalt Business Park*

## **BIS policy: Widening participation in higher education**

This policy is intended to ensure that higher education should be accessible to anyone with the ability, whatever their economic or social background. The government wants to get more young people from disadvantaged backgrounds into higher education.

### **How the bus can help**

Affordable and available bus services mean that students have more choice about where to study and can base their decisions primarily on the courses available, and the quality of the establishment, rather than the costs of getting there.

Accessibility is likely to be a key determinant of whether the poorest young people choose to continue in education and go on to university. According to figures from the Higher Education Statistics Agency, over a quarter of Merseyside residents who go on to Higher Education choose to remain in the local area.

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The Department for Communities and Local Government (DCLG) aims to move decision-making power from central government to local councils. In so doing, the Department hopes to help put communities in charge of planning, increase accountability and help citizens see how their money is being spent.

**At the time of writing, DCLG activity is guided by 23 key policies. Investing in the bus can contribute to the achievement of nine of these policy goals.**

## **How the bus can help DCLG – at a glance**

### **1. Making sure Council Tax payers get good value for money:**

The national travel concession for older and disabled people generates £1.50 of benefits for every £1 of public money spent<sup>124</sup>. Local government spending to support non-commercial bus services can generate benefits in excess of £3 for every £1 of public money spent<sup>125</sup>.

### **2. Improving the energy efficiency of buildings and using planning to protect the environment:**

Bus infrastructure can be designed or retrofitted to maximise energy efficiency. Planning which connects developments to bus networks and promotes their use helps to reduce car dependence and negative impacts on the environment.

### **3. Increasing the number of available homes:**

The bus plays a key role in expanding the supply of accessible land for housing and other developments, as well as in raising the value of existing real estate.

### **4. Bringing people together in strong, united communities:**

The bus reduces traffic volumes creating liveable streets which promote a sense of community.

### **5. Provide housing support for older and vulnerable people:**

Good bus services enable older and vulnerable people to retain their independence and stay active, reducing the need for housing support and care.

### **6. Boosting private sector employment in England:**

Buses are critical to ensure that city centres remain accessible and attractive for job creation and retention. They also play a key role in connecting otherwise isolated communities to employment. The UK bus industry itself is a major source of employment for thousands of people and enjoys a growing international reputation for high quality manufacturing.

### **7. Support economic growth through local enterprise partnerships and enterprise zones:**

Metropolitan bus networks alone generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>126</sup>. The bus plays a key role in opening up local economic growth through connecting people and businesses to opportunities, reducing congestion and increasing economic productivity.

## 8. Improve high streets and town centres:

More people access the high street by bus than by any other mode bringing a combined retail and leisure spend of £27.2bn<sup>127</sup>.

## 9. Making the planning system work more efficiently and effectively:

Ensuring bus connections are fully integrated with planning processes from the earliest stages helps to prevent extra costs and delays to the development process and ensures that, on completion, those developments will be accessible to as many people as possible, increasing their likelihood of success.

More detail on each of these DCLG policy goals, and how the bus can help in their achievement, is provided below.

## DCLG policy: Making sure Council Tax payers get good value for money

This DCLG policy is aimed at helping Council Tax payers to reduce their living expenses and get good value for money from their councils.

### How the bus can help

All local transport authorities are funded by a combination of local council tax and grants from national Government. In PTE areas, a significant proportion of transport spending is invested in local bus services, including: planning and funding socially necessary bus routes; working with bus operators to improve services; running concessionary travel schemes; investing in, managing and maintaining bus interchanges, stops and shelters; promoting bus use; and providing impartial and comprehensive travel information to passengers.

This spending on bus represents excellent value for money for Council Tax payers.

Compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. For example, 38% of bus trips are for work<sup>128</sup> or education purposes compared to 29% of car trips<sup>129</sup>.

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>130</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

The bus industry itself has a turnover in excess of £5bn nationally. Much of this is ploughed back into regional and local economies through the supply chain and consumption expenditure by staff<sup>131</sup>.

Furthermore, the bus is a unique and effective tool of social policy. Vulnerable and socially disadvantaged groups in society are most reliant on bus networks, this includes low income households; young people in education, or trying to enter the job market; older people; disabled people; jobseekers; and women.

Bus services are key to providing access to opportunity including providing jobseekers with access to work; young people to education and training; and providing a way out of social isolation for older and disabled people.

Unlike for most other forms of government funding for measures which have a social dimension, public support for buses generates a significant proportion of benefits which accrue to other road users and society at large, as well as to the users themselves. Buses also have low marginal costs and are disproportionately used by the most vulnerable groups in society.

Key forms of local government support for bus services have been found to generate significant benefits<sup>132</sup>.

The national travel concession for older and disabled people generates £1.50 of benefits for every £1 of public money spent. A proportion of these benefits accrue to other transport users and society at large as well as to those who benefit directly from the concession.

Local government expenditure to support non-commercial bus services can generate benefits in excess of £3 for every £1 of public money spent. Most of these benefits accrue to bus users who would not otherwise have been able to access opportunities or who would have seen a steep increase in their transport expenditure.

## CLG policy: Improving the energy efficiency of buildings and using planning to protect the environment

This DCLG policy sets out to ensure planning policy protects and improves the natural and built environment. The main policy tool is the National Planning Policy Framework which explains how developments should be planned to reduce carbon emissions and protect the environment.

### How the bus can help

Integration of transport from the earliest stages of land-use planning can ensure that all new developments are connected to existing public transport networks and benefit from good cycling and walking connections. Well-planned developments avoid the need for unnecessary trips – and carbon – and lead to greater use of low carbon modes of travel, such as the bus.

Travelling by bus, rather than by car, helps to reduce carbon emissions and protect the natural environment:

- Each double decker bus can take 75 cars off the road, reducing congestion and improving air quality<sup>133</sup>.
- If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>134</sup>.
- The best used bus services in urban centres may be reducing carbon emissions from road transport by as much as 75%<sup>135</sup>.

The National Planning Policy Framework states that travel plans, transport assessments and statements should be established at the earliest practicable stage of a development proposal and that they are to be brought forward through collaborative working with transport authorities and other transport stakeholders. These recommendations are welcome. However, land-use planning decisions are still frequently made with little consideration for how people might get around without the use of a car.

Poorly connected developments can mean that those without access to a vehicle find themselves prevented from accessing key facilities (particularly given trends towards greater centralisation of public services) or forced into car ownership that they may be unable to afford. Those with a vehicle will make more trips using it than perhaps they would have done if public transport was available, generating greater carbon emissions and contributing towards congestion.

Research for **pteg** by Transport for Quality of Life into integrated land use and transport planning in the UK and beyond found that *the evidence leads to one compelling conclusion: where sustainability of transport is an integral consideration in the land use planning process, non-car modes of travel become dominant, but where development proceeds without due regard to transport considerations then car dependence is the outcome.*<sup>136</sup>

The report recommends three 'golden rules'<sup>137</sup> for future planning policy:

- All major development should be public transport centred.
- All major development should aim to achieve a design where car journeys are a minority of mode share.
- Development should primarily occur as infill, or at least adjacent to major centres.

Once bus (or other public transport) networks are in place, local transport authorities work to ensure that those living or working there - or those who will use the new development – are aware of the services that exist and are incentivised to use them. The potential to influence travel behaviour when people move house, for example, is known to be large. One study, for example, found that 28% of people moving house changed their mode of travel to work, rising to 45% for those changing workplaces at the same time<sup>138</sup>. Ensuring bus services are in place, and are promoted, at these times of transition helps minimise the negative impact of new developments on carbon emissions and the environment.

## Case study: **Free public transport for residents of new property developments**

In West Yorkshire, the transport authority (Metro) has developed the Residential MetroCard. The scheme aims to help property developers mitigate the traffic generation from new residential developments by encouraging residents to use public transport from the very start.

The scheme offers residents a free one year MetroCard in the first year, allowing virtually unlimited bus and rail travel throughout West Yorkshire. After the first year, residents benefit from a minimum 25% discount on purchasing a bus and rail MetroCard in the second year and a minimum 10% discount in the third year.

Participation in the Residential MetroCard Scheme is included as part of the planning consent for selected new property developments. Developer contributions are used to pay for the tickets in the first year and to cover the administration and marketing of the scheme on site.

In respect of DCLG's goal to improve the energy efficiency of buildings, PTEs have been at the forefront of developing green and efficient bus infrastructure that protects the environment.

## Case study: **Rochdale Interchange<sup>139</sup>**

Rochdale Interchange is the first UK public transport to be powered by integrated renewable hydroelectricity, using water from the nearby river Roch to turn an Archimedean screw which generates electricity for the interchange. The scheme generates enough electricity to meet approximately one third of the energy demand of the site.

## Case study: **LED lighting and solar panels for South Yorkshire bus infrastructure**

South Yorkshire PTE (SYPTe) is converting its 3,441 bus shelters to energy-saving LED lighting, saving over £150,000 and 400 tonnes of CO<sub>2</sub> per year<sup>140</sup>. Before conversion to LED lighting, bus shelter lighting bills accounted for a third of SYPTe's total electricity costs<sup>141</sup>. SYPTe aims to reduce its carbon footprint by 40% over the next three years and estimates that the LED tubes will reduce energy consumption by 61%.

The PTE is also adding solar panels to Sheffield Interchange, the city's main bus station. The panels will generate enough energy to power the equivalent of four households, significantly reducing carbon emissions and saving around £4,000 a year<sup>142</sup>.

## **DCLG policy: Increasing the number of available homes**

This policy recognises that, for decades, there have not been enough homes to meet the needs of our growing and ageing population. To begin to rectify this, the government is keen for builders, investors and local councils to increase the supply of new-builds and repurposed empty homes.

### **How the bus can help**

The bus plays a key role in expanding the supply of accessible land for housing and other developments, as well as in raising the value of existing real estate.

Households want to be within reach of a large variety of job opportunities, but also close enough to environmental amenities. It is also likely that the demand for environmental amenities and desired house size will increase over time as income grows. Under these conditions, it is easy to see that there is a finite amount of housing growth which a given area can sustain.

This is where bus services can help. Buses widen the catchment area of economic centres, making more land available for house building and making those developments attractive to potential residents by keeping them within easy reach of jobs and amenities.

## **DCLG policy: Bringing people together in strong, united communities**

This DCLG policy aims to create more integrated communities and the conditions for everyone to live and work successfully alongside each other.

### **How the bus can help**

DCLG activity under this policy focuses primarily on building communities where people from different faiths, cultures and backgrounds are united. Liveable streets have a key role to play in creating a sense of community and enabling people to interact with one another.

Streets with high volumes of traffic and/or high traffic speeds discourage interaction and can result in community severance – where people cannot get to the goods, services or people they want to. Notably, it reduces the number of people that local residents meet in their everyday lives. This phenomenon was demonstrated in a seminal study by Appleyard and Lintell of residents of three urban streets in San Francisco which found that the more traffic there was on a street, the fewer social contacts existed between residents<sup>143</sup>.

Each double decker bus can take 75 cars off the road and out of communities<sup>144</sup>. Greater use of public transport, walking and cycling can reduce traffic on our streets and promote greater opportunities for people to encounter one another, build relationships and foster a greater sense of community.

## **DCLG policy: Providing housing support for older and vulnerable people**

According to DCLG, older people occupy nearly a third of all homes and account for a large proportion (60%) of the projected increase in household numbers from 2008 to 2033. This policy recognises that people's housing needs change as they get older and that some people need support to be able to continue living in their own homes.

### **How the bus can help**

Good bus services can enable older and vulnerable people to retain their independence and stay active, meaning that they can continue living in their own homes for longer.

Free off-peak bus travel for older and disabled people, accessible bus services and door-to-door or Ring and Ride buses support people to independently access shops, services and activities. Furthermore, they mean that vulnerable people can simply get out of the house and see other people, something that can make a big difference to a person's wellbeing and likelihood of maintaining independence. The relationships built in this way can also act as a valuable support network, on hand to assist people to continue living in their own homes.

### **Case study: Ring and Ride and independent living**

Analysis by accountants Grant Thornton identified that just one Ring and Ride bus service, funded by Centro in the West Midlands, serving 31,000 active registered blind and disabled users has a big impact on people's ability to live independently.

Grant Thornton found that the service meant that users were less likely to need care, home help and meals on wheels, contributing to savings of between £13.4m and £58.5m<sup>145</sup>.

All PTEs support similar Ring and Ride or door-to-door bus services, likely to result in millions of pounds worth of savings for the health and social care sectors each year and helping people to continue to live in their own homes.

**Good bus services can enable older and vulnerable people to retain their independence and stay active, meaning that they can continue living in their own homes for longer.**

## DCLG policy: Boosting private sector employment in England

This policy aims to increase the number of lasting, private sector jobs by supporting the private sector to expand and ensuring that government cash delivers jobs.

### How the bus can help

The key mechanism used by DCLG to support this policy objective is the £3.2bn Regional Growth Fund (RGF) - a competitive fund operating across England, designed to create private sector jobs. Despite the Department for Transport contributing generously towards this funding pot, virtually none of the RGF money found its way to urban transport schemes. This is a considerable oversight given that investing in urban transport, including the bus, supports the expansion of the private sector and directly supports British jobs.

According to analysis by Centre for Cities<sup>146</sup>, cities concentrate 58% of all jobs in Great Britain – the vast majority of these tend to be private sector. Many also tend to be in the most productive and fast growing sectors of the economy. For example, in Leeds, the proportion of private sector jobs is 75% and the proportion of knowledge intensive jobs is 19%.

Buses are critical to ensure city centres (where the most productive jobs tend to cluster) remain accessible and are able to grow. Buses carry more than a quarter of all motorised trips into the largest city centres<sup>147</sup>. If half of these trips transferred to the car, city centres would literally grind to a halt, discouraging private sector investment and expansion.

In the worst case scenario (assuming road networks are operating roughly at capacity), if bus networks were to collapse this would lead to a 12.4% reduction in city centre jobs<sup>148</sup>. Across the six Metropolitan areas, this would equate to a loss of over 100,000 jobs, equivalent to £4.6bn per year in lost GDP. To put this into perspective, this is roughly twenty times the amount of operating subsidy which metropolitan bus networks receive as a whole.

If buses were not available, one in ten commuters would be forced to look for another job or give up work altogether<sup>149</sup>. In a recent survey of businesses, over half considered the bus to have a role in employee recruitment and retention<sup>150</sup>.

**If buses were not available, one in ten commuters would be forced to look for another job or give up work altogether.**

**75%** of job candidates did not drive or have access to vehicles.

## Case study: **Buses open up job opportunities at ASOS**

ASOS is the largest online fashion store in both the UK and Europe. ASOS partnered with Unipart to manage its European distribution centre when it relocated to South Yorkshire.

ASOS Unipart began recruiting in early 2011. Teaming up with Jobcentre Plus, they sought to draw candidates from a jobseeker market of largely semi-skilled people aged 19-25 from the local area.

Initial survey data showed that more than 75% of candidates did not drive or have access to vehicles. This made it nearly impossible to get to the site, where buses were infrequent and there were no evening or Sunday services. Jobcentre Plus was finding that up to 92 potential candidates per week were unable to accept or apply for a role at ASOS.

In response, South Yorkshire PTE, in partnership with local bus operators, altered bus routes stopping at the site and adjusted and expanded timetables to match shift patterns.

Following the alterations, bus patronage on the enhanced services grew from 108 in the first week of service in late June 2011, to 831 per week in September 2011. The bulk of this increase is likely to represent people connected to jobs that they otherwise could not have reached.

Supporting the bus industry also leads directly to private sector job creation. The sector directly employs 124,000 people across Great Britain. Unlike many other parts of the economy, the bus industry is largely local in nature. Drivers and maintenance staff tend to live near their place of work and their jobs cannot easily be moved to a different region, let alone a different country.

The UK has also developed considerable expertise in bus manufacturing and there are several companies with a strong international reputation, such as Optare and WrightBus. Buses need to be replaced every 10-15 years, generating a steady stream of orders of around three to five thousand new buses every year<sup>151</sup>. Assuming two thirds of new buses are manufactured in the UK, then bus manufacturing is likely to employ around 2,000 people<sup>152</sup>. A 10% increase in bus kilometres, for example, could be expected to create 200 new full time jobs in manufacturing alone.

## DCLG policy: Supporting economic growth through local enterprise partnerships and enterprise zones

This policy seeks to foster an economy driven by private sector growth, with business opportunities evenly balanced across the country and between industries. To contribute towards this goal, the Government has worked with local authorities to create local enterprise partnerships (LEPs) across the country as well as 24 Enterprise Zones. Together with the Department for Transport, DCLG has also created the £730 million Growing Places Fund, used by LEPs to support infrastructure.

### How the bus can help<sup>153</sup>

The bus is a key tool that LEPs can use to support economic growth locally, in turn contributing to a healthy national economy. Compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. For example, 38% of bus trips are for work<sup>154</sup> or education purposes compared to 29% of car trips<sup>155</sup>. Metropolitan bus networks alone generate over £2.5 billion of economic benefits every year, which is around five times the level of public funding they receive.

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The remaining £1.2bn of benefits accrue to other road users and society at large, essentially through decongestion (which supports private sector growth), reduced accidents and pollution, the stand-by value of bus networks and increased economic productivity.

The bus industry also generates a considerable amount of economic activity in its own right. Overall, the industry has a turnover in excess of £5bn, the majority of which is ploughed back into local economies through the supply chain and consumption expenditure by staff.

The establishment of the Growing Places fund is a positive recognition of the power of transport to open up local economic growth. Buses play a key role in connecting businesses to employees and customers.

**Metropolitan bus networks alone generate over £2.5bn of economic benefits every year - around five times the level of public funding they receive.**

## Case study: **Cobalt Business Park, North Tyneside<sup>156</sup>**

Cobalt Business Park in North Tyneside is the UK's largest office park, including businesses such as Orange, Proctor and Gamble, Balfour Beatty and Formica. The park has a recruitment catchment of over 1.1 million people. Some 600 bus services come through the park daily, connecting to over 40 residential destinations and helping to open up the local labour pool.

*"The bus services in and around Cobalt Business Park have helped retain our staff as well as helped with staff recruitment. Without the services many of our employees wouldn't be able to get to work, they are crucial to Formica in this respect and they have helped transform accessibility to the Park".*

*Richard Pollington, European President at Formica Ltd*

*"I think it would be very difficult to create a business park of this size without having a bus provision – it's part of the package of sustainable transport".*

*Lynne Cramman, Travel Coordinator for Cobalt Business Park*

## Case study: **npower, Sunderland**

When energy company npower relocated over 1,800 workers to new, but difficult to reach, offices in a former coal mining area between Sunderland and Durham in 2010, one of the major issues to be addressed was how staff would get to work.

In response, the company worked with Go North East to create four new bus routes for existing staff and new recruits, tailored to match shift working hours. The services were initially funded entirely by npower, but one of the routes has been so successful that it has since opened up commercially.

There are now more than 15,000 journeys per month on the services and nearly 20% of the people who work at the business park now travel by bus.

## Case study: **Connecting communities with Manchester Airport and Enterprise Zone**

A key employer for the residents of Wythenshawe in Manchester is Manchester Airport. Many of the jobs available cover unconventional working hours and it is vital that residents of this deprived area are able to take them up.

In response, Transport for Greater Manchester began providing a 'Local Link' bus service between 3am and 5.30am to cater for airport workers on early shifts or night workers returning home. The service takes people from door-to-door and is booked in advance. In May 2013, the service was extended to cover 24 hours a day, not only to the airport but also to the wider Manchester Enterprise Zone.

## DCLG policy: Improving high streets and town centres

This policy recognises high streets and town centres as hubs of social interaction and cohesion, as well as providers of local jobs. It aims to support this role as well as address the challenges high streets and town centres face from out-of-town shopping centres and the growth of online and mobile retailing.

DCLG's vision is for high streets and town centres to be destinations for socialising, culture, health, wellbeing, creativity and learning.

### How the bus can help

More people access the high street by bus than by any other mode – 40% of shoppers access the high street by bus, compared with 30% by car<sup>157</sup>. Bus users in Great Britain make 1.4 billion shopping trips per year, spending an average of £30 for every return trip. This gives a total estimated retail spend of £21 billion<sup>158</sup>. The same research found that bus users also make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>159</sup>.

A key influence on DCLG policy towards high streets has been the Government commissioned Portas Review into the future of high streets<sup>160</sup>. Despite the key role of the bus in maintaining and reinvigorating high streets, the Portas Review contains just three references to the bus. Of the three references to the bus, two relate to the damage done to high streets by free buses to out-of-town shopping centres and one notes that the bus will be important in light of an ageing population. Public transport receives similar treatment – mentioned once in relation to out-of-town shopping and once in relation to older people. In fact, across all age groups, 17-20 year olds make the most bus trips each year (111 trips per person per year, compared to 70 trips for 60-69 year olds and 61 trips across all age groups).

In contrast to the bus, the Portas Review contains 15 references to the car and 39 references to car parking. Indeed, the section on access to town centres focuses entirely on making access to town centres easier for car drivers and suggests implementing free controlled parking and a new parking league table. The Government has responded by taking steps to encourage local authorities to reduce parking charges and changing planning rules to allow councils to provide more town centre parking spaces.

As the statistics above demonstrate, it is in fact the bus – more than the car – that is an intrinsic part of the way people shop. More shoppers access the high street by bus than by car and the retail and leisure spend by bus users is £27.2 billion, the majority of which is spent in town and city centres<sup>161</sup>.

Bus services help to sustain high streets and town centres, but they also make them more attractive destinations by cutting congestion. Just 13 buses can carry as many passengers as 300 cars but take up much less road space<sup>162</sup>. A survey by the British Chambers of Commerce found that local road congestion is a problem for 85% of businesses and a significant problem for 45%<sup>163</sup>. By moving more people within the space available, the bus allows high streets and town centres to grow while preserving their attractiveness to investors and offering a good quality of life to residents.

## More people access the high street by bus than by any other mode.

## **DCLG policy: Making the planning system work more efficiently and effectively**

This policy seeks to ensure that planning rules or poorly managed planning processes do not unnecessarily prevent or delay development.

### **How the bus can help**

To work effectively, land use planning must be integrated with transport planning. The National Planning Policy Framework states that travel plans, transport assessments and statements should be established at the earliest practicable stage of a development proposal and that they are to be brought forward through collaborative working with transport authorities and other transport stakeholders. These recommendations are welcome. However, land use planning decisions continue to be made with little consideration for how people will reach new developments without a car.

Filling in gaps in public transport networks retrospectively or at a late stage is costly, can delay developments and affect their viability. These problems can be avoided if transport connections are considered and planned in from the outset. The project described below has been successful in facilitating this process.

### **Case study: South Yorkshire Land Use and Transport Integration (SY LUTI) project**

In South Yorkshire, close partnership working between the PTE (SYPTe) and the South Yorkshire districts through the SY LUTI project has helped to ensure that new developments are prioritised around existing public transport corridors and that any poorly connected sites are outlined as requiring developer contributions towards public transport services. The work has been welcomed on a city region basis, with partners outside of South Yorkshire now requesting LUTI modelling.

The more accessible we can make development sites by a range of transport modes, the more likely it is that people will want to work, shop and live in those environments and the more successful those developments will be.

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The Department for Culture, Media and Sport (DCMS) is tasked with helping to make Britain *‘the world’s most creative and exciting place to live, visit and do business’*<sup>164</sup>.

**At the time of writing, DCMS activity is guided by 16 policies. Investing in the bus can contribute to the achievement of five of these policy goals.**

## **How the bus can help DCMS – at a glance**

### **1. Creating a lasting legacy from the 2012 Olympic and Paralympic Games:**

The bus can assist in enabling people to incorporate physical activity into their daily lives. Simply walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot and can provide up to half of the recommended daily level of exercise<sup>165</sup>.

### **2. Getting more people playing sport:**

Available and affordable bus services connect people to opportunities to participate in sport, regardless of their economic or social background.

### **3. Supporting vibrant and sustainable arts and culture:**

Affordable and available bus services help to connect people to arts and cultural activities, regardless of their social or economic background. Commissioning art work in and around public transport infrastructure reaches large numbers of people and incorporates arts and culture into everyday life.

### **4. Creating a fairer and more equal society:**

The bus helps ensure that everybody, regardless of their background, can access the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

### **5. Helping the UK tourism industry to grow:**

The bus can bring visitors in to tourist hotspots and enable them to explore in a way that is affordable and minimises congestion. Bus users make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>166</sup>.

More detail on each of these DCMS policy goals, and how the bus can help in their achievement, is provided below.

## DCMS policy: Creating a lasting legacy from the 2012 Olympic and Paralympic Games

This policy aims to create a lasting economic, sporting and cultural legacy to benefit the whole country.

### How the bus can help

It is envisaged that one of the key Olympic and Paralympic legacies will be to *'transform people's relationship with physical activity, including sport, whatever their age, background or ability.'*<sup>167</sup> The bus can assist in enabling people to incorporate physical activity into their daily lives.

Transport is among the key issues determining whether a person leads a healthy lifestyle. Walking, cycling and public transport offer an alternative to the sedentary lifestyles that cars encourage. They are also among the cheapest, most accessible ways of encouraging physical activity. It is something that people are easily able to incorporate into their daily routines, meaning they are more likely to keep up the habit.

The role of the bus in particular in promoting physical activity can often go unrecognised, however, walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot. The bus does not usually provide a door-to-door service, meaning that a walking or cycling trip at either end will normally be required.

An American study<sup>168</sup> found that people who use public transport spend a median of 19 minutes daily walking to and from public transport. Some 29% of people achieved the required 30 minutes or more daily physical activity solely by walking to and from public transport. People in low income households, minority groups and high-density urban areas were particularly likely to spend 30 minutes or more walking to and from public transport.

Similar results have been observed in the UK. A study by Mindlab<sup>169</sup> found that walking as part of a return trip by bus provided up to half the recommended daily level of exercise. Study participants walked an average of 1.3km (taking around 15 minutes) when taking a return journey by bus, 2.5 times more than when taking the same journey by car.

Research has also been conducted into the impact free concessionary bus travel has on levels of physical activity with the results showing that it results in more trips and more active travel:

- Research by Imperial College London<sup>170</sup> found that people with a free bus pass are more likely to walk frequently and take more 'active travel' journeys.
- A longitudinal study<sup>171</sup> of 9,000 people in England found that free bus passes for older people had increased their public transport use and that older people who used public transport had reduced odds of being obese compared with those who did not. It found that those who used public transport, or took advantage of free bus travel, were 25% less likely to be obese in 2008 than those who did not.
- Research into the health impacts of free bus travel for young people in London found that it generated extra walking journeys that either would not have otherwise been undertaken, or would have been carried out as a car passenger<sup>172</sup>.

## Transport is among the key issues determining whether a person leads a healthy lifestyle.

## DCMS policy: Getting more people playing sport

In recognition of its benefits to health and communities, DCMS wants to get more people playing sport from a young age and keep them playing throughout their life, regardless of their economic or social background.

### How the bus can help

The bus connects people to opportunities to participate in sport, regardless of their economic or social background. A quarter of all households do not have access to a car or van, rising to almost half for families on the lowest real income levels<sup>173</sup>. The bus is vital in enabling these households to access sporting activities.

To do so, it must run between the right places at the right times and it must be affordable. Evidence suggests, for example, that without affordable and available bus services, young people are limited in their ability to take part in positive activities after school, including sport.

**My eldest would like to do after school netball, but there aren't any buses that come near our house at the time she would be leaving, so she can't do it.**

*Cath, parent of two children<sup>174</sup>*

The cost of bus fares can also present a barrier to participation. When child fares had to rise by 20p in Greater Manchester due, in part, to the increasing cost of providing free travel for older and disabled people, research among parents<sup>175</sup> found that, as a result, they were restricting the journeys that their children made, particularly those falling outside of school hours, such as sports. The following quotes from parents, gathered as part of the research, illustrate the impact:

**It's reduced the activities she can participate in over weekends and evenings after school**

**Pocket money no longer stretches as far, limiting some activities**

**I've had to refuse some activities because I just can't afford the cost and also pay for travel to school**

Available and affordable bus services have the potential to help equalise access to positive activities for people of all ages and from all backgrounds.

**For the local sports centre near me... we've got to get a bus to it. So my brothers do that, and my Mum takes my sister because they have like that little baby club thing there. So if a bus, the price went up, my Mum probably wouldn't take my sister to the little clubs where she can meet other little kids. And my brothers probably wouldn't go to the gym at all.**

*Young person, 15-16 years old, London<sup>176</sup>*

Bus tickets and smartcards also act as discount vouchers to incentivise the use of sports and leisure facilities in some areas.

## Case study: **Nottingham CityCard**

Provided by Nottingham City Council, the Nottingham CityCard offers discounted travel on public transport and access to libraries and leisure activities across the city. The Citycard automatically saves Nottingham residents up to 5% on most activities at city leisure centres<sup>177</sup>.

The CityCard also unlocks special offers from local businesses. At the time of writing, these offers included three free Korfball training sessions; 10% off scuba diving courses; free aikido lesson; free tickets for tobogganing at a ski and snowboard centre; and 10% off sportswear and equipment.

## DCMS policy: Supporting vibrant and sustainable arts and culture

Amongst the aims behind this policy is to ensure that everyone can experience and take part in arts and cultural activities, whatever their social or economic background.

### How the bus can help

As with enabling more people to access sporting activity, affordable and available bus services help to connect people to arts and cultural activities, regardless of their social or economic background.

Without bus services, people without access to a car can find themselves cut off from opportunities to experience, and participate in, arts and culture. The quotes and examples below from people living in areas experiencing severe cuts to bus services help to illustrate this point and show how people at the younger and older ends of the age spectrum can be particularly vulnerable to exclusion.

**There's been quite a few times where my friends have said do you want to go to the cinema and I can't get there and back so I can't go. It doesn't sound like a big deal but if all your friends are going, you want to go, especially when you're 17/18 – you want to go out and do things.**

*Anna, 17 years old, Southampton<sup>178</sup>*

**I desperately want to join a choir but I can't because there's no way of getting to one – I don't feel like I could justify spending money on taxi journeys to get to choir practice, when there are other, more vital journeys I am having to find money for, like visiting the doctor. It takes up quite a lot of my pension.**

*Cy, 68 years old<sup>179</sup>*

PTEs provide impartial information to help people to access arts and cultural attractions using public transport. For example, Merseytravel's 'Merseyside Events' web page<sup>180</sup> lists upcoming sports and cultural events such as Southport Jazz Festival and LightNight together with 'how to get there' information.

PTEs also commission artwork to increase people's exposure to the arts and enhance their journey experience. Installing artworks within public transport infrastructure, such as bus stations, is a great way to reach large numbers of people and incorporate arts and culture into everyday life.

## Case study: **Nexus Bus Station Sonata<sup>181</sup> and Art on Transport programme**

Musician Andy Jackson set up a piano in the middle of the busy Haymarket bus station in Newcastle (which is used by three million people a year) and invited passers-by to step forward and help him play Beethoven's Moonlight Sonata – with each supplying one or two notes at a time. The event was edited into an almost seamless performance by video artist Anton Hecht and has since become a YouTube hit<sup>182</sup>. Anton said at the time:

*'I hadn't really imagined how excited the commuters would be to get involved, and to chat about their own experience with music while taking part...it is a truly communal playing experience.'*

The Bus Station Sonata was made possible by Nexus (Tyne and Wear PTE), which hired the piano through its Art on Transport programme, with grant support from Arts Council England and FACT, the Foundation of Art and Creativity.

Nexus's Art on Transport programme<sup>183</sup> has so far seen 38 pieces of permanent art installed in public transport infrastructure across Tyne and Wear ranging from pieces designed by local communities to work by internationally acclaimed artists. An art student's giant image of a peacock, for example, welcomes passengers to Gateshead Interchange, one of the busiest bus stations in the North East<sup>184</sup>.

## Case study: **Merseytravel Public Art Strategy and Percent for Art<sup>185</sup>**

Merseytravel (Merseyside PTE) has had a Public Art Strategy in place since 2005. Since Liverpool's success as European Capital of Culture in 2008, the PTE believes that it is important to continue to reflect this legacy through the public transport network.

Since the original 2005 strategy, Merseytravel has been committed to 'Percent for Art' – an internationally held concept of using one percent of the capital cost of developments to incorporate works of art or craft.

**Without bus services, people without access to a car can find themselves cut off from opportunities to experience, and participate in, arts and culture.**

## DCMS policy: Creating a fairer and more equal society

This policy sees DCMS working towards a fairer society by improving equality and reducing discrimination and disadvantage for all, at work, in public and political life, and in people's life chances.

### How the bus can help

Public transport, and the bus in particular, has a key role to play in improving social mobility and creating a fairer society. The bus helps to ensure that everybody, regardless of their background, can access the opportunities they need to move forwards in their lives.

If bus services are (and are perceived to be) available, accessible, affordable and acceptable to users, they can connect people to the jobs, education and activities that help them to improve their long term prospects. This contributes to the government's goal of creating a socially mobile society where no one is prevented from achieving their potential. Something as simple as a lack of transport can leave people stranded and cut off from the opportunities to which everyone should be entitled.

Bus networks tend to be of greatest service to those groups in society who are most vulnerable to exclusion:

- **Young people** for whom public transport is a prime means of getting around independently, particularly where a journey is not suitable for walking and cycling. Young people are among the biggest users of bus services<sup>186</sup>.
- **Older people** – who may no longer be fit, or feel able, to drive or to afford to run a car. Bus use declines after the age of around 20 but increases again as people enter their 60s<sup>187</sup>.
- **People from non-White ethnic groups** who are more likely to live in households without access to a car or van. For example, 19% of White adults live in households without a car or van, compared to 29% of Asian/Asian British adults and 41% of Black/African/Caribbean/Black British adults<sup>188</sup>.
- **Disabled people** who are less likely to have access to a car, and more likely to use bus services than non-disabled people<sup>189</sup>.
- **Women** who are less likely hold a full driving licence<sup>190</sup> and more likely to use the bus than men<sup>191</sup>.
- **Low income households** – around half of households on the lowest real income quintile do not have access to a car<sup>192</sup>.
- **Jobseekers** – 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>193</sup>.

The bus is a unique and effective tool of social policy because it is intrinsically targeted at those groups who are most in need of support without resort to complicated means-testing arrangements.

The increased access to opportunities which bus networks provide can make a powerful contribution to greater equality and fairness. Of the £2.5 billion in economic benefits generated by bus networks around £1.3 billion reflect user benefits from access to jobs, education, shopping and leisure opportunities.<sup>194</sup>

**The bus helps to ensure that everybody, regardless of their background, can access the opportunities they need to move forwards in their lives.**

## DCMS policy: Helping the UK tourism industry to grow

This policy aims to help UK tourism to grow and inspire more people to visit and explore more parts of Britain.

### How the bus can help

The bus can bring visitors in to tourist hotspots and enable them to explore in a way that is affordable and minimises congestion.

Bus users make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>195</sup>. The majority spending by visitors arriving by bus is on shopping, food and drink<sup>196</sup>. Much of this would be spent in local businesses, which in turn use local suppliers and employees, increasing the value of spending to communities.

Research among over 1,000 bus passengers visiting nine rural areas of England and Wales found that two thirds would not have visited the area if the bus service was not available and that 62% of their spending would have been lost<sup>197</sup>. Bus passengers on 'Dalesbus' services in Yorkshire, for example, have been estimated to contribute £5.7 million in spend per year to the local economy, of which £2.8 million would be lost if the service did not exist<sup>198</sup>.

PTEs often provide bus ticketing products aimed at the visitor market and boosting tourism, for example:

- Metro in West Yorkshire offers 'Dales Rover' tickets offering unlimited travel on most DalesBus Services on Sundays and Bank Holidays. Every paying adult can take two children for free.
- Merseytravel offer a money-saving combined ticket for Chester Zoo including return rail and bus travel and entry to the Zoo.

By encouraging visitors to use the bus rather than the car, these tickets help to reduce road traffic congestion and parking problems that can blight tourist hotspots.

According to National Parks England (NPE), up to 96% of visitors arriving in England's National Parks arrive by car<sup>199</sup>. NPE state that *'This level of private car usage can detract from the special qualities of national parks, and the very experience which visitors are seeking'*<sup>200</sup>. Providing attractive bus alternatives can make a significant impact on levels of car use in tourist areas.

### Case study: The New Forest Tour

The New Forest National Park Authority has attempted to change the way in which visitors access the National Park by introducing the 'New Forest Tour' bus network, which enables residents and visitors to explore the whole of the national park, car-free. They estimate that the bus network has saved 147,000 private car miles<sup>201</sup>. The service is now so successful that it has become one of the few rural recreational bus services to be self-funding and has been able to extend its normal operating periods<sup>202</sup>.

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The Department for Education (DfE) is responsible for education and children's services in England. Their work aims to achieve a highly educated society with equal opportunities for all children and young people, no matter what their background or family circumstances.

**At the time of writing, DfE activity is guided by 19 key policies. Investing in the bus can contribute to the achievement of five of these policy goals.**

## How the bus can help DfE – at a glance

### **1. Increasing opportunities for young people and helping them to achieve their potential:**

For most young people, the bus is public transport and is vital for connecting them to valuable opportunities both in and out of school. The experience of independent bus travel in itself develops important life skills and expands horizons.

### **2. Raising the achievement of disadvantaged children:**

Without available and affordable bus services young people can find themselves restricted in their education and employment choices.

### **3. Helping to reduce poverty and improve social justice:**

Around half of households on the lowest incomes have no access to a car or van<sup>203</sup> – the bus can provide a passport out of poverty, connecting people to the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

### **4. Getting more people playing sport:**

Available and affordable bus services connect people to opportunities to participate in sport, regardless of their economic or social background.

### **5. Increasing options and improving provision for children with special educational needs:**

Travel training to enable children with special educational needs to use bus services helps to build life skills and independence as well as reducing costs for local education authorities.

More detail on each of these DfE policy goals, and how the bus can help in their achievement, is provided below.

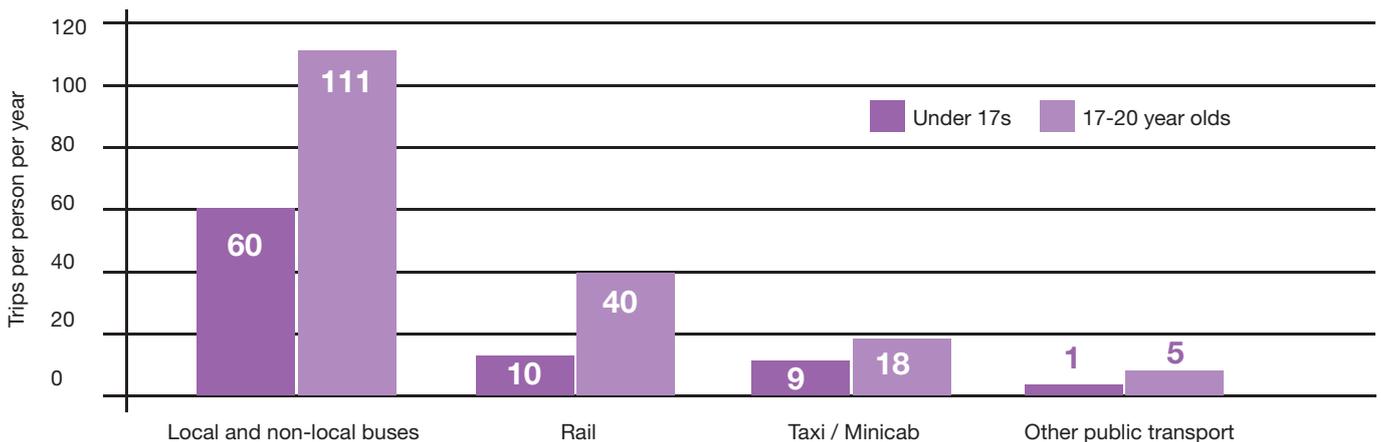
## DfE policy: Increasing opportunities for young people and helping them to achieve their potential

This policy is concerned with increasing the quality of education for young people and ensuring that there are high quality options for both academic and vocational education. It also aims to help young people develop into responsible citizens with access to wider opportunities that help them to remain engaged, realise their potential and actively participate in decision-making.

### How the bus can help

The bus is vital for connecting young people to the opportunities that help them to achieve their potential. For most young people, the bus is public transport, as the chart below illustrates.

### Young people's public transport trips 2012



Source: DfT National Travel Survey table NTS0601.

**The bus is vital for connecting young people to the opportunities that help them to achieve their potential.**

Research by the Department for Transport found that young people identify the lack of available bus services, especially in the evenings and weekends, as a key barrier to participating in education, employment and leisure activities<sup>204</sup>.

Young people rely on the bus to reach a whole host of valuable opportunities, from attainment-boosting after school activities and weekend jobs to visiting friends and volunteering in the community. Available and affordable bus services help to equalise access to these experiences which are so vital to their growth and development.

Analysis of the National Travel Survey<sup>205</sup> indicates that, for under 17s, the bus is likely to be most important in enabling access to education. Around 20 per cent of trips to and from school by 5-16 year olds are made by bus<sup>206</sup>. In the vast majority of cases, these trips are made on mainstream, local buses rather than on buses running exclusively for school pupils<sup>207</sup>.

For this group, travelling by bus independently can also be a valuable educational experience in itself, offering the opportunity to develop important life skills such as planning a journey, understanding timetables and handling money. Furthermore, independent travel builds confidence, brings young people into contact with a wide range of people, helps in the development of social skills and expands horizons. The latter is important in preventing the territoriality that can see some young people in later years reluctant to travel far beyond their immediate neighbourhood<sup>208</sup>, something that can place unnecessary limits on education, employment and social opportunities.

The bus is also vital in opening up opportunities for 'older' young people (17-20 year olds). Again, the bus is most used for education trips but it also enables this group to commute to work and visit friends<sup>209</sup>. For this group of young people, many of whom have yet to pass their driving test or cannot afford to drive, the bus offers an important independent means to access college, university, work, friends and social life.

Colleges surveyed by the Association of Colleges estimate that some 72% of students take the bus to college<sup>210</sup>. Affordable and available bus services mean that students have more choice about where to study and can base their decision primarily on the courses available, and the quality of the establishment, rather than the costs of getting there. As more colleges opt to specialise in particular subjects, rather than offering a broad range of courses, it is likely that students will have to travel further to pursue their chosen educational path.

**72%**  
**of students  
take the bus  
to college**

## DfE policy: Raising the achievement of disadvantaged children

DfE report that children from disadvantaged backgrounds are far less likely to get good GCSE results. This policy aims to raise levels of achievement for all disadvantaged pupils and to close the gap between disadvantaged children and their peers.

### How the bus can help

Available and affordable bus services allow young people and their families – particularly those on lower incomes – a broader choice of learning establishments and provide those establishments with a more diverse intake. In Consett, County Durham, the council took the decision to stop providing free transport for pupils from the area to a secondary school in nearby Lanchester. The head teacher of the school said at the time:

*“Poorer families won’t be able to afford to come, I don’t want to become a middle-class school. We want a school for the whole community; we want to be able to look after the most vulnerable children.”*

*Head teacher, St Bede’s Catholic Secondary School<sup>211</sup>*

Local councils must provide free home to school transport for young people aged 5-16 who are attending their nearest suitable school which is further than walking distance away. Extra support is available for certain groups, including families on low incomes. Additionally, some areas make use of further discretionary powers, for example, to provide transport for pupils attending denominational schools or for those aged 16-18.

For ‘older’ young people (aged 17-20) on low incomes, affordable and available bus services are important to enable access to college, university, training and work. The ACEVO Commission on Youth Unemployment found that *‘for a great many young people, the costs of transport remain a major barrier to engaging in education or work’* and highlights that *‘high transport costs can eat significant chunks out of the earnings of a young person on the minimum wage, and be a major disincentive to staying in training for a prolonged period, or to undertaking unpaid work experience.’<sup>212</sup>*

In the past, students were able to access the Education Maintenance Allowance (EMA) to help with travel, and other practical costs of attending college. This has since been replaced by the 16-19 Bursary Fund. The move saw funding cut from £560m, a year to £180m and eligibility greatly curtailed.

A survey of colleges by the Association of Colleges (AoC) revealed that 94% felt that the abolition of the EMA will affect student’s ability to travel to and from college<sup>213</sup>. The AoC note that the poorest students and those with the lowest skill levels are particularly unlikely to enrol, with practical barriers, such as the cost of bus fares being enough to deter them<sup>214</sup>.

## DfE policy: Helping to reduce poverty and improve social justice

This policy aims to help people change the course of their lives by dealing with the problems that cause people to end up living in poverty alongside dealing with issues of income.

### How the bus can help

Public transport, and the bus in particular, has a key role to play in tackling poverty and improving social justice. Around half of families on the lowest real income quintile have no access to a car or van<sup>215</sup> and must rely on either lifts or public transport for longer trips. The bus is the form of public transport most used by families on the lowest incomes. The average number of bus trips made by households of all income levels is 61 per year<sup>216</sup>. Households in the lowest two income quintiles made 101 and 73 bus trips respectively per year<sup>217</sup>.

The bus can provide a passport out of poverty. If bus services are (and are perceived to be) available, accessible, affordable and acceptable to users, they can connect people to the jobs, education and activities that help them to move 'onwards and upwards' in life and to improve their long term prospects. This contributes to the government's goal of creating a socially mobile society where no one is prevented from achieving their potential. Something as simple as a lack of transport can leave people stranded and cut off from the opportunities to which everyone should be entitled.

Bus networks tend to be of greatest service to those groups in society who are most vulnerable to exclusion:

- **Young people** for whom public transport is a prime means of getting around independently, particularly where a journey is not suitable for walking and cycling. Young people are among the biggest users of bus services<sup>218</sup>.
- **Older people** – who may no longer be fit, or feel able, to drive or to afford to run a car. Bus use declines after the age of around 20 but increases again as people enter their 60s<sup>219</sup>.
- **People from non-White ethnic groups** who are more likely to live in households without access to a car or van. For example, 19% of White adults live in households without a car or van, compared to 29% of Asian/Asian British adults and 41% of Black/African/Caribbean/Black British adults<sup>220</sup>.
- **Disabled people** who are less likely to have access to a car, and more likely to use bus services than non-disabled people<sup>221</sup>.
- **Women** who are less likely hold a full driving licence<sup>222</sup> and more likely to use the bus than men<sup>223</sup>.
- **Low income households** – around half of households on the lowest real income quintile do not have access to a car<sup>224</sup>.
- **Jobseekers** – 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>225</sup>.

The bus is a unique and effective tool of social policy because it is intrinsically targeted at those groups who are most in need of support without resort to complicated means-testing arrangements.

The increased access to opportunities which bus networks provide can make a powerful contribution to greater social mobility and fairness. Of the £2.5 billion in economic benefits generated by bus networks around £1.3 billion reflect user benefits from access to jobs, education, shopping and leisure opportunities<sup>226</sup>.

## Reducing child poverty

Working together with the Department for Work and Pensions, a key strand of the DfE's work to reduce poverty and improve social justice is targeted action to reduce child poverty. A lack of affordable transport directly impacts on the social mobility of children and young people.

Affordable bus services enable young people from all backgrounds to access positive activities before and after school, such as breakfast clubs, football practice, drama clubs, homework clubs and volunteering. Such activities are key in building the self-esteem, skills, interests and contacts necessary for social mobility. A report by the All Party Parliamentary Group on Social Mobility found that participation in out of school activities was a key factor in breaking the cycle of social immobility<sup>227</sup>. It recommended that policy makers should explore ways of levelling the playing field on access to, and participation in, out of school activities.

Available and affordable bus services have the potential to help equalise access to these positive activities. Evidence suggests that high bus fares, or a lack of available bus services can prevent parents from allowing their children to participate in such activities.

Seemingly small hikes in bus fares (for example, an increase of 20p) can make a big difference to low income families, causing parents to restrict the number of journeys their children made, particularly those activities falling outside of school hours<sup>228</sup>. Affordable, capped, daily fares (available in some transport authorities) are helpful in giving young people the freedom to make more journeys to the places they want to go, without worrying about additional transport costs.

## DfE policy: Getting more people playing sport

In recognition of its benefits to health and communities, DfE wants to get more people playing sport from a young age and keep them playing throughout their life, regardless of their economic or social background.

## How the bus can help

The bus connects people to opportunities to participate in sport, regardless of their economic or social background. A quarter of all households do not have access to a car or van, rising to almost half for families on the lowest real income levels<sup>229</sup>. The bus is vital in enabling these households to access sporting activities.

To do so, it must run between the right places at the right times and it must be affordable. Evidence suggests, for example, that without affordable and available bus services, young people are limited in their ability to take part in positive activities after school, including sport.

**My eldest would like to do after school netball, but there aren't any buses that come near our house at the time she would be leaving, so she can't do it.**

*Cath, parent of two children<sup>230</sup>*

The cost of bus fares can also present a barrier to participation. When child fares had to rise by 20p in Greater Manchester due, in part, to the increasing cost of providing free travel for older and disabled people, research among parents<sup>231</sup> found that, as a result, they were restricting the journeys that their children made, particularly those falling outside of school hours, such as sports. The following quotes from parent, gathered as part of the the research, illustrate the impact:

**It's reduced the activities she can participate in over weekends and evenings after school**

**Pocket money no longer stretches as far, limiting some activities**

**I've had to refuse some activities because I just can't afford the cost and also pay for travel to school**

Available and affordable bus services have the potential to help equalise access to positive activities for people of all ages and from all backgrounds.

**For the local sports centre near me... we've got to get a bus to it. So my brothers do that, and my Mum takes my sister because they have like that little baby club thing there. So if a bus, the price went up, my Mum probably wouldn't take my sister to the little clubs where she can meet other little kids. And my brothers probably wouldn't go to the gym at all.**

*Young person, 15-16 years old, London*

Bus tickets and smartcards also act as discount vouchers to incentivise the use of sports and leisure facilities in some areas.

## Case study: **Nottingham CityCard**

Provided by Nottingham City Council, the Nottingham CityCard offers discounted travel on public transport and access to libraries and leisure activities across the city. The Citycard automatically saves Nottingham residents up to 5% on most activities at city leisure centres<sup>232</sup>.

The CityCard also unlocks special offers from local businesses. At the time of writing, these offers included three free Korfbal training sessions; 10% off scuba diving courses; free aikido lesson; free tickets for tobogganing at a ski and snowboard centre; and 10% off sportswear and equipment.

## **DfE policy: Increasing options and improving provision for children with special educational needs**

This DfE policy recognises that children and young people who are identified as having special educational needs (SEN) can struggle to get the support they need to do well. The Department is keen to ensure that this group can access the same opportunities as everyone else and that they receive the necessary support to transition well into adulthood.

### **How the bus can help**

A large proportion of pupils qualifying for free school transport do so because they have special educational needs or disabilities<sup>233</sup>. Local education authorities frequently purchase specialised transport services for this group (often from minibus operators and taxi companies) which can be very costly and inhibit opportunities for independence.

To help encourage the use of mainstream bus networks among children, young people and adults with special educational needs, some local authorities and PTEs run travel training to build confidence and skills. Training can cover topics such as handling money, communication, safety and understanding timetables. These are skills for life which can support young people with SEN as they make the transition to adulthood, enabling them to independently access opportunities and broadening their options.

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The Department for Environment, Food and Rural Affairs (Defra) is responsible for policy and regulations on environmental, food and rural issues. Priorities for the Department are to grow the rural economy, improve the environment and safeguard animal and plant health.

**At the time of writing, Defra activity is guided by 29 key policies. Investing in the bus can contribute to the achievement of seven of these policy goals.**

## **How the bus can help Defra – at a glance**

### **1. Stimulating economic growth in rural areas:**

The bus has an important role to play in supporting rural tourism, connecting rural businesses to customers and making it practical for employees to seek work in rural areas.

### **2. Encouraging businesses to manage their impact on the environment:**

Encouraging employees to use the bus can help businesses reduce their environmental impact. Business travel can account for 50% or more of a (non-manufacturing) company's carbon footprint<sup>234</sup>.

### **3. Protecting and improving people's enjoyment of the countryside:**

Up to 96% of visitors visiting England's National Parks arrive by car<sup>235</sup> and car ownership among resident populations is high<sup>236</sup>. Transferring more journeys to bus reduces congestion around key rural beauty spots, enhancing people's enjoyment of these places.

### **4. Reducing demand for energy from industry, business and the public sector:**

The bus can help reduce demand for energy through the use of fuel efficient vehicles and energy efficient infrastructure.

### **5. Protecting and enhancing our urban and natural environment to improve public health and wellbeing:**

Improvements to bus fleets are vitally important in improving air quality, a key public health concern, particularly in urban areas. The bus can also enhance rural and urban environments by contributing to reduced traffic volumes and more liveable streets, thereby improving health and wellbeing.

### **6. Making sure government policies and programmes benefit rural businesses and communities:**

The bus is an essential lifeline for rural communities, particularly for households with no, or limited, access to a vehicle.

## 7. Reducing the UK's greenhouse gas emissions by 80% by 2050:

If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>237</sup>. The potential for the bus to contribute towards CO<sub>2</sub> reduction is greatest in urban areas<sup>238</sup> and improvements in bus fleet efficiency is one of the seven strongest CO<sub>2</sub> emission reduction measures for transport in these areas<sup>239</sup>.

More detail on each of these Defra policy goals, and how the bus can help in their achievement, is provided below.

### Defra policy: Stimulating economic growth in rural areas

This policy aims to ensure that rural areas contribute to, and benefit from, economic growth.

#### How the bus can help

Supporting rural tourism is one of the key ways in which Defra is seeking to stimulate economic growth in rural areas. The bus has an important role to play in bringing visitors into rural areas, who will in turn spend money in local businesses thereby boosting economic growth and *'dispelling the perception that bus users bring little more than their sandwiches to tourist areas.'*<sup>240</sup>

Research among over 1,000 bus passengers visiting nine rural areas of England and Wales found that two thirds would not have visited the area if the bus service was not available and that 62% of their spending would have been lost<sup>241</sup>. Bus users make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>242</sup>.

The majority spending by visitors arriving by bus is on shopping, food and drink<sup>243</sup>. Much of this would be spent in local businesses, which in turn use local suppliers and employees, increasing the value of spending to rural communities.

Bus passengers on 'Dalesbus' services in Yorkshire, for example, have been estimated to contribute £5.7 million in spend per year to the local economy, of which £2.8 million would be lost if the service did not exist<sup>244</sup>.

In the Brecon Beacons National Park, the Beacons Bus runs eight services out from urban areas to the National Park, bringing income to the local economy of over £220,000<sup>245</sup>.

Meanwhile, the New Forest National Park Authority estimates that its bus network (the New Forest Tour) contributes £500,000 to the local economy<sup>246</sup>. Expansions to the service were underwritten by local businesses in recognition of the value demonstrated<sup>247</sup>.

On a smaller scale, Dartmoor's 'Hayton Hoppa' bus service has received financial support from local cafes and pubs (of up to £100 per business) who see the value of a bus service that is regular, convenient, affordable and allows people to stay for a meal and drink<sup>248</sup>.

Alongside leisure visitors to rural areas and connecting businesses with customers, the bus also has a role to play in making it practical for employees to seek work in rural communities, thereby boosting rural businesses. This is particularly true for young workers who are less likely to drive or to have access to a car. Around 40% of jobseekers say that lack of personal transport or poor public transport is a key barrier preventing them from getting a job<sup>249</sup>.

One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel to work by bus<sup>250</sup>. Bus commuters generate £64 billion in economic output every year<sup>251</sup>.

Almost half of all rural trips are made to other rural areas<sup>252</sup>. The second largest proportion (just over one fifth) are made to medium-sized urban areas. Bus connections between these area types are important to keep people connected to jobs and opportunities.

## Defra policy: Encouraging businesses to manage their impact on the environment

This policy is aimed at making our economy and businesses more sustainable, in order to grow the economy whilst also reducing environmental impact.

### How the bus can help

By encouraging employees and customers to use sustainable transport modes to access them, businesses can reduce their environmental impact. According to WWF, business travel can account for 50% or more of a (non-manufacturing) company's carbon footprint<sup>253</sup>. If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>254</sup>.

### Case study: **npower bus services<sup>255</sup>**

Energy company npower worked with bus operator Go North East to create subsidised bus services for employees at its site in Rainton, Sunderland. These services have saved 5,279,040 commuter miles and over 314 tonnes of CO<sub>2</sub> over three years.

PTEs and their district partners work with businesses to draw up travel plans that support them to promote more sustainable travel. Participation in such schemes entitles businesses to a range of benefits that help incentivise smarter travel choices. Membership of the West Yorkshire Travel Plan Network<sup>256</sup>, for examples, entitles employers to apply for a 15% discount off annual bus and rail passes. They can also access a discounted Business Travel Pass – a transferable pass that can be used by employees for business and work-related travel throughout West Yorkshire.

PTEs also provide tailored travel information to help people understand how to reach key employment sites by public transport. Merseytravel, for example, produces 'How to Get There' guides tailored to key employers. 'How to Get to Jaguar Land Rover', for example, includes a map showing the key bus routes serving the site and the location of bus stops along the way.

## Business travel can account for 50% or more of a company's carbon footprint.

## Defra policy: Protecting and improving people's enjoyment of the countryside

Defra state that *'Everybody should have the opportunity to access, use and enjoy England's natural environment and outdoor spaces.'*<sup>257</sup> This policy recognises the physical and mental health benefits of being outside in nature as well its potential to improve people's understanding of the natural environment. The policy aims to protect and improve access to the countryside so that more people can enjoy the benefits.

### How the bus can help

A quarter of all households in Great Britain do not have access to a car or van<sup>258</sup>. Many rural areas will lack a rail connection and will often be more than a walk or cycle ride away from the people who want to access them. People without a motorised vehicle therefore rely on bus services to open up access to the countryside.

Even for those who do have access to a vehicle, travelling to the countryside by bus represents a more sustainable travel option which helps to protect and improve people's enjoyment of the countryside.

The bus is able to transport large numbers of people using less road space than the equivalent number of cars. In doing so, it helps to reduce congestion around key rural tourist areas and beauty spots, enhancing people's enjoyment of these places. It also reduces pressure on rural village and town centres, where cars can rapidly fill up streets and parking facilities.

According to National Parks England (NPE), up to 96% of visitors visiting England's National Parks arrive by car<sup>259</sup>. NPE state that *'This level of private car usage can detract from the special qualities of national parks, and the very experience which visitors are seeking'* and that it *'can also cause localised congestion and impacts on air quality.'*<sup>260</sup>

Many rural residents also use the car to get around – just 9% of rural households are without a car, compared to 25% across the country<sup>261</sup>. According to research in the Lake District National Park<sup>262</sup>, car travel by local residents generates 165,000 tonnes of CO2 annually. Meanwhile, 87% of visitors make their journey to the Lakes by car, generating 322,000 tonnes of CO2 each year.

There is scope to transfer more resident and visitor journeys to alternative modes, including bus. From the point of view of visitor travel, this could also generate knock on effects for the way people travel when they get home. National Parks England notes that:

*'Enjoyable leisure experiences of public transport are also likely to encourage more utility travel by public transport'*<sup>263</sup> with all the economic, environmental and social benefits this brings.

The New Forest National Park Authority has attempted to change the way in which visitors access the National Park by introducing the 'New Forest Tour' bus network, which enables residents and visitors to explore the whole of the national park, car-free. They estimate that the bus network has saved 147,000 private car miles<sup>264</sup>. The service is now so successful that it has become one of the few rural recreational bus services to be self-funding and has been able to extend its normal operating periods<sup>265</sup>.

Meanwhile, the Beacons Bus connecting urban areas to the Brecon Beacons National Park has achieved an average year on year passenger increase of 22% and around a 50% modal shift<sup>266</sup>.

A similar service operated in the North Yorkshire Moors up until 2013. Between 1994 and 2010, the 'Moorsbus' is estimated to have saved one million car miles in the National Park<sup>267</sup>. However, the service finished in October 2013 in response to reductions in central government funding amounting to over 35% in real terms<sup>268</sup>.

The Moorsbus example serves to illustrate the vulnerability of rural bus services to cuts. Despite performing a valuable service, many routes are unprofitable and therefore rely on local authorities for support. Local authorities in both urban and rural areas are dealing with substantial budget cuts and must decide where to make savings.

Cuts to rural bus services could exclude people, particularly those without access to a car, from accessing the countryside. Without bus alternatives, those who do have a vehicle will use this instead, contributing to congestion as well as harming the natural environment and people's enjoyment of green spaces.

## Defra: Reducing demand for energy from industry, businesses and the public sector

This policy aims to support industry, businesses and the public sector to use less energy, which will reduce the impact of rising energy prices.

### How the bus can help

The bus can help reduce demand for energy through the use of fuel efficient vehicles and energy efficient infrastructure.

On vehicle fleets, for example, the 'New Bus for London' uses the latest green diesel-electric hybrid technology. Under test conditions it proved to be twice as fuel efficient as a normal diesel bus<sup>269</sup>. More than 600 of these vehicles will enter passenger service by 2016<sup>270</sup>.

Greener buses are also rolling out in the city regions outside London, many facilitated by successful bids to the Government's Green Bus Fund and Green Bus Technology Fund. In Greater Manchester, for example, Transport for Greater Manchester and bus operators have made successful bids to the Green Bus Fund for over 300 green buses, all to come into service by 2015.

One of the cheapest and easiest ways of reducing bus fleet fuel consumption is training bus drivers to drive in a more fuel efficient manner, for example by maintaining a steady speed and minimising vehicle idling.

### Case study: **ECO Stars<sup>271</sup>**

In South Yorkshire, the ECO Stars Fleet Recognition Scheme supports all types of commercial vehicles (including buses) to ensure their fleet is running as efficiently and economically as possible. Membership of the scheme is free and members are awarded a star rating out of five based on their fleet performance. They also receive a tailor-made 'Road Map' for improving their performance and star rating. The ECO Stars scheme is managed by the four South Yorkshire local authorities and the PTE.

Bus operator First South Yorkshire is part of the scheme and has achieved a three star rating<sup>272</sup>. All First South Yorkshire buses are fitted with 'Drive Green' technology. The equipment picks up on acceleration and braking patterns as well as corner, lane and speed handling. A 'traffic light' LED monitor on vehicle dashboards flashes green if the driver is driving correctly, or amber or red if a bus driver carries out an unwanted driving manoeuvre, such as heavy braking or acceleration. The driver can then make immediate changes to their driving to ensure buses travel more fuel efficiently and with fewer emissions.

Bus stations and infrastructure (such as bus shelters) can also be designed to minimise energy consumption. In the UK, PTEs have been at the forefront of developing green and efficient bus infrastructure.

## Case study: **Rochdale Interchange**<sup>273</sup>

Rochdale Interchange is the first UK public transport to be powered by integrated renewable hydroelectricity, using water from the nearby river Roch to turn an Archimedean screw which generates electricity for the interchange. The scheme generates enough electricity to meet approximately one third of the energy demand of the site.

## Case study: **LED lighting and solar panels for South Yorkshire bus infrastructure**

South Yorkshire PTE (SYPTe) is converting its 3,441 bus shelters to energy-saving LED lighting, saving over £150,000 and 400 tonnes of CO<sub>2</sub> per year<sup>274</sup>. Before conversion to LED lighting, bus shelter lighting bills accounted for a third of SYPTe's total electricity costs<sup>275</sup>. SYPTe aims to reduce its carbon footprint by 40% over the next three years and estimates that the LED tubes will reduce energy consumption by 61%.

The PTE is also adding solar panels to Sheffield Interchange, the city's main bus station. The panels will generate enough energy to power the equivalent of four households, significantly reducing carbon emissions and saving around £4,000 a year<sup>276</sup>.

**One of the cheapest and easiest ways of reducing bus fleet fuel consumption is training bus drivers to drive in a more fuel efficient manner, for example by maintaining a steady speed and minimising vehicle idling.**

# Defra policy: Protecting and enhancing our urban and natural environment to improve public health and wellbeing

This policy recognises that things like air pollution and noise from traffic can affect people's quality of life and health.

Defra estimates that the annual cost of road traffic noise is between £7 billion and £10 billion and that there is evidence of direct links between this problem and various types of illness<sup>277</sup>.

Defra also state that air pollution is estimated to have an effect equivalent to 29,000 deaths each year and to reduce life expectancy by six months on average, at a cost of around £16 billion per year<sup>278</sup>.

## How the bus can help

One of the key actions for Defra under this policy is to improve air quality. Transport is the biggest contributor to man-made carbon monoxide, nitrogen oxide (NOx) and particulate matter emissions<sup>279</sup>. Within transport, road transport is the biggest contributor to emissions.

Whilst cars generate the largest proportion of road transport emissions (44% of NOx across the UK)<sup>280</sup>, in large cities, emissions from buses can also be proportionally high (accounting for an average of 35% of NOx). Improvements to bus fleets are, therefore, vitally important in improving air quality, particularly in urban areas.

Methods for reducing emissions from bus fleets include<sup>281</sup>:

- Eco-driving techniques – such techniques have been found to reduce bus fleet emissions by up to 30%<sup>282</sup>.
- Fuel management systems and in-vehicle monitoring.
- Vehicle replacement (to higher Euro standards and alternative technologies, such as hybrid or electric). Electric buses emit zero emissions at the tailpipe and options are opening up for these vehicles to become more viable and affordable. Hybrid and electric vehicles are also quieter, helping to reduce road traffic noise.
- Retrofitting of pollution abatement equipment. Retrofitting of filters to reduce particulate matter emissions on pre-2005 buses in London resulted in a reduction of up to 77% particulate matter exhaust emissions at source<sup>283</sup>.
- Anti-idling policies (minimising the time in which vehicles are stationary but have their engines running).
- Network factors, such as levels of congestion and bus priority measures which have an impact on bus speeds and therefore emissions<sup>284</sup>.
- Introduction of Low Emission Zones (LEZ), such as those in operation in London, Norwich and Oxford. The London LEZ targets buses, coaches, larger vans and HGVs. The Norwich LEZ covers the city centre and affects local buses only. The Oxford LEZ is also bus-related.

A focus on cities would offer the greatest return on investment in reducing air pollution from bus fleets, given the volumes involved. More than one billion bus trips are made each year in the PTE areas and investing in a coordinated programme to reduce emissions from these could achieve a significant impact on urban air quality.

The bus can also enhance the rural and urban environment by contributing to reduced traffic volumes and more liveable streets, thereby improving health and wellbeing (see p. x for rural context).

Streets with high volumes of traffic and/or high traffic speeds are unpleasant and stressful to live in and affect quality of life. A seminal study by Appleyard and Lintell of residents of three urban streets in San Francisco found that the more traffic there was on a street, the fewer social contacts existed between residents<sup>285</sup>. Each double decker bus can take 75 cars off the road and out of communities<sup>286</sup>.

## Defra policy: Making sure government policies and programmes benefit rural businesses and communities

This policy aims to ensure that Government policy making is 'rural proofed', taking into account the needs of rural communities and making sure they are treated fairly.

### How the bus can help

The bus is an essential lifeline for rural communities. Overall, 9% of rural households have no access to a car or van and 40% have one car or van meaning that some members of the household may be restricted in their mobility if somebody else is using the vehicle<sup>287</sup>. The Campaign to Protect Rural England estimates that around half of rural residents do not have access to a car during the day<sup>288</sup>.

Rural buses are often not commercially viable due to low passenger numbers and are frequently subsidised by local authorities as 'socially necessary' services. However, cuts to public spending have left transport authorities less able to fill gaps in the commercial network. Socially necessary bus services are a non-statutory area of spend, making them vulnerable as transport authorities seek to ensure they can continue to meet their core legal responsibilities from diminishing revenue budgets. The situation was not helped by the Government's decision to abolish the Rural Bus Grant which was used to help fund non-commercial rural bus services.

There are ways of mitigating the effects of these funding challenges. For example, many transport authorities are using the powers and options granted in the Local Transport Act 2008 to protect and improve bus services.

These include:

- Voluntary Partnership Agreements with bus operators to improve services.
- Statutory Quality Partnerships where bus operators and transport authorities enter voluntarily into binding agreements covering areas such as bus fares, frequencies and timings.
- Quality Contracts (QCs), involving replacing the existing deregulated bus market with a franchising system (similar to that in London) where the local transport authority specifies what the bus network will provide and the private sector competes for the right to provide it. Services to isolated communities can be specified as an integral part of the package that operators bid for, allowing cross-subsidisation of such services by more profitable routes. There are currently no QCs in operation, however, Nexus (Tyne and Wear PTE) has become the first transport authority to launch a formal public consultation on the introduction of a QC.

Transport authorities may also look at alternatives to mainstream bus services that have the potential to meet the needs of rural communities, such as demand responsive transport, community transport or car sharing initiatives.

'Total Transport' approaches are another option that could be considered to ensure rural communities stay connected and that existing transport resources produce 'more for less'.

# Around half of rural residents do not have access to a car during the day.

## What is Total Transport?<sup>289</sup>

The public sector provides and funds collective transport in a variety of forms, including conventional bus services, school transport, patient transport and social services transport. In addition, there is community transport and other voluntary sector collective provision. These services are often provided through different budgets and administrative arrangements, meaning they can overlap or duplicate one another. These arrangements can also mean vehicles are underused during the day whilst elsewhere transport needs go unmet.

An alternative 'Total Transport' approach would see these fleets bought together into a shared pool under a single budget. The pool of vehicles would be coordinated and scheduled centrally, taking into account capacity on the mainstream network. It would ensure that the entire vehicle fleet is put to maximum use throughout the day and that the right vehicle is deployed for the right job. In a rural community, for example, school buses could do double duty as shopper services during the school day.

Adopting the approach is not straightforward, however, it is potentially most easily achieved in rural communities where most public transport is supported by public sector bodies and the scale of administration is more manageable.

Experience from local authorities that have investigated or implemented Total Transport approaches suggests efficiency benefits can run into the hundreds of thousands of pounds<sup>290</sup>.

For more see the final chapter of this report and *pteg* (2011) 'Total Transport: Working across sectors to achieve better outcomes'.

**Efficiency benefits from  
Total Transport approaches  
can run into the hundreds  
of thousands of pounds.**

## Defra policy: Reducing the UK's greenhouse gas emissions by 80% by 2050

This policy is in response to the 2008 Climate Change Act which established the world's first legally binding climate change target. Defra, in partnership with other Government departments, is aiming to move towards a more energy efficient, low carbon economy that is less reliant on imported fossil fuels and less exposed to higher energy prices.

### How the bus can help

The bus has a key role to play in moving towards a low carbon economy. If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>291</sup>.

Congestion dramatically increases CO<sub>2</sub> emissions from road vehicles. Under heavily congested conditions tail pipe emissions can be increased by as much as three or four times<sup>292</sup>. Buses cut congestion by taking car journeys off the road and making better use of limited space. Just thirteen buses are needed to carry the same number of people as 300 cars<sup>293</sup> and take up considerably less space on the road, helping to alleviate congestion.

Research for Greener Journeys<sup>294</sup> found that the potential of the bus to contribute towards CO<sub>2</sub> reduction is greatest in urban areas where passengers per bus are likely to be higher and where congestion, parking problems and other disadvantages of the car are most acute. More than one billion bus trips are made each year in the PTE areas and investing in a coordinated programme to reduce emissions from these could achieve a significant impact on urban air quality and carbon emissions.

The Greener Journeys research found that the best used bus services in major urban centres may be reducing carbon emissions from road transport by 75% or more, if the emissions from bus operations are compared with those that bus passengers would generate if they used cars instead.

Research conducted for *pteg* found that making improvements in bus fleet efficiency is one of the seven strongest CO<sub>2</sub> emission reduction measures for transport in the Metropolitan areas<sup>295</sup>. Increased use of low carbon buses should deliver a 30% reduction in carbon emissions compared with the same use of current conventional buses<sup>296</sup>.

### Case study: Hybrid buses in the West Midlands

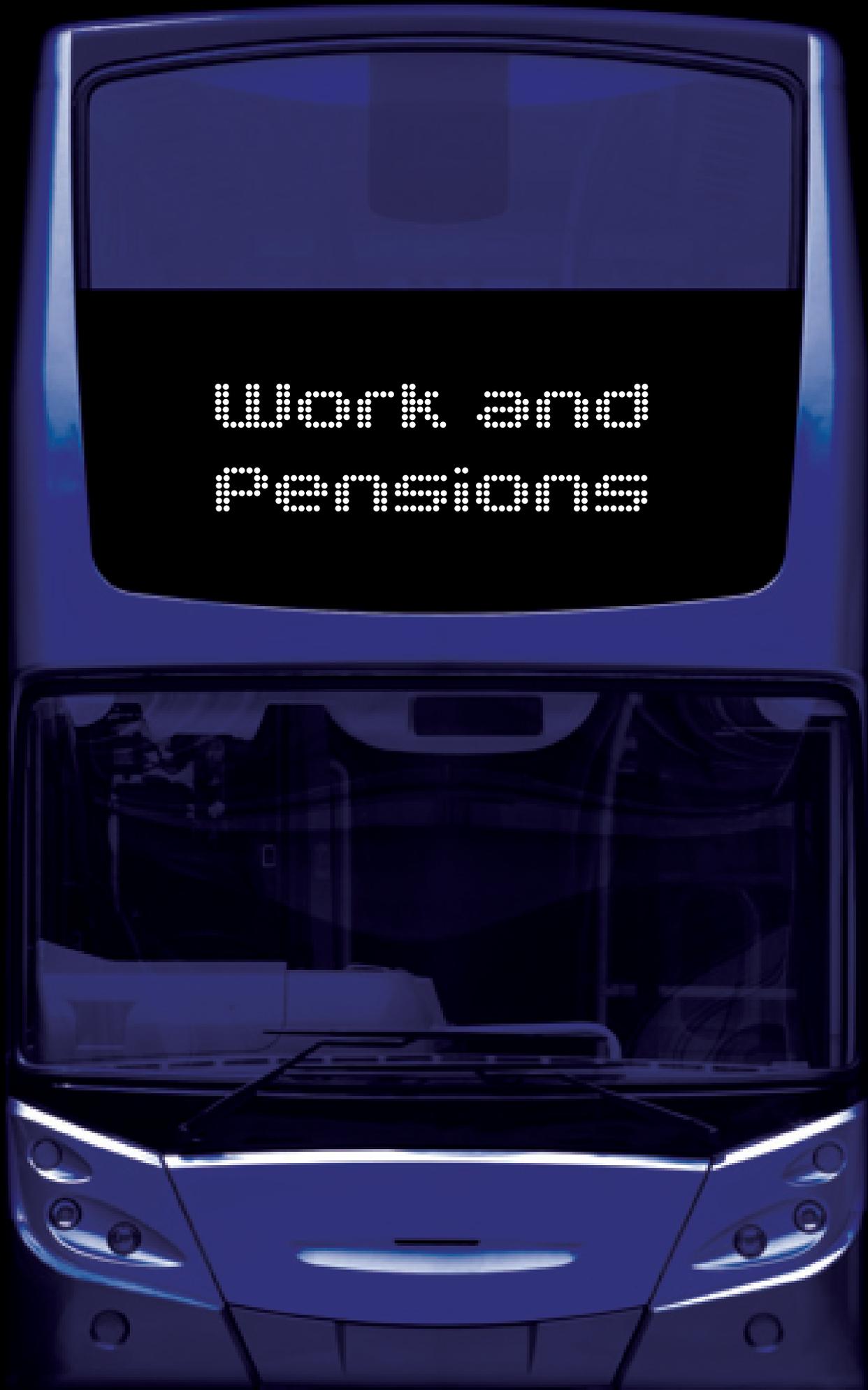
A fleet of 18 hybrid buses entered service in the West Midlands in 2012, the result of a £5.2 million investment by the PTE (Centro), National Express West Midlands and the Department for Transport Green Bus Fund.

The vehicles are expected to save around 378 tonnes of carbon every year compared to regular buses, reducing CO<sub>2</sub> emissions by 30%. They run on a high frequency route between Birmingham and Kitwell, reducing the carbon footprint of thousands of commuters.

Whilst Government initiatives such as the Green Bus Fund have been very effective at getting more low emission buses onto our roads there is still a long way to go before they enter the mainstream. According to the Low Carbon Vehicle Partnership, in 2013 low carbon buses (those producing 30% less greenhouse gas emissions than a normal diesel bus) accounted for just 2% of the UK bus market<sup>297</sup>.

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The Department for Work and Pensions (DWP) is responsible for welfare and pension policy and has a key role in tackling child poverty.

**At the time of writing, DWP activity is guided by eleven key policies. Investing in the bus can contribute to the achievement of four of these policy goals.**

## **How the bus can help DWP – at a glance**

### **1. Helping people find and stay in work:**

Some 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>298</sup>. Available and affordable bus services are vital in enabling access to job opportunities. Having found work, the bus supports people to stay there. One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel by bus<sup>299</sup>.

### **2. Simplifying the welfare system and making sure work pays:**

Affordable bus services help to ensure that any gain from employment is not cancelled out by transport costs. Above inflation bus fare rises jeopardise this goal.

### **3. Improving opportunities for older people:**

Older people are among the biggest users of bus services<sup>300</sup>. Facilitated by the English National Concessionary Travel Scheme (ENCTS), older people use the bus to connect to opportunities, contribute to society and stay healthy and independent. The ENCTS generates £1.50 of benefits for every £1 of public money spent<sup>301</sup>.

### **4. Helping to reduce poverty and improve social justice:**

Around half of households on the lowest incomes have no access to a car or van<sup>302</sup> – the bus can provide a passport out of poverty, connecting people to the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

More detail on each of these DWP policy goals, and how the bus can help in their achievement, is provided below.

## DWP policy: Helping people find and stay in work

DWP policy recognises that long term unemployment is damaging to individuals and communities, affecting mental and physical health and holding back economic growth. As such the Department want to help people find and sustain employment.

### How the bus can help

Transport is vital in enabling people to find, and sustain, employment. One of the first considerations when embarking on a job search is 'where can I get to?'. Transport plays a major role in the decision making process about whether to apply for, accept or stay in employment.

### Helping people find work

Some 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike, rising to 83% for those unemployed for more than six months<sup>303</sup>. Over half do not have a full car or motorbike driving licence, rising to 63% amongst those unemployed for more than six months<sup>304</sup>.

Compared to all individuals aged 16 or over, people who have never worked or are long term unemployed<sup>305</sup>:

- **Are more likely to make trips on foot:** walking accounts for the biggest proportion of trips made by this group (38%). In contrast, 20% of trips for all aged 16 or over are made on foot and car driver journeys account for the biggest proportion of trips (51%).
- **Are less likely to make trips as a car driver:** A fifth of all trips made annually by this group are as a car driver, compared to over half for all aged 17 or over.
- **Are more likely to make trips as a car passenger:** 22% of all trips made each year by this group are as a car passenger, compared to 15% for all aged 16 or over. Relying on lifts can make it difficult to get to interviews and work independently.
- **Are more likely to use buses:** Bus journeys account for 14% of all trips made annually by this group, compared to 6% for all aged 16 or over.
- **Are less likely to use rail:** 2% of trips made annually by this group are by rail compared to 3.2% for all aged 16 or over.

Research by Citizens Advice asked Job Seekers Allowance claimants to complete the sentence '*It would help me get back to work if...*' One of the top two answers was '*...I could find work near where I live.*'<sup>306</sup> Most job opportunities are likely to be further than walking distance away, especially as jobseekers are required to apply for and take up job opportunities that involve up to a 90 minute journey.

As the statistics above illustrate, jobseekers are more likely to rely on public transport, and the bus in particular, to reach these jobs independently. Research among unemployed people has shown that women, those without access to a car, young people and people with lower skill levels are particularly dependent on bus services<sup>307</sup>.

Around 40% of jobseekers say that lack of personal transport or poor public transport is a key barrier preventing them from getting a job<sup>308</sup>. If bus connections are lacking, or perceived to be so, jobseekers can find themselves extremely limited in their choice of vacancies.

Employment opportunities can often be located in isolated out-of-town industrial or trading estates that can be difficult to access without a car. This is particularly true for lower skilled jobs - research by Centre for Cities has shown that these tend to be more dispersed and often remote from deprived communities who may wish to access them<sup>309</sup>.

A recent study by the Joseph Rowntree Foundation analysed three contrasting urban labour markets and potential candidates for low skilled vacancies. It found that whilst 70 to 90% of unfilled vacancies were easily accessible by car, only 35 to 55% could be reached within 30 minutes by public transport<sup>310</sup>.

Research among a sample of 912 jobseekers in British cities outside of London found that over 60% felt they would have less chance of finding a job without bus services. Over a third felt that they would have a better chance of finding work if bus services were improved<sup>311</sup>.

In a deregulated bus market, transport authorities have no direct control over where commercial bus services run. Bus operators need to make a profit and are unlikely to run services that lose money, even if there is a need for them. Instead, they tend to focus on profitable major corridors and commuter routes into city centres. As described above, lower skilled vacancies are often found outside of these key corridors. Transport authorities may step in to fund extra 'socially necessary' (known as subsidised or supported) bus services, but cuts to revenue funding mean that they are becoming less able to do this.

The case studies below show the difference a bus connection can make to opening up employment opportunities.

## Case study: **Buses open up job opportunities at ASOS**

ASOS is the largest online fashion store in both the UK and Europe. ASOS partnered with Unipart to manage its European distribution centre when it relocated to South Yorkshire.

ASOS Unipart began recruiting in early 2011. Teaming up with Jobcentre Plus, they sought to draw candidates from a jobseeker market of largely semi-skilled people aged 19-25 from the local area.

Initial survey data showed that more than 75% of candidates did not drive or have access to vehicles. This made it nearly impossible to get to the site, where buses were infrequent and there were no evening or Sunday services. Jobcentre Plus was finding that up to 92 potential candidates per week were unable to accept or apply for a role at ASOS.

In response, South Yorkshire PTE, in partnership with local bus operators, altered bus routes stopping at the site and adjusted and expanded timetables to match shift patterns.

Following the alterations, bus patronage on the enhanced services grew from 108 in the first week of service in late June 2011, to 831 per week in September 2011. The bulk of this increase is likely to represent people connected to jobs that they otherwise could not have reached.

## Case study:

### **Buses connect workers to Cobalt Business Park, North Tyneside<sup>312</sup>**

Cobalt Business Park in North Tyneside is the UK's largest office park with a recruitment catchment of over 1.1 million people. Some 600 bus services come through the park daily, connecting to over 40 residential areas and helping to open up the local labour pool.

*"The bus services in and around Cobalt Business Park have helped retain our staff as well as helped with staff recruitment, without the services, many of our employees wouldn't be able to get to work, they are crucial to Formica in this respect and they have helped transform accessibility to the Park."*

*Richard Pollington, European President at Formica Ltd*

## Case study:

### **Buses support shift working in St Helens<sup>313</sup>**

Businesses on the Haydock Industrial Estate in St Helens, Merseyside employ thousands of people, many of whom are shift workers. With no direct bus provision onto the estate, other nearby bus services did not match workers' shift patterns. Employers on the estate cited this as a major barrier in recruiting new staff and retaining existing workers.

Research by St Helens Chamber, local businesses, Merseytravel, St Helens Metropolitan Borough Council and Arriva North West identified demand for direct bus services around the hours of 6am, 2pm and 10pm, seven days a week.

In response, the bus company, with funding from St Helens Chamber, launched a new service to help people get to work at Haydock. The service attracted customers from the day it was launched and is now able to run as a largely commercial service.

*"St Helens has some areas of high unemployment and the people who need to work are up to five miles from getting to those jobs. The bus has played a key part in providing much needed jobs for local people and helped staff recruitment and retention for businesses which in turn enhances productivity."*

*Sue Waller, Business Advocate for St Helens Chamber*

Simply providing a bus service is not enough in itself. Many jobseekers and newly employed people will encounter additional barriers, such as the cost of travelling to an interview or a new job; lack of awareness of public transport options; or limited travel horizons.

The actual and perceived cost of travelling by bus can be particularly limiting to travel horizons. In the deregulated bus market outside London, bus operators are free to decide the fares they will charge. Bus fares in the Metropolitan areas continue to rise above the rate of inflation, increasing by almost 30% in the last ten years<sup>314</sup>. One in four people say their job search is inhibited by the cost of travel to interviews<sup>315</sup>. In some cases, the expense of bus travel can make the difference between being better off on benefits or being better off in work. Furthermore, with most wages now paid monthly, having found a job it can be difficult to make ends meet between starting work and the first wage packet.

With support from Jobcentre Plus offices, many PTEs have led 'WorkWise' schemes to assist people to overcome these barriers to employment.

## Case study: Workwise schemes

Led by PTEs (often via Jobcentre Plus) WorkWise schemes combine personalised journey planning to enable people to get to interviews or new jobs with free or discounted tickets to reach these opportunities.

WorkWise helps to broaden travel horizons, giving people the information and personalised advice they need to understand how to get to places using public transport, be reassured that they will arrive where they need to be on time and have the confidence to look for work beyond their immediate local area.

WorkWise also guides people through the maze of tickets and passes that are available and by providing free or discounted tickets and passes to get to interviews and for use during those 'make or break' weeks of a new job. This support is also crucial in ensuring that new employees stay in work and are not tempted, or compelled, to return to benefits.

WorkWise is a tried and tested approach. In the West Midlands, for example, Workwise schemes have helped nearly 14,000 jobseekers back to work. An evaluation of one such scheme in the area found that more than 80% of customers said that they would have struggled to access employment opportunities without the travel passes provided<sup>316</sup>. In another survey of WorkWise customers, when asked why they valued the monthly pass provided by the scheme, 76% of respondents said it '*Saves me a lot of money/takes away the worry about money*'<sup>317</sup>.

Jobcentre Plus now has more flexibility and choice over what support to offer to claimants. WorkWise approaches should be a key component of the toolkit available to Jobcentre Plus managers to help claimants overcome transport barriers to work.

### Helping young people into work

Young people are one group singled out for extra support under DWP's wider policy of helping people to find and stay in work. A key mechanism used is the Youth Contract, designed to make it easier for businesses to give young unemployed people a job, training or work experience.

We suggest that young people would benefit from additional support to overcome transport barriers to employment. Research has shown that 87% of jobseekers aged 18-24 in British cities outside London do not have regular access to a car, van or motorbike<sup>318</sup>. Some 75% of this group do not have a full car or motorbike driving licence<sup>319</sup>.

These young people will rely on the bus to access many job opportunities. A quarter of young people aged 16-25 say they have not applied for a particular job in the last year because of transport problems<sup>320</sup>.

The ACEVO Commission on Youth Unemployment found that '*for a great many young people, the costs of transport remain a major barrier to engaging in education or work*' and that '*high transport costs can eat significant chunks out of the earnings of a young person on the minimum wage, and be a major disincentive to staying in training for a prolonged period, or to undertaking unpaid work experience.*'<sup>321</sup>

Many of the jobs young people take up are likely to be part-time, low paid or unpaid and involve evening and weekend working. Affordable bus services, available to fit traditional and non-traditional working hours therefore have a key role to play in ensuring young people can find and stay in employment.

## Supporting disabled people into work

Within its overall policy of helping people to find and stay in work, DWP has also pledged to provide extra support for disabled people who need more help to find and keep a job in the form of an individually tailored 'Work Choice' programme.

It is likely that transport will be a particular area of concern for disabled people in finding and sustaining work. Disabled people are less likely to drive and more likely to use buses, community transport or lifts from friends and family than the general population<sup>322</sup>. However, 34% of disabled adults experienced difficulty using local buses<sup>323</sup>. This can severely restrict access to work. A survey of disabled people<sup>324</sup> found that:

- 23% of respondents who were actively seeking employment had to turn down a job offer because of inaccessible transport. This compares to just 5% of jobseekers overall who have had to turn a job offer down due to transport problems.
- 23% of respondents had to turn down a job interview because of inaccessible transport. This is almost double the proportion found among jobseekers overall, 12% of whom had turned down interviews due to transport problems.
- 48% of respondents said that inaccessible transport had restricted their choice of jobs, rising to 62% of wheelchair users and 86% of people with a visual impairment.

Given that the bus is the most commonly used form of public transport among disabled people and that most (60%) have no car in the household<sup>325</sup>, the bus is pivotal in deciding whether or not disabled people can access opportunities for work.

## Helping people stay in work

Bus services are also important in helping people to stay in work:

- Buses carry a greater proportion of trips for commuting than cars<sup>326</sup>.
- More people commute to work by bus than by all other forms of public transport combined<sup>327</sup>.
- One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel to work by bus<sup>328</sup>.
- 400,000 workers are in better, more productive jobs as a direct result of the bus, and the economic output they produce is £400 million per annum<sup>329</sup>.
- Bus commuters generate £64 billion in economic output every year<sup>330</sup>.
- Research in British cities outside London found that 13% of jobseekers with no car availability have left or turned down a job because of a lack of suitable or affordable bus services<sup>331</sup>.

The bus is particularly important for those in lower paid routine and manual occupations – these groups make more bus trips and travel further by bus than those in more skilled occupations<sup>332</sup>.

**One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel to work by bus.**

## DWP policy: Simplifying the welfare system and making sure work pays

Making sure work pays is an integral part of the Department's efforts to simplify the welfare system. DWP state that: *"Many people on benefits believe that the financial risks of moving into work are too great. For some, the gains from work, particularly if they work part-time, are small, and **any gain can easily be cancelled out by costs such as transport.**"*<sup>333</sup>

### How the bus can help

Affordable bus services are vital for people who have – or are considering accepting - a job or apprenticeship with low levels of pay.

Low income households, both in and out of work, are less likely to have access to a car or van and therefore are more likely to rely on bus services to get to work. Some 52% of households in the lowest income quintile and 65% of those in the second lowest income quintile have access to at least one car or van, compared to 75% of all households<sup>334</sup>. Levels of car availability may be lower still as those households with access to a car may have to share it.

Data from the Department for Transport National Travel Survey shows that lower skilled, lower paid workers travel by bus more frequently, and further, than those in intermediate or managerial and professional occupations.

The distance that low paid workers travel to work could be due in part to the fact that lower skilled jobs are often dispersed and remote from deprived communities who may wish to access them<sup>335</sup>. Affordable bus services between these places are vitally important to enable people to stay in work.

However, bus fares continue to rise faster than inflation, meaning that people on low incomes spend a greater than average proportion of their household budgets on public transport<sup>336</sup>.

Where bus fares are perceived to be unaffordable, or where bus service levels are inadequate, low-paid workers may be forced out of work or into car ownership that they can ill afford, further eating in to their wages. One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel to work by bus<sup>337</sup>.

**People on low incomes spend a greater than average proportion of their household budgets on public transport.**

## DWP policy: Improving opportunities for older people

DWP policy envisages retirement as<sup>338</sup>:

*‘an increasingly active phase of life where people:*

- *have opportunities to continue contributing to society by working longer or volunteering in their communities*
- *take personal responsibility for their own wellbeing by working, saving and looking after their health’.*

### How the bus can help

The World Health Organisation guide to age friendly cities<sup>339</sup> highlights the importance of transport as a gateway to access all the other features that make up an active older age:

*‘without transportation or adequate means of obtaining information to allow people to meet and connect, other urban facilities and services that could support active ageing are simply inaccessible.’*

It also states:

*‘Transportation, including accessible and affordable public transport, is a key factor influencing active ageing...in particular, being able to move about the city determines social and civic participation and access to community and health services.’*

The bus is the most important mode of public transport for older people. After 17-29 year olds, people aged 60 and over are the most frequent bus users<sup>340</sup>.

The high usage of buses among older people is in part due to the English National Concessionary Travel Scheme (ENCTS), which entitles them to free, off-peak travel on local buses anywhere in England.

WRVS<sup>341</sup> estimate that older people contribute £175bn per annum to the economy and society through taxes, consumer spending, provision of social care, volunteering and charitable donations. The easier we can make it for this group to travel, the more contribution they can make.

The free bus pass for older people undoubtedly assists with this. In a survey of older concessionary pass holders in Manchester, for example, 74% said their passes had enabled them to participate in new activities or visit new places<sup>342</sup>. The ENCTS generates £1.50 of benefits for every £1 of public money spent.

Free off-peak bus travel, together with accessible bus services, help ensure older people can stay independent, active and healthy for longer as well as reducing their risk of experiencing longer-term loneliness and social isolation.

When bus services are cut in an area, older people can feel stranded and isolated from society, as this quote from a resident in an affected area illustrates:

**It’s like a forgotten world. It makes you feel so depressed...we’ve got bus passes – that’s brilliant – I feel like framing mine...But no bus services to use them on. We’re on an estate surrounded by main roads. The whole of life is out there but we can’t access it.**

*Older resident of Burbank estate, Hartlepool<sup>343</sup>.*

# DWP policy: Helping to reduce poverty and improve social justice

This policy aims to help people change the course of their lives by dealing with the problems that cause people to end up living in poverty alongside dealing with issues of income.

## How the bus can help

Public transport, and the bus in particular, has a key role to play in tackling poverty and improving social justice. Around half of families on the lowest real income quintile have no access to a car or van<sup>344</sup> and must rely on either lifts or public transport for longer trips. The bus is the form of public transport most used by families on the lowest incomes. The average number of bus trips made by households of all income levels is 61 per year<sup>345</sup>. Households in the lowest two income quintiles made 101 and 73 bus trips respectively per year<sup>346</sup>.

The bus can provide a passport out of poverty. If bus services are (and are perceived to be) available, accessible, affordable and acceptable to users, they can connect people to the jobs, education and activities that help them to move 'onwards and upwards' in life and to improve their long term prospects. This contributes to the government's goal of creating a socially mobile society where no one is prevented from achieving their potential. Something as simple as a lack of transport can leave people stranded and cut off from the opportunities to which everyone should be entitled.

Bus networks tend to be of greatest service to those groups in society who are most vulnerable to exclusion:

- **Young people** for whom public transport is a prime means of getting around independently, particularly where a journey is not suitable for walking and cycling. Young people are among the biggest users of bus services<sup>347</sup>.
- **Older people** – who may no longer be fit, or feel able, to drive or to afford to run a car. Bus use declines after the age of around 20 but increases again as people enter their 60s<sup>348</sup>.
- **People from non-White ethnic groups** who are more likely to live in households without access to a car or van. For example, 19% of White adults live in households without a car or van, compared to 29% of Asian/Asian British adults and 41% of Black/African/Caribbean/Black British adults<sup>349</sup>.
- **Disabled people** who are less likely to have access to a car, and more likely to use bus services than non-disabled people<sup>350</sup>.
- **Women** who are less likely hold a full driving licence<sup>351</sup> and more likely to use the bus than men<sup>352</sup>.
- **Low income households** – around half of households on the lowest real income quintile do not have access to a car<sup>353</sup>.
- **Jobseekers** – 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>354</sup>.

The bus is a unique and effective tool of social policy because it is intrinsically targeted at those groups who are most in need of support without resort to complicated means-testing arrangements.

The increased access to opportunities which bus networks provide can make a powerful contribution to greater social mobility and fairness. Of the £2.5 billion in economic benefits generated by bus networks around £1.3 billion reflect user benefits from access to jobs, education, shopping and leisure opportunities<sup>355</sup>.

## Reducing child poverty

Working together with the Department for Education, a key strand of the DWP's work to reduce poverty and improve social justice is targeted action to reduce child poverty. A lack of affordable transport directly impacts on the social mobility of children and young people.

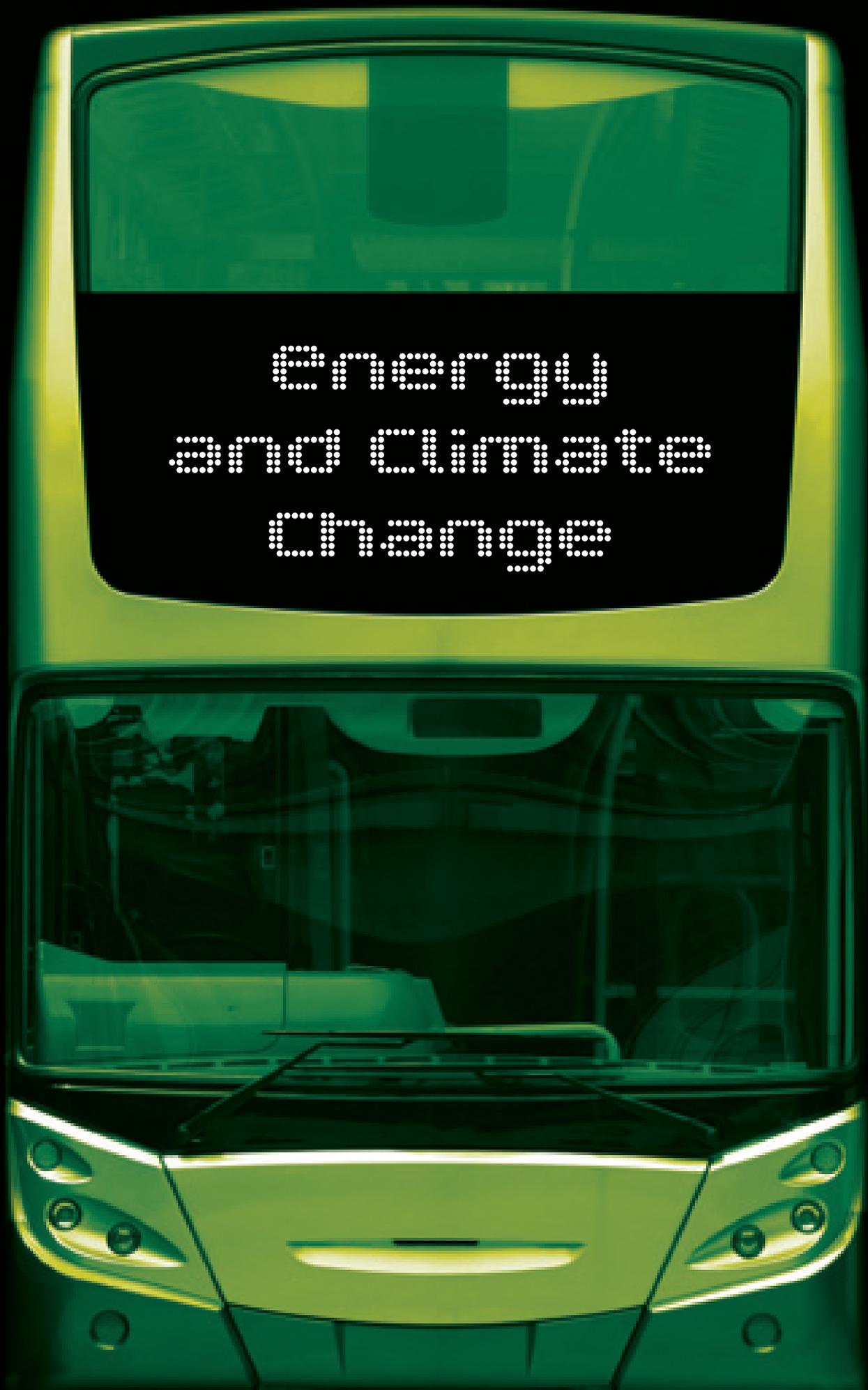
Affordable bus services enable young people from all backgrounds to access positive activities before and after school, such as breakfast clubs, football practice, drama clubs, homework clubs and volunteering. Such activities are key in building the self-esteem, skills, interests and contacts necessary for social mobility. A report by the All Party Parliamentary Group on Social Mobility found that participation in out of school activities was a key factor in breaking the cycle of social immobility<sup>356</sup>. It recommended that policy makers should explore ways of levelling the playing field on access to, and participation in, out of school activities.

Available and affordable bus services have the potential to help equalise access to these positive activities. Evidence suggests that high bus fares, or a lack of available bus services can prevent parents from allowing their children to participate in such activities.

Seemingly small hikes in bus fares (for example, an increase of 20p) can make a big difference to low income families, causing parents to restrict the number of journeys their children made, particularly those activities falling outside of school hours<sup>357</sup>. Affordable, capped, daily fares (available in some transport authorities) are helpful in giving young people the freedom to make more journeys to the places they want to go, without worrying about additional transport costs.

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The Department of Energy and Climate Change (DECC) works to make sure that the UK has secure, clean, affordable energy supplies and promotes international action to mitigate climate change.

**At the time of writing, DECC activity is guided by thirteen key policies. Investing in the bus can contribute to the achievement of four of these policy goals.**

## How the bus can help DECC – at a glance

### **1. Encouraging businesses to manage their impact on the environment:**

Encouraging employees to use the bus can help businesses reduce their environmental impact. Business travel can account for 50% or more of a (non-manufacturing) company's carbon footprint<sup>358</sup>.

### **2. Increasing the use of low-carbon technologies:**

The UK has considerable expertise in bus manufacturing, including low carbon innovation. Investing in bus fleets and manufacturing can increase the use of low-carbon technologies and support British jobs.

### **3. Reducing demand for energy from industry, businesses and the public sector:**

The bus can help reduce demand for energy through the use of fuel efficient vehicles and energy efficient infrastructure.

### **4. Reducing the UK's greenhouse gas emissions by 80% by 2050:**

If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>359</sup>. The potential for the bus to contribute towards CO<sub>2</sub> reduction is greatest in urban areas<sup>360</sup> and improvements to bus fleet efficiency are one of the seven strongest CO<sub>2</sub> emission reduction measures for transport in these areas<sup>361</sup>.

More detail on each of these DECC policy goals, and how the bus can help in their achievement, is provided below.

## DECC policy: Encouraging businesses to manage their impact on the environment

This policy is aimed at making our economy and businesses more sustainable, in order to grow the economy whilst also reducing environmental impact.

### How the bus can help

By encouraging employees and customers to use sustainable transport modes to access them, businesses can reduce their environmental impact. According to WWF, business travel can account for 50% or more of a (non-manufacturing) company's carbon footprint<sup>362</sup>. If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>363</sup>.

### Case study: npower bus services <sup>364</sup>

Energy company npower worked with bus operator Go North East to create subsidised bus services for employees at its site in Rainton, Sunderland. These services have saved 5,279,040 commuter miles and over 314 tonnes of CO<sub>2</sub> over three years.

PTEs and their district partners work with businesses to draw up travel plans that support them to promote more sustainable travel. Participation in such schemes entitles businesses to a range of benefits that help incentivise smarter travel choices. Membership of the West Yorkshire Travel Plan Network<sup>365</sup>, for example, entitles employers to apply for a 15% discount off annual bus and rail passes. They can also access a discounted Business Travel Pass – a transferable pass that can be used by employees for business and work-related travel throughout West Yorkshire.

PTEs also provide tailored travel information to help people understand how to reach key employment sites by public transport. Merseytravel, for example, produces 'How to Get There' guides tailored to key employers. 'How to Get to Jaguar Land Rover', for example, includes a map showing the key bus routes serving the site and the location of bus stops along the way.

**Business travel can account for 50% or more of a company's carbon footprint.**

## DECC policy: Increasing the use of low-carbon technologies

This policy aims to increase the amount of energy the UK gets from low-carbon technologies such as renewables and to reduce emissions through carbon capture and storage. Doing so is expected to help to make sure the UK has a secure supply of energy; reduce greenhouse gas emissions to slow down climate change; and stimulate investment in new jobs and businesses.

### How the bus can help

The use of low-carbon technologies can be increased through investment in bus fleets and manufacturing. The UK has developed considerable expertise in bus manufacturing and there are now several companies with a strong international reputation, including for the use of low-carbon technology, as the case studies below demonstrate.

#### Case study: **Wrightbus - Iconic hybrid buses made in Ballymena**

Two British companies – Heatherwick Studio in London and Wrightbus in Ballymena, Northern Ireland – were selected to design and manufacture the ‘New Bus for London’ – the replacement for the iconic London Routemaster bus. The result is a powerful showcase for British design and low-carbon technology.

The vehicles produce less than half the harmful emissions of conventional diesel buses, as well as being twice as fuel efficient<sup>366</sup>. The bus first entered service in February 2012 and a further 600 were ordered in September 2012 – the largest order of hybrid buses ever placed in Europe<sup>367</sup>.

Wrightbus has also exclusively developed ‘micro-hybrid’ technology which captures the energy generated from a bus’s braking system, and redistributes it to help power the vehicle electrics and compressed air system<sup>368</sup>.

#### Case study: **Optare - Innovative electric buses made in Yorkshire**

Yorkshire-based bus manufacturer Optare won the prestigious Society of Motor Manufacturers and Traders Award for Automotive Innovation in 2012 for its fast-charging electric bus. Optare is the only producer of full-size, commercially viable, battery powered buses in the UK<sup>369</sup>.

## Case study: **Alexander Dennis - 'Virtual electric' development programme**

Based in Falkirk, with additional manufacturing bases in Guilford and Scarborough, Alexander Dennis (ADL) is one of Britain's largest suppliers of hybrid-electric buses.

The manufacturer is now planning to bring a new 'virtual electric' bus to market in 2014. ADL say the bus will be capable of on-route charging via electric induction and will be able to meet gruelling 18-hour shifts whilst also running emission-free 70% of the time<sup>370</sup>.

Assuming two thirds of new buses are manufactured in the UK, then bus manufacturing is likely to employ around 2,000 people<sup>371</sup>. As the case studies above illustrate, investing in low-carbon bus technology can support British jobs and manufacturing, helping to achieve DECC's goal to stimulate investment in new jobs and businesses.

Increasing the numbers of low-carbon buses on the roads has a knock-on effect in that it gives more people the chance to experience low-carbon vehicles. In encouraging the public to take-up low-carbon technologies in their own vehicle choices, seeing is believing - the more chances people have to experience these technologies for themselves the better.

## **DECC policy: Reducing demand for energy from industry, businesses and the public sector**

This policy aims to support industry, businesses and the public sector to use less energy, which will reduce the impact of rising energy prices.

### **How the bus can help**

The bus can help reduce demand for energy through the use of fuel efficient vehicles and energy efficient infrastructure.

On vehicle fleets, for example, the 'New Bus for London' uses the latest green diesel-electric hybrid technology. Under test conditions it proved to be twice as fuel efficient as a normal diesel bus<sup>372</sup>. More than 600 of these vehicles will enter passenger service by 2016<sup>373</sup>.

Greener buses are also rolling out in the city regions outside London, many facilitated by successful bids to the Government's Green Bus Fund and Green Bus Technology Fund. In Greater Manchester, for example, Transport for Greater Manchester and bus operators have made successful bids to the Green Bus Fund for over 300 green buses, all to come into service by 2015.

One of the cheapest and easiest ways of reducing bus fleet fuel consumption is training bus drivers to drive in a more fuel efficient manner, for example by maintaining a steady speed and minimising vehicle idling.

## Case study: **ECO Stars<sup>374</sup>**

In South Yorkshire, the ECO Stars Fleet Recognition Scheme supports all types of commercial vehicles (including buses) to ensure their fleet is running as efficiently and economically as possible. Membership of the scheme is free and members are awarded a star rating out of five based on their fleet performance. They also receive a tailor-made 'Road Map' for improving their performance and star rating. The ECO Stars scheme is managed by the four South Yorkshire local authorities and the PTE.

Bus operator First South Yorkshire is part of the scheme and has achieved a three star rating<sup>375</sup>. All First South Yorkshire buses are fitted with 'Drive Green' technology. The equipment picks up on acceleration and braking patterns as well as corner, lane and speed handling. A 'traffic light' LED monitor on vehicle dashboards flashes green if the driver is driving correctly, or amber or red if a bus driver carries out an unwanted driving manoeuvre, such as heavy braking or acceleration. The driver can then make immediate changes to their driving to ensure buses travel more fuel efficiently and with fewer emissions.

Bus stations and infrastructure (such as bus shelters) can also be designed to minimise energy consumption. In the UK, PTEs have been at the forefront of developing green and efficient bus infrastructure.

## Case study: **Rochdale Interchange<sup>376</sup>**

Rochdale Interchange is the first UK public transport to be powered by integrated renewable hydroelectricity, using water from the nearby river Roch to turn an Archimedean screw which generates electricity for the interchange. The scheme generates enough electricity to meet approximately one third of the energy demand of the site.

## Case study: **LED lighting and solar panels for South Yorkshire bus infrastructure**

South Yorkshire PTE (SYPTe) is converting its 3,441 bus shelters to energy-saving LED lighting, saving over £150,000 and 400 tonnes of CO<sub>2</sub> per year<sup>377</sup>. Before conversion to LED lighting, bus shelter lighting bills accounted for a third of SYPTe's total electricity costs<sup>378</sup>. SYPTe aims to reduce its carbon footprint by 40% over the next three years and estimates that the LED tubes will reduce energy consumption by 61%.

The PTE is also adding solar panels to Sheffield Interchange, the city's main bus station. The panels will generate enough energy to power the equivalent of four households, significantly reducing carbon emissions and saving around £4,000 a year<sup>379</sup>.

## DECC policy: Reducing the UK's greenhouse gas emissions by 80% by 2050

This policy is in response to the 2008 Climate Change Act which established the world's first legally binding climate change target. Defra, in partnership with other Government departments, is aiming to move towards a more energy efficient, low-carbon economy that is less reliant on imported fossil fuels and less exposed to higher energy prices.

### How the bus can help

The bus has a key role to play in moving towards a low-carbon economy. If drivers switched just one car journey a month to bus or coach, it would mean one billion fewer car journeys and a saving of two million tonnes of CO<sub>2</sub><sup>380</sup>.

Congestion dramatically increases CO<sub>2</sub> emissions from road vehicles. Under heavily congested conditions tail pipe emissions can be increased by as much as three or four times<sup>381</sup>. Buses cut congestion by taking car journeys off the road and making better use of limited space. Just thirteen buses are needed to carry the same number of people as 300 cars<sup>382</sup> and take up considerably less space on the road, helping to alleviate congestion.

Research for Greener Journeys<sup>383</sup> found that the potential of the bus to contribute towards CO<sub>2</sub> reduction is greatest in urban areas where passengers per bus are likely to be higher and where congestion, parking problems and other disadvantages of the car are most acute. More than one billion bus trips are made each year in the PTE areas and investing in a coordinated programme to reduce emissions from these could achieve a significant impact on urban air quality and carbon emissions.

The Greener Journeys research found that the best used bus services in major urban centres may be reducing carbon emissions from road transport by 75% or more, if the emissions from bus operations are compared with those that bus passengers would generate if they used cars instead.

Research conducted for *pteg* found that making improvements in bus fleet efficiency is one of the seven strongest CO<sub>2</sub> emission reduction measures for transport in the Metropolitan areas<sup>384</sup>. Increased use of low-carbon buses should deliver a 30% reduction in carbon emissions compared with the same use of current conventional buses<sup>385</sup>.

### Case study: Hybrid buses in the West Midlands

A fleet of 18 hybrid buses entered service in the West Midlands in 2012, the result of a £5.2 million investment by the PTE (Centro), National Express West Midlands and the Department for Transport Green Bus Fund.

The vehicles are expected to save around 378 tonnes of carbon every year compared to regular buses, reducing CO<sub>2</sub> emissions by 30%. They run on a high frequency route between Birmingham and Kitwell, reducing the carbon footprint of thousands of commuters.

Whilst Government initiatives such as the Green Bus Fund have been very effective at getting more low emission buses onto our roads there is still a long way to go before they enter the mainstream. According to the Low Carbon Vehicle Partnership, in 2013 low-carbon buses (those producing 30% less greenhouse gas emissions than a normal diesel bus) accounted for just 2% of the UK bus market<sup>386</sup>.

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The Department of Health (DH) works to help people to live better for longer. The Department leads, shapes and funds health and care in England.

**At the time of writing, DH activity is guided by eighteen key policies. Investing in the bus can contribute to the achievement of three of these policy goals.**

## **How the bus can help DH – at a glance**

### **1. Reducing obesity and improving diet:**

Transport is among the key issues determining whether a person leads a healthy lifestyle. Simply walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot and can provide up to half of the recommended daily level of exercise<sup>387</sup>. The bus also connects people to health promoting activities and places, from leisure centres to supermarkets stocking cheap, healthy food.

### **2. Making mental health services more effective and accessible:**

The bus can contribute to mental wellbeing by enabling people to connect with others, be active, keep learning, give to others and to take notice. The bus has also been found to reduce mental stress by one third compared to car travel<sup>388</sup>.

### **3. Making the NHS more effective and less bureaucratic:**

The bus has a role to play in minimising hospital admissions by helping people to stay independent and healthy. It can also reduce costly missed appointments by providing direct and punctual transport links. Changes to the way bus travel is organised could offer scope for further efficiencies in patient transport.

More detail on each of these DH policy goals, and how the bus can help in their achievement, is provided below.

## DH policy: Reducing obesity and improving diet

This DH policy is aimed at addressing the fact that, according to the Department, most people in England are overweight or obese. The Department estimates that the health problems associated with this cost the NHS more than £5bn every year. By 2020, DH want to see a downward trend in the level of excess weight in adults and children.

### How the bus can help

One of the key actions for DH is to help people to make healthier choices, including through being more active. The Government's Change4Life programme is one of the main mechanisms for this and recognises the important role that active travel can play in encouraging people to move more<sup>389</sup>.

Transport is among the key issues determining whether a person leads a healthy lifestyle. Walking, cycling and public transport offer an alternative to the sedentary lifestyles that cars encourage. They are also among the cheapest, most accessible ways of encouraging physical activity. It is something that people are easily able to incorporate into their daily routines, meaning they are more likely to keep up the habit.

The role of the bus in particular in promoting physical activity can often go unrecognised, however, walking to the bus stop gets people moving in a way that taking two steps to the car in the drive cannot. The bus does not usually provide a door-to-door service, meaning that a walking or cycling trip at either end will normally be required.

An American study<sup>390</sup> found that people who use public transport spend a median of 19 minutes daily walking to and from public transport. Some 29% of people achieved the required 30 minutes or more daily physical activity solely by walking to and from public transport. People in low income households, minority groups and high-density urban areas were particularly likely to spend 30 minutes or more walking to and from public transport.

Similar results have been observed in the UK. A study by Mindlab<sup>391</sup> found that walking as part of a return trip by bus provided up to half the recommended daily level of exercise. Study participants walked an average of 1.3km (taking around 15 minutes) when taking a return journey by bus, 2.5 times more than when taking the same journey by car.

Research has also been conducted into the impact free concessionary bus travel has on levels of physical activity with the results showing that it results in more trips and more active travel:

- Research by Imperial College London<sup>392</sup> found that people with a free bus pass are more likely to walk frequently and take more 'active travel' journeys.
- A longitudinal study<sup>393</sup> of 9,000 people in England found that free bus passes for older people had increased their public transport use and that older people who used public transport had reduced odds of being obese compared with those who did not. It found that those who used public transport, or took advantage of free bus travel, were 25% less likely to be obese in 2008 than those who did not.
- Research into the health impacts of free bus travel for young people in London found that it generated extra walking journeys that either would not have otherwise been undertaken, or would have been carried out as a car passenger<sup>394</sup>.

As well as promoting active travel in itself, the bus also connects people to health promoting activities and places, from sports and leisure clubs to supermarkets stocking a wide range of cheap, healthy food. In some transport authorities, bus tickets and smartcards act as discount vouchers to incentivise the use of sports and leisure facilities. Affordable and available bus services help to equalise access to these health promoting activities and places.

## DH policy: Making mental health services more effective and accessible

According to DH, poor mental health is the largest cause of disability in the UK. Improving people's mental health and wellbeing is therefore a key priority for the Department.

### How the bus can help

The New Economics Foundation (nef) has described transport as one of the most important levers for improving wellbeing<sup>395</sup>. Drawing on nef research<sup>396</sup>, the 'NHS choices' website sets out 'Five steps to mental wellbeing'<sup>397</sup>. The bus has the potential to contribute to all five steps:

**1. Connect with people around you:** buses connect people to family and friends, whether on the bus itself or at the places buses link people to.

A recent study of young people's use of buses in London found that '*Buses provide a key site for sociability and public engagement in the city.*'<sup>398</sup> The same can be true for other groups. Even simply talking to people at the bus stop or on the bus can make a big difference to people who might otherwise be lonely or isolated. The bus provides an environment for encountering and interacting with a broad range of people, who may not meet under ordinary circumstances. Furthermore, by reducing traffic congestion (each double decker bus can take 75 cars off the road<sup>399</sup>) buses help create environments where it is easier for people to interact socially and which promote outdoor play<sup>400</sup>.

**2. Be active:** walking to and from the bus stop can help meet recommended daily levels of physical activity. Buses can also connect people to sports and leisure facilities. For more on this topic, see previous page.

**3. Keep learning:** the bus can enable people to access school, college, university and other formal and informal learning activities. Time spent on the bus can also be used to read or work.

**4. Give to others:** as well as helping people get to volunteering activities, the communal experience of travelling on a bus presents opportunities to do positive things for other people – such as giving up a seat for someone else or helping someone with a buggy get off the bus.

**5. Take notice:** travelling on the bus allows time to think, look out of the window and notice the world outside.

Research by Mindlab found that taking the bus rather than the car can reduce mental stress by a third<sup>401</sup>. The study measured the heart rate and Electro-Dermal Response (an indicator of mental stress) of 30 commuters taking similar journeys by car and by bus. In addition to biophysical data, participants were asked to rank their stress levels for each trip. Despite not being regular bus users, 93% said that they found driving more stressful than the same journey by bus.

## The New Economics Foundation has described transport as one of the most important levers for improving wellbeing.

## DH policy: Making the NHS more efficient and less bureaucratic

According to DH, spending on the NHS will increase each year between 2011 and 2015 as demand and patient expectations continue to grow. At the same time, the NHS has been tasked with finding up to £20 billion worth of efficiency savings. It is important, therefore, that the NHS makes the best possible use of the funds available.

### How the bus can help

The bus has a role to play in minimising hospital admissions by helping people to stay independent and active for longer. It can also help to reduce costly missed appointments by providing people with direct and punctual transport links to healthcare providers. We believe there is also scope for further efficiencies in the way patient transport services operate.

### Minimising hospital admissions

As part of efforts to drive efficiency, DH would like to see expensive hospital admissions minimised where possible. The bus has a role to play here in helping older and disabled people to stay healthy and independent for longer.

Transport authorities fund free off-peak bus travel for older and disabled people, support the development of accessible vehicles and pay for door-to-door or Ring and Ride bus services. These services enable people to independently access shops, services and activities helping them to stay active and mobile. Furthermore, they mean that vulnerable people can simply get out of the house and see other people, something that can make a big difference to a person's wellbeing and likelihood of keeping healthy. The relationships built in this way can also act as a valuable support network.

Just one Ring and Ride bus service, funded by Centro in the West Midlands, serving 31,000 active registered blind and disabled users is estimated by accountants Grant Thornton to save the health sector between £13.4m and £58.5m. The savings are due to the reduced need for care, home help and meals; reduced use of costly taxi, district, Community or NHS transport; reduced need for escorts; and improved access to employment<sup>402</sup>. All PTEs support similar Ring and Ride or door-to-door bus services, likely to result in millions of pounds worth of savings for the health and social care sectors each year.

### Minimising missed appointments

When a trip to hospital or other health care provider cannot be avoided, the bus helps ensure people reach their appointments and minimises missed appointments or 'did not attends' (DNAs).

A review by the NHS found that one of the key challenges for improving patient access to health services was an assumption that private transport will normally be available<sup>403</sup>, meaning that the need for other transport options is not always taken into account.

Some 44% of people without access to a car find it difficult to get to the doctors or to hospital<sup>404</sup>. This means public transport, and the bus in particular, has an important role to play in ensuring people are able to access health services.

Missed outpatient appointments alone cost hospitals £600m a year (£100 in lost revenue per missed appointment)<sup>405</sup>. Research has shown that the likelihood of missing an appointment rises with increasing levels of deprivation and is also more common among the younger and older extremes of the age spectrum<sup>406</sup>. Whilst other factors are likely to be at play, it is surely no coincidence that these are also the groups who are least likely to have access to a car.

The example below shows the difference a bus service can make in reducing missed appointments.

## Case study: **The GEM Centre**

The GEM Centre is a key facility supporting children with special needs or disabilities in the Wolverhampton area. However, it was built on an isolated site, and families in poorer areas of the city were struggling to access it because of the lack of bus services to get there.

In response, Centro, together with the health authority and a community transport organisation put on a dedicated bus service.

Before the bus service was introduced, the centre has a high proportion of people who were missing their appointments. Following the introduction of the bus service, missed appointments at the clinic dropped by 60%.

However, providing a bus service is not enough on its own. People also need to be able to understand how to use these services and be reassured that they will arrive for their appointment on time. To assist, PTEs produce 'How to get there' guides focused on local surgeries and hospitals. Transport for Greater Manchester's guides, for example, include details of key stops along the bus routes serving hospital sites with approximate travelling times between each stop and the hospital, as well as detailed maps of the site itself with departments and bus stops highlighted.

## **Providing efficient patient transport**

Alongside mainstream bus networks, which have a key role to play in connecting people to health services, the health and social care sectors also provide their own patient transport services.

The cost to the NHS of non-emergency patient transport is around £400 million<sup>407</sup>. A broadly similar figure (£450 million<sup>408</sup>) was spent by Local Transport Authorities in 2012/13 on providing all supported bus services across England outside London – used by over six million people each day<sup>409</sup>. This suggests considerable scope for savings in the way non-emergency patient transport is delivered.

Evidence suggests that non-emergency patient transport provision can be over-specified compared to what the patient actually needs, resulting in unnecessary costs to the sector. The DfT, for example, refer to 'the present tendency for many low-need users to be provided with high cost ambulance service transport'<sup>410</sup>.

A more coordinated, cross-sector approach to the provision of patient transport could help ensure that patients are provided with vehicles suited to their needs. PTEs make use of fully accessible buses as part of their wider service to the community. These fleets could be an asset to the health sector, with patient transport incorporated into day-to-day schedules or demand-responsive services. Vehicle downtime could also be utilised and coordinated with appointment times, as in the example below.

## Case study: **Utilising spare vehicle capacity for patient transport**

Transport for Greater Manchester, coordinated an initiative with the then Stockport PCT, who wanted to offer a concentrated number of client assessments and fittings of digital hearing aids. By offering clinic appointments during the middle of the day, the PCT could utilise the spare capacity of a local authority owned accessible fleet to provide transport support to those who needed it, scheduled to suit the transport available and reduce the risk of non-attendance.

Given that they are in the business of transport, there may be potential for further synergies and savings were the budget for patient transport to be transferred to transport authorities. If budgets and resources were transferred or pooled, this would offer more scope to maintain, expand and integrate vital transport links to healthcare, removing any unnecessary duplication or over-specification, saving money and offering a better service to patients. More details on these kinds of approaches can be found in our report 'Total Transport: Working across sectors to achieve better outcomes'.

**A more coordinated, cross-sector approach to the provision of patient transport could help ensure that patients are provided with vehicles suited to their needs.**

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The Deputy Prime Minister's Office (DPMO) works across the full range of Government policy, covering, at the time of writing, 224 policies.

## How the bus can help DPMO – at a glance

### 1. Improving social mobility to create a fairer society:

The bus helps ensure that everybody, regardless of their background, can access the opportunities they need to achieve social mobility. The bus is a unique and effective tool of social policy, being intrinsically targeted at those groups who are most in need of support.

### 2. Creating jobs:

Buses are critical to ensure that city centres remain accessible and attractive for job creation and retention. They also play a key role in connecting otherwise isolated communities to employment. The UK bus industry itself is a major source of employment for thousands of people and enjoys a growing international reputation for high quality manufacturing.

### 3. Help for working families:

The bus is of vital importance to working families, connecting them to jobs, social networks, education and leisure. Available and affordable bus services are particularly vital in enabling low income families to access opportunities. Without such bus services, families can be forced into car ownership which they can ill afford.

### 4. Stimulating local growth:

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>411</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

More detail on each of these DPMO policy goals and priorities, and how the bus can help in their achievement, is provided below.

## DPMO policy: Improving social mobility to create a fairer society

This policy is based on a belief that in a fair society, what counts towards your success is how hard you work and the skills and talents you have – not who your parents are or where you come from. It aims to ensure that no-one is stopped from achieving their potential and to create an open society that gives fair chances to everyone.

### How the bus can help

Public transport, and the bus in particular, has a key role to play in improving social mobility and creating a fairer society. The bus helps to ensure that everybody, regardless of their background, can access the opportunities they need to move forwards in their lives.

If bus services are (and are perceived to be) available, accessible, affordable and acceptable to users, they can connect people to the jobs, education and activities that help them to improve their long term prospects. This contributes to the government's goal of creating a socially mobile society where no one is prevented from achieving their potential. Something as simple as a lack of transport can leave people stranded and cut off from the opportunities to which everyone should be entitled.

Bus networks tend to be of greatest service to those groups in society who are most vulnerable to exclusion:

- **Young people** for whom public transport is a prime means of getting around independently, particularly where a journey is not suitable for walking and cycling. Young people are among the biggest users of bus services<sup>412</sup>.
- **Older people** – who may no longer be fit, or feel able, to drive or to afford to run a car. Bus use declines after the age of around 20 but increases again as people enter their 60s<sup>413</sup>.
- **People from non-White ethnic groups** who are more likely to live in households without access to a car or van. For example, 19% of White adults live in households without a car or van, compared to 29% of Asian/Asian British adults and 41% of Black/African/Caribbean/Black British adults<sup>414</sup>.

- **Disabled people** who are less likely to have access to a car, and more likely to use bus services than non-disabled people<sup>415</sup>.
- **Women** who are less likely hold a full driving licence<sup>416</sup> and more likely to use the bus than men<sup>417</sup>.
- **Low income households** – around half of households on the lowest real income quintile do not have access to a car<sup>418</sup>.
- **Jobseekers** – 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>419</sup>.

The bus is a unique and effective tool of social policy because it is intrinsically targeted at those groups who are most in need of support without resort to complicated means-testing arrangements.

The increased access to opportunities which bus networks provide can make a powerful contribution to greater social mobility and fairness. Of the £2.5 billion in economic benefits generated by bus networks around £1.3 billion reflect user benefits from access to jobs, education, shopping and leisure opportunities<sup>420</sup>.

## A lack of transport can leave people stranded and cut off from opportunity.

## DPMO priority: Creating jobs

### How the bus can help

Buses are critical to ensure city centres (where the most productive jobs tend to cluster)<sup>421</sup> remain accessible and are able to grow. Buses carry more than a quarter of all motorised trips into the largest city centres<sup>422</sup>. If half of these trips transferred to the car, city centres would literally grind to a halt, discouraging private sector investment and expansion.

In the worst case scenario (assuming road networks are operating roughly at capacity), if bus networks were to collapse this would lead to a 12.4% reduction in city centre jobs<sup>423</sup>. Across the six Metropolitan areas, this would equate to a loss of over 100,000 jobs, equivalent to £4.6bn per year in lost GDP. To put this into perspective, this is roughly twenty times the amount of operating subsidy which metropolitan bus networks receive as a whole.

If buses were not available, one in ten commuters would be forced to look for another job or give up work altogether<sup>424</sup>. In a recent survey of businesses, over half considered the bus to have a role in employee recruitment and retention<sup>425</sup>.

Furthermore, supporting the bus industry leads directly to private sector job creation. The sector directly employs 124,000 people across Great Britain. Unlike many other parts of the economy, the bus industry is largely local in nature. Drivers and maintenance staff tend to live near their place of work and their jobs cannot easily be moved to a different region, let alone a different country.

The UK has also developed considerable expertise in bus manufacturing and there are several companies with a strong international reputation, such as Optare and WrightBus. Buses need to be replaced every 10-15 years, generating a steady stream of orders of around three to five thousand new buses every year<sup>426</sup>. Assuming two thirds of new buses are manufactured in the UK, then bus manufacturing is likely to employ around 2,000 people<sup>427</sup>. A 10% increase in bus kilometres, for example, could be expected to create 200 new full time jobs in manufacturing alone.

### Case study: **Buses open up job opportunities at ASOS**

ASOS is the largest online fashion store in both the UK and Europe. ASOS partnered with Unipart to manage its European distribution centre when it relocated to South Yorkshire.

ASOS Unipart began recruiting in early 2011. Teaming up with Jobcentre Plus, they sought to draw candidates from a jobseeker market of largely semi-skilled people aged 19-25 from the local area.

Initial survey data showed that more than 75% of candidates did not drive or have access to vehicles. This made it nearly impossible to get to the site, where buses were infrequent and there were no evening or Sunday services. Jobcentre Plus was finding that up to 92 potential candidates per week were unable to accept or apply for a role at ASOS.

In response, South Yorkshire PTE, in partnership with local bus operators, altered bus routes stopping at the site and adjusted and expanded timetables to match shift patterns.

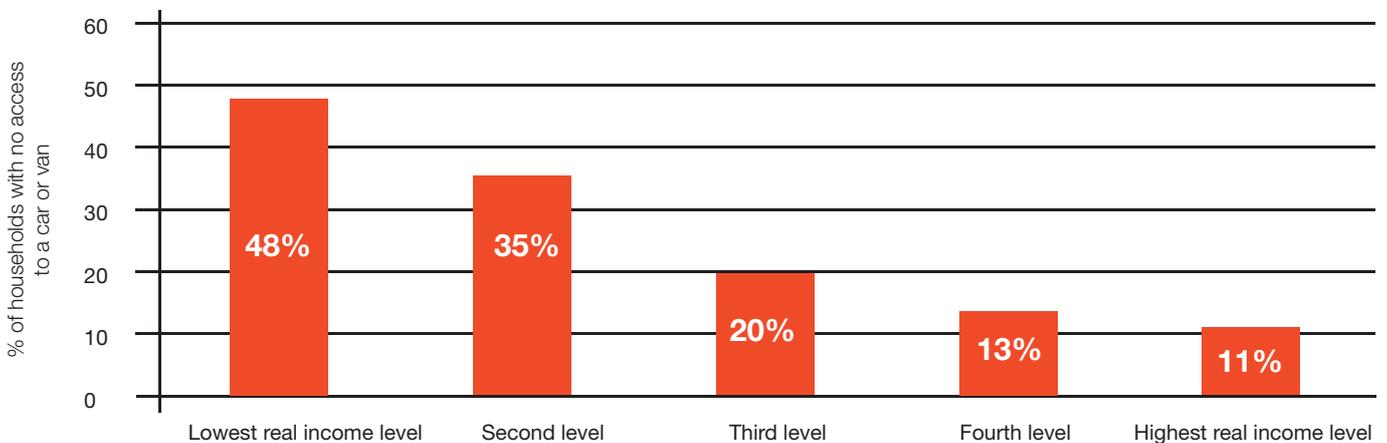
Following the alterations, bus patronage on the enhanced services grew from 108 in the first week of service in late June 2011, to 831 per week in September 2011. The bulk of this increase is likely to represent people connected to jobs that they otherwise could not have reached.

## DPMO priority: Help for working families

### How the bus can help

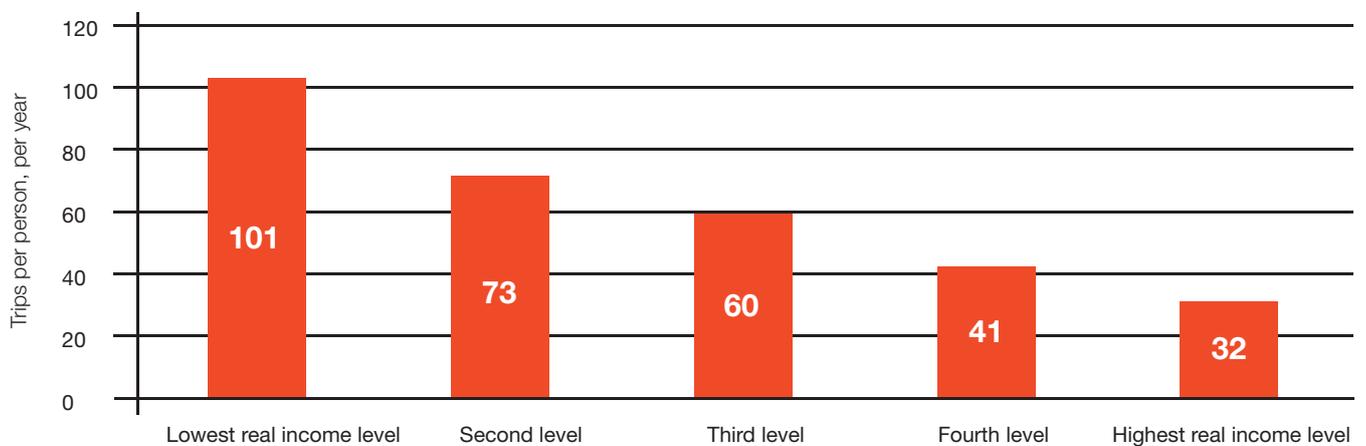
The bus is of vital importance to working families, connecting them to jobs, social networks, education and leisure. The bus is particularly vital in enabling low income families to access opportunities. As the charts below show, households on lower incomes are less likely to have access to a car or van and more likely to use bus services.

### Households with no access to a car or van by income 2012



Source: DfT National Travel Survey table NTS0703

### Bus trips by household income 2012



Source: DfT National Travel Survey table NTS0705

Levels of car availability may be even lower than these figures suggest, as households with access to a car may have to share it, meaning it is not available for all the trips a family may want to take. Research by DfT found that where people shared access to household cars, journeys to work tended to take priority<sup>428</sup>.

Without access to a car, the bus assumes greater importance for lower income families. As the chart above shows, as income falls, bus use rises.

Where bus services are poor, families can be forced into car ownership which they can ill afford. Research in Scotland<sup>429</sup> found that households on a low income (less than £10,000) showed lower levels of car ownership (37%) if they had access to a frequent bus services (one at least every ten minutes) compared to low income households who had to wait more than an hour between buses (93% car ownership).

Further evidence of the potential impact on low income families of poor bus services comes from the Joseph Rowntree Foundation. In 2008, it developed a minimum income standard (MIS) for Britain based on what members of the public thought people needed in order to achieve an acceptable minimum standard of living<sup>430</sup>. Different MISs were developed for different family types, with people from the particular category under discussion deciding the MIS for that group – e.g. lone parents decide what the MIS should be for lone parent families.

The MIS is updated regularly. In 2012<sup>431</sup>, for the first time, participants decided that a car has become essential for families with children living in urban areas outside London in order for them to meet an acceptable living standard. This was attributed to cuts to bus service availability, the perceived inflexibility of public transport and high bus fares. The addition of a car as an essential item significantly raised the MIS needed for these households. For example, for a couple with two children, the 2008 transport budget uprated with inflation to 2012 would be £46 a week. The addition of a car costing £60 a week to run, combined with some remaining public transport costs, added £29 a week (net) to the total transport budget for these families. The MIS 2013 also included the car as an essential item for families with children.

This suggests that families who cannot afford to purchase a car are likely to find themselves cut off from the activities that their peers perceive are needed to achieve a minimum acceptable standard of living. The bus has the potential to connect these families to opportunities, but only if it runs to the places they want to go and is affordable. As the findings from the MIS research illustrate, cuts to bus services and bus fare rises mean that this is becoming less likely to be the case.

**Compared to car trips,  
a greater proportion of bus  
trips are linked to the most  
economically productive  
activities.**

## DPMO priority: Stimulating local growth

### How the bus can help

Around 4.7 billion bus trips are made in England every year, around three times the total number of trips on national rail. In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>432</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

Compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. For example, 38% of bus trips are for work<sup>433</sup> or education purposes compared to 29% of car trips<sup>434</sup>. Research has shown that if buses were not available, one in ten bus commuters would be forced to look for another job or give up work altogether<sup>435</sup>. Most other bus users would be likely to see a steep increase in their transport expenditure or the amount of time spent travelling. In a recent survey of businesses, over half considered the bus to have a role in employee recruitment and retention<sup>436</sup>.

### Case study: **npower, Sunderland**

When energy company npower relocated over 1,800 workers to new, but difficult to reach, offices in a former coal mining area between Sunderland and Durham in 2010, one of the major issues to be addressed was how staff would get to work.

In response, the company worked with Go North East to create four new bus routes for existing staff and new recruits, tailored to match shift working hours. The services were initially funded entirely by npower, but one of the routes has been so successful that it has since opened up commercially.

There are now more than 15,000 journeys per month on the services and nearly 20% of the people who work at the business park now travel by bus.

As well as connecting people to employment and education, bus services provide vital links to shopping and leisure opportunities. More people access the high street by bus than by any other mode – 40% of shoppers access the high street by bus, compared with 30% by car<sup>437</sup>. Bus users in Great Britain make 1.4 billion shopping trips per year, spending an average of £30 for every return trip. This gives a total estimated retail spend of £21 billion<sup>438</sup>. The same research found that bus users also make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>439</sup>. By enabling these activities to take place, buses support the wider functioning of the economy.

Some of the most important economic benefits generated by bus networks accrue to other transport users and society at large through decongestion; reduced accidents, noise and pollution; agglomeration benefits and the stand-by value of bus networks.

Congestion in urban areas has been estimated by the Cabinet Office to cost the UK economy around £11bn a year<sup>440</sup>. In most large cities, buses carry more than a quarter of all motorised trips into city centres<sup>441</sup>. If all, or even half, those bus trips were made by car instead then city centres would literally grind to a halt. In practice, there is little spare capacity left at peak times, which means that future growth would be severely constrained.

The delays and unreliability caused by congestion add to the end cost of consumer products, reduce the productivity of businesses and employees and therefore stymie their ability to innovate and access new markets and resources. A survey of businesses put the cost of congestion at around £17k per business, per year, with 90% of businesses reporting congestion to be a problem for them<sup>442</sup>. Buses were singled out in the *Eddington Transport Study* as offering ‘a very cost-effective way to reduce congestion and support productive labour markets.’<sup>443</sup>

Lower congestion stimulates agglomeration economies, which bring workers, businesses and customers closer together, and generate significant productivity benefits. It is estimated that bus networks in Metropolitan areas alone generate in excess of £400m per year in agglomeration benefits<sup>444</sup>.

As urban areas grow, so does the pull of agglomeration, in turn making them more productive and increasingly attractive to businesses. Beyond a certain point, this can lead to congestion creeping up again, driving firms away. The bus widens the catchment area of economic centres, making more land available for development and unlocking space to grow.

## Case study: **Supporting growth in the Leeds City Region**

According to Metro, the transport authority for West Yorkshire, Leeds City Region could miss out on 22,000 potential jobs by 2026 due to worsening transport constraints, as firms would struggle to recruit from a shrinking labour pool. Local leaders have identified 33 projects which would make the greatest contribution to linking jobs and housing. This will be paid for by the West Yorkshire Plus Transport Fund, worth in excess of £1bn.

As a result of this investment, Metro expects that, by 2036, the city region will be able to accommodate around 20,000 more jobs and generate £1.3bn in annual Gross Value Added than would otherwise have been the case.

Investment in bus is a key focus for the Fund, which will see investment in a new trolleybus system, a core bus network upgrade (leading to improved journey times, increased frequencies and lower fares) and examination of new partnership or franchising options to deliver better bus services.

Support for the bus industry also contributes directly to job creation. The industry is largely local in nature. Drivers and maintenance staff tend to live near their place of work and their jobs cannot easily be moved to a different region, let alone a different country.

The UK has also developed considerable experience and an international reputation in bus manufacturing. Overall, the bus industry directly contributes £2.86bn to UK output through the farebox. With a total turnover in excess of £5bn, almost all of this gets further recycled into the economy through employee spending and the supply chain<sup>445</sup>.

## Case study: **Buses - a UK manufacturing success story**

### **Wrightbus and the New Bus for London**

Two British companies – Heatherwick Studio in London and Wrightbus in Ballymena, Northern Ireland – were selected to design and manufacture the replacement for the iconic London Routemaster bus. The result is a powerful showcase for British design and low carbon technology.

The vehicles are fully accessible and produce less than half the harmful emissions of conventional diesel buses, as well as being twice as fuel efficient<sup>446</sup>.

The first New Bus for London entered service in February 2012 and a further 600 were ordered in September 2012 – the largest order of hybrid buses ever placed in Europe<sup>447</sup>. In the same year, Wrightbus won a three year £41m contract to supply 550 double decker buses to Singapore<sup>448</sup>. The company has a varied portfolio of products, sold across the world including the StreetCar RTV, designed to operate in the tough environment of the Nevada desert<sup>449</sup>.

Back in the UK, every fourth bus sold on a PSV chassis is made in Wrightbus's Ballymena plant<sup>450</sup>. The company is family owned and managed, and employs more than 1,400 people<sup>451</sup>. It has a turnover of £130m and was ranked among Northern Ireland's top 40 companies in 2013<sup>452</sup>.

### **Optare**

Formed in 1985, 2012 saw Yorkshire-based bus company Optare reach the milestone of manufacturing its 10,000th bus<sup>453</sup>. Meanwhile, export sales reached a record £10.5m in the six months to September 2012<sup>454</sup>.

Optare has a turnover of £76m<sup>455</sup> and employs around 500 people. Optare's parent company, Asok Leyland, is ranked among the top five global bus manufacturers<sup>456</sup>.

Optare won the prestigious Society of Motor Manufacturers and Traders Award for Automotive Innovation in 2012 for its fast-charging electric bus. Optare is the only producer of full-size, commercially viable, battery powered buses in the UK<sup>457</sup>.

### **Alexander Dennis**

Based in Falkirk, with additional manufacturing bases in Guildford and Scarborough, Alexander Dennis (ADL) more than doubled its turnover between 2007 and 2011, from £170m to £360m<sup>458</sup>.

The company won nearly half of the UK bus market in 2011 and also has a growing international presence with nearly 40% of sales going overseas, including to Hong Kong, New Zealand and North America<sup>459</sup>.

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HM Treasury (HMT) is the government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.

**At the time of writing, HMT activity is guided by 21 policies. Investing in the bus can contribute to the achievement of four of these policy goals.**

## **How the bus can help HMT – at a glance**

### **1. Helping people to find and stay in work:**

Some 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike<sup>460</sup>. Available and affordable bus services are vital in enabling access to job opportunities. Having found work, the bus supports people to stay there. One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel by bus<sup>461</sup>.

### **2. Promoting social action: encouraging and enabling people to play a more active part in society:**

The bus can help connect people to volunteering opportunities, regardless of their economic or social background. At a more micro level, the communal experience of bus travel enables people to play a more active part in society through the opportunities it presents for connecting with other people.

### **3. Achieving strong and sustainable economic growth:**

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>462</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

### **4. Spending taxpayers' money responsibly:**

Each of the key forms of public support for bus services have been found to generate significant benefits, ranging from £1.50 to £3 for every £1 of public money spent<sup>463</sup>.

More detail on each of these HMT policy goals, and how the bus can help in their achievement, is provided below.

## HMT policy: Helping people to find and stay in work

HMT policy recognises that long term unemployment is damaging to individuals and communities, affecting mental and physical health and holding back economic growth. As such HMT want to help people find and sustain employment.

### How the bus can help

Transport is vital in enabling people to find, and sustain, employment. One of the first considerations when embarking on a job search is 'where can I get to?'. Transport plays a major role in the decision making process about whether to apply for, accept or stay in employment.

### Helping people find work

Some 77% of jobseekers in British cities outside London do not have regular access to a car, van or motorbike, rising to 83% for those unemployed for more than six months<sup>464</sup>. Over half do not have a full car or motorbike driving licence, rising to 63% amongst those unemployed for more than six months<sup>465</sup>.

Compared to all individuals aged 16 or over, people who have never worked or are long term unemployed<sup>466</sup>:

- **Are more likely to make trips on foot:** walking accounts for the biggest proportion of trips made by this group (38%). In contrast, 20% of trips for all aged 16 or over are made on foot and car driver journeys account for the biggest proportion of trips (51%).
- **Are less likely to make trips as a car driver:** A fifth of all trips made annually by this group are as a car driver, compared to over half for all aged 17 or over.
- **Are more likely to make trips as a car passenger:** 22% of all trips made each year by this group are as a car passenger, compared to 15% for all aged 16 or over. Relying on lifts can make it difficult to get to interviews and work independently.
- **Are more likely to use buses:** Bus journeys account for 14% of all trips made annually by this group, compared to 6% for all aged 16 or over.
- **Are less likely to use rail:** 2% of trips made annually by this group are by rail compared to 3.2% for all aged 16 or over.

Research by Citizens Advice asked Job Seekers Allowance claimants to complete the sentence '*It would help me get back to work if...*' One of the top two answers was '*...I could find work near where I live.*'<sup>467</sup> Most job opportunities are likely to be further than walking distance away, especially as jobseekers are required to apply for and take up job opportunities that involve up to a 90 minute journey.

As the statistics above illustrate, jobseekers are more likely to rely on public transport, and the bus in particular, to reach these jobs independently. Research among unemployed people has shown that women, those without access to a car, young people and people with lower skill levels are particularly dependent on bus services<sup>468</sup>.

Around 40% of jobseekers say that lack of personal transport or poor public transport is a key barrier preventing them from getting a job<sup>469</sup>. If bus connections are lacking, or perceived to be so, jobseekers can find themselves extremely limited in their choice of vacancies.

Employment opportunities can often be located in isolated out-of-town industrial or trading estates that can be difficult to access without a car. This is particularly true for lower skilled jobs - research by Centre for Cities has shown that these tend to be more dispersed and often remote from deprived communities who may wish to access them<sup>470</sup>.

A recent study by the Joseph Rowntree Foundation analysed three contrasting urban labour markets and potential candidates for low skilled vacancies. It found that whilst 70 to 90% of unfilled vacancies were easily accessible by car, only 35 to 55% could be reached within 30 minutes by public transport<sup>471</sup>.

Research among a sample of 912 jobseekers in British cities outside of London found that over 60% felt they would have less chance of finding a job without bus services. Over a third felt that they would have a better chance of finding work if bus services were improved<sup>472</sup>.

In a deregulated bus market, transport authorities have no direct control over where commercial bus services run. Bus operators need to make a profit and are unlikely to run services that lose money, even if there is a need for them. Instead, they tend to focus on profitable major corridors and commuter routes into city centres. As described above, lower skilled vacancies are often found outside of these key corridors. Transport authorities may step in to fund extra 'socially necessary' (known as subsidised or supported) bus services, but cuts to revenue funding mean that they are becoming less able to do this.

The case studies below show the difference a bus connection can make to opening up employment opportunities.

## Case study: **Buses open up job opportunities at ASOS**

ASOS is the largest online fashion store in both the UK and Europe. ASOS partnered with Unipart to manage its European distribution centre when it relocated to South Yorkshire.

ASOS Unipart began recruiting in early 2011. Teaming up with Jobcentre Plus, they sought to draw candidates from a jobseeker market of largely semi-skilled people aged 19-25 from the local area.

Initial survey data showed that more than 75% of candidates did not drive or have access to vehicles. This made it nearly impossible to get to the site, where buses were infrequent and there were no evening or Sunday services. Jobcentre Plus was finding that up to 92 potential candidates per week were unable to accept or apply for a role at ASOS.

In response, South Yorkshire PTE, in partnership with local bus operators, altered bus routes stopping at the site and adjusted and expanded timetables to match shift patterns.

Following the alterations, bus patronage on the enhanced services grew from 108 in the first week of service in late June 2011, to 831 per week in September 2011. The bulk of this increase is likely to represent people connected to jobs that they otherwise could not have reached.

## Case study: **Buses connect workers to Cobalt Business Park, North Tyneside<sup>473</sup>**

Cobalt Business Park in North Tyneside is the UK's largest office park with a recruitment catchment of over 1.1 million people. Some 600 bus services come through the park daily, connecting to over 40 residential areas and helping to open up the local labour pool.

*"The bus services in and around Cobalt Business Park have helped retain our staff as well as helped with staff recruitment, without the services, many of our employees wouldn't be able to get to work, they are crucial to Formica in this respect and they have helped transform accessibility to the Park."*

*Richard Pollington, European President at Formica Ltd*

## Case study:

### **Buses support shift working in St Helens<sup>474</sup>**

Businesses on the Haydock Industrial Estate in St Helens, Merseyside employ thousands of people, many of whom are shift workers. With no direct bus provision onto the estate, other nearby bus services did not match workers' shift patterns. Employers on the estate cited this as a major barrier in recruiting new staff and retaining existing workers.

Research by St Helens Chamber, local businesses, Merseytravel, St Helens Metropolitan Borough Council and Arriva North West identified demand for direct bus services around the hours of 6am, 2pm and 10pm, seven days a week.

In response, the bus company, with funding from St Helens Chamber, launched a new service to help people get to work at Haydock. The service attracted customers from the day it was launched and is now able to run as a largely commercial service.

*"St Helens has some areas of high unemployment and the people who need to work are up to five miles from getting to those jobs. The bus has played a key part in providing much needed jobs for local people and helped staff recruitment and retention for businesses which in turn enhances productivity."*

*Sue Waller, Business Advocate for St Helens Chamber*

Simply providing a bus service is not enough in itself. Many jobseekers and newly employed people will encounter additional barriers, such as the cost of travelling to an interview or a new job; lack of awareness of public transport options; or limited travel horizons.

The actual and perceived cost of travelling by bus can be particularly limiting to travel horizons. In the deregulated bus market outside London, bus operators are free to decide the fares they will charge. Bus fares in the Metropolitan areas continue to rise above the rate of inflation, increasing by almost 30% in the last ten years<sup>475</sup>. One in four people say their job search is inhibited by the cost of travel to interviews<sup>476</sup>. In some cases, the expense of bus travel can make the difference between being better off on benefits or being better off in work. Furthermore, with most wages now paid monthly, having found a job it can be difficult to make ends meet between starting work and the first wage packet.

With support from Jobcentre Plus offices, many PTEs have led 'WorkWise' schemes to assist people to overcome these barriers to employment.

**Research among a sample of 912 jobseekers in British cities outside of London found that over 60% felt they would have less chance of finding a job without bus services.**

## Case study: WorkWise schemes

Led by PTEs (often via Jobcentre Plus) WorkWise schemes combine personalised journey planning to enable people to get to interviews or new jobs with free or discounted tickets to reach these opportunities.

WorkWise helps to broaden travel horizons, giving people the information and personalised advice they need to understand how to get to places using public transport, be reassured that they will arrive where they need to be on time and have the confidence to look for work beyond their immediate local area.

WorkWise also guides people through the maze of tickets and passes that are available and by providing free or discounted tickets and passes to get to interviews and for use during those 'make or break' weeks of a new job. This support is also crucial in ensuring that new employees stay in work and are not tempted, or compelled, to return to benefits.

WorkWise is a tried and tested approach. In the West Midlands, for example, Workwise schemes have helped nearly 14,000 jobseekers back to work. An evaluation of one such scheme in the area found that more than 80% of customers said that they would have struggled to access employment opportunities without the travel passes provided<sup>477</sup>. In another survey of WorkWise customers, when asked why they valued the monthly pass provided by the scheme, 76% of respondents said it '*Saves me a lot of money/takes away the worry about money*'<sup>478</sup>.

Jobcentre Plus now has more flexibility and choice over what support to offer to claimants. WorkWise approaches should be a key component of the toolkit available to Jobcentre Plus managers to help claimants overcome transport barriers to work.

### Helping young people into work

Young people are one group singled out for extra support under HMT's wider policy of helping people to find and stay in work. The key mechanism used is the Youth Contract, designed to make it easier for businesses to give young unemployed people a job, training or work experience.

We suggest that young people would benefit from additional support to overcome transport barriers to employment. Research has shown that 87% of jobseekers aged 18-24 in British cities outside London do not have regular access to a car, van or motorbike<sup>479</sup>. Some 75% of this group do not have a full car or motorbike driving licence<sup>480</sup>.

These young people will rely on the bus to access many job opportunities. A quarter of young people aged 16-25 say they have not applied for a particular job in the last year because of transport problems<sup>481</sup>.

The ACEVO Commission on Youth Unemployment found that '*for a great many young people, the costs of transport remain a major barrier to engaging in education or work*' and that '*high transport costs can eat significant chunks out of the earnings of a young person on the minimum wage, and be a major disincentive to staying in training for a prolonged period, or to undertaking unpaid work experience.*'<sup>482</sup>

Many of the jobs young people take up are likely to be part-time, low paid or unpaid and involve evening and weekend working. Affordable bus services, available to fit traditional and non-traditional working hours therefore have a key role to play in ensuring young people can find and stay in employment.

## Supporting disabled people into work

Within its overall policy of helping people to find and stay in work, HMT has also pledged to provide extra support for disabled people who need more help to find and keep a job in the form of an individually tailored 'Work Choice' programme.

It is likely that transport will be a particular area of concern for disabled people in finding and sustaining work. Disabled people are less likely to drive and more likely to use buses, community transport or lifts from friends and family than the general population<sup>483</sup>. However, 34% of disabled adults experienced difficulty using local buses<sup>484</sup>. This can severely restrict access to work. A survey of disabled people<sup>485</sup> found that:

- 23% of respondents who were actively seeking employment had to turn down a job offer because of inaccessible transport. This compares to just 5% of jobseekers overall who have had to turn a job offer down due to transport problems.
- 23% of respondents had to turn down a job interview because of inaccessible transport. This is almost double the proportion found among jobseekers overall, 12% of whom had turned down interviews due to transport problems.
- 48% of respondents said that inaccessible transport had restricted their choice of jobs, rising to 62% of wheelchair users and 86% of people with a visual impairment.

Given that the bus is the most commonly used form of public transport among disabled people and that most (60%) have no car in the household<sup>486</sup>, the bus is pivotal in deciding whether or not disabled people can access opportunities for work.

## Helping people stay in work

Bus services are also important in helping people to stay in work:

- Buses carry a greater proportion of trips for commuting than cars<sup>487</sup>.
- More people commute to work by bus than by all other forms of public transport combined<sup>488</sup>.
- One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel to work by bus<sup>489</sup>.
- 400,000 workers are in better, more productive jobs as a direct result of the bus, and the economic output they produce is £400 million per annum<sup>490</sup>.
- Bus commuters generate £64 billion in economic output every year<sup>491</sup>.
- Research in British cities outside London found that 13% of jobseekers with no car availability have left or turned down a job because of a lack of suitable or affordable bus services<sup>492</sup>.

The bus is particularly important for those in lower paid routine and manual occupations – these groups make more bus trips and travel further by bus than those in more skilled occupations<sup>493</sup>.

**One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel to work by bus.**

## HMT policy: Promoting social action: encouraging and enabling people to play a more active part in society

In recognition of the fact that it is not always as easy as it could be for people to give their time and skills to society and local communities, this policy aims to reduce some of the obstacles that people face.

### How the bus can help

The bus can help connect people to volunteering opportunities, regardless of their economic or social background. A quarter of all households do not have access to a car or van, rising to almost half for families on the lowest real income levels<sup>494</sup>. The bus is vital in enabling these households to give their time and skills to the community.

Affordable and available bus services encourage volunteering. Older people, for example, contribute £176bn to the economy in the form of consumer spending but also unpaid childcare, adult social care and volunteering<sup>495</sup>. The easier we can make it for this group to travel, the more contribution they can make. The national concessionary bus travel scheme for older people undoubtedly assists with this.

Whilst the national concessionary scheme for older people facilitates volunteering, other groups still find the cost of travel to be a significant barrier to giving their time.

According to young people's volunteering groups<sup>496</sup> *'one of the biggest barriers young people face to volunteering is transport.'* They further note that *'Young people may have limited access to funds or may be living on a low income and so aren't able to pay for travel to their volunteering opportunity'*. They suggest that young people are much more likely to start, and continue, volunteering if opportunities can be found near to where they live *'particularly if they only have to walk down the road rather than take a bus'*. Measures to improve the affordability of travel for young people could help break down these barriers and open up more volunteering opportunities.

### Case study: Young Scot card – volunteer extension

The Scottish Government supported Young Scot National Entitlement Card offers savings on bus and rail tickets for 16-18 year olds. For full-time volunteers, the card is valid up until the holder's 26<sup>th</sup> birthday<sup>497</sup>.

At a more micro level, and unlike car travel, the communal experience of bus travel enables people to play a more active part in society through the opportunities it presents for connecting with other people. Travelling on a bus presents opportunities to do things for other people – such as giving up a seat for someone else or helping someone with a buggy get off the bus. Even simply talking to people at the bus stop or on the bus can make a big difference to people who might otherwise be lonely or isolated. A recent study of young people's use of buses in London found that *'Buses provide a key site for sociability and public engagement in the city.'*<sup>498</sup>

## HMT policy: Achieving strong and sustainable economic growth

This policy aims to stimulate economic growth while supporting people who work hard and want to get on in life.

### How the bus can help

From a transport point of view, HMT actions towards achieving strong and sustainable economic growth focus on investing in major infrastructure projects. Whilst this is vital to economic growth, public transport revenue spending (such as support for bus services) also has a key role to play. A study by the American Public Transportation Association found that \$1 of public transport revenue spend generates 70% more jobs than \$1 of public transport capital spend<sup>499</sup>.

Around 4.7 billion bus trips are made in England every year, around three times the total number of trips on national rail. In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>500</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

Compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. For example, 38% of bus trips are for work<sup>501</sup> or education purposes compared to 29% of car trips<sup>502</sup>. Research has shown that if buses were not available, one in ten bus commuters would be forced to look for another job or give up work altogether<sup>503</sup>. Most other bus users would be likely to see a steep increase in their transport expenditure or the amount of time spent travelling. In a recent survey of businesses, over half considered the bus to have a role in employee recruitment and retention<sup>504</sup>.

### Case study: npower, Sunderland

When energy company npower relocated over 1,800 workers to new, but difficult to reach offices in a former coal mining area between Sunderland and Durham in 2010, one of the major issues to be addressed was how staff would get to work.

In response, the company worked with Go North East to create four new bus routes for existing staff and new recruits, tailored to match shift working hours. The services were initially funded entirely by npower, but one of the routes has been so successful that it has since opened up commercially.

There are now more than 15,000 journeys per month on the services and nearly 20% of the people who work at the business park now travel by bus.

As well as connecting people to employment and education, bus services provide vital links to shopping and leisure opportunities. More people access the high street by bus than by any other mode – 40% of shoppers access the high street by bus, compared with 30% by car<sup>505</sup>. Bus users in Great Britain make 1.4 billion shopping trips per year, spending an average of £30 for every return trip. This gives a total estimated retail spend of £21 billion<sup>506</sup>. The same research found that bus users also make 471 million leisure trips per year, spending an average of £26 per trip and giving a total estimated leisure spend of £6.2 billion<sup>507</sup>. By enabling these activities to take place, buses support the wider functioning of the economy.

Some of the most important economic benefits generated by bus networks accrue to other transport users and society at large through decongestion; reduced accidents, noise and pollution; agglomeration benefits and the stand-by value of bus networks.

Congestion in urban areas has been estimated by the Cabinet Office to cost the UK economy around £11bn a year<sup>508</sup>. In most large cities, buses carry more than a quarter of all motorised trips into city centres<sup>509</sup>. If all, or even half, those bus trips were made by car instead then city centres would literally grind to a halt. In practice, there is little spare capacity left at peak times, which means that future growth would be severely constrained.

The delays and unreliability caused by congestion add to the end cost of consumer products, reduce the productivity of businesses and employees and therefore stymie their ability to innovate and access new markets and resources. A survey of businesses put the cost of congestion at around £17k per business, per year, with 90% of businesses reporting congestion to be a problem for them<sup>510</sup>. Buses were singled out in the Eddington Transport Study as offering *'a very cost-effective way to reduce congestion and support productive labour markets.'*<sup>511</sup>

Lower congestion stimulates agglomeration economies, which bring workers, businesses and customers closer together, and generate significant productivity benefits. It is estimated that bus networks in Metropolitan areas alone generate in excess of £400m per year in agglomeration benefits<sup>512</sup>.

As urban areas grow, so does the pull of agglomeration, in turn making them more productive and increasingly attractive to businesses. Beyond a certain point, this can lead to congestion creeping up again, driving firms away. The bus widens the catchment area of economic centres, making more land available for development and unlocking space to grow.

## Case study: **Supporting growth in the Leeds City Region**

According to Metro, the transport authority for West Yorkshire, Leeds City Region could miss out on 22,000 potential jobs by 2026 due to worsening transport constraints, as firms would struggle to recruit from a shrinking labour pool. Local leaders have identified 33 projects which would make the greatest contribution to linking jobs and housing. This will be paid for by the West Yorkshire Plus Transport Fund, worth in excess of £1bn.

As a result of this investment, Metro expects that, by 2036, the city region will be able to accommodate around 20,000 more jobs and generate £1.3bn in annual Gross Value Added than would otherwise have been the case.

Investment in bus is a key focus for the Fund, which will see investment in a new trolleybus system, a core bus network upgrade (leading to improved journey times, increased frequencies and lower fares) and examination of new partnership or franchising options to deliver better bus services.

Support for the bus industry also contributes directly to job creation. The industry is largely local in nature. Drivers and maintenance staff tend to live near their place of work and their jobs cannot easily be moved to a different region, let alone a different country.

The UK has also developed considerable experience and an international reputation in bus manufacturing.

Overall, the bus industry directly contributes £2.86bn to UK output through the farebox. With a total turnover in excess of £5bn, almost all of this gets further recycled into the economy through employee spending and the supply chain<sup>513</sup>.

## Case study: **Buses – a UK manufacturing success story**

### **Wrightbus and the New Bus for London**

Two British companies – Heatherwick Studio in London and Wrightbus in Ballymena, Northern Ireland – were selected to design and manufacture the replacement for the iconic London Routemaster bus. The result is a powerful showcase for British design and low carbon technology.

The vehicles are fully accessible and produce less than half the harmful emissions of conventional diesel buses, as well as being twice as fuel efficient<sup>514</sup>.

The first New Bus for London entered service in February 2012 and a further 600 were ordered in September 2012 – the largest order of hybrid buses ever placed in Europe<sup>515</sup>. In the same year, Wrightbus won a three year £41m contract to supply 550 double decker buses to Singapore<sup>516</sup>. The company has a varied portfolio of products, sold across the world including the StreetCar RTV, designed to operate in the tough environment of the Nevada desert<sup>517</sup>.

Back in the UK, every fourth bus sold on a PSV chassis is made in Wrightbus's Ballymena plant<sup>518</sup>. The company is family owned and managed, and employs more than 1,400 people<sup>519</sup>. It has a turnover of £130m and was ranked among Northern Ireland's top 40 companies in 2013<sup>520</sup>.

### **Optare**

Formed in 1985, 2012 saw Yorkshire-based bus company Optare reach the milestone of manufacturing its 10,000<sup>th</sup> bus<sup>521</sup>. Meanwhile, export sales reached a record £10.5m in the six months to September 2012<sup>522</sup>.

Optare has a turnover of £76m<sup>523</sup> and employs around 500 people. Optare's parent company, Asok Leyland, is ranked among the top five global bus manufacturers<sup>524</sup>.

Optare won the prestigious Society of Motor Manufacturers and Traders Award for Automotive Innovation in 2012 for its fast-charging electric bus. Optare is the only producer of full-size, commercially viable, battery powered buses in the UK<sup>525</sup>.

### **Alexander Dennis**

Based in Falkirk, with additional manufacturing bases in Guildford and Scarborough, Alexander Dennis (ADL) more than doubled its turnover between 2007 and 2011, from £170m to £360m<sup>526</sup>.

The company won nearly half of the UK bus market in 2011 and also has a growing international presence with nearly 40% of sales going overseas, including to Hong Kong, New Zealand and North America<sup>527</sup>.

## HMT policy: Spending taxpayers' money responsibly

The policy is aimed at controlling spending and making sure that the Government spends people's money responsibly and provides value for money.

### How the bus can help

A key action undertaken by HMT in support of this policy is a commitment to £100bn of infrastructure investment. Whilst this will provide a significant boost to economic growth, investment in bus services also deserves greater attention given the way in which it generates extensive overlapping benefits for every pound spent.

Compared to car trips, a greater proportion of bus trips are linked to the most economically productive activities. For example, 38% of bus trips are for work<sup>528</sup> or education purposes compared to 29% of car trips<sup>529</sup>.

In PTE areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn<sup>530</sup>. Around £1.3bn reflects user benefits from access to jobs, training, shopping and leisure opportunities. The remaining benefits accrue to other transport users and society at large, through decongestion, reduced pollution, lower accident rates, improved productivity and the stand-by value of bus networks.

The bus industry itself has a turnover in excess of £5bn nationally. Much of this is ploughed back into regional and local economies through the supply chain and consumption expenditure by staff<sup>531</sup>.

Furthermore, the bus is a unique and effective tool of social policy. Vulnerable and socially disadvantaged groups in society are most reliant on bus networks, this includes low income households; young people in education, or trying to enter the job market; older people; disabled people; jobseekers; and women.

Bus services are key to providing access to opportunity including providing jobseekers with access to work; young people to education and training; and providing a way out of social isolation for older and disabled people.

Unlike for most other forms of government funding for measures which have a social dimension, public support for buses generates a significant proportion of benefits which accrue to other road users and society at large, as well as to the users themselves. Buses also have low marginal costs and are disproportionately used by the most vulnerable groups in society.

Each of the key forms of public support for bus services have been found to generate significant benefits<sup>532</sup>:

- The national travel concession for older and disabled people generates £1.50 of benefits for every £1 of public money spent. A proportion of these benefits accrue to other transport users and society at large as well as to those who benefit directly from the concession.
- The Bus Service Operators Grant (fuel duty rebate) generates in excess of £2.80 of benefits for every £1 of public money spent. Over a quarter of these benefits accrue to other road users through decongestion.
- Local government expenditure to support non-commercial bus services can generate benefits in excess of £3 for every £1 of public money spent. Most of these benefits accrue to bus users who would not otherwise have been able to access opportunities or who would have seen a steep increase in their transport expenditure.

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# Reforming bus funding to safeguard cross- sector benefits

The previous chapters have illustrated, department-by-department, the significant contribution bus services make to the achievement of policy goals across Government. Highlighting this contribution is vital given that the cross-sector benefits of the bus frequently go unrecognised in the complex way in which bus services are funded. As a result, changes to these funding streams are often made without consideration of the cumulative impact on bus services and the knock-on effects on the ability of Government departments to achieve their goals.

**This chapter sets out the six main sources of public support for bus services and how these have been affected by public spending cuts before looking at funding reforms that could help safeguard the cross-sector benefits of bus services. It includes proposals for three such reforms: a new ‘Connectivity Fund’; a pilot over a major area of ‘Total Transport’ and a ‘Bus Bonus’ scheme for commuters.**

## **How funding for bus services has been affected by public spending cuts**

The contribution of the bus to policy goals across sectors has been put at risk as a result of three key trends affecting bus services outside London:

1. A general preference from Government for capital funding (e.g. for large infrastructure projects) rather than for revenue funding, which bus services rely on.
2. Cuts to Department for Communities and Local Government funding for local government (where Local Transport Authority funding for supported bus services comes from).
3. Local transport spending outside London losing out to London, national roads and national rail in Department for Transport spending plans since 2010.

The trends listed above have led to reductions in funding for each of the six main sources of public support for bus services outside London.

These six sources are described below, along with details of how each has been affected by public spending cuts.

## 1. Local Transport Authority funding of non-commercial, socially necessary bus services ('tendered' or 'supported' services).

Local Transport Authorities (LTAs) are permitted to step in to support bus services where no commercial service has been provided but where a need exists (for example, unprofitable off-peak services or services to rural areas and isolated housing estates). These 'socially necessary' services (also known as 'tendered' or 'supported' services) make up around a fifth of the network.

Support for these services cost around £450 million in 2012/13<sup>533</sup> but can generate benefits in excess of £3 for every £1 of public money spent<sup>534</sup>. Most of these benefits accrue to bus users who would otherwise not have been able to access opportunities or who would have seen a steep increase in their transport expenditure.

### Impact of public spending cuts

Because of cuts in wider local government funding from DCLG, many LTAs have been reducing their budgets for supported bus services. Based on DCLG figures, we estimate that the overall real terms funding reduction between 2010/11 and 2014/15 will be 25% in Metropolitan districts and 20% in Shire areas. Assuming that these cuts will feed through to bus networks, the annual supported service budgets will be around £120m lower in 2014/15 in real terms.

The impact is already being felt on the ground. According to research by Campaign for Better Transport, during 2013/14 some 46% of local authorities made cuts to their supported bus service budgets<sup>535</sup>. The same research found that in just three years £19 million has been cut overall from supported bus budgets across England. A small number of local authorities have cut their supported bus budgets by 100%<sup>536</sup>. DfT statistics show that between 2010/11 and 2011/12, the number of local authority supported bus miles outside London fell by 10%<sup>537</sup>.

## 2. LTA funding of concessionary fare schemes

This includes the Government's English National Concessionary Travel Scheme (ENCTS) for older and disabled people, as well as discretionary spending on enhancements to that scheme and on concessions for other groups like children, young people and jobseekers.

The annual cost of the ENCTS (outside London) is estimated at around £700 million whereas other local concessions (such as discounted travel for children and young people) are estimated to cost an additional £80m<sup>538</sup>. We have previously estimated that the ENCTS delivers £1.50 of benefits for every £1 of public money spent on the scheme<sup>539</sup>. These benefits accrue to other transport users and society at large as well as to those receiving the concession.

### Impact of public spending cuts

Although it is Local Transport Authorities who have the statutory responsibility for reimbursing bus operators for the cost of ENCTS, this is a national policy which is meant to be funded through DCLG's general purpose grant to local authorities.

Unfortunately, DCLG funding has not kept pace with the rising costs of the ENCTS. DCLG will have reduced funding for the scheme by 27% between 2010/11 and 2014/15, whereas we estimate that the cost of the scheme will increase by around 5% over the same period<sup>540</sup>.

This will leave a shortfall in excess of £200m, which will necessarily need to be made up by cuts to other transport services, such as subsidised bus routes, accessible transport or the concessions available to other groups. In some areas, the shortfall in concessionary funding is credited with wiping out the whole of the supported network, leaving many elderly and disabled people with a free bus pass but no services to use it on.

### 3. Government funding of the Bus Service Operators Grant (BSOG)

BSOG is a rebate on fuel duty for bus operators. BSOG funding amounted to £345 million in 2012/13<sup>541</sup>. Support for BSOG generates in excess of £2.80 of benefits for every £1 of public money spent.<sup>542</sup> Over a quarter of these benefits accrue to other road users through decongestion.

#### Impact of public spending cuts

The Government reduced the BSOG funding pot by 20% in 2012/13. Since then, a top-up fund has been announced for some LTAs. However, this will not make up for the overall 20% reduction.

By the end of this Parliament, we estimate that Government will have cut real terms spending on BSOG in Metropolitan areas by around 35%<sup>543</sup>. Assuming a similar reduction will apply in other parts of the country, then the total real terms spending cut in England outside London will come to over £120m per year by 2014/15.

### 4. Ad hoc national funding programmes (e.g. the Green Bus Fund) and LTA capital investment (e.g. in interchanges, stops, shelters and bus priority schemes).

The value of national funding programmes varies but LTA capital investment alone is estimated to amount to between £150 million and £200 million per year, on average<sup>544</sup>. The main source of LTA capital funding for bus infrastructure is the Integrated Transport Block funding stream from the Department for Transport.

#### Impact of public spending cuts

Capital spending comes from a variety of national and local sources, some of which support more than bus schemes. It is therefore difficult to make a precise estimate of the extent to which capital spending on bus services has declined. However, what is clear is that, relative to the pre-election budget, the Integrated Transport Block and major scheme funding were cut by 37% after the 2010 election. Taking account of the backlog in capital spending left behind by this cut as well as the small increases in spending which are due to take place in the last years of the Parliament, we estimate by 2014/15 that there will be a gap of around £50m per annum relative to pre-election spending levels.

### 5. Local Education Authority (LEA) funding for home to school transport (including bus).

National expenditure on home to school transport is around £1 billion per year<sup>545</sup>.

#### Impact of public spending cuts

Research conducted for *pteg* indicates that LEAs are cutting back on discretionary areas of school transport spending. The nature of these cuts varies, however, provision of free school transport for pupils attending denominational schools and support for those aged 16-18 are common areas for retrenchment. Some are also tightening their eligibility criteria for special educational needs transport.

The cuts mean that fewer children will receive free home to school transport and more will be travelling on mainstream supported or commercial buses, putting pressure on concessionary travel budgets. High transport costs could also restrict the ability of children and young people to attend the educational establishment that best meets their needs.

Although it is difficult to put a figure on the overall cut in funding relating to school transport due to DCLG, DfE and council tax funding cuts we estimate that this is likely to be of the order of the tens of millions of pounds.

## 6. LTA financial support for bus service information, staffing and other services.

LTA support for bus services in these areas could take the form of providing travel information to the public via call centres, websites, mobile apps and printed information. It could also include the staffing of bus stations, monitoring of service use and the implementation of security measures. The extent to which these services are provided varies between LTAs.

### Impact of public spending cuts

It is hard to quantify the precise impact on information provision, staff and other support for bus services. However, it is fair to say that some LTAs have already reduced funding for information and staffing and that these trends are highly likely to continue as further spending cuts are imposed. For the purpose of this paper, we estimate the cut in funding to be of the order of the tens of millions of pounds.

### The cumulative impact of public spending cuts

The cumulative impact of public spending cuts on these six funding sources means that, by 2014/15, overall funding for bus networks outside London will be around £500 million lower than if 2010/11 funding levels had increased in line with inflation and the cost of concessionary reimbursement. This figure would have paid for the entire supported services budget in England outside London for 2010/11.

As the list above illustrates, the six main sources of public support for bus services come from a range of different government departments (e.g. DfT, DfE and DCLG), working largely in isolation from each other and with restricted understanding of the cumulative effects their decisions on funding have on bus services. Indeed, given that LTA funding for bus comes from wider local government budgets, it is DCLG (rather than DfT) that is perhaps the department with the most impact on funding for buses. However, not surprisingly, buses are less than a central consideration in DCLG's wider decision making processes and priorities.

### What will happen if the bus continues to be seen as a low priority?

If cuts continue and if the bus continues to be seen as a low priority when decisions are taken in Whitehall on local government and transport funding, the wide-ranging, cross-sector benefits of bus services that this report has highlighted are placed at risk. In turn, individual Government departments will find it more difficult to meet their key policy goals. Current trends in terms of service reductions, fare increases and resulting patronage decline will continue.

In practice this will mean:

- Labour markets will shrink and the Government's ambitions to get more unemployed people into work will be undermined because fewer people will be able to access areas of employment, especially in outlying areas.
- Skills and apprenticeships will be hit because of reduced access to further education.
- High street regeneration plans will be damaged because of reduced access to town centres.
- There will be increased pressure on congested road networks as some bus users transfer to the car. This will increase business costs (as vans, lorries and business travellers are held up by congestion) and major employment and retail centres will be undermined as congested roads will make them harder to access.
- There will be public health impacts as more people use a car for more trips (forgoing the exercise that bus use provides in getting to and from stops) and as more people are isolated in their own homes through lack of alternative transport (with the consequent impacts on physical and mental health).
- Many of these impacts will be particularly felt by young people who will be particularly badly affected as they are especially reliant on the bus to provide them with access to jobs, education, training and leisure.

## How can funding be reformed to safeguard the cross-sector benefits of public support for bus services?

Firstly, it is helpful to consider some principles on which any reforms should be based:

1. That Government as a whole needs to have coherent oversight of the totality of funding for bus services and thus the implications for bus services of any changes to individual funding streams that directly or indirectly support bus services. As we have demonstrated in this report this is far from being the case at present.
2. At the same time, bus services are by definition local and therefore support for bus services can be targeted most effectively at the local level.
3. In a deregulated environment operators are unlikely to do more for less i.e. changing the rules to seek to achieve more for a given level of subsidy implies a reduction in income for operators that may result in compensating fares increases or service reductions.
4. The benefits to other Government departments from DCLG / DfT support for bus services should be recognised and captured.

With these principles in mind, in the remainder of this section, we outline three proposals for funding reform. Our key proposal is for a new Connectivity Fund for local government to support bus services. We also propose two further initiatives - a trial over a major area of the concept of 'Total Transport' (where health, social services, education and mainstream transport fleets and budgets are pooled to provide a single service) and a Bus Bonus scheme, offering a tax benefit concession for commuters who use buses.

### Key proposal: a Connectivity Fund

Our key proposal is that a new 'Connectivity Fund' should be established which brings together the existing BSOG fund (which we estimate will amount to around £230m by 2014/15) with additional top slicing from other Government Departments into a ring-fenced pot for local government to support bus services.

#### How it would work

Government would set criteria for the fund to reflect key government priorities and the specific purpose of the grant (e.g.: 'Connectivity', 'Access to employment', 'Increase in bus patronage', 'Reductions in bus fares', 'Improved environmental performance'). There could also be a requirement for monitoring and evaluation by individual LTAs, and for an annual knowledge-sharing event. The key would be to set criteria which were specific enough to satisfy Government that the theoretical benefits of devolution would be realised in practice, without going so far as to it becoming an exercise in micro-management from Whitehall.

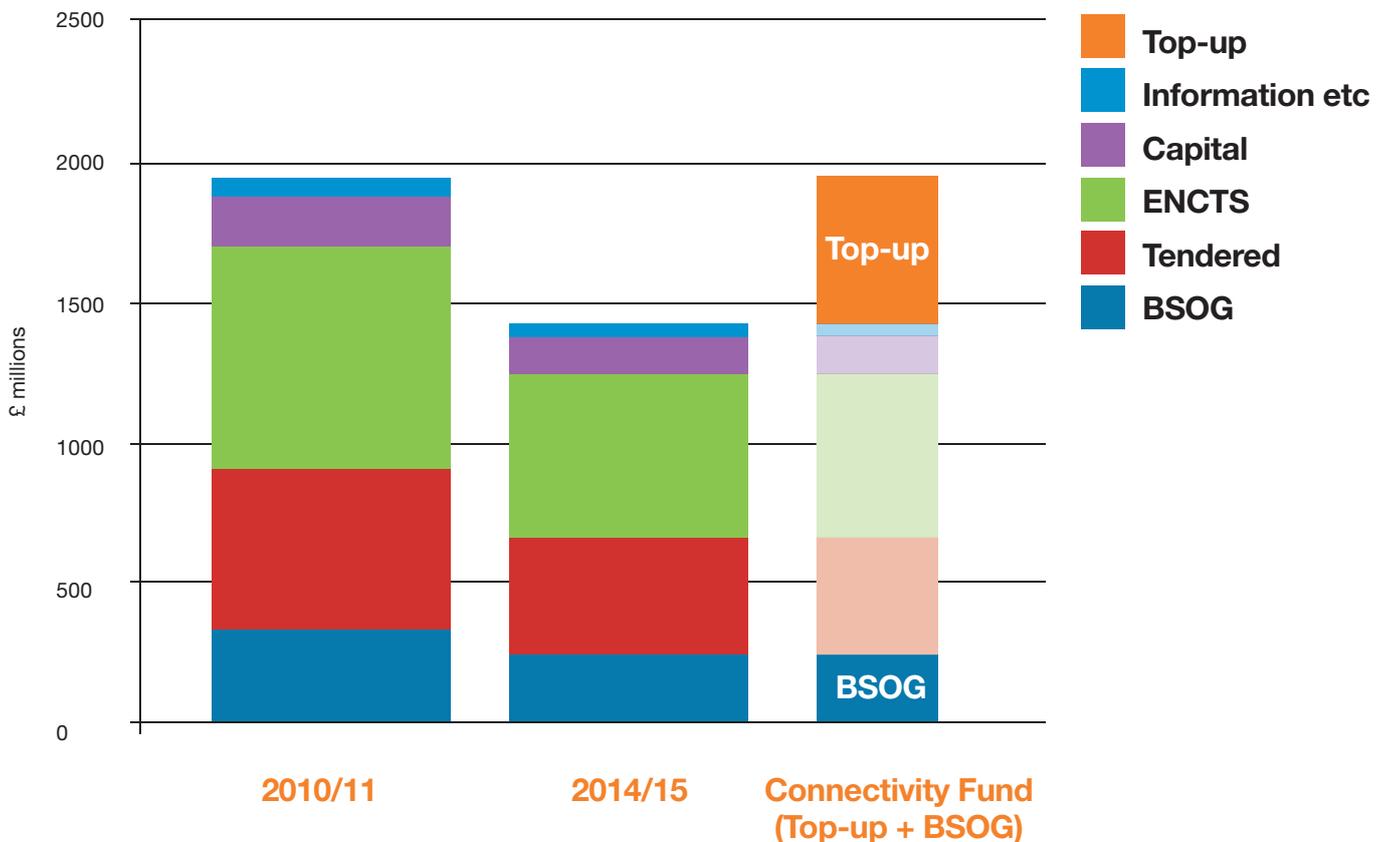
This proposed approach would be in line with the four key principles for funding reform set out above. It would have further advantages in that:

- It benefits from the low central administration and bureaucracy costs of a block grant but would also include assurances for central government on outcomes and process.
- There is potential to dovetail the Connectivity Fund with other locally allocated funding streams to maximise the benefits.
- Ring fencing ensures the Connectivity Fund is spent only on bus.
- Bus operators would also have a strong incentive to hold LTAs to account for effective use of the funding.

## How much should the Fund be worth?

In order to put funding levels on a sustainable long term footing, and to stem the vicious circle of decline which has taken over local bus networks, the Connectivity Fund should at least aim to plug the £500m hole in bus funding identified above.

## Change in key sources of bus funding 2010/11-2014/15 and value of the Connectivity Fund



While this may look like a large figure when compared to the DfT's overall bus spend, it is as little as 0.06% of central government's entire budget (or no more than a rounding error in GDP growth estimates). It is also just over 10% of the DfT's overall spend on the UK's entire national rail network (while bearing in mind that there are four journeys made on bus networks outside London for every journey on UK national rail).

To put this further into perspective:

- The NHS spends £400m per year on non-emergency patient transport<sup>546</sup>, which we estimate to carry less than 0.1% of the passengers who travel on non-London bus networks every day.
- £500m is around 2% of the annual revenue to Treasury from fuel duty<sup>547</sup>.
- £500m is around 12% of the DfT's annual grant to Network Rail or the annual spend on HS2 from 2019 onwards<sup>548</sup>.
- £500m is around 15% of the Highways Agency annual budget in 2020<sup>549</sup>.

## What will the Connectivity Fund deliver?

We believe that the additional £500m worth of funding would be enough to:

- Re-instate 'life line' supported bus services lost in recent years and protect rural bus networks.
- Ensure bus services remain affordable by bringing future fare increases back in line with, or below, the rate of inflation.
- Increase public transport accessibility to high growth areas thereby minimising the impact of growth on road congestion.
- Kick-start services to new developments where lack of accessibility is a key problem.
- Improve the quality of bus networks and thereby stem the long-standing decline in bus patronage.

Over time, we believe that the Connectivity Fund will pay for itself by reducing the cost of other public services and by supporting economic growth. It could also improve the financial sustainability of bus networks themselves, for example by removing bottlenecks on the road network and therefore allowing buses to operate at higher speeds, more reliably, and thereby covering more mileage with the same resources.

More generally, the Connectivity Fund will contribute to key national objectives:

- **Flexible and productive labour markets:** by enhancing accessibility to key employment, education and population centres, including to new development areas.
- **Economic Growth:** by enabling and promoting growth in the most productive employment centres outside London by reducing congestion and linking more workers to jobs.
- **Full Employment:** by encouraging and enabling more people into work while making work pay: affordability and availability of bus services is especially vital for low paid workers, who have been most badly hit by the recession<sup>550</sup>.
- **Tackle the cost of living crisis:** by ensuring that transport remains affordable and cheaper housing is increasingly accessible.
- **Improve health and well-being:** by encouraging active travel and greater social interaction, especially amongst children, young people and the elderly.
- **Cutting carbon and improving air quality:** by promoting modal shift and cutting congestion.

## What the Connectivity Fund won't deliver

We believe that the £500m top-up is enough to put bus funding back on an even keel, including making up for the estimated shortfall in ENCTS funding by 2014/15. However, we need to make it clear that the top-up funding will not cover future increases in the cost of ENCTS - or the cost of new government policies beyond this Parliament (such as any new national concessionary fare schemes).

As we have repeatedly stressed in the past, local transport authorities need a new deal on concessions going forward, which will ensure that ENCTS - and any further national concessionary schemes - are supported by a standalone, fully-funded and ring-fenced revenue stream.

## Implications for operators

The Connectivity Fund will only work on the basis that a) total funding for buses is greater than it is now b) funding is dedicated to buses. Otherwise there is the danger that operators will compensate for any reduction in the income they currently directly receive from BSOG through fares increases and service reductions.

The proposed connectivity fund addresses both these concerns. It would also allow any LTA to maintain equivalent BSOG payments to operators and have extra resource to improve the quality of existing bus services, support new bus services and invest in bus infrastructure.

## Additional funding proposals

Alongside the Connectivity Fund, we also propose two further initiatives designed to reflect the cross-sector benefits of bus services: a trial over a major area of the 'Total Transport' concept and the introduction of a 'Bus Bonus' scheme for commuters.

### Total Transport

We propose a trial over a major area of the concept of 'Total Transport' where health, social services, education and mainstream transport fleets and budgets are pooled to provide a single service.

The public sector provides and funds collective transport in a variety of forms, including conventional bus services, school transport, patient transport and social services transport. In addition, there are services provided by the community transport and voluntary sectors. These services are often provided through different budgets and administrative arrangements, meaning they can overlap or duplicate one another. These arrangements can also mean that vehicles are underused during the day whilst elsewhere transport needs go unmet.

Total Transport would see these fleets bought together into a shared pool under a single budget. The pool of vehicles would be coordinated and scheduled centrally, taking into account capacity on the mainstream network. It would ensure that the entire vehicle fleet is put to maximum use throughout the day and that the right vehicle is deployed for the right job. A bus transporting pupils to and from school, for example, could be used as a shopper service for the wider community during the school day.

Such approaches make sense in the light of current public spending restrictions which require us to assess the best and most efficient ways to achieve the outcomes we want. Total Transport also adheres to the four principles of funding reform set out on page 144, in that:

- It provides Government (at local level) with a coherent oversight of the totality of funding and resources for bus services across sectors and therefore an understanding of how these could be most efficiently utilised.
- It encourages local stakeholders to pool their expertise and knowledge of local needs to ensure the bus services provided suit the local community.
- It recognises that, as profit-driven organisations, commercial operators will be unlikely to do more for less. Instead, Total Transport ensures that transport resources managed by the public sector are put to maximum use to maintain, or even improve, bus service availability and that these services also complement commercial networks.
- Total Transport recognises that bus services are provided by, and benefit, a wide range of sectors – from health to education. By encouraging these sectors to work together, the approach ensures these resources are put to best use and that the benefits the bus brings to these sectors are safeguarded and expanded.

Total Transport approaches are already being applied in some areas of the UK, usually on a relatively small scale. Some countries in mainland Europe have gone much further and pooled public transport, education, healthcare and social services budgets into one pot to provide a single service – capable of providing a mainstream network which can also flexibly respond to the needs of particular users.

Adopting a Total Transport approach is not straightforward. However, experience from local authorities that have investigated or implemented Total Transport approaches suggests efficiency benefits can run into the hundreds of thousands of pounds<sup>551</sup>. A trial of the concept over a major area could scale up these benefits still further and provide a model for others to follow.

A competition, with a funding incentive, would be the best way to determine the trial area. An incentive will help overcome existing administrative protectionism around the services currently provided by different sectors and administrative arrangements.

More details of the Total Transport concept can be found in our report 'Total Transport: Working across sectors to achieve better outcomes'.

## The Bus Bonus<sup>552</sup>

Our final proposal is for a Bus Bonus - a tax benefit concession for commuters who use buses. It would allow employers to provide their employees with vouchers to help pay for the cost of commuting to work by bus.

The scheme (which is being promoted by Greener Journeys) recognises the vital role of the bus in connecting people to work and therefore driving economic growth. As discussed in previous chapters:

- Buses carry a greater proportion of trips for commuting than cars<sup>553</sup>.
- More people commute to work by bus than by all other forms of public transport combined<sup>554</sup>.
- One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel to work by bus<sup>555</sup>.
- 400,000 workers are in better, more productive jobs as a direct result of the bus, and the economic output they produce is £400 million per annum<sup>556</sup>.
- Bus commuters generate £64 billion in economic output every year<sup>557</sup>.

The Bus Bonus aims to maximise these benefits by making it easier and cheaper for people to commute to work by bus. It would encourage more people to enter the labour market and/or travel further to find work that better matches their skills. It will also encourage more commuters to switch from car to bus, easing congestion and reducing harmful emissions. Over the longer term, it would help to promote a vibrant and effective bus market. The Bus Bonus would also level the playing field with car commuters who are provided with tax-free parking by employers.

### The Bus Bonus – how it would work

- The employer buys their employee a voucher that can be used to pay for bus travel.
- The voucher is produced by a third party supplier and issued directly to the employee.
- The employee uses the voucher to pay for stored travel rights (e.g. season ticket or smartcard top-up) at a travel centre or online.
- The employee pays for the voucher via a salary sacrifice scheme before income tax and National Insurance contributions are deducted. The value of vouchers is capped at £700 per year for basic rate taxpayers – a saving of £224 per year.
- The bus operator invoices the third party supplier for the value of the voucher that has been exchanged for stored travel rights.
- The third party supplier invoices the employer for the value of the voucher issued plus an administration fee.

KPMG LLP estimate that such a scheme would generate a net benefit of £74.8 million per year to the UK economy<sup>558</sup>. Against a cost to the Treasury of £75 million per year, the scheme is expected to generate £149.8 million of benefits in the first year of operation, as illustrated below.

## Summary of the annual costs and benefits of the Bus Bonus<sup>559</sup>



The net benefits are expected to increase over time, stimulated by new demand.

This estimate only considers transport related impacts and does not include impact on related policy areas. This report has shown that these impacts are likely to be significant. Even without considering these added benefits to other policy areas, the Bus Bonus represents excellent value for money, generating £2 in benefits for every £1 of foregone tax<sup>560</sup>. Such arrangements have been very successful over many years in the US and elsewhere<sup>561</sup>.

## Conclusion

The bus is one of the biggest bargains available to transport policy makers in achieving a very broad range of transport, economic, environmental and social objectives in a cost effective and timely fashion. Public funding for bus services reduces congestion for all road users, gets the workless into work, gets young people into education and training, and gets older and disabled people out of isolation. The long term costs to budgets across Whitehall of a declining bus network are far greater than ensuring a funding system for bus services that works. At present the way in which buses are funded is mired in complexity, fails to reflect the cross sector benefits that bus services provide, has no central oversight and is in decline.

This report has articulated the benefits that bus services bring for Departments across Government, demonstrating the vital contribution of the bus. It is an important step towards ensuring that these wide-ranging, cross-sector benefits are understood and recognised, particularly in the complex way in which bus services are supported. Our proposals for funding reform, and particularly for a new Connectivity Fund, offer opportunities to better recognise and safeguard this contribution.

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### About pteg

**pteg** represents the six strategic transport bodies which between them serve more than eleven million people in Greater Manchester (Transport for Greater Manchester), Merseyside (Merseytravel), South Yorkshire (SYPTe), Tyne and Wear (Nexus), the West Midlands (Centro) and West Yorkshire (Metro). **pteg** is also a wider professional network for Britain's largest urban transport authorities.



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