

# A bus revolution

“ green  
alliance...”

Driving up  
prosperity across  
the regions



## **A bus revolution: driving up prosperity across the regions**

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### **Green Alliance**

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# Summary

“

**The UK’s bus network is not operating as needed for a sustainable future or serving the communities it should.”**

Transport is the UK’s highest emitting sector, with most emissions coming from surface transport. Even as more cars in the national fleet switch to electric, fewer car journeys will still be needed to meet net zero. Achieving this continues to be a challenge as sustainable travel services, like buses, are being neglected in national transport strategy.

Although before the pandemic 60 per cent of all public transport journeys were made by bus, services in recent years have been in steady decline. The pandemic had a severely negative impact on bus services, from which they have not fully recovered.<sup>1</sup>

The UK’s bus network is not operating as needed for a sustainable future or serving the communities it should. In many places, people see buses as unreliable or inconvenient. Many routes have been cut, isolating those people without access to cars. And the different tickets and fares available can confuse passengers.

But buses could be much more appealing to more passengers while simultaneously being a greener way to travel, reducing transport sector emissions and cleaning up the air we breathe.

We have found that, within the five year period of a parliamentary term, bus services right across England could be set on a strong path to revival and decarbonisation.

“

**Our five year road map will keep fares down, change governance and speed up the decarbonisation of the bus fleet.”**

In this report, we identify phased interventions, with funding options, which would lead to visible positive change for passengers and communities, while also encouraging those who avoid buses to start using them.

We have consulted experts and organisations in the bus sector, including operators, local authorities and transport experts, to reflect on what is not working, and what needs to change to bring passengers back on board and make buses part of the government’s plan to meet net zero targets.

Our package of recommendations are outlined in a five year roadmap which is designed to keep fares down, change governance models and speed up the decarbonisation of the bus fleet.

# Why England's bus services need fixing

“

**Over 2,160 bus routes have been cut since 2022.”**

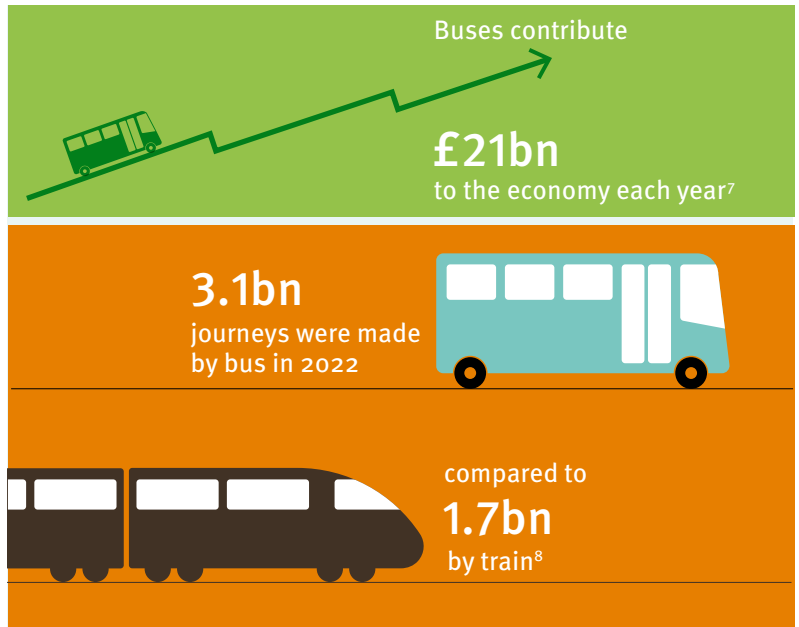
The country's bus services face significant difficulties. England's buses are privatised, unlike the rest of Europe, and local leaders attribute passenger decline to this model of governance.<sup>2</sup> The pandemic heightened decline and resulted in extensive government support which undermined the commercial model.<sup>3</sup>

Over 2,160 bus routes have been cut since 2022, resulting in a vicious cycle where fewer passengers mean higher fares, deterring more people from using buses.<sup>4</sup>

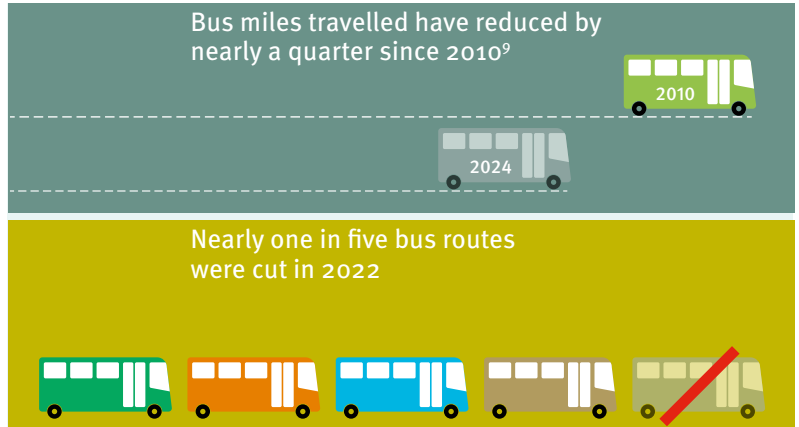
In spite of this, bus travel is still the most used form of public transport and, relative to other transport modes, it is an affordable and flexible way to travel and connect communities.<sup>5</sup>

Public polling, carried out for Green Alliance by Public First, has found that improving bus services is the most popular way to use local budgets to improve transport, ahead of road building.<sup>6</sup>

## Buses are popular



## ...but bus services are in decline



# What a five year revival plan could achieve

“

Encouraging more bus travel will decrease congestion, which was estimated to cost the economy nearly £8 billion in 2018.”

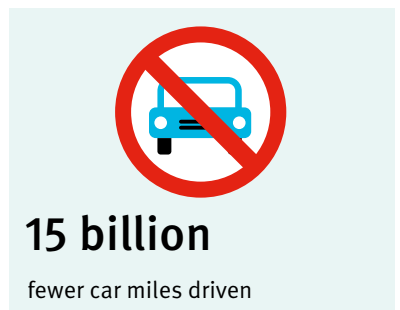
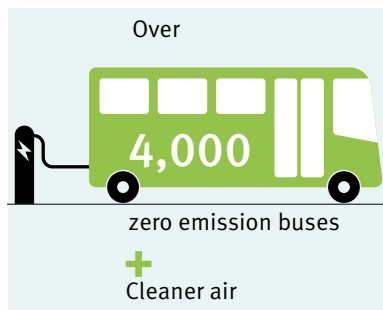
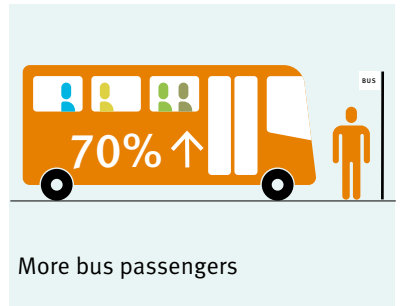
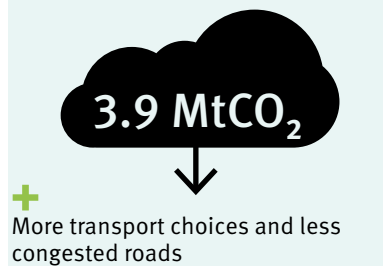
More accessible, reliable bus services will support a variety of social groups, including those on low incomes, women and young people, who all take more bus journeys than the average person in the UK.<sup>10</sup>

Making the bus a better choice will reduce the number of journeys that need to be taken by car. That, combined with the electrification of services, will significantly reduce greenhouse gas emissions.

Encouraging more bus travel will decrease congestion, which was estimated to cost the economy nearly £8 billion in 2018 and frustrates drivers. It offers those without cars wider access to jobs and greener buses improve public health through better air quality.<sup>11</sup>

Over five years, our plan can achieve:<sup>12</sup>

Lower greenhouse gas emissions





Five years to better  
bus services

“  
Within five years,  
these measures  
would transform  
England’s buses  
into an efficient,  
modern and  
reliable service  
for all.”



### First 100 days

Set £1 fare cap for five years

Legislate on bus governance



### Year 3

Recommend equitable road  
pricing model

Two years to implement



### Year 5

Implement road pricing



### Rest of year 1

Set local authority budget for five years  
Include at least £1 billion for bus priority measures



### Year 2

Announce the phase out date for new non-zero emission buses

Set target for 40% of the urban bus fleet to be decarbonised by 2030

Tranche 1 of a government grant to support zero emission bus purchasing

Announce an independent road pricing commission  
Nine months to report

Review current and future road building  
Reprioritise spending immediately  
Two years to report on future road building



### Year 4

Tranche 2 of a government grant to support zero emission bus purchasing

### Target deadlines

£1bn spending on bus priority measures delivered

40% metropolitan fleet decarbonised

Announce a target for a minimum service standard

## First 100 days Set a transformative fare cap

Public transport in UK cities is the most expensive in Europe and high fares deter potential passengers.<sup>13</sup> Capping fares can encourage passenger growth by improving affordability. Fare caps are typically funded through central government subsidising the difference in cost to operators.

“  
Since the fare cap was introduced, weekend bus patronage has increased 23 per cent.”

Money spent supporting the sector in 2022

£2.9bn



Cost for five years of a £1 fare cap

£2.1bn



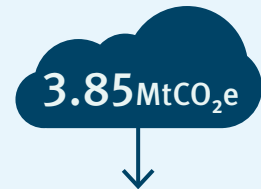
Car miles saved by a £1 fare cap over one year



3 billion

fewer car miles driven

Emissions reduced by a £1 fare cap over five years



In 2023, the government introduced a £2 bus fare cap across England for three months. It has been extended twice and will run until the end of 2024.

Operators have criticised the piecemeal extension of the cap as it makes long term planning difficult. Since the fare cap was introduced, weekend bus patronage has risen 23 per cent while weekday patronage has increased 18 per cent, compared to 2022 (See page 12).<sup>14</sup>

## Our recommendations

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Build on the simplicity and marketability of the previous fare cap by decreasing it to £1 for bus journeys across England.

---

Keep the cap in place for at least five years to create certainty and enable operators and local authorities to plan ahead.

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Fund the cap through road pricing or by reprioritising spending away from new road developments.

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### Cornwall uses a fare cap to increase bus use



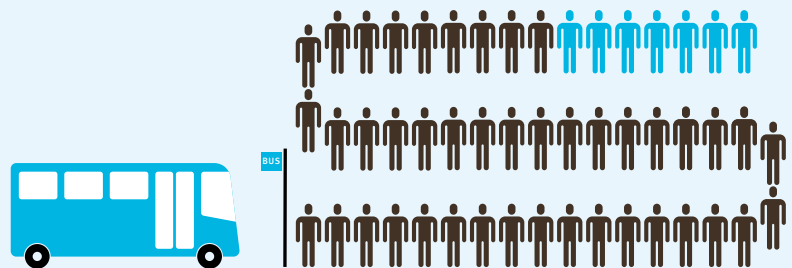
In rural areas, many people drive due to cost, convenience and a lack of alternative sustainable transport modes.

In 2019, Cornwall Council trialled a cap on bus fares. The scheme was supported by a £23.5 million government grant and fares were reduced by between ten and 40 per cent, depending on the route. The introduction of the cap correlated with an increase in passenger numbers of 14 per cent, compared to 2018.

Half of all bus routes in Cornwall are supported by the council, due to it being considered socially and economically necessary, so this cap was welcomed by many. It was designed to be in place for four years, and has encouraged tourist travel to the moors, beaches and towns by bus rather than car, as well as opening up access to jobs and education for locals.

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Capped fares led to a 14 per cent increase in bus passengers in Cornwall, despite the impact of the pandemic



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## Year 1

### Change bus governance

“

**Local authorities lack powers to use the profits from some services to improve others.”**

Following deregulation in the 1980s, the UK bus network was privatised to an extent unique in Europe, which is considered to have contributed to declining use.<sup>15,16</sup>

#### **Enhanced partnerships**

In 2021, all local transport authorities had to adopt an ‘enhanced partnership’ with bus operators. Fares and routes are controlled by the operators who retain revenue from profitable routes. Local transport authorities (LTAs) support unprofitable but socially necessary routes.

#### **Franchises**

Only mayoral combined authorities are able to franchise, meaning the LTA sets the routes and fares. However, only London and Manchester have successfully franchised their bus services. Under this model, profits from successful routes can subsidise less busy routes.

#### **Municipal bus operators**

In the past, LTAs were able to adopt ‘municipal bus operator’ models, where they own the operator, meaning all profits are retained and can be reinvested in the bus network. However, the establishment of these was banned in 2017, though existing ones remain and are among the most successful operators.

We heard from stakeholders that the rollout of enhanced partnerships had improved relationships between local authorities and bus operators but, ultimately, local authorities lack powers to use the profits from some services to improve others.

Extending the ability to franchise to all jurisdictions would give LTAs increased autonomy over routes, fares and vehicles, as well as ownership of the profits.

## Our recommendations

Legislate to enable LTAs to adopt franchising should they choose to, alongside streamlining the procedure.

Lift the ban on creating municipal bus operators to enable local authorities to govern more bus services, and channel profits from lucrative routes back into the local network.

### Greater Manchester has taken control

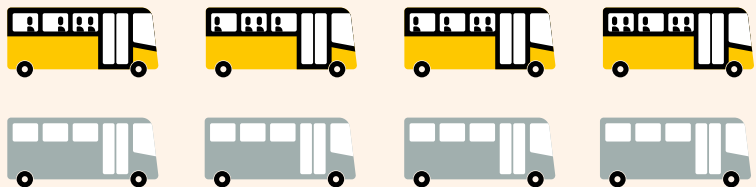


The Greater Manchester Combined Authority announced in 2021 it would be the first to take advantage of powers in the Bus Services Act 2017, putting its bus routes out to tender and setting its own routes and fares. The resulting Bee Network also integrates tram and active travel routes.

Over the past two years, four operators and two depots have been purchased and one depot has been electrified. The Bee Network app was also launched. Phase one began on 25 September 2023, with 50 new electric buses, and an integrated AnyBus + tram ticket.

Changes to bus services in Greater Manchester will take years to be completed. But significant positive impacts for passengers are expected, such as integrated timetables and ticketing, better travel information and fares set locally. Capped pay as you go travel in the region was launched in January 2024.

As of March 2024, half of Greater Manchester's buses will be a part of the franchised Bee Network



## Year 1

### Set long term funding agreements

“  
There are  
frustrations with  
the Bus Service  
Improvement Plan  
funding allocation  
process.”

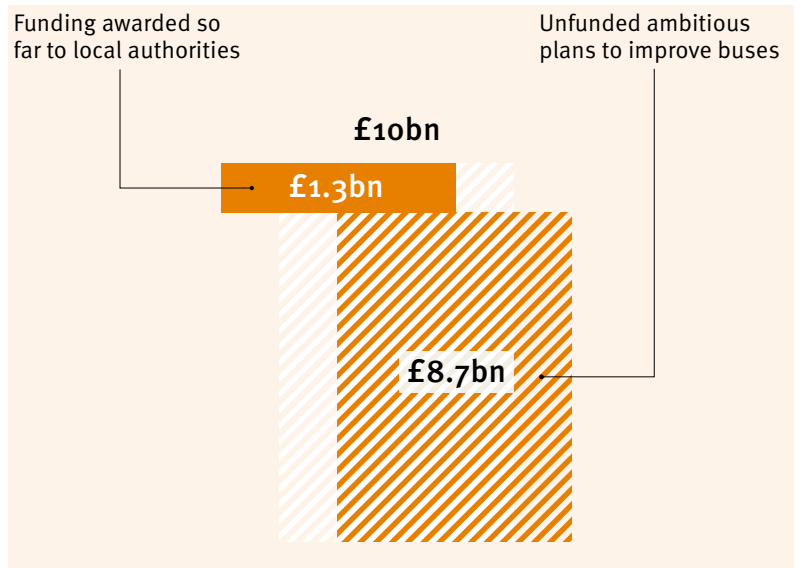
In 2021, local authorities were tasked with creating Bus Service Improvement Plans (BSIPs), outlining how they planned to increase bus use and what funding they would need to make it happen.

We heard from stakeholders that there are frustrations with the BSIP funding allocation process.

The competitive model means local authorities under financial strain invest time in creating plans which, in most cases, do not gain adequate funding to deliver them.<sup>17</sup>

In addition, extensions to funding support, throughout and since the pandemic, have been made in a piecemeal fashion, creating an uncertain funding landscape, meaning less investment is delivered.<sup>18</sup>

Existing ambitious Bus Service Improvement Plans need £10bn to fully fund them<sup>19</sup>





**“  
The Department  
for Transport  
should review the  
funding model for  
bus services.”**

## **Our recommendations**

---

Review the funding model for bus services, including:

- a spending review to understand the level of funding needed to revive bus services and continue supporting operating costs in all local authorities (using BSIPs as a guide);
- a commitment to five year funding settlements;
- a commitment to ringfencing any money allocated, to ensure it is spent on improving services.

Together, these changes will enable local authorities to plan and invest with greater certainty.

In our conversations with the industry and local authorities, long term settlements were regarded as the policy change that would lead to faster, more reliable and greener bus services.

---

## Years 2-5

### Decarbonise the bus fleet

“  
Zero emission buses lead to cleaner air and quieter urban areas.”

Shifting the nation’s bus fleet from diesel to zero emission buses will be necessary to reach net zero. This will also lead to cleaner air and quieter urban areas.<sup>20</sup>

Due to comparative technological maturity as well as cost, it will be easier to source and operate electric buses than hydrogen powered vehicles.<sup>21</sup> While there may be a small role for hydrogen to power coaches and some longer range journeys, electric buses should be the default for fleet decarbonisation.

#### Our recommendation

---

Set a 2030 phase out date for the sale of new diesel buses.

---

Encourage electrification by committing to 40 per cent of buses used in urban areas being zero emission by 2030.

---

Introduce a new central grant scheme, equivalent to the current £593 million Zero Emission Bus Regional Areas (ZEBRA) scheme, as this allocation ends in 2025.

---

#### The impact of more zero emission buses

Cost of a government bus purchase grant to reach 40% metropolitan zero emission buses

**£593m**



Over 5 years this scheme would reduce emissions

**0.87 MtCO<sub>2</sub>e**



Equivalent to

**337000↓**

fewer car miles driven

## TfL is charging ahead

Until Greater Manchester began its franchising journey, London was the only franchised region in the UK, with eight bus operators contracted by Transport for London (TfL). Making rapid progress in transforming the bus fleet to zero emission is central to meeting London's ambitious 2030 net zero target.

London is making significant progress, attributed both to strong political leadership and the franchised model that allows TfL to request tenders from operators with electric buses.

There are still challenges with depot electrification because of delays in connections to the grid. TfL has suggested this could be helped by network operators supporting bus companies to plan ahead, as well by involving the bus industry in overarching discussions on the availability of power.

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TfL's bus action plan commits to all new buses being zero emission from 2022

Over  
**1,000**  
zero emission buses are currently  
on the roads in London



representing over  
**11%**  
of the London fleet



## Years 1-5 Prioritise buses on the roads

“Reliability was the most important factor in choosing whether to drive or take public transport.”

Bus speeds have decreased across the UK, which makes them less reliable. In a recent survey, reliability was the most important factor in choosing whether to drive or take public transport. Only 27 per cent of respondents thought buses were reliable.<sup>22</sup>



**“  
Faster buses can  
be achieved by  
giving them  
priority on roads.”**

Faster buses can be achieved by giving them priority on roads. Road segregation reduces congestion for everyone. It makes travelling by bus more appealing and they are cheaper to run, and it prevents buses frustrating drivers with intermittent stops interrupting traffic flow.

Some examples of bus priority measures include:

- Priority at junctions and traffic lights
- Park and ride schemes
- Bus lane enforcement
- Bus gates

In the West Midlands, 2.5km of bus priority lanes led to an 11 per cent boost in passenger numbers.<sup>25</sup> London, which has half of England’s bus fleet, is on track to reach its goal to build 25km of bus priority by 2025.

### **Our recommendations**

---

Work with local transport authorities (LTAs) to ensure £1 billion of the five year funding settlements is used for bus priority road measures.

---

In year one, DfT should ask LTAs to outline how they can deploy prioritising measures for faster buses. Support and guidance should be made available to LTAs as part of this process.

## Years 2-4 Pay for improvements

“  
The government  
faces losing  
revenue from fuel  
duty as electric  
vehicles come to  
dominate.”

As highlighted in our previous report, *Reforming transport taxes*, the government faces losing revenue from fuel duty as electric vehicles come to dominate. Reassessing tax and spend on transport will be essential to maintain this revenue stream in future.

The improvements to the bus network we propose will require public investment. This includes capital support for fleet decarbonisation and bus priority measures, and revenue support for a £1 fare cap and ongoing operations. There are two sources of possible revenue within the transport system to pay for these measures: road pricing and reallocation of the road building budget.

Introducing road pricing at under 2p per mile  
could raise £1.6 billion in additional revenue per year



Redirecting spending for road projects planned from 2025-2030  
could release up to £11.5 billion over five years



The budget currently allocated to large scale road projects in road investment strategy period 3 (RIS3, from 2025 to 2030) is £11.5 billion for schemes in the pipeline.<sup>26</sup> Up to £10.6 billion could be saved by reprioritising spending away from the most expensive and carbon intensive schemes in RIS2, the current investment period.

“

**An independent commission should develop a fair pricing model for all road users.”**

### **Our recommendations**

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Reform road taxation, including hypothecation of some revenues to sustainable transport.

---

Set up an independent commission to develop a fair pricing model for all road users.

---

Review current and future road building in England, to ensure that RIS3 is compatible with climate targets. This should be similar to the review recently conducted in Wales.

“  
A long term target  
to make good  
quality bus  
services accessible  
should be part of  
the vision for a  
fairer society.”

---

## Year 5

### Set a minimum service standard

Affordable, reliable public transport will significantly help to level up England’s regional and rural economies, providing wider access to jobs and education and increasing mobility generally. But, at the current level and standard of services, this is not possible.

A long term target to make good quality bus services accessible should be part of the vision for a fairer society. Introducing minimum service standards will help to achieve this.

In Switzerland, regions determine a statutory minimum level of bus services, based on population size and local amenities. The Zurich Canton, similar in density to South Yorkshire, provides, at minimum, an hourly service during core hours, equivalent to 12 buses a day.<sup>27,28</sup>

#### Our recommendation

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Introduce a statutory duty for local authorities, from 2035, to set a Swiss-style minimum standard level of bus routes, appropriate to their populations.



# A bus revolution to get the country moving

“

**This simple change has the power to transform the fortunes of many areas across the country.”**

Within five years, these measures would transform England's buses into an efficient, modern and reliable service for all.

In turn, this simple change has the power to transform the fortunes of many areas across the country. Ailing, inefficient bus services are a visible symbol of the neglect and decline that communities and regions are suffering, and the consequences are directly experienced by many people. Turning this around and reinvigorating bus services will be a signal of change for the better that benefits many, reconnecting communities and injecting new dynamism into local economies.

This plan is affordable. To make the transformation we have outlined in this report and which we summarise below would cost just over £11 billion over five years. This cost could be recovered by reviewing current and future road building plans, reprioritising funds allocated for the most carbon intensive projects and, over time and following consultation, by implementing a new, more equitable form of road pricing.

A five year plan:

- Decrease the bus fare cap to £1 for five years.
- Change bus governance models across the country to give local transport authorities more control.
- Reach a long term settlement for bus funding.
- Electrify the bus fleet with modern, quieter vehicles.
- Allocate support for priority measures to speed up bus journeys and ensure fewer interruptions for drivers.
- Emulate Switzerland with a minimum standard level of service for regions.

# Endnotes

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