

TRANSPORT SELECT COMMITTEE: INQUIRY INTO THE HEALTH OF THE BUS MARKET

Background

The Go-Ahead Group operates 11% of the UK commercial bus market (outside London) with services in north-east England, East Yorkshire, Brighton, Oxford, Plymouth, the south coast and East Anglia. We operate 23 per cent of the London bus network for Transport for London (TfL).

The Group also operates a bus contract in Singapore, on behalf of the Land Transport Authority. Recently Go-Ahead launched in Dublin the first of 24 routes to be operated on behalf of the NTA. Go-Ahead recently acquired Hull based East Yorkshire Motor Services (EYMS).

Go-Ahead is responsible for nearly 30 per cent of all UK rail journeys through its Govia Thameslink Railway and Southeastern franchises.

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A. Introduction

1.0 Summary and recommendations

- 1.1. Thank you for the opportunity to submit evidence to this critical inquiry into the health of the UK bus market in England.
- 1.2. Buses play a critical role in helping to boost economic growth, provide greater access to jobs and education, tackle air pollution and congestion, as well as addressing rising rates of loneliness and social exclusion. Due to this multi-faceted contribution, existing public funding for buses delivers demonstrable value for taxpayer's money. The costs that arise when buses are not able to fulfil these roles are not eradicated, but manifest themselves elsewhere in society, underlining the need for increased bus patronage.
- 1.3. Go-Ahead recommends the creation of a national strategy for buses, aimed at driving patronage growth. A target setting approach, which has worked well for cycling, would drive efforts to reduce congestion, the most significant factor affecting current levels of bus patronage. Locally set targets for bus journey times would incentivise bus prioritisation and sustainable car parking policies, deliver smart solutions (such as demand-responsive transport) and enable bus travel to further support social inclusion.
- 1.4. A parallel Industrial Strategy for bus, aimed at delivering bus electrification and supporting British bus manufacturing, could help the industry make an even greater contribution to improving air quality by accelerating the move to low and zero emission vehicles. We would be pleased to provide more detail on Go-Ahead's leadership in electric bus roll-out, an area which we cover in top-line terms in this submission.
- 1.5. Local partnerships which are flexible and 'light touch' can enable patronage growth in a challenging market. Go-Ahead is demonstrating this partnership approach in several regions, where our private operating companies are designing bespoke services for passengers in close collaboration with Local Authorities.

B. Answers to inquiry areas

2.0 The effectiveness and ambition of the Department for Transport's policies on buses

A bus strategy to elevate the role of bus

- 2.1 The bus, like all transport, is a derived demand and the most significant factors affecting both reliability and patronage are outside bus operators' control. A recent KPMG report for the Confederation of Transport Scotland showed that less than a third of the net patronage reduction is due to changes within the bus sector and only a part of that is within the direct control of operators.¹
- 2.2 As a result, Go-Ahead recommends the DfT be more ambitious in setting a framework to increase bus patronage. Buses should be promoted as a sustainable mode of transport for the future smart city, tackling both chronic urban congestion issues and air pollution.
- 2.3 The DfT has clear strategies for rail, aviation, roads, cycling and walking. Despite 3.5m people in the UK travelling to work by bus,² and around two-thirds of all public transport journeys being by bus³, there is no dedicated bus strategy.
- 2.4 To consolidate and grow this vital public service which serves so many citizens daily, a **national strategy for buses** is crucial to draw local and national policies together effectively. A 10% improvement in access to bus services would mean 50,000 more people in work⁴.
- 2.5 At the strategy's core would be measures to enable local authorities to set ambitious, yet practical targets for criteria such as route journey times and reliability of journey times. This strategy would provide incentives for local solutions; including road user charging, workplace parking levies and bus prioritisation.
- 2.6 In the absence of such a strategy, there is no national accountability for a vital mode of transport. Over a five-year period Hansard records just 3,007 mentions of bus by parliamentarians compared with 6,119 mentions of trains⁵. The role bus plays in tackling social inclusion risks being undermined by its exclusion from national debate.

Local partnerships and bus franchising

- 2.7 A set-piece Industrial Strategy for bus is a further option; Go-Ahead recommends that this would include deeper public-private partnerships to enable bus electrification (building on the template of our successful Waterloo Garage, the first and only all-electric depot in the country). Government support could help protect British bus manufacturing and enable buses to make an even greater contribution to improving air quality. Provision of charging infrastructure and addressing the high connection costs from electricity distribution network operators also needs to be addressed.
- 2.8 The franchising aspect of the Bus Services Act 2017 focused on increased regulation, rather than tackling core issues affecting patronage. Our experience is that partnerships with local authorities which are flexible and 'light touch' are the most effective in increasing patronage, enabling bespoke solutions which directly address local financial, logistic, or societal factors.

¹ KPMG, *Trends in Scottish bus patronage Report to the Confederation of Passenger Transport (Scotland)*, 2017. URL: https://getonboardwithbus.scot/wp-content/themes/minimum/doc/Trends_in_Scottish_Bus_Patronage.pdf Accessed: 28/08/18

² Greener Journeys, *Value of the Bus to Society* report, 2016. URL: <https://greenerjourneys.com/wp-content/uploads/2016/10/The-Value-of-the-Bus-to-Society-FINAL.pdf>. Accessed: 27/08/18

³ Citation required

⁴ Greener Journeys, *Value of the Bus to Society* report, 2016. URL: <https://greenerjourneys.com/wp-content/uploads/2016/10/The-Value-of-the-Bus-to-Society-FINAL.pdf>. Accessed: 27/08/18

⁵ Online search of Hansard for parliamentary mentions of 'bus' and 'rail' by MPs or Peers in Chamber debates (search range June 2013-June 2018).

- 2.9 Go-Ahead welcomes the Transforming Cities Fund and believes it will make a significant impact in tackling congestion in cities which secure grants. Schemes delivered through the Local Sustainable Transport Fund (LSTF) have been shown to improve bus patronage⁶, and are quicker to deliver, less risky and expensive than rail/light rail schemes.
- 2.10 Go-Ahead enjoys a number of highly productive partnerships with local authorities that have delivered significant patronage growth.

Go-Ahead local authority and council partnerships

- 2.11 In Southampton, the Quality Bus Partnership involving our operator Bluestar and the local authority has, along with Better Bus Area Funding and LSTF and our own investment, enabled an increase in bus patronage of 25.8% in the city since 2011; initiatives include Improved Real Time Information System and Expansion of Network in Partnership with Southampton City Council. In Bournemouth/Poole, partnership working with local authorities and operators including our own Morebus has led to an 18.8% increase in bus patronage across the two localities since 2011⁷. Brighton and Hove Buses' local authority partnership and investment in bus priority has achieved the highest number of bus passenger journeys per head (127) in England, having increased by 8.3% since 2011/12.⁸
- 2.12 The Fastway Bus Rapid Transit service developed by our Metrobus operation in partnership with West Sussex County Council has seen 160% growth in passengers over 10 years and a 19% reduction in car trips. The service, in the Crawley and Gatwick area, provides bus priority through bus lanes and guideway, with some use of traffic light priority. KPMG analysis found that the benefit/cost ratio of the scheme was likely to be as high as 6.⁹
- 2.13 Creative local approaches can secure funds by working with Local Enterprise Partnerships (LEPs) on bus schemes to benefit local economies and improve transport. KPMG research shows that every £1 spent on bus infrastructure can deliver up to £7 of net economic benefit¹⁰.
- 2.14 By working with the Coast to Capital LEP, Metrobus secured over £1m investment including bus priority infrastructure, development of an intelligent mobility platform and 'Superhub' bus stops (departure lounge type environment, Wi-Fi, USB charging and coffee stations) as part of the Crawley Growth Programme. Metrobus worked as a key partner to local regeneration ensuring a deliverable plan that would avoid the significant costs, land requirements and congestion associated with increased car parking.
- 2.15 This 'light touch' approach of these successful partnerships retains the commercial flexibility that enables our operating companies to respond quickly to changes in demand. By doing so, we maintain the long term viability of our bus services and our ability to invest in the network.

3.0 Factors affecting bus use, including the reliability of the bus service, congestion and the ways bus companies are dealing with congestion, and the effectiveness of bus priority measures

Congestion challenge

- 3.1 Congestion in the UK's largest cities is 14% worse than five years ago, and traffic speeds are forecast to fall by almost 5mph from 17mph to an average of 12mph by 2030, and significantly slower in peak hours.¹¹

⁶ DfT *Impact of the Local Sustainable Transport Fund – Summary Report*, October 2017

⁷ DfT Annual Bus statistics: England 2016/17

⁸ DfT Annual Bus statistics: England 2016/17

⁹ KPMG, An economic evaluation of local bus infrastructure schemes, 2015 (updated 2017) URL: <https://greenerjourneys.com/wp-content/uploads/2015/09/Ex-Post-Evaluation-of-Bus-Infrastructure-June-2017.pdf>. Accessed 20.09.2018

¹⁰ KPMG, An economic evaluation of local bus infrastructure schemes, 2015 (updated 2017) URL: <https://greenerjourneys.com/wp-content/uploads/2015/09/Ex-Post-Evaluation-of-Bus-Infrastructure-June-2017.pdf>. Accessed 20.09.2018

¹¹ Greener Journeys, The Impact of Congestion on Bus Passengers report, 2016 URL: <https://greenerjourneys.com/publication/impact-congestion-bus-passengers-new-extended-version/>. Accessed: 29/08/18

- 3.2 Evidence has shown that a 10% decrease in bus speeds can reduce patronage by 10% or more, especially when increased congestion leads to increased variability in journey times. By ignoring the congestion problem, we are missing the opportunity to create a virtuous circle where improved bus speeds attract passengers, leading to fewer cars, faster journey times for everyone and a multiplier on positive economic impact.¹²
- 3.3 Research indicates that between 18% and 23% of car users could be encouraged to switch to bus travel if buses were quicker and more reliable.¹³
- 3.4 Go-Ahead commissioned research found that commuters build in a 13-minute “traffic jam allowance” to their daily journey to work. Nevertheless, four out of ten have been late for work in the last six months due to traffic jams.
- 3.5 Powers are available for local authorities to tackle congestion through the Traffic Management Act 2004 but are not effectively used and enforced. Through the Transport Act 2000, measures such as workplace charging/road user charging should be more readily deployed, as a means of achieving target journey times.
- 3.6 Easing congestion would lead to dramatic reductions in NOx emissions from all vehicles. Emissions from the latest Euro VI diesel buses, can be halved by increasing speeds from just 3.7mph to 5mph.¹⁴ Go-Ahead is encouraged by the Government’s acceptance that modal shift can contribute to wider policies to reduce emissions, supporting the transition from private car journeys to public transport over coming decades, as outlined in ‘The Road to Zero’¹⁵.
- 3.7 Analysis by industry observer Chris Cheek indicates that, for a typical bus round trip, a fall in average speeds from 11.6mph to 7.5mph is likely to increase the vehicles and staff required to maintain frequencies by around 50%¹⁶. Congestion creates the need for additional resources costing bus operators more, which in turn contributes to higher fares for consumers.
- 3.8 The availability and cost of car parking has a major impact in enabling or restraining congestion. The limited supply and relatively high cost of parking in Oxford has contributed to the city having one of the highest levels of bus use in the UK with around 50% of all journeys in and around the city being by bus¹⁷.
- 3.9 We believe that the Government must report and recognise the consequences of congestion, and put in place a **Buses Strategy** that will spur local authorities to work more closely with transport operators in developing solutions.
- 3.10 A relatively ‘quick-win’ in the battle against congestion would be the widespread adoption of road access charging for utility companies. Currently being piloted in London, it can deliver more efficient roadworks leading to reduced congestion, as well as providing a valuable revenue stream.

Case study: Impact of congestion in Oxford

- 3.11 In Oxford, a round trip from the rail station to Blackbird Leys on Service 5 on an 8-minute frequency could be completed in 72 minutes using nine buses in 2014. Today, it requires 88 minutes on the same frequency using 11 buses – an increase in costs of around £300k per annum. A return trip from the city centre to Barton on Service 8 previously took 60 minutes on a 12-minute frequency using five buses, whereas since April this year the route requires 75 minutes on a 15-minute frequency using the same five buses.

¹² Greener Journeys, The Impact of Congestion on Bus Passengers report, 2016 URL: <https://greenerjourneys.com/wp-content/uploads/2016/06/Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf> Accessed: 06/09/2018

¹³ Johnson, D.H., *Buses and the Economy II: A survey of expenditure of visitors to city and town centres* report, University of Leeds, 2013. URL: https://greenerjourneys.com/wp-content/uploads/2014/01/town_centre_report_FINAL.pdf Accessed: 28/08/18

¹⁴ Begg, David and Haigh, Claire ‘Tackling Pollution and Congestion: Why congestion must be reduced if air quality is to improve’ *Greener Journeys* <https://greenerjourneys.com/wp-content/uploads/2017/06/TACKLING-POLLUTION-AND-CONGESTION-15-JUNE-2017-FINAL.pdf> Accessed: 28/08/18

¹⁵ DfT, *Road to Zero: Next steps towards cleaner road transport and delivering our Industrial Strategy*, 2018

¹⁶ Chris Cheek presentation to Scottish CPT/ATCO, 7 September 2018 (available on request)

¹⁷ Oxfordshire County Council Local Transport Plan 4: 2015-2031

Case studies: Bus priority measures

- 3.12 **Lewes Road, Brighton (A270):** Bus lanes on this road are used by over 40 buses per hour in each direction during the daytime. Every year 15 million passenger journeys are made on routes using them, with the main 25 and 25X routes now carrying 30% more passengers than four years ago. Since the bus lanes were introduced the term-time daytime frequency of these services has increased from 12 buses per hour to 16 per hour.
- 3.13 **Coast Road, Brighton (A259):** 48% of passengers on this road are carried by 2% of vehicles due to bus priority. The journey time advantage helped bus patronage on route 7 grow by 28% between 2008 and 2016.
- 3.14 **Poole Civic Centre Bus Bypass:** Four minute delays were being incurred by Bournemouth to Poole buses in traversing the Poole Civic Centre gyratory. A local partnership scheme providing bus-only road for westbound buses to bypass the gyratory was delivered in 2010, delivering a reduction of over 18000 bus miles every year, saving 3,000 gallons of fuel and reducing congestion for all road users.

Challenges to the High Street

- 3.15 Shifts in social behaviour is a further dimension impacting the bus market, including the move away from 'people to goods' towards 'goods to people'.
- 3.16 This connects to the recent decline of the traditional High Street (the rise in on-line shopping has led to a 30% decrease in physical shopping trips taken)¹⁸, alongside increased rates of mobile working from home (31% of British workers now work from home at least one day per week¹⁹, with 4.2 million people regularly work from home due to flexible contract working).²⁰
- 3.17 Demonstrating changing behaviours, Britons make 16% fewer trips than 1996, travel 10% fewer miles than in 2002 and spend 22 hours less travelling than we did a decade ago.²¹
- 3.18 High quality bus services, which currently constitute the primary form of access to city centres, facilitating 29% of journeys²², are an essential element to the revival of High Streets along with the provision of more consumer 'experiences' outside of retailing physical goods. Bus users generate 1.4 billion shopping trips a year and spend £27 billion²³, accounting for 29% of expenditure, spending on average £54 per city centre trip.²⁴ They also account for more than £64bn worth of goods and services.²⁵
- 3.19 Policy discussions have been wrongly dedicated to increased, free or cheaper parking. This would exacerbate the problem by driving increased usage of private vehicles, including by commuters. With the correct targets and incentives, we recommend local authorities invest more in bus priority measures and in traffic management to tackle congestion more effectively.
- 3.20 Go-Ahead has demonstrated leadership in this regard, working with local authorities on successful Park and Ride schemes in cities like Oxford, Norwich and Salisbury.

¹⁸ Marsden, G. et al. (2018) *All Change? The future of travel demand and the implications for policy and planning, First Report of the Commission on Travel Demand* URL: http://www.demand.ac.uk/wp-content/uploads/2018/04/FutureTravel_report_final.pdf Accessed: 30/08/18

¹⁹ Virgin Media, Survey, 2017. URL: <https://www.ispreview.co.uk/index.php/2017/06/virgin-media-asa-consider-homeworkers-ads-broadband-speed.html> Accessed: 30/08/18

²⁰ Office for National Statistics, *Labour Force Survey (LFS)*, 2016. URL: <http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/labour-market/index.html> Accessed 30/08/18

²¹ Marsden, G. et al. (2018) *All Change? The future of travel demand and the implications for policy and planning, First Report of the Commission on Travel Demand* URL: http://www.demand.ac.uk/wp-content/uploads/2018/04/FutureTravel_report_final.pdf Accessed: 30/08/18

²² Greener Journeys, *Value of the Bus to Society* report, 2016. URL: <https://greenerjourneys.com/wp-content/uploads/2016/10/The-Value-of-the-Bus-to-Society-FINAL.pdf> Accessed: 27/08/18

²³ Institute for Transport Studies, University of Leeds, *Buses and Economic Growth* report, 2012. URL: https://www.its.leeds.ac.uk/fileadmin/user_upload/News/BusesEconomicGrowth_FINAL-REPORT.pdf Accessed 23/08/18

²⁴ Institute for Transport Studies, University of Leeds, *Buses and the Economy II* report, 2013- URL: https://greenerjourneys.com/wp-content/uploads/2014/07/Buses_and_the_Economy_II_main_report_july.pdf Accessed: 24/08/18

²⁵ Greener Journeys, *Value of the Bus to Society* report, 2016. URL: <https://greenerjourneys.com/wp-content/uploads/2016/10/The-Value-of-the-Bus-to-Society-FINAL.pdf> Accessed: 27/08/18

- 3.21 There is a requirement for a joined-up policy on local taxation and public health to create attractive, people centred High Streets and central areas. Go-Ahead would welcome policy proposals that provide local retailers with a more 'level playing field' to compete with internet retailers, such as levies on delivery of physical goods that could offset reductions in business rates and provide funding for investment in urban mobility. Close working with customer generators and Business Improvement Districts can ensure that sustainable transport contributes to enhanced experiences for visitors to city centres.
 - 3.22 Go-Ahead is itself responding to the 'goods to people' trend by progressing partnerships with logistics partners to address congestion and improve air quality, including through using spare depot capacity to act as 'consolidative centres'.
- 4.0 The provision of services to isolated communities in rural and urban areas, and the reliance of particular communities and groups of people on bus services**

Tackling social exclusion and supporting economic activity

- 4.1 The UK bus network provides essential access for millions of often isolated passengers who rely on services to connect with friends and family, as well as maintain employment.
- 4.2 A quarter of all households have no access to a car, and this rises to 50% of workless households. Whilst 73% of bus journeys are made by people in the bottom two quartiles in terms of income. 1 in 10 bus commuters would be forced to look for another job or halt work altogether if they could no longer commute by bus.²⁶
- 4.3 With the Government now putting in place a Loneliness Strategy the role of buses in enabling vital social contact for isolated people needs to be reaffirmed.
- 4.4 Go-Ahead has introduced demand responsive services in Oxford (see below), and is exploring 'total transport' and other innovative ideas to improve rural provision. However, 'critical mass' is always required for bus services to be commercial, and an element of public funding will continue to be required to provide a network that fully meets social need (see section 5).
- 4.5 Go-Ahead launched PickMeUp, an on-demand bus transport network in Oxford, to provide bus services to customers in an area of the city (including business parks, hospitals) that are hard to serve with traditional bus services. After eleven weeks, nearly 10,000 users have signed up to use the service. 92% of users who had taken rides rated it as five star.
- 4.6 Since 2011, our company Southern Vectis has provided vehicles for services on the Isle of Wight using volunteer drivers through a 'Community Bus Partnership'. Every year approximately 33,000 journeys are made on these services, over 90% of which are using concessionary passes, helping those less able to utilise private vehicles.
- 4.7 In February 2018, Go-Ahead launched our award-winning disability initiative, Helping Hand, across all our bus operating companies. The scheme helps passengers communicate their disabilities, especially hidden disabilities, to bus drivers through an accessibility card, co-created with users and charity groups.
- 4.8 Brighton & Hove Buses offer a range of targeted community fares including carers discounts, new employee deal for free travel with registered employers, sibling discounts for children travelling to school, free travel to essential appointments for homeless people, and free travel to support events for refugees.
- 4.9 Our Bluestar service in South Hampshire is working with the charity MHA to further reduce isolation among older people, by promoting its Live at Home scheme that encourages independent living for as long as possible.
- 4.10 These examples demonstrate our commitment to our communities, to keep them connected to vital services and social interaction.

²⁶ Johnson, Daniel, Mackie, Peter and Shires, Jeremy, 'Buses and the Economy II', *Institute for Transport Studies* (2014) https://greenerjourneys.com/wp-content/uploads/2014/07/Buses_and_the_Economy_II_main_report_july.pdf (accessed 21.9.18)

5.0 The viability and long-term sustainability of bus services, including the effectiveness of funding, fare structures and public grants

- 5.1 Overall, bus services are now more economically sustainable with lower public contribution. Broadly there are three types of public spending on bus services, none of which constitutes a subsidy to the operator
- 5.1.1 Money spent on tendered services, representing purchase of a route or set of services
 - 5.1.2 Bus Services Operator Grant (BSOG) payments that mitigate a tax (fuel duty) that would otherwise be paid to Government.
 - 5.1.3 Concessionary travel payments; Government buying discounted travel from the operators for certain sections of the population.
- 5.2 The total amount of public spending on bus services in England outside London (tendered services plus BSOG) fell from £1,088m in 2005/06 to £651m in 2015/16 ²⁷
- 5.3 Since 2010/11 there has been a net reduction of £172m in funding for local authority supported bus services in England, representing a 46% cut.²⁸ The BBC's Shared Data Unit showed that public funding cuts had led to a loss of 134 million miles of bus coverage between 2007-17.²⁹
- 5.4 Where possible, the private sector has sought to bridge the gap following cuts in LA funding. So whilst supported service mileage in England (outside metropolitan areas) fell by 43%, commercial mileage rose by 9.3%, between 2009/10 and 2015/16 ³⁰.
- 5.5 Specific examples from across Go-Ahead's operations include:
- 5.5.1 Salisbury Park & Ride integrated with city services to reduce the financial support required by Wiltshire Council. Salisbury Reds also ensured the delivery of a new fleet.
 - 5.5.2 Morebus stepped in to provide Sunday services on routes in the Bournemouth and Poole area when council funding was withdrawn.
 - 5.5.3 Metrobus worked with Surrey County Council in a Bus Review, starting in 2010, aimed at minimising the impact of service reductions arising from local authority cuts. Metrobus' consideration of consultation feedback and identification of efficiencies that could reduce the impact of cuts was described as 'excellent' in a report published in 2012 by Passenger Focus³¹. Since then further services have been registered by Metrobus as commercial replacements to previously supported services.
 - 5.5.4 Brighton and Hove Buses are currently working on a proposal with the local authority to introduce a minibus to deliver improved evening and weekend community connections to key services, the rail station and main bus network, and save public money.
- 5.6 However, the reduction in funding for tendered services has impacted nationally in terms of social isolation and access to jobs. The 1985 Transport Act envisaged the ongoing provision of socially necessary bus services; we contend that local authorities should conduct an 'impact assessment' when proposing to withdraw funding for tendered bus services.
- 5.7 In the ten years to 2016, the net profits achieved by bus industry companies of £2.9billion were exceeded by the £3.5billion the bus industry invested in asset renewal.³² This shows a commitment to long-term investment, away from the public sector balance sheet.
- 5.8 Go-Ahead operating companies provide competitive fare pricing, helping ensure the lowest possible prices for a diverse customer base. Go North East offer young people £1 fares, helping to drive double digit growth in youth travel.

²⁷ 2FM Limited (Chris Cheek), *Briefing Note - Public Spending on Bus Services in England*, (can be provided)

²⁸ Campaign for Better Transport, *Buses in Crisis 2018* report, 2018. URL: <https://bettertransport.org.uk/buses-in-crisis-2018> Accessed: 26/08/18

²⁹ BBC Shared Data Unit, *The UK bus network – raw dataset*, 2018. URL: https://docs.google.com/spreadsheets/d/1tMtv6rXoCzqKUrE4QiqAYAMOY_vyoAMstYlqF8B9NSg/edit#gid=1620295777 Accessed: 23/08/18

³⁰ 2FM Limited (Chris Cheek), *Briefing Note - Public Spending on Bus Services in England*, (can be provided)

³¹ Passenger Focus, *Bus service reviews consulting on changes to local services - A best practice toolkit*, 2012

³² Bus Industry Monitor 2017, Chris Cheek, Passenger Transport Intelligence Services Limited, 2017, p.15

- 5.9 Go-Ahead delivers multi-operator ticketing scheme in locations around the country, The Brighton and Hove Citywide smart ticket product has involved sharing insight, experience, and practical back office access with other local operators via the Quality Bus Partnership. The scheme was praised by the DfT as a model for similar situations elsewhere in the country.
 - 5.10 BSOG helps ensure a sustainable bus market and can deliver a benefit/cost ratio of up to 3.8.³³
 - 5.11 The withdrawal of BSOG would lead to reduced services and increased fares as many operators would be forced to pass on increased operator costs to the consumer. BSOG directly underpins the contribution buses make to the economy, social inclusion and reducing congestion.
 - 5.12 Private motorists do not bear their external costs (congestion, environmental impact), as borne out by DfT research³⁴. The continuation of BSOG is needed to counteract the unsustainable private vehicle culture, and maintain a dense bus network. Greener Journeys predict that an 80 per cent reduction in bus services could generate a 6 per cent reduction in employment, 4 per cent fall in incomes, and 6 per cent reduction in people in post-high school education.³⁵
 - 5.13 By comparison, fuel duty on petrol has been frozen since 2011, and it is estimated to have cost the Treasury around £46bn in lost revenue.³⁶
 - 5.14 The English National Concessionary Travel Scheme (ENCTS) has been a success in terms of contribution to improving social inclusion and tackling loneliness and we are proud to have played a role in its delivery. ENCTS delivers economic and social benefits valued at £3.80 per £1 of expenditure.³⁷
 - 5.15 However, ENCTS is not properly funded and the principle of companies being no better and no worse off from its implementation is not being upheld³⁸. A recent LGA report noted a £200m shortfall in funding for the scheme, underscoring the need to financially underpin schemes which deliver a significant support function to passengers.³⁹
 - 5.16 Bus users are not a highly visible constituency and do not have the political weight of rail commuters, nor the currency of the cycling lobby, but they comprise 60% of public transport journeys each year in the UK. A **national buses strategy** aimed at redressing the patronage decline would give context to funding streams and ensure better representation for users of this vital mode.
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- 6.0 **Regulations affecting the provision of bus services and the adequacy of guidance to operators and local authorities**
 - 6.1 Go-Ahead believes that for local partnerships which are flexible and 'light touch' can enable patronage growth in a challenging market.
 - 6.2 With the implementation of the Bus Services Act 2017, local authorities now have an extensive range of mechanisms to deploy. However, outcomes are what matters, and a clearer view from Government on the role bus can play in tackling urban congestion, improving air quality and social inclusion, will encourage more initiatives at local level to increase patronage.

³³ KPMG, *The 'true value' of local bus services – A report to Greener Journeys*, 2018. URL: <https://greenerjourneys.com/wp-content/uploads/2017/07/Greener-Journeys-Value-for-Money-Update-FINAL.pdf> Accessed: 28/08/18

³⁴ Department for Transport research cited in Greener Journeys' *Unintended Consequences of Freezing Fuel Duty* report, 2018. URL: <https://greenerjourneys.com/wp-content/uploads/2018/06/THE-UNINTENDED-CONSEQUENCES-OF-FREEZING-FUEL-DUTY-JUNE-2018.pdf> Accessed: 28/08/18

³⁵ Citation required

³⁶ Greener Journeys, *Greener Journeys responds to Government's Road to Zero strategy*, 2018. URL: <https://greenerjourneys.com/news/greener-journeys-responds-to-governments-road-to-zero-strategy/> Accessed: 28/08/18

³⁷ KPMG, *The 'true value' of local bus services – A report to Greener Journeys*, 2018. URL: <https://greenerjourneys.com/wp-content/uploads/2017/07/Greener-Journeys-Value-for-Money-Update-FINAL.pdf> Accessed: 28/08/18

³⁸ Evidence from TAS Partnership to 2011 TSC investigation 'Bus Services After the Spending Review' estimated that in practice reimbursement rates were around 50-65%.

³⁹ LGA, *Analysis*, 2016. URL: https://www.local.gov.uk/sites/default/files/documents/080318_LGABriefing_BusUse_HouseofLordsv3%20%28002%29.pdf Accessed: 28/08/18

- 6.3 Over engineering regulatory frameworks threatens the ability for bus companies to be agile and responsive to the local needs and changing demands. The recent increase in service registration from 56 to 70 days is unwelcome particularly given the lack of regulation of some competing modes.
- 6.4 The DfT should consider the trends it highlights in its own Future of Mobility consultation document⁴⁰, such as private hire vehicles, electric bikes/scooters and potential autonomous vehicles, and consider how these could be regulated to match the standards of customer service, safety and accessibility and efficient use of road space that buses provide. This is necessary to ensure a 'level playing field'.

Martin Dean
Managing Director, Bus Development

⁴⁰ DfT *Future of Mobility* consultation 2018