The State of County Buses: Recovering Services Post-Pandemic

A review by SYSTRA for the County Councils Network

CCN
COUNTY COUNCILS NETWORK


Coastliner
Welcome aboard
easy ways to pay...
with cash
with contactless
with mTickets
and please help us to keep the bus nice for everyone...
no smoking or vaping
no smelly food
no open alcohol
EMERGENCY EXIT PULL TO OPEN

County Councils' Network Executive Summary

Background

In light of the growing pressures facing county bus networks, the County Councils' Network engaged SYSTRA in 2023 to undertake a comprehensive review of the English county bus services offer and the impact of recent policy developments.

The County Councils' Network wanted the study to focus on the situation relating to bus services in counties, particularly those in rural areas, in the wake of the 'slow decline' in county bus services during the 2010s, the impact of Covid-19 on passenger demand, the National Bus Strategy's request for Bus Service Improvement Plans, along with the impact of national driver shortages, higher wage settlements and increased fuel prices.

The main focus was a detailed analysis of the situation facing county bus services over the past decade and the immediate period following the pandemic, including a comprehensive analysis of the most recent bus related data and financial analysis by LG Futures. As part of the study SYSTRA also held workshops with a number of senior officers from County Councils' Network local authorities and undertook the first major analysis of recent policy interventions.

Alongside this, SYSTRA were asked to examine the different delivery and bus service improvement options available to county authorities to provide a practical toolkit for councils to consider in planning how they recover buses in the post-Covid period.

The State of County Bus Services

The 20th century witnessed the transition from major state intervention and subsidies to a deregulated market, predominantly commercially operated. The policy interventions that took place in the 1980s have broadly remained in place, particularly in county areas, with more recent changes to a franchising model in urban areas and the Bus Services Act 2017 providing a stronger basis for councils to influence the development of the English bus market.

The pandemic damaged the bus industry's financial viability and altered, perhaps permanently, commuter and related travel patterns. This has coincided with increased pressure on government to deal with environmental, economic, and societal impacts of climate change, alongside a policy focus on levelling up left behind places.

Buses in the 2010s

While there was a slight growth of bus use in County Councils' Network member areas at the beginning of the last decade, passenger numbers and bus routes were already comparatively lower relative to Metropolitan and Other Unitary Authorities. The overall trend since has seen a steady decline in bus usage across the whole of England before the pandemic.

Our new analysis of the available data shows that reductions in both ridership and coverage of the bus network during this period was most acute in county areas. In particular, new analysis undertaken by LG Futures for this report shows that throughout the last decade all councils experienced a large reduction in available resources and a growing funding gap to maintain subsidised networks: with CCN member councils having a 50.7% or £423m funding gap in local transport budgets. With these funding pressures more acute in County Councils' Network member councils relative to Metropolitan and Other Unitary Authorities, the number of local authority supported routes declined significantly by 58% from 140 million miles to just 58 million.

The Impact of Covid-19

The impact of 'lockdown' reduced average usage levels on bus services in County Councils' Network member councils by 67% in 2020/21, with strict limitations placed on who could travel and how many people were allowed to travel inside each bus. As our analysis shows, while all areas of England witnessed reductions, County Councils' Network member council areas saw the largest percentage reductions, with journeys hit least on urban routes and in areas with regular services throughout the day providing for predominantly work and commuter-based need.

Post Covid-19, the data also shows several important trends. Supported with government grants, councils and operators did their best to support local services through the pandemic. As a result, for instance, our analysis shows that County Councils' Network member councils protected their spending during this period in relative terms, preventing further major declines in local authority supported routes. There are also some signs of stronger recovery in County Councils' Network member councils overall (relative to

Metropolitan and Other Unitary Authorities and also London), with passenger numbers at 64.8% of pre-pandemic levels.

However, bus passenger levels are down by 236.6 million on 2018/19 – more than double the decline pre-pandemic – which includes a noticeable and very large reduction in the number of concessionary fare passengers.

Corresponding losses in revenue impacting on operators has led to a dramatic reduction in the number of commercial routes post Covid, particularly in County Councils' Network member councils. The number of commercial services, as measured in miles, has decreased by 15.6% since 2019, a drop of 51.2m miles. This compounds a situation where county areas had already seen significant reductions in passenger numbers and local authority supported routes, meaning by 2021/22 bus services usage and coverage had reached a historic low; with 344 million less journeys compared to 2010. Moreover, measured in bus miles, one in four bus routes have been cut over the same period.

The National Bus Strategy

The National Bus Strategy was published in 2021, aiming to recover bus usage and increase it beyond 2019 levels over the medium term, while also delivering wider policy objectives on climate change and levelling up.

As part of the national strategy, Local Transport Authorities were asked to produce a Bus Service Improvement Plan. By June 2021, Local Transport Authorities needed to decide which statutory path to follow through their Bus Service Improvement Plan - an Enhanced Partnership Scheme or develop a bus franchising assessment. Producing a Bus Service Improvement Plan was a condition of continuing to access Covid-19 funding and bidding for future rounds of funding.

Following the submission of Bus Service Improvement Plans in October 2021, government made the first announcement on Bus Service Improvement Plan funding allocations on 4th April 2022.[1] This allocated almost £1.1 billion to local authorities for the period 2022-2025. On 22nd May 2023, a further £80m was allocated to LTAs as part of Bus Service Improvement Plan 'Plus'.

1 https://www.gov.uk/government/news/cheaper-and-better-buses-in-7-billion-package-to-level-up-transport-outside-london

Enhanced Partnerships

With future funding dependent on the Enhanced Partnership model or franchising, County Councils' Network member councils embraced the opportunity, all choosing to adopt the Enhanced Partnership model and putting forward detailed plans. The scale of their ambition, and the resources they believed were necessary to deliver a bus revolution, is demonstrated by new analysis in this report showing that County Councils' Network member councils bids totalled £3.6bn, over three times the resources allocated nationally.

Our detailed assessment shows that Enhanced Partnerships are likely to be the most viable operating and improvement model for most county areas compared to other options explored in this report, such as franchising and in-house delivery.

However, while our analysis shows there are many benefits that can be gained from pursuing Enhanced Partnerships, it is unlikely to deliver transformational change. An Enhanced Partnership will inevitably be limited by the amount of resource and support that both the bus operators and the local authority can bring forward.

Bus Service Improvement Plans

With a dependency on the availability of resources, it is clear from analysis in this report that to date the National Bus Strategy, Bus Service Improvement Plan and Enhanced Partnership process has benefitted metropolitan areas to a greater extent than county and rural areas. Overall, County Councils' Network member councils received just £363m (33%) of funding from Bus Service Improvement Plan and Bus Service Improvement Plan 'Plus' compared to £739.1m (67%) in Metropolitan and Other Unitary Authorities. The findings reveal the extent to which Bus Service Improvement Plan funding was also oversubscribed, with just 10.2% of the total funded requested by County Councils' Network member councils ultimately received to-date.

With Bus Service Improvement Plan funding already limited, all Local Transport Authorities received less funding than their submissions. However, it is clear from the final approach to BSIP allocations that the funding for 'specific larger schemes' took far more precedent over any allocation based on formula or funding to support all Local Transport Authorities. This ultimately benefited metropolitan and urban areas. Our analysis suggests there was no relationship with the allocations received by local authorities and relative decline in passenger numbers pre-Covid. Funding allocations favoured Metropolitan & Other Unitary Authorities which had witnessed lower relative declines in passenger journeys pre-covid (-7.4%) and those with the highest pre-existing passenger numbers (69.6 per head). This compares to the 24 CCN member councils who received no BSIP round one funding despite the highest decline in passenger numbers (-15.6%) and had the lowest passenger numbers (20.7 per head).

Even when there has been funding awarded to County Councils' Network authorities, this has often been to support improvements tending to benefit the larger towns and cities in an area. Data analysis supported by Artificial Intelligence suggests that spend on bus schemes in rural areas is lower than the sum awarded to CCNs, something supported by the views of senior managers in our workshops. Measures focusing on metropolitan areas and towns are probably considered by Government as being ones with a larger return in terms of

rejuvenating overall passenger usage, as well as hitting the Department for Transport's long-established Transport Analysis Guidance themes of reducing journey times, lowering congestion, high shift to public transport and high reduction in carbon emissions. Furthermore, larger authorities and towns are more likely to have 'ready to go' projects and monitoring arrangements to attract the DfT funding, whereas this was lacking in some case study County Councils' Networks that missed funding.

SYSTRA's analysis of BSIPs awarded Bus Service Improvement Plans first-round funding and the feedback from our workshops with senior managers within the County Councils' Network suggests that significantly fewer schemes in County Councils' Network authorities, and particularly rural areas, received funding in comparison to Metropolitan and Other Unitary Authority areas. Bus priority, ticketing and fares schemes – easy to implement in more urban and suburban areas – seem to have been of higher interest in the Bus Service Improvement Plan first round. This suggests that in future there needs to be specific bidding opportunities for rural measures.

Conclusions & Recommendations: Where next for County Buses?

The National Bus Strategy for England came at a key moment of opportunity for changing local buses in England and helping the industry recover from the pandemic. More recently, the government have also intervened with further support (£140m) of Bus Service Operators Grant Plus paid directly to operators and the introduction and extension of the £2 Bus Fare Cap to help recover passenger numbers.

Although this short-term support has been welcomed, with County Councils' Network member councils receiving limited financial support through Bus Service Improvement Plans and facing intense funding pressures to maintain existing subsidises, the 'revolution' in local buses intended by the National Bus Strategy is unlikely to be realised in many county areas.

The Labour Party has suggested that, if it wins power, it will allow authorities to introduce franchising without the need for approval and will end the ban on creating new municipal or council-owned bus companies. Nonetheless, while there are merits in these policies, these options will likely have limited take up in county areas owing to the limited viability of services in these areas.

Building on the findings of this report and the views of County Councils' Network member councils expressed in workshops, the current government and all major political parties need to consider how they build on recent policy interventions in the lead up to, and beyond, the next General Election to truly recover county buses post-pandemic. Locally, councils also need to consider whether alternative or supplementary delivery models could be pursued to revitalise local bus networks.

Based on analysis carried out by SYSTRA and views expressed during workshops held with our members, this report provides recommendations that the County Councils' Network believes government should take forward to improve services in county areas and drive a bus revolution.

1. **Support the delivery of Enhanced Partnerships in county areas through a further targeted round of Bus Service Improvement Plan allocations.**

The National Bus Strategy has refocused the policy landscape on local buses, providing a framework in which councils could better collaborate with bus operators to put forward ambitious plans through Enhanced Partnerships to transform their bus networks in the long-term. Amongst councils themselves, there was no lack of ambition – demonstrated by County Councils' Network member councils setting out investment plans totalling £3.6bn, with the majority of the funding requested for capital investment.

While the government has recently provided a further £80m through Bus Service Improvement Plan 'Plus', ensuring all councils received some funding to support Enhanced Partnerships, the reality remains that County Councils' Network member councils have only been provided with a fraction of the investment required to deliver these plans, while funding overall has clearly favoured urban metropolitan areas and specific larger schemes. This is particularly the case for those 24 County Councils' Network member councils who received no funding in the main round of the Bus Service Improvement Plan.

To ensure that the Enhanced Partnership process can gain traction in county areas and lay the foundations for wider transformational change, government should engage now with County Councils' Network to determine and provide a further targeted round of Bus Service Improvement Plan allocations.

2. **Government should be more transparent about the criteria used to decide funding allocations.**

In the future, as the new approach to buses develops, the County Councils' Network believes that Government should be more open about the criteria that future improvement plans are evaluated against and the amount of funding that can be expected. This was a view put forward by several attendees at the senior managers' council workshops during this study.

The analysis carried out suggests that more resources and information on monitoring schemes should be provided to counties developing rural bus schemes, to help officers understand how best to satisfy the Department for Transport and HM Treasury as to the effectiveness of funding. Without this, county and rural schemes will have less information on monitoring and less ability to win funding from future Bus Service Improvement Plan rounds and from other funding sources.

3. The newly launched Bus Centre for Excellence should work with County Councils' Network members on a dedicated County Bus Service support package that recognises the unique challenges and opportunities faced across county areas. Government should use this to inform a future dedicated County Bus Strategy.

The Bus Service Improvement Plans prepared by County Councils' Network members contain a comprehensive ready-made County Bus Service action plan to tackle the issues they face. We recommend that the Centre for Excellence should look to work with these councils acting as a convenor and facilitator of best practice to help areas learn from each other as they seek to improve the bus services in their areas, and address the unique long- and short-term challenges that bus services in these areas face.

If Government decides to revisit the National Bus Strategy, this could be used as part of a dedicated County Bus Strategy, recognising the unique challenges and opportunities in these areas.

4. Government funding for buses should move away from competitive bidding and be allocated based on need

The analysis in this report suggests that not only did County Councils' Network member councils receive the least amount of Bus Service Improvement Plan funding, but urban areas also benefited the most from allocations despite witnessing lower reductions in passenger numbers pre-pandemic and containing the highest existing levels of passenger numbers. This suggests that funding has been more focused on supporting existing levels of passenger numbers and larger schemes, rather than allocating resources based on a needs-based formula and increasing passenger numbers in areas where they had decreased the most.

Looking beyond the Bus Service Improvement Plan process and current spending review period, there was a strong view in our workshops and in other engagement with County Councils' Network councils that the government should move away from competitive bidding and allocate funding based on need. This would make decisions more transparent and enable the needs of county and rural areas to be fully assessed as part of an evidence-based allocation formula.

5. Government and other political parties should commit to a long-term revenue funding settlement for bus services at the 2025 Spending Review

The County Councils' Network believes that a new needs-based approach to funding must be coupled with long-term revenue funding to provide sustainable bus services in county areas.

During the pandemic, County Councils' Network member councils sought to protect spending on bus services to keep services running. However, this continued level of support is not sustainable, particularly in the context of other cost pressures that authorities are currently facing. New analysis by LG Futures contained in this report

shows that, outside of London, councils face a revenue funding gap of over £1bn to return services to the levels of funding they were receiving in 2010.

County Councils' Network members believe that short time-limited funding does not provide an adequate approach for bus services in county areas. Authorities and operators need certainty to ensure that services are viable and to allow the continuation of routes. County Councils' Network members believe a long-term funding solution is therefore required at the 2025 Spending Review to enable CCN member councils to begin to reverse the decline local authority supported bus routes experienced over the past decade.

6. Government should consider freedoms and flexibilities for local transport authorities to help bridge the gap between funding and expenditure of concessionary fares.

Although detailed analysis of concessionary fares is outside the scope of this study, this report highlights that concessionary fare journeys accounted for 28.8% of all journeys in County Councils' Network member areas in 2021/22. The County Councils' Network believes that concessionary fare funding does not match need with authorities – with councils having to plug the gap, diverting funding away from core services. The County Councils' Network believes that Government should work with transport authorities on initiatives that allow them to raise additional income to support concessionary fare provision and wider bus services, including the introduction of an administrative charge for processing free bus passes.

7. Government should make the fare cap scheme permanent, amending it to a 'journey scheme' allowing passengers to make one interchange on a bus journey

The £2 fare scheme, first introduced in January 2023, has the potential to help further recover passenger numbers and regrow bus networks, attracting more passengers away from cars and on to buses. As such, the government recently extended the £2 scheme until October 2023, with this rising to £2.50 until November 2024.

However, the nature of bus services in county areas means that passengers often must change to a different route within a journey to reach their destination, and councils have stated that not every operator had implemented the policy. County Councils' Network members would therefore like to see the scheme retained permanently, made mandatory for all routes and funded indefinitely. The scheme should also be amended to allow one interchange within a journey.

8. The same franchising powers and process on offer to Mayoral areas should be given to all Local Transport Authorities, enabling them to establish franchising more quickly in their areas.

There would potentially be numerous benefits to franchising in county areas, with councils in control of routes, frequencies and fares. However, franchising is complex, and the nature of county bus services with the networks and number of buses operating at a relatively small scale may not always be conducive to introducing it.

While franchising may not be suitable for all areas, County Councils' Network members believe it should be more easily available to county areas that wish to pursue it, whether alone or in collaboration with neighbouring authorities. The same powers on offer to Mayoral areas should be given to county councils, enabling them to establish franchising more quickly in their areas.

9. Councils should consider the benefits of a regional approach to Demand-Responsive Transport

In county areas, Demand Responsive Transport has been implemented across many county areas and is often pointed to as an option for improving rural transport. Indeed, alongside other forms of community transport, it can helpfully fill a gap not served by commercial routes, or where they have been withdrawn. Demand Responsive Transport has worked successfully in some areas, although it can be expensive and can be difficult to operate at a significant scale to offer a long-term sustainable alternative to current operating models.

Many county authorities are continuing to explore Demand Responsive Transport. A possible solution to reduce costs and increase awareness of Demand Responsive Transport could be County Councils' Network authorities joining together and franchising and licencing Demand Responsive Transport companies across entire regions. This consolidated operation would provide cost efficiencies, with one central control/call centre and maintenance function to reduce overall costs of the operation, but would take time to introduce and would require significant upfront investment.

10. Government should work with operators and transport authorities to roll out the infrastructure required to support sustainable bus fleets.

County Councils' Network members believe that bus services will also be central to helping areas meet their net zero targets. Improved and reliable bus services will help to attract increased ridership, resulting in fewer car journeys. Bus fleets are also in need of modernisation, and investment into electric and biofuel fleets will also help to reduce emissions. However, the infrastructure required to support these types of fleets must be rolled out more quickly across the country.

The roll out of infrastructure to support more sustainable bus fleets has never been more important. Local authorities need the right tools and investment to enable them to increase the rollout of this infrastructure so that the move to more sustainable fleets can be expedited.

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Introduction

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1.1 Background

The county bus network aims to provide connectivity to homes, jobs, schools, retail and leisure, allowing an alternative to the use of cars or taxis. Buses ensure residents and businesses remain plugged-in and participating in society and the economy.

Bus services are the primary, if not only, offer of public transport across many county areas. Improved and fair access to education, healthcare, jobs, leisure activities in local areas are just some of the benefits that a reliable and affordable bus network can offer to residents and businesses, especially those residents who are unable to drive or access a private car.

However, the bus industry has been challenged for more than a decade now, with rapidly reducing passenger numbers since the beginning of the 2010s. This coincided with the period of austerity and rising pressures for council services such as social care, meaning local transport authorities (LTAs) have had to squeeze the already limited resources available to subsidise local bus routes. As such, we have witnessed the slow decline of bus networks.

More recently these existing challenges have been compounded by the impact of Covid-19, which has dramatically affected passenger demand and therefore revenue. There has been a national shortage of bus drivers, and historically high inflation has meant that the industry has faced higher wage settlements and seen increases in key cost areas such as fuel, engineering parts and consumables. This has increased the demands on already stretched local authority finances as they have sought to support local bus services through these tough times, while the financial situation currently faced by the bus industry is arguably reminiscent of the 1970s.

These challenges have been particularly hard felt in county areas, where even at the best of times many bus services operate at marginal commercial viability and ever increasingly rely on subsidy in order to continue to operate. These issues have combined to create uncertainty in respect of the long-term provision of county bus networks as we have emerged from the pandemic.

However, despite their slow decline over the preceding decade, buses have remained at the top of the political agenda.

Following the 2019 General Election, reviving bus networks became a central plank of the new government's commitment to 'levelling up' left-behind areas. Following the worst of the pandemic the National Bus Strategy 'Bus Back Better' was launched, aiming to kick start a revolution that would not only help recover buses back to their pre-pandemic levels but lead to a renaissance in ridership. As we approach the next General Election, the Labour Party have also put buses at the heart of their 'take back control' devolution offer, if they were to form the next government.

1.2 This Study

In light of the growing pressures facing county bus networks and central nature of the government policy to the levelling up agenda, the County Councils' Network (CCN) engaged SYSTRA in 2023 to undertake a comprehensive review of the English county bus services offer and the impact of recent policy developments.

The CCN wanted the study to focus on the situation relating to bus services in counties (defined by the 21 county councils and 17 CCN unitary councils), particularly those in rural areas, in the wake of the 'slow decline' in county bus services during the 2010s, the impact of Covid-19 on passenger demand, the National Bus Strategy's request for Bus Service Improvement Plans (BSIPs), along with the impact of national driver shortages, higher wage settlements and increased fuel prices. The main focus was on a detailed analysis of the situation facing county bus services over the past decade and the immediate period following the pandemic, including an analysis of recent policy interventions. Alongside this, SYSTRA were asked to examine the different delivery and bus service improvement options available to county authorities in order to provide a practical toolkit for councils to consider in planning buses in the post-Covid period.

The report starts by examining how bus services have been provided historically in England, the current state of the bus market and how it has changed over the last decade or so. It provides an in-depth data-led review of the financial, cost and demand challenges affecting county bus market, comparing the situation with Metropolitan Boroughs and other Unitary Authorities.

The study then considers the effects of the National Bus Strategy has had, and will continue to have, on bus services provided in often rural county areas. This includes examining the Bus Service Improvement Plans (BSIP) and Enhanced Partnership (EP) process, and crucially the funding awarded through recent rounds of funding, including investigating the key features of successful areas.

The report considers a range of medium- and longer-term options for stabilising, and potentially growing, county bus networks to ensure that rural residents are well served by buses and other modes of public transport. It considers whether Government needs to change its approach when considering future offers of support for bus services, to protect and improve provision in these areas and whether other delivery models are a suitable alternative to recovering bus services in the wake of the pandemic.

Part two of this report then provides detailed guidance and toolkit that could be employed to help improve the bus network in county areas based on examples of best practice and

SYSTRA's work elsewhere. This includes some options for improving bus services, in-house bus company ownership and other options, such as Demand Responsive Transport and improvements to the provision of Real Time Passenger Information. The toolkit reviews the operating models available to county areas including franchising and the purchase and operating of an in-house bus operation highlighting the various associated benefits and risks of each option.

1.3 Methodology & Approach

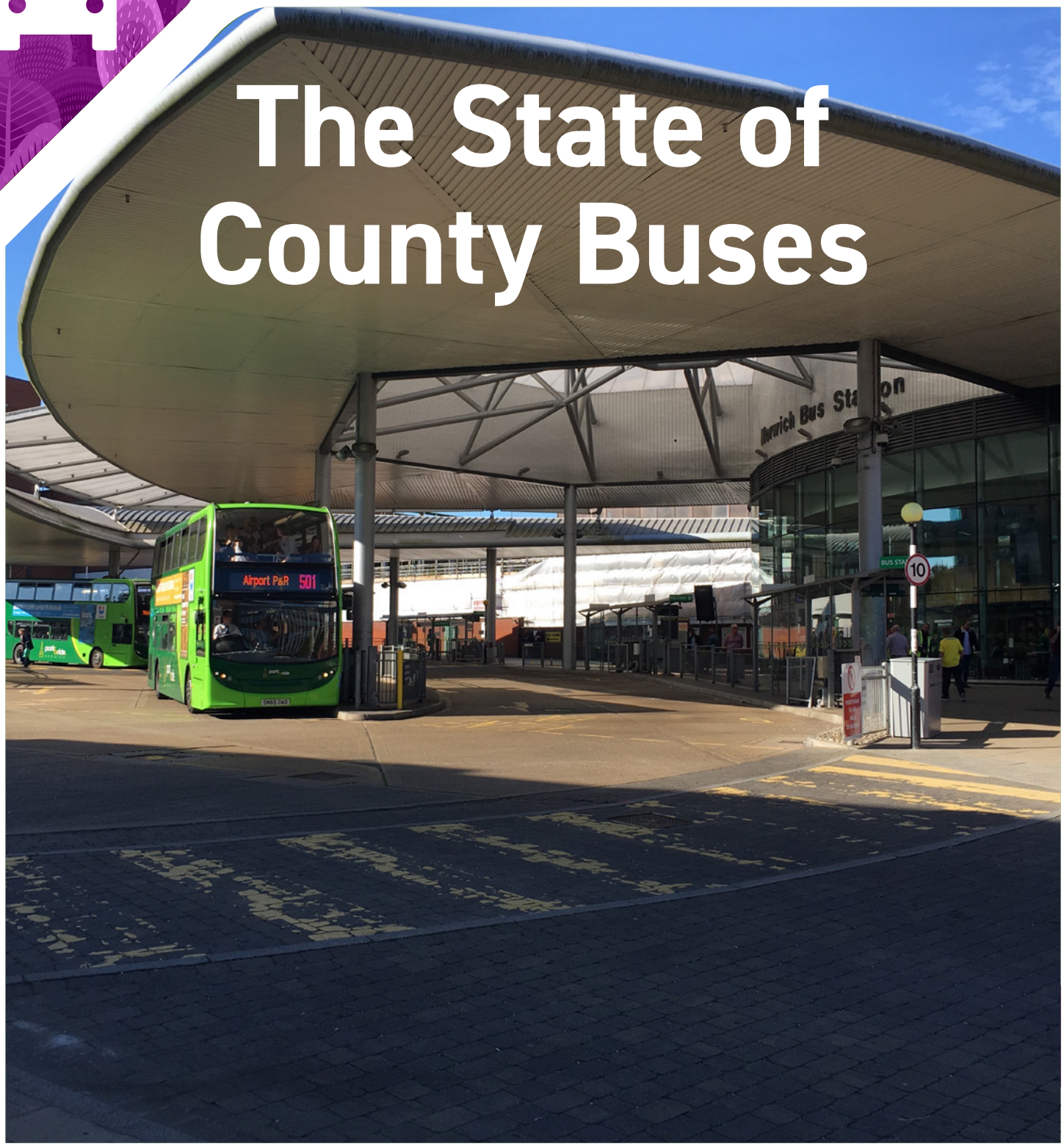
The different elements of the methodology used to develop the evidence base for this report are summarised below:

- SYSTRA has used its in-house expertise, data from the DfT and Local Transport Authority sources, academic journals and a Chatham House Rule workshop with senior representatives from CCN councils in which we considered the current problems facing the rural bus network as well as opportunities and risks for the future.
- A case study model was employed to examine the BSIP and EP process in more detail, with ten CCN member authorities asked to share key documents, views and experiences via their senior officers. The choice of CCN members was intended to give a good spread in terms of geography, political leadership and whether the member was awarded money for an Enhanced Partnership scheme via BSIP funding.
- Department for Transport (DfT) annual bus statistics have been comprehensively analysed for the period covering 2010/11 to 2021/22. Three select years are presented to give overall trends during the period, and in particular, focus on the pre and post Covid-19 period.
- In 2020, LG Futures was commissioned by the CCN to carry out an analysis of bus funding and expenditure, from 2009/10 onwards. The original analysis was published within the CCN and County All Party Parliamentary Group (APPG) report, Reversing the Decline of County Buses.[2] To inform this review by SYSTRA, CCN recommissioned LG Futures to update original analysis and extend by a further three years to cover the period 2009/10 to 2021/22.

2 CCN and County APPG report, Reversing the Decline of County Buses (2021) http://www.countycouncilsnetwork.org.uk/download/3294/?tmstv=1687182434

Part 1

The State of County Buses



How Bus Services Reached this Point

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To understand the current situation in respect of county bus networks it is useful to begin by reflecting on how the delivery of bus services in Great Britain has developed. Many of the current challenges and proposals for addressing them have similarities with the past, for example discussions about network planning or how external influences have impacted the financial viability of bus services.

This chapter also presents new financial analysis on the funding of local buses and data on the levels of passenger journeys, bus mileage and service profile across different types of local authority areas. It analyses the scale of the 'managed decline' of bus networks during the 2010s and how the Covid-19 pandemic has shaped bus operations in these areas, while also providing important insights on the overall nature of bus networks and provision in different types of local authorities.

2.1 Government Policy & Bus Operations Pre-Covid

Below, we set out how governments have approached bus policy and bus services in the context of major changes in demand and government priorities

2.1.1 Bus services in the UK until the 1980s: Regulation and cross-subsidy

Passenger-carrying motor vehicles were generally operated in the UK by unregulated private companies in the first decades of the 20th century, often on the principle of the horse-drawn omnibus in towns and cities. The Road Traffic Act 1930 changed the situation, with the beginning of comprehensive state intervention, through the introduction of regulation in the bus industry, a system that continued fundamentally in its role until the 1980s.

Regulation of the bus network changed little over the 50 years to 1980. However, the increased use of the private car changed the transport market in which bus services operated, particularly outside metropolitan areas. Bus patronage halved between the 1960s and 1980s. At the same time as this drop in usage, operating costs were increasing, for example with the rising fuel prices seen in the 1970s. Almost all companies suffered from a shortfall between revenue from fares and their operating costs.

Following the Transport Act 1968 and the Local Government Act 1972, local authorities played an increasing role in sustaining public transport for their residents' needs in

their areas, through revenue support payments where required. To maintain their bus network, local authorities were increasingly asked to provide subsidies to make good their operators' losses. Bus services in much of the counties only continued to operate because of the significant subsidies paid by the local authorities.

2.1.2 Transport Act 1980 and Transport Act 1985: Deregulation in England and Wales

The fundamental shape of bus operations in Great Britain today was set by two Acts of Parliament in the 1980s: the London Regional Transport Act 1984 and the Transport Act 1985. The 1984 Act led to a planned and regulated form of bus operations in London, which has evolved and is now used as an example of a large form of 'franchised' operation in Great Britain. The 1985 Act led in a different direction, to a commercial-dominated bus network outside of London.

The Conservative Government that came into power in 1979 was very strongly in favour of bringing private investment and private management into public transport. It argued that this would improve the passenger experience while reducing public expenditure and introducing an increased role for entrepreneurship.

The Transport Act 1980 allowed county councils to set up deregulation 'trial areas' in which road service licences were no longer required and operators could run bus services on any route they wished. Trials took place in Norfolk, Hereford and Worcester, and Devon, with mixed results reported by the Transport and Road Research Laboratory (TRL).[3]

Following this, the Transport Act 1985 deregulated local bus services in England and Wales (except in London) from October 1986. This effectively created a free market in bus service provisions, with limitations set to protect public safety by licensing for drivers and businesses. Thus, a bus company could register any service that it chose to operate on a commercial basis, unsupported by local authority funds.

The licensing authorities - the traffic commissioners - lost many of their former powers. The local authority could invite tenders for additional routes or journeys if it considered social needs were not met by the commercial services and on condition that it procured these services through open tender. Therefore, although not required to support an integrated local network, county councils were still obliged to tender and subsidise many services.

The Transport Act 1985 also changed the structure and nature of bus services through privatisation of the National Bus Company, along with the urban bus services planned, funded and operated by the Passenger Transport Authorities (PTEs) in the six English metropolitan counties. This was in parallel to deregulation: privatisation of the National Bus Company itself did not necessarily lead to competition, but it was seen by the Conservative Government as a means of achieving a more committed management and better access to private capital.

3 Buses White Paper, HM Government, 1984

The National Bus Company reorganised into 72 separate companies, and these were all sold to the private sector or to management/employee buy-outs by April 1988. In Scotland, following the Transport (Scotland) Act 1989, a similar process was completed by October 1991.

2.1.3 Establishment of a form of franchising model in London

The Transport Act 1962 had transferred the responsibilities for public transport in London from the London Transport Board to the Greater London Council. The London Regional Transport Act 1984 removed responsibility for transport in London from the Greater London Council (subsequently abolished) and created London Regional Transport and its subsidiary London Buses as the planning and regulatory authority in London. London Buses retained responsibility for planning, managing and regulating the bus network in London, while its bus operational divisions were privatised as new bus companies. Subsequently, the bus companies were asked by London Buses to tender to operate London bus routes, in a way now often referred to as a 'franchising' model. Responsibility for overseeing this was passed to the Mayor of London with the Greater London Authority Act 1999.

2.1.4 Transport Act 2000: Integrated public transport policy

The new Labour Government set up the Department of Environment, Transport and the Regions under John Prescott with the aim of integrating transport and land use planning policies within a wider environmental strategy, in the wake of signing the Kyoto Protocol on climate change. A key aim was reducing reliance on the car as the default mode of transport and implementing an integrated public transport policy aiming to change travel habits. As part of this, local transport authorities were now expected to prepare local transport plans, including a bus strategy covering how the local authority expected to carry out its responsibility to provide appropriate bus services to their area. This had to include details of how areas outside of the commercial bus network would be served by bus and how existing bus routes could be improved.

As part of the bus strategy, local authorities were empowered to set up Quality Partnership schemes to assist in implementing their bus strategy. This was the inauguration of the bus partnership principle: a legally binding agreement reached between two sides (authorities and operators) to provide improvements, although either side would be able to withdraw from the agreement should it feel unable to participate any more. The option of a Quality Contract was newly provided as a 'last resort' option which a local authority could apply for, if it felt that other options of working with bus operators were inadequate. This would involve the planning and franchising of a network and holding of risk in a way similar to that operating in London. The Secretary of State would need to be convinced that the local authority was justified and capable of changing to this system.

2.1.5 Bus Services Act 2017: After the Paris Agreement on Climate Change

Despite the interventions of the Transport Act 2000, bus services across the UK continued to see 'managed decline': an onward, slight decline in usage overall, as the car-focused planning decisions of the previous decades bedded-in and the peak driving demographic

came of age. The generations of people born post-war until approximately 1980 - in which both men and women had learned to drive - were in employment, often relocated to county areas and used cars for work, the school run, shopping and other purposes. With this, congestion increased as the population lived longer (particularly the wealthier socio-economic groups more likely to own a car) and the UK saw increased levels of immigration of people of working age.

However, while bus services and patronage had continued to decline, national obligations from the Paris Agreement 2016 led to a policy priority to reduce carbon emissions from transport. Developing well-used bus services, reducing car journeys and cutting congestion, was an obvious part of achieving this obligation.

The Bus Services Act 2017 set a stronger basis for councils to intervene in the English bus market (with provision of bus services now a devolved responsibility), either through legally enforceable Advanced Quality Partnerships, more detailed Enhanced Partnerships, or in the case of Combined Authorities, through bus franchising. However, this approach initially failed to gain traction, partly because franchising proved both expensive and legally complex. Financially hard-pressed local authorities and bus operators caught in the status quo saw limited benefits and considerable risks in pursuing legally binding agreements, with only Hertfordshire choosing to pursue an Enhanced Partnership.

2.1.6 Levelling Up

On entering office in 2019, reviving bus networks became of a central plank of the new government's commitment to 'levelling up' left behind areas. Alongside reversing the 'managed decline' in buses experience during the 2010s, delivering net-zero and overcoming the severe impact of Covid-19 on local buses – all explored further in this chapter – levelling up remains the key policy context surrounding the current government's policy interventions through BSIP.

Levelling up broadly aims to improve opportunities and life outcomes across the country. One of the specific levelling up missions, as described in the UK Government Levelling Up White Paper, is to 'boost productivity, pay, jobs and living standards, by growing the private sector, especially in those places where they are lagging'. The need for improved local public transport is mentioned in the private sector growth section, which says that 'by 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.'[4] This acknowledgment of the importance of local public transport in levelling up is welcomed by CCN members.

Counties and rural areas in England are clearly centres of opportunity in respect of the Levelling Up agenda. Across the counties there is a substantial resource of labour, whether in terms of people able to be trained or whose skills are untapped. There is also a huge resource and potential for growth of private enterprise, whether in new developments in agriculture, small and medium enterprises (SMEs) of all types, post-Covid-19 home workers, tourists, film and television studios, logistics and much more. All these industries

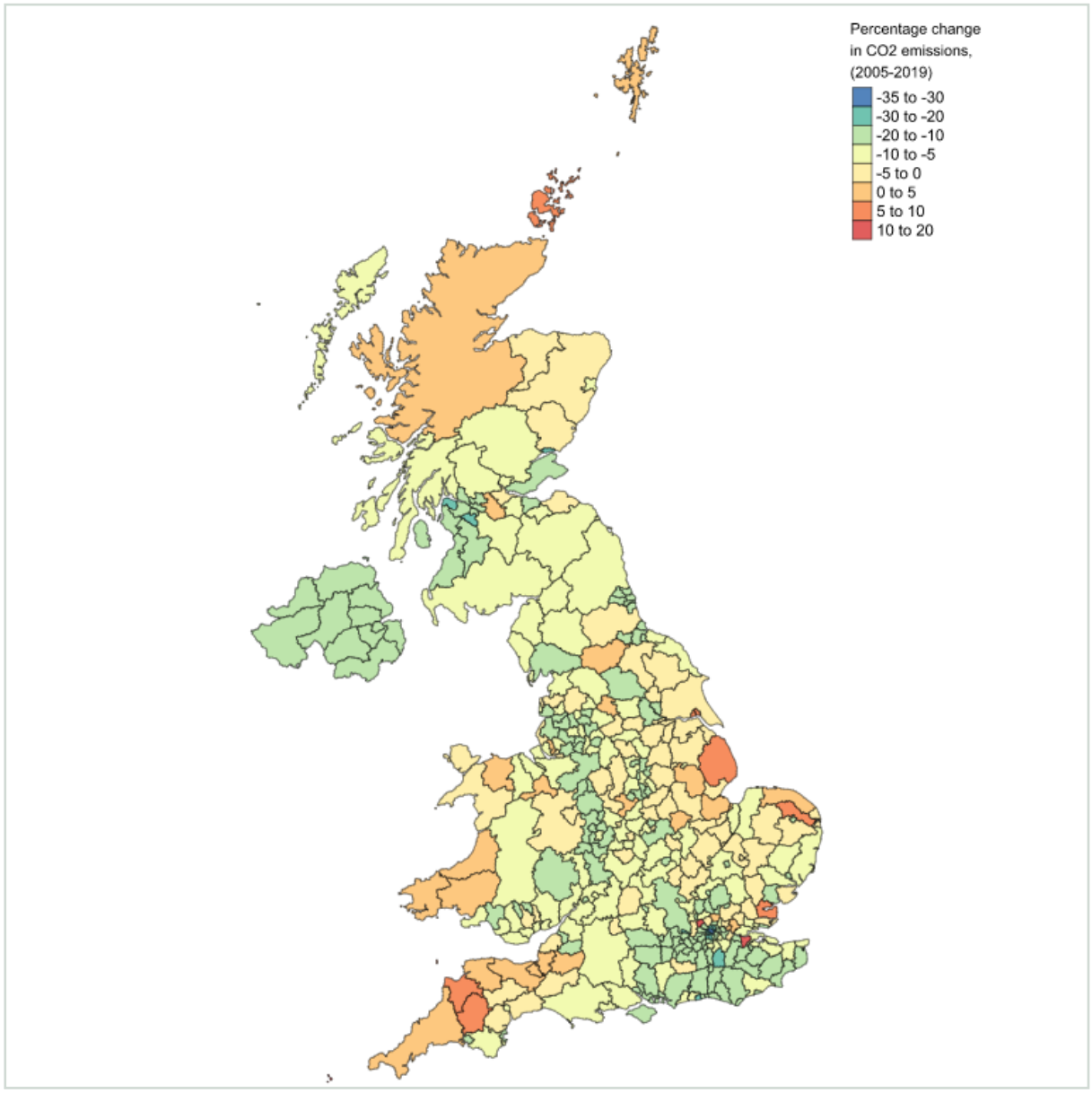
4 Levelling Up White Paper, HM Government, 2022

need good links and environmentally friendly transport connectivity with labour sources, at relevant times of the day.

2.1.7 Net Zero: reducing carbon emissions

Heading into the pandemic, the Government has made a commitment to limit and reduce the level of greenhouse gas emissions to net zero by 2050. Transport is a substantial creator of carbon dioxide and decreasing the level of single-driver car journeys, especially those using fossil fuels (petrol and diesel), is crucial to reducing carbon dioxide creation. Compared to Metropolitan Borough, Unitary Authorities and London, many county areas have found it difficult to reduce transport carbon dioxide emissions and in some cases transport carbon dioxide emissions have increased. The map below shows the percentage change in transport emissions from 2005 to 2019 in the UK.

Figure 1. Percentage change in carbon dioxide emissions from transport, 2005 to 2019 (source: Department for Business, Energy and Industrial Strategy)



Well-used buses are acknowledged as an important way of helping reduce the level of many single-driver car journeys. The average length of a car journey in the UK is 8.4 miles, which is well within the length of a well-designed county bus route. However, operating empty buses on occasional, unreliable schedules has little effect in reducing emissions and indeed may produce extra carbon dioxide. Enabling improvements and developing a securely funded long-term new approach to county bus transport is crucial to promoting a switch from car usage.

2.2 Bus Funding & Expenditure

Arguably the most significant factor impacting the role of local authorities within the provision of local bus services during the past decade has been the impact of fiscal austerity. Reductions in funding during 2010s, coupled with rising pressures for council services such as social care, has meant that LTAs have had to squeeze the already limited resources available to subsidise local bus routes.

To provide estimates on the extent to which different types of councils have been impacted by this, the CCN recommissioned LG Futures to carry out an analysis and modelling on bus funding and expenditure estimates, from 2009/10 onwards. This updated an original analysis published within the CCN and the County All Party Parliamentary Group (APPG) report, *Reversing the Decline of County Buses*, while extending the analysis by further three years to cover the period 2009/10 to 2021/22.

The LG Futures full report, including the technical methodology deployed to develop the analysis, can be downloaded from the CCN website.[5] However, the below points are important to note when considering the analysis

- The analysis has been conducted across CCN authorities[6] and Metropolitan and Other Unitary Authorities (UAs).[7]
- London has been excluded from the following analysis because a) DfT notes that 'London runs an entirely tendered market and therefore some comparisons with the rest of the country should be treated with care b) DfT funding figures for the period 2020/21 onwards included Covid-19 related funding.
- Funding provided to local authorities and bus operators as part of the Covid-19 response has been excluded as far as possible.

2.2.1 Change in resources

Firstly, the analysis considers the change in resources over the period. LG Futures original analysis identified that is not possible to estimate the level of funding that currently exists for bus services. Instead, the level of central and local government support for bus services continues to be used as a proxy for available resources.

5 LG Futures full report can be downloaded via http://www.countycouncilsnetwork.org.uk/download/4948/?tmstv=1688983191
6 Comprising 23 county councils and 13 unitary authorities. Includes non-CCN member but county council area Leicestershire. County council areas have been used for unitary authorities created in April 2023.
7 Including 45 non-CCN unitaries and 36 metropolitan boroughs, some of which were part of combined authorities.

Central and local government support is defined in the same way as used by the DfT in its statistical publications and includes central government grants and net spending by local councils, and more specifically includes the following: net council expenditure on public transport (buses), net council expenditure on concessionary travel and the Bus Service Operators Grant (BSOG). The latter is based on a national total apportioned to councils based on passenger miles.

The analysis shows that CCN authorities historically have lower funding and spending. In 2009/10, funding and expenditure in Metropolitan and Other UAs was 26.7% higher, some £222m more. Despite this, between 2009/10 and 2021/22, it is estimated central and local government support in CCN authorities for buses fell by 32.8% in real terms (after adjusting for inflation) over the period. This was a reduction of £273.3m and compares to a real-terms reduction of 31.5% for Metropolitan and other UAs.

Figure 2. Total estimated support for buses - Cumulative change since 2009/10, adjusted for inflation

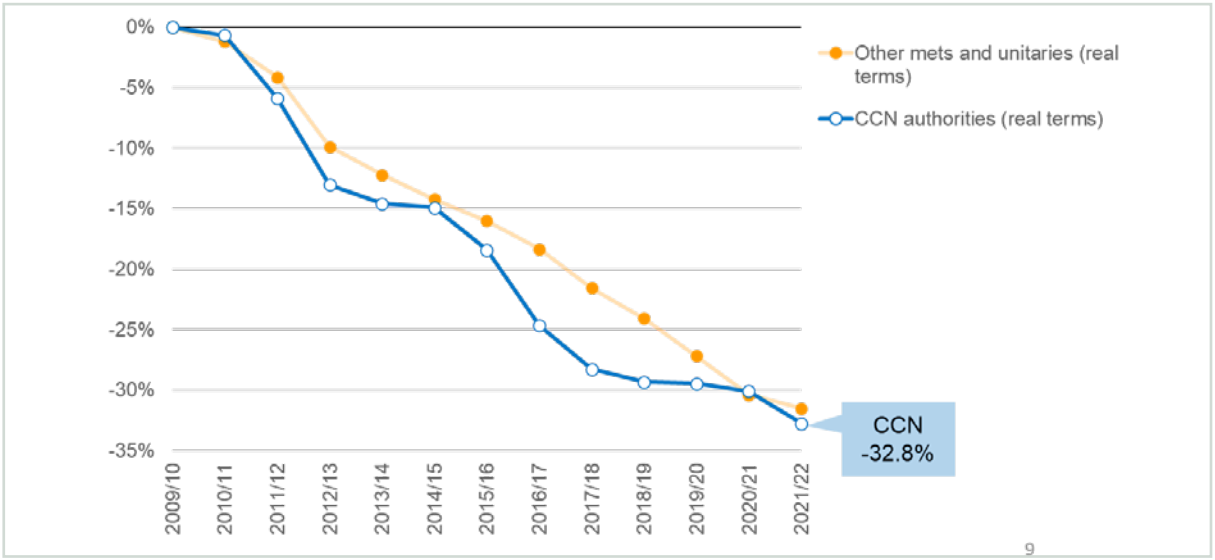


Table 1. Total estimated support for buses – Change in resources since 2009/10, adjusted for inflation

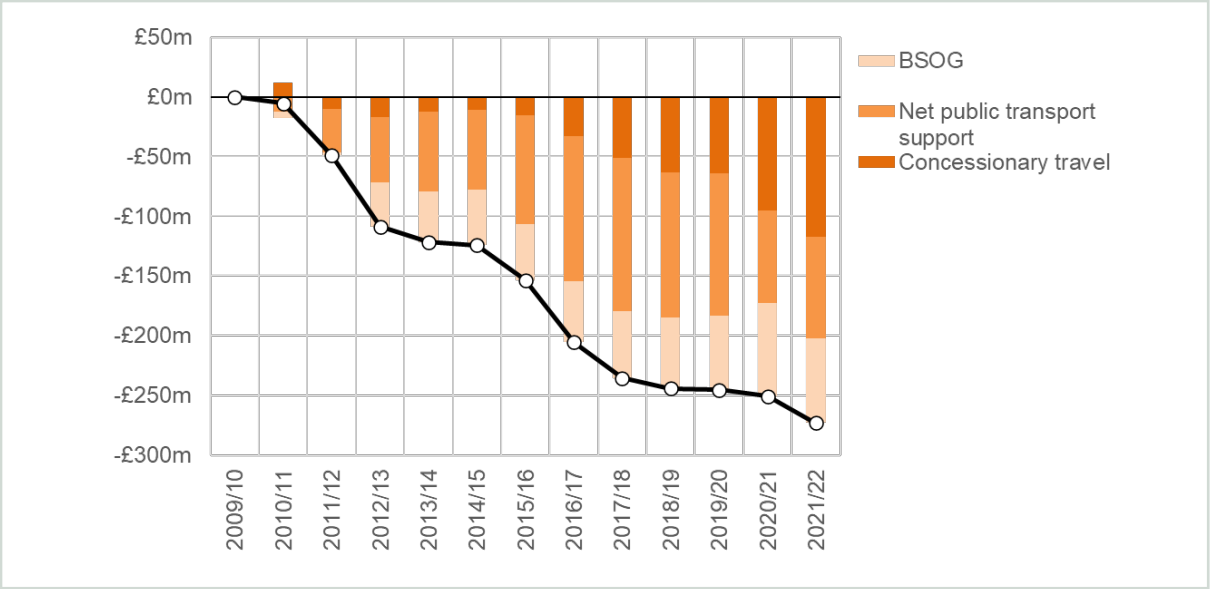
LA Type	Total Resources (£/m)			Change %		
	2009/10	2018/19	2021/22	Total 10/11-21/22	Pre covid 10/11-18/19	Post Covid 18/19-21/22
CCN	834.1	589.7	560.8	-32.8%	-29.3	-4.9%
Metropolitan and Other UAs	1,056.4	802.2	723.8	-31.5%	-24.1%	-9.8%

The data also suggests that, relative to Metropolitan and Other UAs, CCN authorities protected spending on buses during the Covid-19 period. Funding and expenditure reductions were deeper for CCN member councils in the years preceding the pandemic. Between 2009/10-2018/19, resources reduced by £244.5m (-29.3%) in real terms, but

then only reduced by £28.9m (-4.9%) in real terms for 2018/19 to 2021/22. Metropolitan Boroughs and Other UAs witnessed a reduction of £254.2m (-24.1%) between 2009/10 to 2018/19 and then £78.4m (-9.8%) for 2018/19 to 2021/22 in real terms.

Figure 3 below shows the components that contributed to the CCN authorities' real terms reduction of £273.3m over the analysis period. This was split between reductions in net public transport support (£85.2m), estimated BSOG (£71.2m) and concessionary travel expenditure (£116.9m).

Figure 3. Total estimated support for buses by component – CCN authorities - Cumulative change since 2009/10, adjusted for inflation



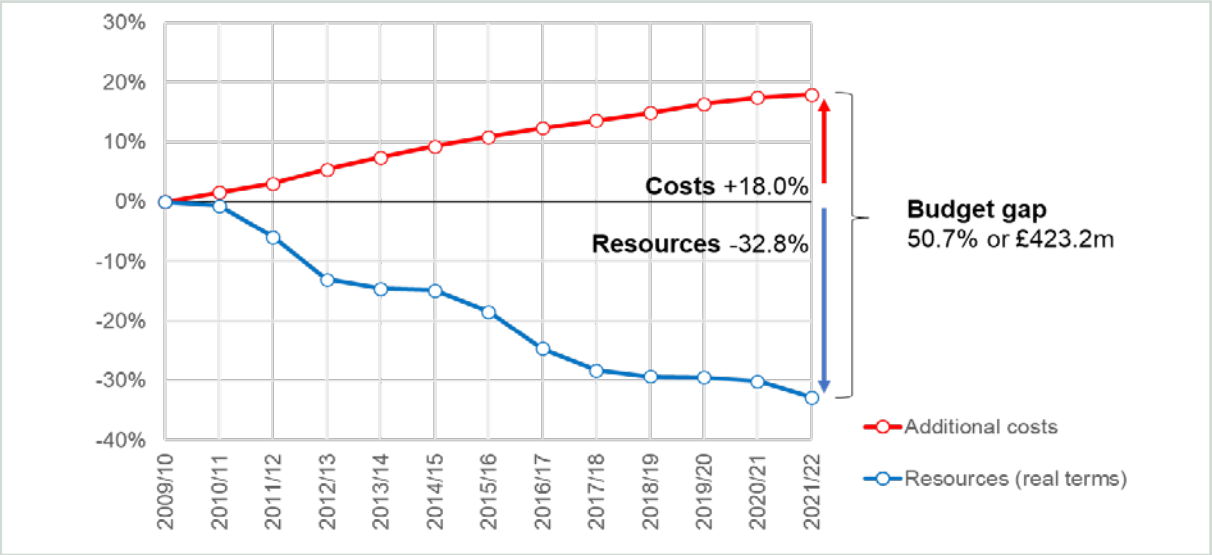
2.2.2 Budget gap

LG Futures compared authorities' decline in resources with an estimate of their cost pressures, to arrive at an estimate of their budget gap. Cost pressures for bus support and BSOG-funded services were assumed to increase in line with each authority's projected total population. Costs for concessionary travel were assumed to increase in line with the projected number of residents aged 65 and over.

Between 2009/10 and 2021/22, CCN authorities are estimated to have seen an increase in cost pressures for bus services and concessionary travel of 18.0%. This compares to 13.9% in Metropolitan and Other UAs. The increase in population (and cost pressures) suggests that the reduction in spending on local buses is more likely to reflect funding constraints than declining demand.

The increase in cost pressures is then combined with the reduction in resources, or central and local government support, of 32.8%, as described in the previous section leading to a real terms budget gap for CCN councils as a whole of 50.7% (as a proportion of initial spending), or £423.2m. CCN's estimated budget gap is larger compared to other Metropolitan and Other UAs (45.3% or £479.1), with CCN authorities witnessing both a larger estimated reduction in resources and a larger estimated increase in cost pressures.

Figure 4. Total estimated budget gap – CCN authorities - Cumulative change since 2009/10, adjusted for inflation



As noted under resources section, the data suggests that relative to Metropolitan and Other UAs, CCN member councils protected spending on buses during the pandemic. Table 2 shows the breakdown of the funding gap analysis pre and post Covid-19. It demonstrates that as a result of resources for buses reducing more slowly between 2018/19, the funding gap grew less quickly during this period. However, as observed, the funding gap as a percentage of 2009/10 spending remains larger for CCN member councils both before and after the pandemic.

Table 2. Total estimated budget gap - Cumulative change since 2009/10, adjusted for inflation

Real terms figures, including BSOG	CCN	Metropolitan and Other UAs
Gap in 2018/19, £m	**369.0**	**377.5**
Gap in 2018/19, % of 2009/10 base	**44.2%**	**35.7%**
Additional cost pressures, 2018/19 to 2021/22, £m	25.3	23.1
Change in total resources, 2018/19 to 2021/22, £m	-28.9	-78.4
Of which: Net public transport support by LAs	+36.2	+0.9
Gap in 2021/22, £m	**423.2**	**479.1**
Gap in 2021/22, % of 2009/10 base	**50.7%**	**45.3%**

2.3 Ridership & Coverage

Department for Transport (DfT) annual bus statistics have been analysed for the period covering 2010/11 to 2021/22. Below we present data for three select years (except for passenger journeys) to give overall trends during the period, and in particular, focus on the pre and post Covid-19 period. The same categories of councils are used as the previous funding analysis, with London also included.

2.3.1 Bus Usage

In considering bus usage statistics, it is important to recognise that passenger journeys and bus routes were already significantly lower in county and rural areas at the start of the previous decade in comparison to the rest of England.

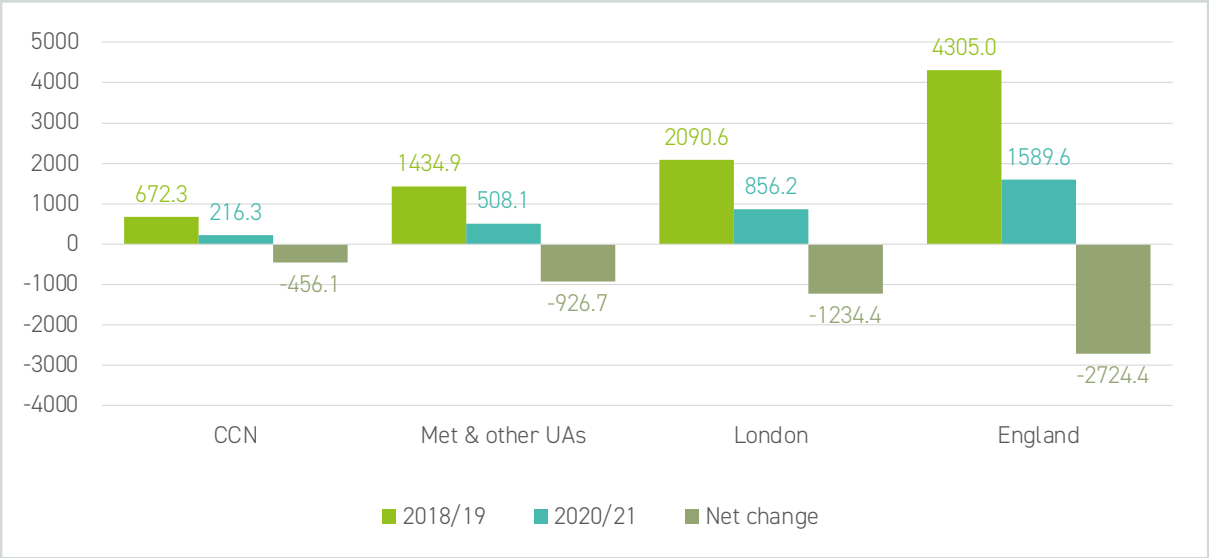
Journeys per head of population in CCN member councils in 2010/11 stood at 30.5, compared to 73.8 in Metropolitan and Other UAs and 281.5 in London. The England average was 87.7.

To give some perspective on the coverage of bus routes in an area we have considered bus vehicle miles (total, millions) operated per mile of local authority-maintained roads. For CCN in 2021/22 this was 2,619 bus miles per mile of road, for Metropolitan and Other UAs 5,353, and for London 32,023.

Firstly, we will use the data to consider trends in passenger journeys:

- Pre-covid (2010-19), passenger numbers reduced in CCN member councils by 13.8% (107.7m journeys), with Metropolitan and Other UAs (8.5%) and London (3.1%) experiencing smaller percentage reductions.
- Bus use in England was badly hit by the impact of Covid-19, with significant reductions in ridership. Figure 5 shows that in 2020/21 alone journeys reduced by 67.9% in CCN member councils compared to pre-pandemic levels, some 456.1m journeys. In percentage terms, this was larger than both Metropolitan and Other UAs (64.6%) and London (59%).

Figure 5. Ridership (2018/19 and 2020/21) and net change



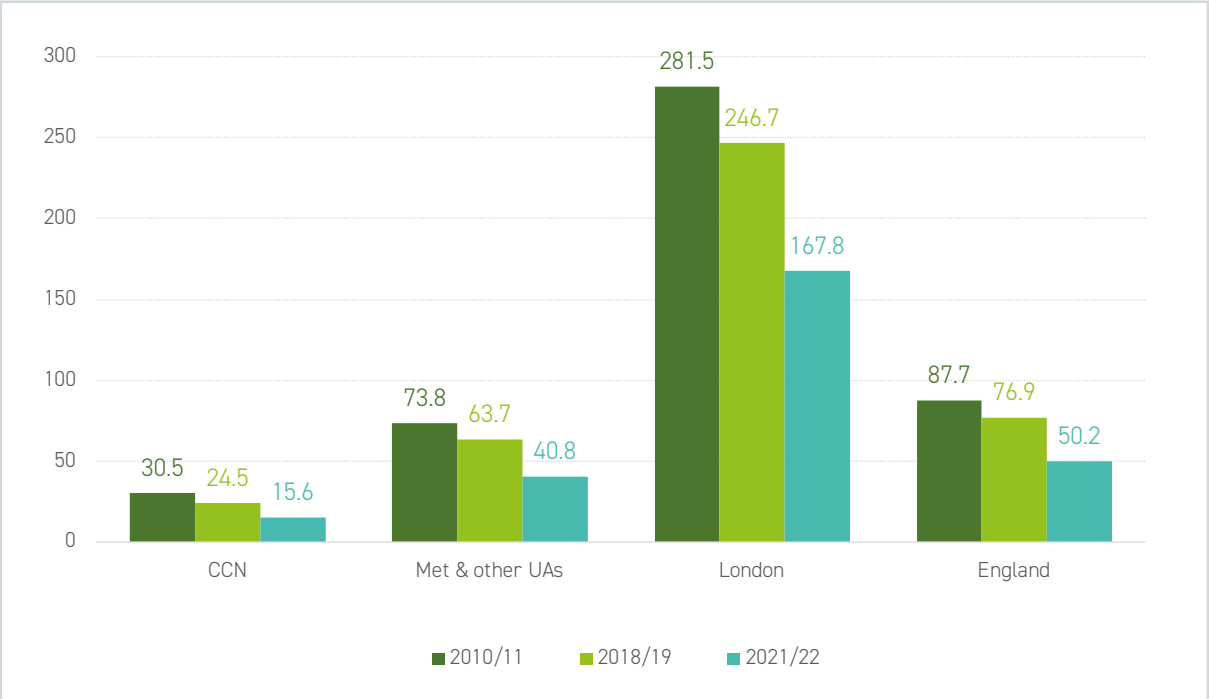
- Compared to pre-pandemic levels (2018/19), journeys had reduced a further 35.2% (236.6m) by 2021/22 in CCN authorities. Journeys were 64.8% of pre-covid levels in 2021/22. Similar reductions - in percentage terms – have been experienced in Metropolitan and Other UAs (35.4%) and London (32.8%). Journeys were 64.6% of pre-Covid-19 levels in 2021/22 for Metropolitan and Other UAs, and 62.7% in London.

- As a result of the pandemic, CCN authorities have seen the largest percentage reduction since 2010/11 – 44.1%, compared to 40.9% in Metropolitan and Other UAs and 38.5% in London.
- CCN member councils account for 34.9% of total passenger reductions outside of London since 2010/11, with these areas accounting for 32% of all journeys outside of London by 2021/22. Including London, in 2021/22, CCN areas account for just 15.3% (down from 16.8% in 2011) of all journeys in England, despite representing 46% of England's population and 86% of its landmass.
- As a result of these reductions, by 2021/22, passenger journeys per head of population in CCN member councils stood at 15.6. In Metropolitan and Other UAs the figure was 40.8, in London it stood at 167.8 and the average for England was 50.2. Again, the biggest percentage reduction has been in CCN member councils (pre and post covid).

Table 3. Total passenger journeys on local bus services – 2010/11, 2018/19 and 2021/22

LA Type	Total Passenger journeys on local bus services			Change %		
	2010/11	2018/19	2021/22	Total 10/11-21/22	Pre covid 10/11-18/19	Post Covid 18/19-21/22
CCN	780.0	672.3	435.7	-44.1	-13.8	-35.2
Metropolitan and Other UAs	1,568.8	1,434.9	927.3	-40.9	-8.5	-35.4
London	2,269.2	2,197.8	1,476.1	-35.0	-3.1	-32.8
England	4,618.4	4,305.0	2,839.2	-38.5	-6.8	-34.1

Figure 6. Passenger journeys per head of population - 2010/11, 2018/19 and 2021/22



2.3.2 Concessionary Fares

We will now consider trends in concessionary passenger journeys, which make up a significant part of total bus journeys in England, particularly in CCN member councils.

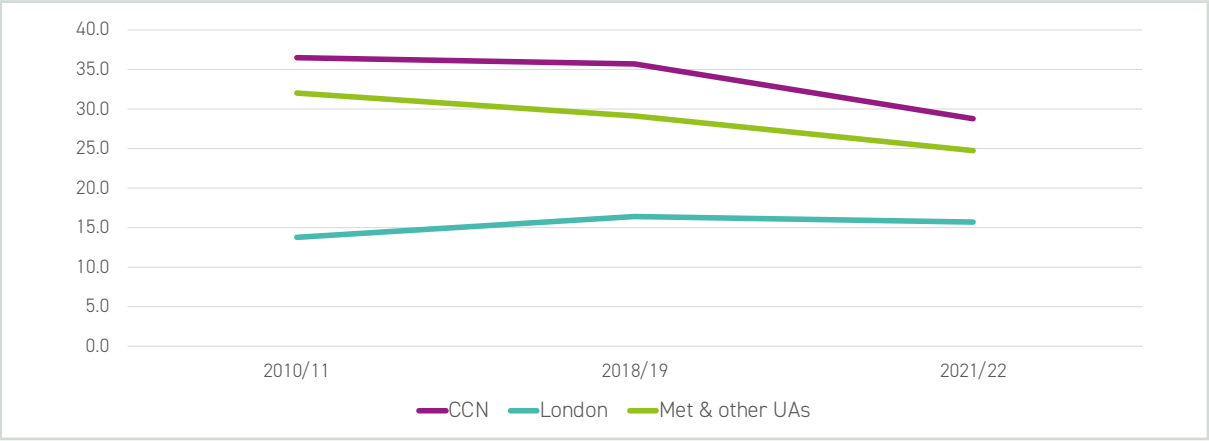
- In 2010/11, they accounted for 35.9% of all journeys in CCN areas, compared to 32.1% in Metropolitan and Other UAs and 14.2% in London. This proportion of concessionary passenger journeys as a percentage of overall journeys was essentially maintained in CCN member councils right up to the pandemic accounting for 35.7% of journeys in 2018/19. During the same period the percentage of concessionary passenger journeys in Metropolitan and Other UAs fell to 29.1% while London saw an increase to 16.4% of total bus journeys.
- The number of overall journeys reduced, in line with the overall passenger numbers, with 51.4m fewer journeys in CCN member councils, a 18.8% reduction. But this was smaller than Metropolitan and Other UAs in percentage terms (-19.1%), while London saw an increase (+14.7%).
- However, the pandemic has significantly hit numbers of concessionary fare travellers, particularly in counties. In CCN member councils there was a reduction of 106.2m journeys in 2021/22 compared to 2018/19, a 48% reduction on pre-pandemic levels. This is higher than Metropolitan and Other UAs in percentage terms (-44%) and London (-36%). The fall in concessionary journeys accounts for 45% of the reduction in total passenger journeys in CCN member councils over the same period, compared to 31.9% in Metropolitan and Other UAs and 27% in London.

Table 4. Total elderly & concessionary journeys on local bus services – 2010/11, 2018/19 and 2021/22

LA Type	Total Elderly & Concessionary Journeys			Change %		
	2010/11	2018/19	2021/22	Total 10/11-21/22	Pre covid 10/11-18/19	Post Covid 18/19-21/22
CCN	273.4	222.0	115.7	-57.7	-18.8	-47.7
Metropolitan and Other UAs	456.8	369.3	207.3	-54.6	-19.1	-43.9
London	313.9	359.9	231.3	-26.3	14.7	-35.8
England	1,044.0	951.2	554.1	-46.9	-8.9	-41.8

- As a result of the above, by 2021/22 concessionary travel accounted for 28.8% of all journeys in CCN member councils, a significant drop of 6.9% compared to the pre-pandemic share, and smaller falls of 0.7% in London and 4.3% in Metropolitan and Other UAs.

Figure 7. Change in elderly & concessionary journeys as a percentage of total journeys – 2010/11, 2018/19 and 2021/22



2.3.3 Bus Mileage

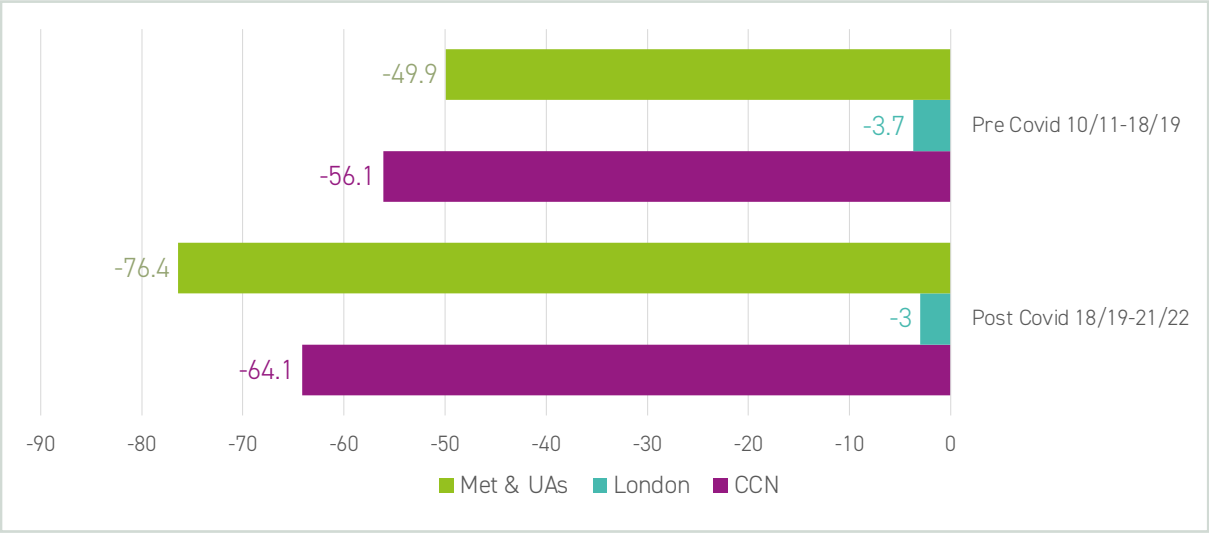
One way of considering reductions in bus usage, and in particular the number of routes, is to look at the number of bus vehicle miles on local bus services. Both pre and post Covid-19, CCN member councils have seen the largest percentage and absolute reduction in vehicle miles, and by proxy, routes – by a significant amount.

- Between 2010-2022, total vehicle miles reduced by 26.5% in CCN member councils - some 120.3m miles - larger than in Metropolitan and Other UAs (-22.4%) or London (-2.3%). Measured by vehicle miles, this would suggest one in four bus routes have been cut in CCN areas during this period. Despite accounting for just 15.3% of all journeys made in England in 2021/22, CCN member councils account for almost half (47.5%) of the entire reduction in vehicle miles in England.
- Covid-19 has had a significant impact. Pre covid (2010-2019), CCN member councils accounted for 44.6% of the entire reduction in vehicle miles in England, with Metropolitan and Other UAs accounting for over half (-53.2%). But post Covid-19 this has switched with CCN member councils accounting for 51% of the reduction and Metropolitan and Other UAs accounting for 45.5%.
- Overall, the reduction in the number of vehicle miles (56.1m) and percentage of vehicle miles (-14.4%) has been higher in CCN member councils post Covid-19 compared to Metropolitan and Other UAs (35.4m and -10.2%).

Table 5. Total vehicle miles on local bus services – 2010/11, 2018/19 and 2021/22

LA Type	Total Vehicle miles on local bus services			Change %		
	2010/11	2018/19	2021/22	Total 10/11-21/22	Pre covid 10/11-18/19	Post Covid 18/19-21/22
CCN	454.1	390.0	333.8	-26.5	-14.1	-14.4
Metropolitan and Other UAs	563.2	486.8	436.9	-22.4	-13.6	-10.2
London	299.1	296.0	292.3	-2.3	-1.0	-1.3
England	1,316.3	1,172.7	1,063.0	-19.2	-10.9	-9.4

Figure 8. Change in total vehicle miles on local bus services – Pre Covid (2010/11-2018/19) and post Covid (2018/19-2021/22)



2.3.4 Service Profile

DfT vehicle miles can also be broken down by both commercial and local authority supported miles on local bus services, demonstrating the degree to which local authorities support local routes and the structure of the bus network in CCN member councils and Metropolitan and Other UAs.[8]

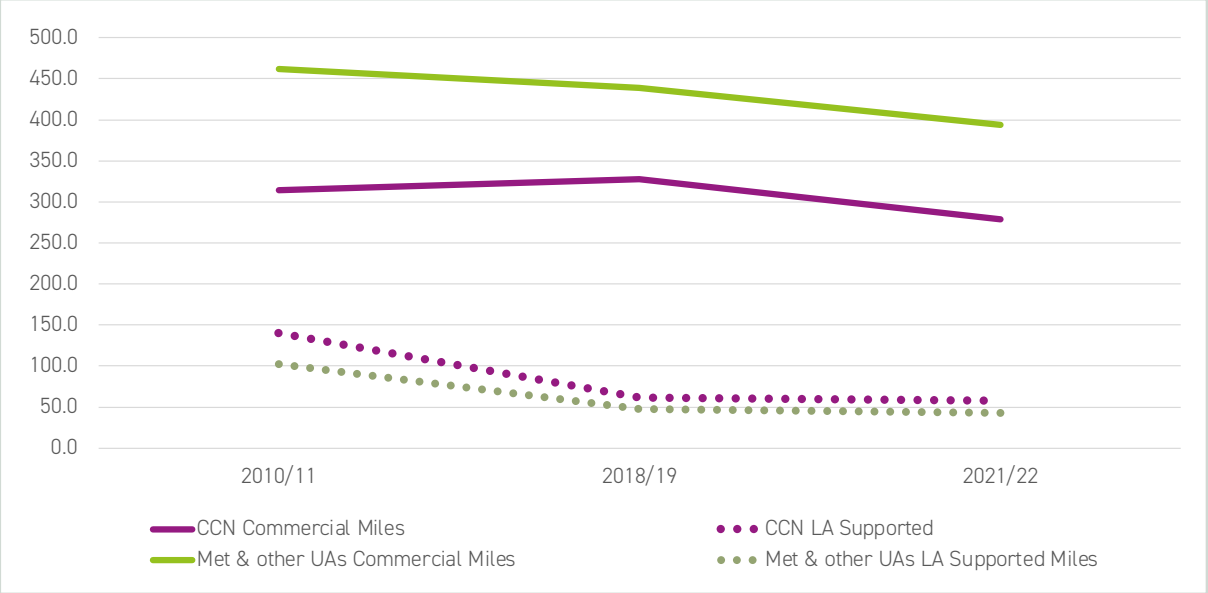
Regarding commercial & local authority supported routes:

- The number of local authority supported miles has reduced dramatically, with CCN member areas seeing a reduction of 58.9% between 2010-2022 compared to 57.5% in Metropolitan and Other UAs. But while the percentage reduction is similar, passengers in CCN member councils are far more reliant on local authority supported routes due to the financial performance of commercial routes in their areas. Overall, CCN members account for 58% (82.5m) of the entire reduction in local authority supported miles in England.
- Covid-19 has not had a significant impact on local authority supported routes. Some 94.6% of the entire reduction in local authority supported miles in CCN member councils occurred pre-pandemic, with Metropolitan and Other UAs (92.2%) experiencing similar. This could be because of the previously observed trends in section 2.2.1, that CCN authorities had protected spending on buses during Covid relative to Metropolitan and Other UAs.
- In contrast, pre-pandemic, commercial miles increased, albeit a relatively small increase. Between 2010 & 2019 commercial vehicle miles increased by 4.4% (13.9m) but reduced in Metropolitan and Other UAs by 4.9% (28.2m).
- But post pandemic there has been a significant reduction in commercial routes. Between 2019 & 2022 in CCN member councils the number commercial vehicle miles reduced by 15.6% (51.2m) compared to 10.4% in Metropolitan and Other UAs.

8 London is excluded from the breakdown, given the nature of its service.

- Since 2010/11, local authority supported routes have accounted for 68.6% of the entire reduction in total vehicle miles in CCN member councils, compared to 46.4% in Metropolitan and Other UAs.
- As a result of these changes, local authority supported routes in CCN member councils reduced from 30.9% in 2010/11 to 17.2% in 2021/22, with Metropolitan and Other UAs having 9.9% local authority supported routes by this point. Commercial routes in CCN member councils in 2010/11 accounted for 69.1% of all vehicle miles, with this rising to 82.8% in 2021/22.

Figure 9. Total local authority and commercial vehicle miles – 2010/11, 2018/19 and 2021/22



2.3.5 Service reliability

Bus operator experience and surveys carried out by organisations such as Transport Focus consistently indicate that punctuality and reliability are the two main bus service attributes that affect passenger growth and satisfaction levels. Services and bus networks that operate with poor reliability quickly lose users who are pushed away by the inability to plan their schedule around bus transport.

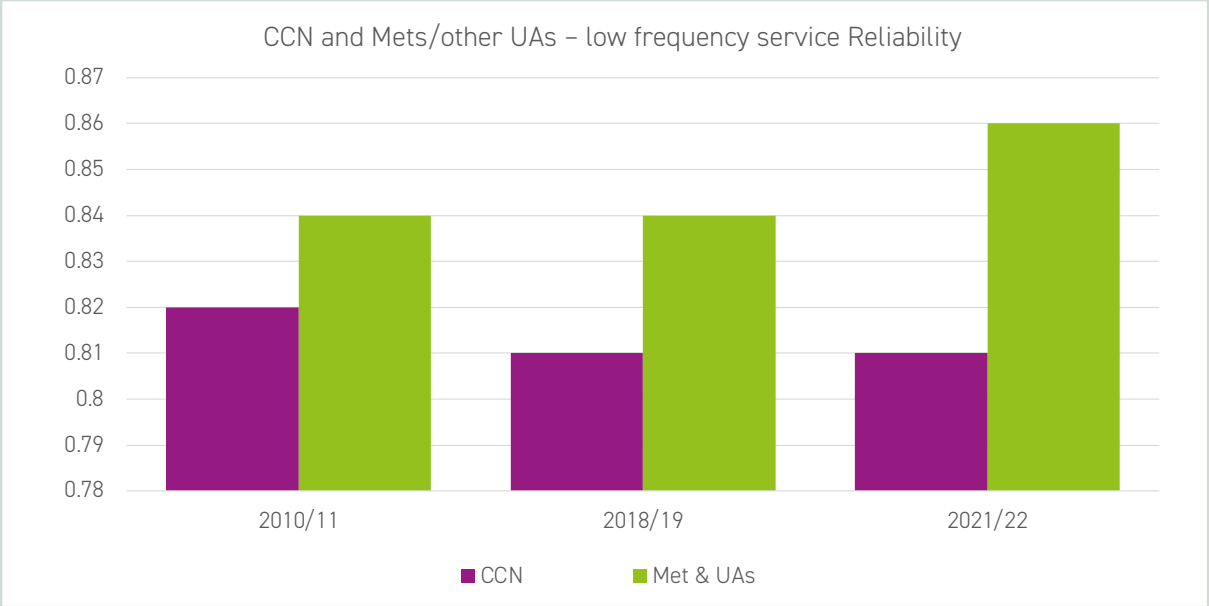
Analysis of DfT bus reliability data has been undertaken. Bus services are considered "on-time" by the DfT if they arrive at the bus stop within the traffic commissioner's "window of tolerance" of no more than one minute early or five minutes late. However, this measure is now being reconsidered by the traffic commissioner given the wide availability of tracking apps available to the general public.

Currently, the traffic commissioners expect that 95% of services should be on-time in respect of the above definition and any operator failing to achieve 80% punctuality is likely to be called to a public inquiry. Those achieving between 80% and 95% when referred to the traffic commissioner may be given time to resolve punctuality issues and demonstrate a programme for continuous improvement.

For this part of the study, we have used punctuality data provided by the DfT via "Bus statistics data tables" published in January 2023. Punctuality data submissions to the DfT fell during and post-Covid, so the data and averages in 2021/22 are not reflective of all LTAs in England.

- In London, on lower frequency routes, punctuality improved from 80% in 2009/10 (no data is available for 2010/11) to 82% in 2018/19 and 84% in 2021/22.
- In terms of Metropolitan and Other UAs, punctuality was slightly better than in London, with mean average punctuality being 84% in both 2010/11 and 2018/19 while rising to 86% in 2021/22.
- In CCN member councils, mean average punctuality is lower and has been fairly consistent at 82% in 2010/11, with a small decline to 81% in both 2018/19 and 2021/22.

Figure 10. Total local authority and commercial vehicle miles – 2010/11, 2018/19 and 2021/22



For frequent services where the service interval is 10 minutes or less, the traffic commissioner expects that 6 or more buses should depart within any period of 60 minutes and the interval between consecutive buses should not exceed 15 minutes. In general, 95% of buses should meet this standard, but there are relatively few services in CCN member councils that operate at this frequency and the data published by the DfT focuses on London.

The View From Our Workshops – Rural Bus Pressures

Attendees at SYSTRA's workshops told us that rural bus networks are currently struggling as they are often not financially viable. In such cases, where no alternative solutions have been found which are considered financially viable for councils, services are being cut or are operated at a loss for the councils.

We were told that short term issues threaten bus provision. In one council area from 1st April, 90% of the bus network will be supported financially by the local authority to maintain services, an increase from 65% funded before Covid. This is an immense and immediate challenge to a council with an already stretched budget. The network is currently geared towards concessionary travel, a sector which has not recovered strongly post Covid and which provides a reduced stream of income for the council.

Attendees believed that concessionary usage has only recovered around 50-60% post Covid and concessions are not reimbursed enough due to a lack of funding from central government, creating funding challenges.

We were told that Section 106 and other investment/operational support is uncertain in the future with the introduction of the new 'Infrastructure Levy', and there is a need for new sustained funding which provides certainty to county and unitary authorities. Long term investment and solutions are required in rural areas as the current measures are not working at this present time. Relying on external funding such as S106 is high-risk.

Currently, funded projects happen with a subsidised amount of money from the government or other funding body which supports a rural transport scheme for typically a few years, then the funding ends and the projects ends as they are no longer financially viable even if they provide a good service for rural communities.

Attendees felt that councils are 'covering the cracks' with the issues on the bus network. However, currently there is no significant funding to change and solve the issues and so these issues are being compounded. More people are being impacted by poor or cut services. A case needs to be made for long-term funding for rural areas from the national government to support councils in providing rural bus services. Buses therefore need rail type levels of funding for services to be maintained and improvements to be achieved.

2.4 Summary

This chapter has explored how bus services reached the point they find themselves in today. The 20th century witnessed the transition from major state intervention and subsidies to a deregulated market, prominently commercially operated. The policy interventions that took place in the 1980s have broadly remained in place, particularly in county areas, with more recent changes to a franchising model in urban areas and the Bus Services Act 2017 providing a stronger basis for councils to intervene in the English bus market.

While there was a slight growth of bus use in CCN member areas at the beginning of the last decade, passenger numbers and bus routes were already comparatively lower relative to Metropolitan and other UAs. The overall trend since has seen a steady decline in bus usage across the whole of England before the pandemic. Our analysis of the available data shows that reductions in both ridership and coverage of the bus network during this period was most acute in county areas. In particular, LG Futures analysis shows that throughout the last decade all councils experienced a large reduction in available resources and a growing funding gap to maintain subsidised networks. With these funding pressures more acute in CCN member councils relative to Metropolitan and Other UAs the number of local authority supported routes declined significantly more in CCN member councils.

The impact of 'lockdown' reduced average usage levels on bus services in CCN member councils by 67%, with strict limitations placed on who could travel and how many people were allowed to travel inside each bus. As our analysis shows, while all areas of England witnessed reductions, CCN member council areas saw the largest percentage reductions, with journeys hit least on urban routes and in areas with services that could provide for predominantly work and commuter-based need with regular services throughout the day.

Post Covid-19, the data also shows several important trends. Supported with government grants, councils and operators did their best to support local services through the pandemic. As a result, for instance, our analysis shows that CCN member councils protected their spending during this period in relative terms, preventing further major declines in local authority supported routes. There are also some signs of stronger recovery in CCN member areas compared to Metropolitan and other UAs and also London, with passenger numbers at 64.8% of pre-pandemic levels (2018/19).

However, bus passenger levels are down by 236.6 million on 2018/19 – more than double the decline pre-pandemic – alongside a noticeable and very large reduction in the number of concessionary fare passengers. Corresponding losses in revenue impacting on operators has led to a dramatic reduction in the number of commercial routes, particularly in CCN member councils. This compounds situation where county areas had already seen significant reductions in passenger numbers and local authority supported routes, meaning by 2021/22 bus services usage and coverage had reached a historic low; with 344 million less journeys compared to 2010. Moreover, measured in bus miles, one in four bus routes have been cut over the same period.

These trends are very important when considering the future of county buses – what they are for, who will use them, their sustainability in terms of routes, and tackling socio-economic and environmental challenges such as levelling up, climate change and social isolation. The report will now analyse the policy response of the existing government through the National Bus Strategy, BSIP and EPs.

The National Bus Strategy

3

As the previous chapters showed, the pandemic damaged the bus industry's financial viability and altered, perhaps permanently, commuter and related travel patterns. This has also coincided with increased pressure on government to deal with environmental, economic, and societal impacts of climate change, alongside a policy focus on levelling up left behind places.

The National Bus Strategy, with its effective requirement that all Local Transport Authorities adopt either an Enhanced Partnership (EP) or franchising, therefore came at a key moment of opportunity for changing local buses in England. In the case of county authorities, EPs have now become the central path for developing the future road map for buses in their areas.

Therefore, as part of this commission SYSTRA were asked to undertake an analysis of the Bus Service Improvement Plan (BSIP) process, EP development and the outcome of the first round of BSIP funding awards. It is clear from our engagement with CCN members that county areas felt under-represented in the schemes awarded funding and that the focus of both the National Bus Strategy and its awards has focused on the requirements and benefits of urban areas, something that has led to this study.

While it is difficult to identify what led to some schemes being awarded and others not being awarded, this chapter looks at the National Bus Strategy in detail, in particular the development of BSIPs and EPs. It examines the outcome of BSIP allocations and evaluates its distribution. It then provides an assessment of the features and themes of successful bids among our case study LTAs, the extent to which county and rural areas appear to benefit from awards, and the lessons learnt for future plans and schemes.

3.1 Bus Service Improvement Plans

The National Bus Strategy was published in 2021, aiming to recover bus usage and increase it beyond 2019 levels over the medium term, while also delivering wider policy objectives on climate change and levelling up.

As part of the national strategy, all LTAs in England (outside London) were expected to produce either individual or joint BSIPs setting out a five-year strategy for improving bus services in their area beyond the situation prior to Covid-19 (not including community bus operations). By June 2021, LTAs needed to decide which statutory path to follow through their BSIP –either an EP or to prepare a bus franchising assessment. Producing a BSIP was a condition of continuing to access Covid-19 funding and bidding for future rounds of funding.

Upper-tier councils and Mayoral Combined Authorities (MCAs) were asked to work in consultation with operators (along with other stakeholders where desirable and feasible) in producing the documents by October 2021. This informed an EP Plan, setting out in more detail the types of measures to be pursued. In turn, this would lead to a number of EP schemes, which could be prioritised and used to bid for money from the DfT. Alternatively, MCAs could take advantage of existing statutory provisions to prepare a franchising assessment. Non-MCAs could apply for franchising powers from the Secretary of State.

Following the deadline of June, all CCN member councils opted to prepare an EP, with no LTA pursuing a franchising assessment. An initial sum of money was available for award to successful BSIP bids in spring 2022, with a further round of funding announced during the production of this report in May 2023.

3.2 Developing an Enhanced Partnership

With no county authority pursuing the option of franchising to date through the BSIP process, the default position for a CCN member council working under the National Bus Strategy is to set up an EP with bus operators.

Under an EP bus operators will have had a say in the development of the overall vision, with the bus operations remaining within the ownership of the operator. The operator retains the revenue risk involved in operating the services as well as meeting all operating costs. In addition, the operator will have to operate services in the area that is the subject of the EP in line with requirements made of operators in the detail of the EP.

An EP will usually commit a council to providing investment in infrastructure that is calculated to support local use of bus services (such as improved interchange facilities, highway improvements traffic orders restricting use of roads by other vehicles and bus prioritisation measures).

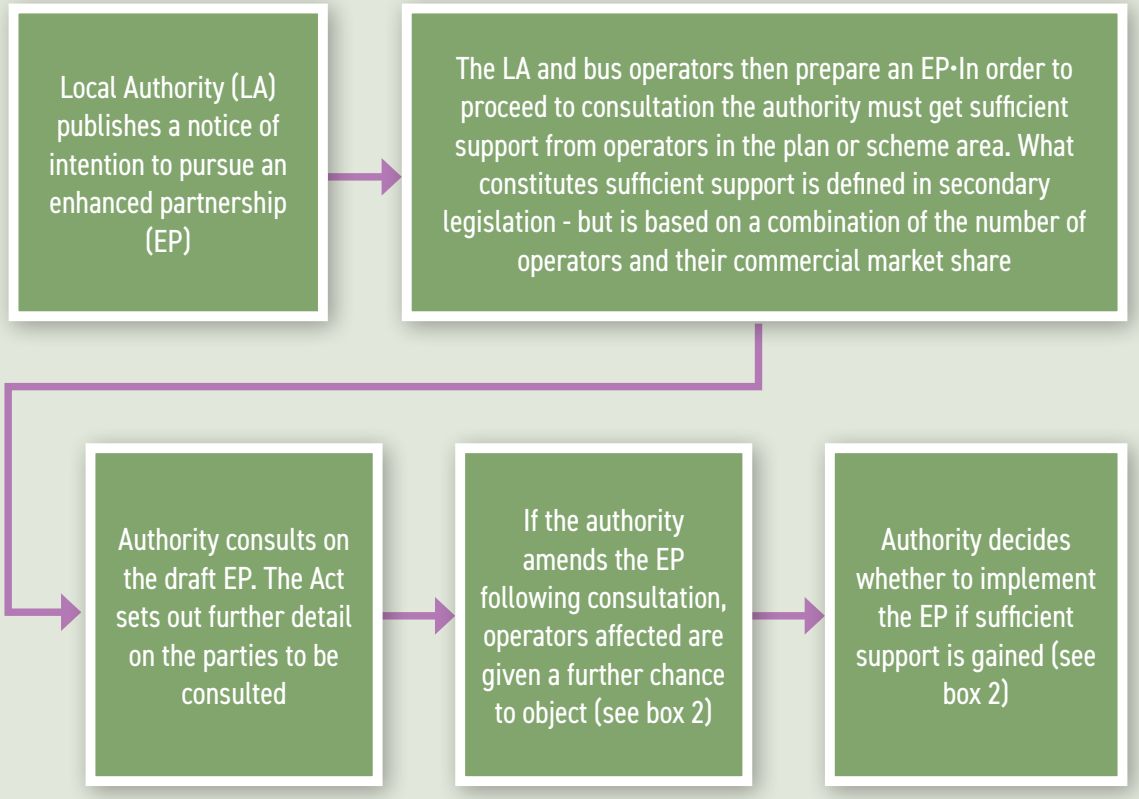
In return, operators may agree to accept common branding with other operators within the scheme area and are likely to agree increased cooperation with other operators in respect of timetabling, co-operation in the area of accepting each other's tickets and the acceptance of multi-operator ticketing schemes. It may also encourage operators to invest in new vehicles and technology, including zero emission technology.

Under an EP, in theory councils can deliver greater benefits to existing and new bus users through a more integrated bus network. New enhanced partnership powers provide the framework for authorities to work side by side with operators to set a shared vision for bus services in their area. Once agreed, an EP is backed up by a legally-binding agreement between the council and participating bus operators.

Regulations made under the new open data provisions and new ticketing powers should make it easier for passengers to use buses, move between different modes of transport and access timetables, fares and routes. An EP is an agreement between a council and the majority of the local bus operators to work together to improve local bus services. It includes a sharp vision of the improvements that the EP is aiming for (the EP plan) along with the accompanying actions to achieve the plan (EP schemes).

The way in which an EP proposal should be developed and implemented is summarised in the box out (Figure 11) as outlined by the DfT in the Bus Services Act (2017).

Figure 11. Development of an Enhanced Partnership plan, as laid out in the DfT 2017 guidance



The Government recommends that the following actions take place when producing an EP plan:

- Establish a forum for discussion between key stakeholders, particularly the bus operators and local transport authorities, for discussion and engagement in advance of the EP being developed
- Produce a plan including a map of the area covered, a plan for review and renewal of the plan, an analysis of relevant factors likely to affect the local bus market during the plan, any information on passenger experiences and the priorities of bus users and non-users for improving buses
- A summary of any available data on trends in bus journey speeds and the impact of congestion on local bus services
- Outcomes to be delivered to improve bus services in the plan area
- Overall interventions that need to be taken to deliver the outcomes
- The EP plan must be supported by at least one EP scheme.

An EP scheme should be implemented in addition to the existing funding and subsidy for bus infrastructure, priority and operations, not as a replacement for this funding.

The types of outcomes which could be achieved with an EP are summarised below:

Better iournevs

- Better buses (e.g., Wi-Fi, Charge Points, Audio Visual Announcements)
- Service frequency ('turn up and go frequencies e.g., every 5, 7/8 or 10 minutes)
- Route/area branding (common branding giving customers perception of single integrated bus network)
- Smart cards and contactless payment (maximum capping of fares, faster journey times, more cashless transactions)

Better Places

- Links to employment
- Better transport connections (e.g., integration with other modes like DRT and bus to bus, connections with trains, park and ride)
- Environmental standards (e.g., introduction of zero emission buses)
- Better routes in communities (e.g., servings shops, health, education services new residential and commercial developments)

Better Value

- Multi operator tickets, including price setting (e.g., maximum capping and discounted multi operator tickets)
- Common ticket rules and fare zones (e.g., delivering more simpler journeys)
- Uniformed discounted tickets for apprentices and other groups (e.g., job seekers, health workers, young persons)

However, it should be noted that no legislation can ensure that the trust and consensus required to develop a successful partnership is achieved. But it can set a framework which gives LTAs and bus operators the best possible opportunity to do so. That is why local bus operators have to be given an opportunity to participate in the development of an EP and have a formal say on the process at several key stages. At these points, the EP cannot proceed unless formal agreement from a majority of operators (size based on mileage operated) is obtained.

An EP is unlikely to deliver transformational change. An EP will inevitably be limited by the amount of resource and support that the bus operators can bring forward, along with the resource and ability to deliver that a council has to deliver its side of the agreement.

Meanwhile the council - as the body responsible for formally making the EP - also has to be content with what is proposed. The range of outcomes that can be achieved through an EP is broader than those that could previously be delivered through an Advanced Quality Partnership Scheme (AQPS). They include those outlined below. Once agreed these standards become requirements of all bus services operating in the relevant area, whether new or existing.

Table 6 below summarises the strengths, weaknesses, opportunities and threats from implementing EPs. The box outs that follow also provide an overview of the two main other alternative delivery options – franchising and in-house delivery - with part two of this report exploring these options in more detail.

Table 6. SWOT table for Enhanced Partnerships

SWOT table for Enhanced Partnerships

Strength	Weakness
▪ Relatively low start-up funds required (compared to legal and management support around franchising or bringing an operator in-house) ▪ LTAs are involved in agreeing routes, frequencies, and vehicle standards. ▪ EPs can stipulate zero emission buses subject to a business case funding ▪ EPs can stipulate set dates for service changes to deliver network stability ▪ Quality improvements delivered with extensive negotiations and agreements with private bus operators ▪ EP participants can agree a single approach to buses, fares, ticketing, and marketing ▪ Allows for removal of over bussing on routes through an agreement brokered by the LTA ▪ The EP board works collectively to source funding from DfT ▪ Healthy commercial competitive tension retained ▪ Greater transparency on data to make informed decision through the EP board.	▪ Not contractually binding ▪ Operator can change frequencies and withdraw routes ▪ No legislation can ensure that the trust and consensus required to develop a successful partnership is achieved ▪ Higher expectations from operators for councils to invest in infrastructure and bus priority measures ▪ Lack of BSIP funding may prevent a Statutory Framework to be agreed between councils and bus operators ▪ Commitment to EPs from operators could become weak due to lack of BSIP funding ▪ LTA/third parties may lack the funds to agree on major infrastructure work such as bus priority measures, dedicated bus lanes and other infrastructure improvements ▪ Operators looking after own interest as opposed to interest of bus users
Opportunity	**Threat**
▪ Greater opportunity for bus measures to improve journey reliability, quality, make scheduling more relevant ▪ Greater opportunity to agree an affordable, relevant approach to fares and bus-to-bus journey integration ▪ Integrated between bus and bicycle journeys with the installation of secure cycle stands at key bus stops at both ends of the journey ▪ Work in partnership with neighbouring authorities to deliver regional improvements that benefit cross boundary passengers ▪ Greater chance to secure funding for future projects from central government under EP.	▪ Operators offer minimal improvements citing better commercial returns from investment elsewhere (e.g. in metropolitan areas) ▪ Operator decides to pull out of EP citing zero benefit, preferring to pay any penalty for ending the partnership agreement ▪ Council unable to obtain funds or planning permission for major infrastructure projects ▪ Smaller operators cease to operate due to lack of patronage and on-going increase in costs ▪ Major operator dictates how EP is developed.

Franchising as an alternative to Enhanced Partnerships

The Bus Services Act 2017 and subsequently the National Bus Strategy for England gives Mayoral Combined Authorities (MCA) the automatic ability to commence working towards franchising, while all other authorities (including CCN LTAs) need to commence an EP and if wishing to move to franchising, to prepare to provide a convincing case to the Government for why a franchising system is preferable to the EP.

Under franchising, local bus service specifications are set out by the council, transport authority or other bodies and are offered to bus operating companies to run as a tendered contract over a period. These bus services are the only ones licenced to operate in the area or on the route where franchising is in place. The best-known franchising model in the UK is in London.

There would potentially be numerous benefits to franchising, with councils in control of routes, frequencies and fares they would be able to introduce a single brand for bus services and provide integrated ticketing. Franchising would enable councils to be more fleet of foot, allowing changes to be made readily to frequencies and routes. It could also lead to higher reliability standards, much reduced risk of services being cut at short notice, and better integration with other services such as demand responsive transport.

However, franchising is complex, and the nature of county bus services with the networks and number of buses operating at a relatively small scale may not always be conducive to introducing it. Franchising relies on competitive tendering, and with county areas often relying on a small number of operators to run commercial services, there may not be sufficient appetite to support a franchised network. However, an alternative view is that commercial operators may welcome the opportunity to take on a franchised network, as it would offer more secure and guaranteed income compared to commercial operations in an uncertain business environment.

The cost of franchising is also a drawback for local authorities, with costs to LTAs almost certainly increasing, with revenues failing to match operating costs. LTAs need to ensure that they are filling contractual obligations, meaning that more staff will be necessary.

From engaging with CCN members there are mixed views on the appropriateness of franchising for the bus networks in their areas. Some areas in favour of franchising noted that they are already paying for services to be operated via the tendering of supported bus routes/DRT/Park & Ride and so already undertake much of what would form a franchising arrangement. Others, who perhaps provide less direct support to bus services in their areas, believe that they would not be able to take on the financial risk that it would bring.

Part two of this report provides a full assessment of Bus Franchising as an alternative delivery option for county areas.

Is in-house delivery a viable option for county areas?

Currently, the 2017 Bus Services Act prevents a council from forming a new council owned or municipal bus company. The interpretation of this Act means a council cannot start a bus company from scratch. However, it may be possible for a council to buy a bus company should the company be willing, or if there were no other company interested. From the perspective of a CCN council, in-house delivery might bring the advantage of greater certainty over bus services in an area with low returns for a commercial operator and therefore the ongoing risk of losing a bus service.

In-house delivery would again require significant upfront capital investment and significant ongoing revenue funding to fully realise the benefits. There may also be unrealistic expectations from passengers as to the services that are on offer, with no significant improvements in the beginning, leading to similar ridership levels as the present time. At a time when councils are under increasing cost pressures, it is unlikely that they would be able to take on such a burden.

Engagement with CCN members confirmed this scepticism and showed that there is a lack of enthusiasm for in-house bus operation and ownership, with the view that this would not be supported by financial teams within councils, particularly if additional funding was required at any point by the operation.

Although the few council-owned bus companies in the UK have a good reputation in terms of passenger satisfaction and performance, the current legislative framework prevents them from establishing them. Even if there were appetite, the financial cost alongside ongoing cost pressures means that bringing bus services in-house is unlikely.

Part two of this report provides a full assessment of in-house as an alternative delivery option for county areas.

3.3 Evaluation of BSIP Funding Outcomes

In February 2020 the new government announced that £5bn would be available for local transport, including £3bn for local transport. As a result of the funding provided to maintain services caused by the shortfall in demand as a result of the pandemic, some £1.9bn in May 2022, overall funding was reduced to £2.58bn. Of this, some £1.15bn was allocated to fund BSIP, with £788m for capital schemes in seven MCAs. Funding for these city regions has come from a mix of sources, including those listed above. Five city regions have received a share of £1.15bn and four have received a share of the £523m provided to fund zero emission buses. In addition, these city regions have received some funding for bus services via their City Region Sustainable Transport Settlements.[9]

9 https://researchbriefings.files.parliament.uk/documents/CBP-9464/CBP-9464.pdf

Following the submission of BSIP plans in October 2021, government made the first announcement on BSIP allocations on 4th April 2022.[10] This allocated £1.1bn to local authorities for the period 2022-2025. Overall, 13 CCN member councils received a funding allocation and a further 19 MCAs and other Unitary Authorities areas received funding.

On 22nd May 2023, a further £80m was allocated to LTAs as part of BSIP+.[11] Some 32 CCN member councils received funding, including all authorities who did not receive funding in BSIP round one and 10 LTAs who did received funding. A further 23 MCAs and Other UAs that did not receive BSIP round one was allocated funding alongside another eight LTAs that did.

As part of this commission SYSTRA were asked to undertake an analysis of the outcome of the BSIP funding awards. At the time of writing, no public information is available on the criteria used by the DfT in respect of BSIPs how the bids were scored and funding was allocated, including the recent BSIP+ allocations. The only indication of how the quality of bids may be assessed was contained in the May 2021 BSIP guidance, which stated the government would 'give particular weight to measures which support local bus markets as they emerge from the pandemic, for example bus priority and targeted fares reductions'.[12]

At SYSTRA workshops with CCN senior council officers, held as part of this commission, there was a lack of clarity amongst participants as to why some BSIP bids were awarded money and why others were not. Senior officers felt that without clear knowledge and explanation as to the reasoning for the first-round funding decision, no improvements to the content of their future bids could be made, nor could there be better selection of projects for inclusion in bids. Senior officers felt the focus for BSIP funding was primarily limited to urban areas and high-profile projects, meaning there was a lack of investment in rural and semi-rural areas.

The below analysis is aimed at exploring these assertions, firstly by studying the overall allocations by local authority type and whether they received funding from BSIP round one. The analysis then looks in detail at the schemes awarded.

3.3.1 BSIP & BSIP+ Allocations

Table 7 shows the distribution of resources in both rounds across CCN member councils and Metropolitan and Other UAs. CCN member councils received funding in the first round of allocations totalling £308.9m, some 30% of the total allocation, compared to £713m (70%) in Metropolitan and Other UAs. CCN allocations ranged from £3.7m to £49.6m, while Metropolitan and Other UAs ranged from £2.6m to £117.4m. In the much smaller BSIP+ CCN member councils received a 68% share of funding. Overall, CCN member councils have received £363m as a result of BSIP plans, a 33% share of funding.

10 https://www.gov.uk/government/news/cheaper-and-better-buses-in-7-billion-package-to-level-up-transport-outside-london
11 https://www.gov.uk/government/publications/bus-service-improvement-plans-local-transport-authority-allocations
12 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/985379/bus-service-improvement-plans-guidance-to-local-authorities-and-bus-operators.pdf p.10

Table 7. Total BSIP and BSIP+ allocations by CCN authorities and Metropolitan & Other UAs

	BSIP (April 2021)		BSIP+ (May 2022)		Total Allocation	
LA Type	£m	%	£m	%	£m	%
CCN Member Councils[13]	308.9	30%	54.3	68%	363.2	33%
Metropolitan & Other UAs	713.4	70%	25.7	32%	739.1	67%
England	1,022.3	100%	80.0	100%	1,102.3	100%

As part our analysis, CCN requested its member councils provide information on the total BSIP bid submitted to government in October 2021. Councils were asked to provide the total funding request (capital and revenue) for the period 2022-2025. Table 8 compares total BSIP allocations to the total amount CCN member councils contained in their proposals. The grouping is split by those who received allocations in BSIP round one, and those that did not.

Table 8. Total BSIP submissions and allocated funding – CCN authorities

	BSIP Submission	Total Allocation (BSIP & BSIP+)	% Of initial Bid Received
	£m	£m	
CCN Member Councils that received BSIP R1	1,441	322.9	22.4%
CCN Member Councils that did not receive R1 BSIP	2,119	40.2	1.9%
Total	£3,560	363.2	10.2%

In total across the CCN membership, councils BSIPs had a total funding request for the period 2022-2025 of £3.6bn. The research reveals the extent to which BSIP funding was oversubscribed, with just 10.2% of the total funded requested ultimately received by CCN member councils to-date.

The oversubscribed nature of the exercise is not a particular surprise. BSIP guidance provided no limit to which councils could bid for, stating that 'LTA and their local bus operators develop an ambitious BSIP to improve local bus services and access new funding'.[14] While subsequent funding guidance[15] stated LTAs should 'take into account constraints on available funding' when assessing funding requirements, it also outlined that the part of the purpose of the BSIP process was to 'enable the government to understand the appetite for transformational investments to support the bus sector in the funding period and beyond 2025'.

13 Total excludes Durham & Northumberland, who are part of North East Combined Authority and included in Metropolitan and Other Unitary Councils.

14 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/985379/bus-service-improvement-plans-guidance-to-local-authorities-and-bus-operators.pdf

15 https://www.gov.uk/government/publications/bus-service-improvement-plan/bus-service-improvement-plan-how-ltas-should-outline-the-costs-of-their-plans

SYSTRA has also analysed BSIP allocations compared to the percentage reduction in bus journeys pre-covid (2010/11-2018/19) and average levels of passenger journeys per head of population pre-covid (2018/19). The percentage reduction in bus journeys pre-Covid (2010/11-2018/19) was arrived at by grouping the authorities and calculating the total reduction in passenger journeys (number) during the period to arrive at the percentage reduction for each group. For passenger numbers per head 2018/19, the average for each of the groups was used. While recognising the allocation of resources would have been based on wider criteria and contents of proposals, this analysis has been used to test whether there was a relationship between the allocated resources, the relative decline in bus journeys and passenger numbers.

Table 9 shows the results of the analysis, with authorities grouped by local authority type and whether they received funding from BSIP round one.

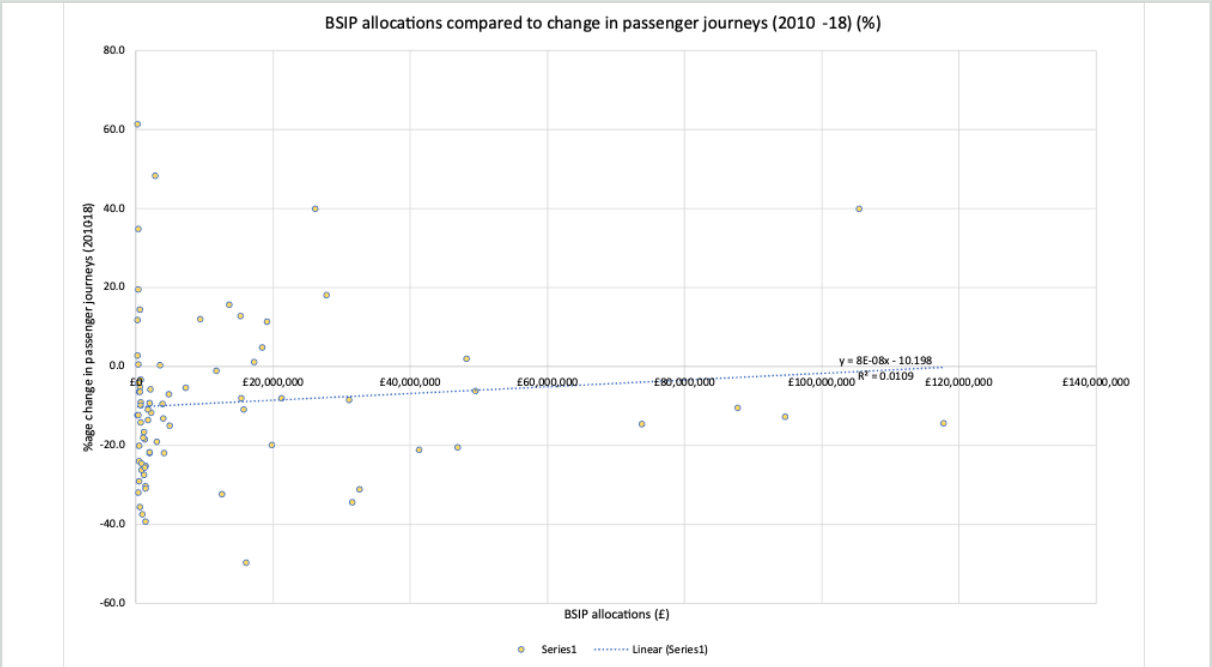
Table 9. Total BSIP allocation, reduction in passenger journeys (2011-19) and average passenger journeys per head (2018/19)

	Total BSIP & BSIP+ Allocation[16]		Reduction in Passenger Journeys 2011-19	Average Passenger Journeys Per Head 2018/19
	£m	%	%	Per Head
CCN Member Councils that received BSIP R1	£322.9	29%	-11.7	29.4
CCN Member Councils that did not receive R1 BSIP	£40.2	4%	-15.6	20.7
Metropolitan & Other Unitary Councils that received BSIP R1	£722.7	66%	-7.4	69.6
Metropolitan & Other Unitary Councils that did not receive BSIP R1	£16.4	2%	-13.2	42.3
England Total/Average	£1,102.3	100%	-6.8	72.3

Alongside the above analysis at local authority type, a correlation analysis was also undertaken an individual LTA level to show the relationship between total funding allocations and the percentage reduction in passenger journeys for every LTA. Figure 12 shows with Rsq value of 0.0109 this indicates there was no relationship between the reduction in passenger journeys between 2010/11 and 2018/19 and the allocations received by local authorities.

16 Numbers do not add to England total due to rounding

Figure 12. Total BSIP allocation compared to percentage change in passenger journeys (2010/11 to 2018/19) – all LTAs



In May 2021, DfT issued guidance outlining that the department anticipated two tranches of funding being available, one allocated by formula to all local authorities based on the overall quality of their BSIP, together with other relevant information; and a separate tranche of funding for specific larger schemes.[17] It is clear to the CCN the final approach to allocations that the funding for 'specific larger schemes' took far more precedent over any allocation based on formula or funding to support all LTAs.

The analysis shows those CCN member councils that did not receive a BSIP round one funding received the lowest allocation of overall resources despite the largest average percentage reduction in bus passenger journeys and lowest passenger numbers per head pre-covid. In contrast, Metropolitan & Other UAs that received the majority of BSIP round one funding did so despite smaller average percentage reduction in bus passenger journeys while also having the largest passenger journeys per head pre-covid. However, CCN member councils that did receive BSIP round one funding did have higher percentage reductions in passenger numbers and lower passengers per head compared to Metropolitan & Other UAs and the national average.

17 Ibid

The View From Our Workshops – The BSIP Process

In our workshops, attendees felt funding provided through the BSIPs is often much less than the amount asked for by councils when submitting the plans. By contrast, several CCN members felt that the government is currently providing huge funding for the maintenance of rail services. There is a lack of funding for bus services in comparison to rail, when bus services are also a vital form of public transport. The integration of urban bus, inter-urban and rural bus with rail is needed to improve connectivity and services for passengers.

Workshop participants reflected that they felt the focus for most of the government funding is limited to just urban areas and high-profile projects, meaning there is a lack of investment in rural and semi-rural areas. Additionally, mayoral and combined authorities – where bus demand is already much higher than in rural areas - are receiving increased funding; however, rural areas with communities poorly served or not at all served by public transport are missing out from the increased funding.

Little information is currently available on the criteria used by the DfT in respect of BSIPs and how the funding awarded was calculated. Council officers felt process and outcomes should be more transparent with more information on the scoring systems used so improvements can be made to improve any future proposals. Nobody at the councils knew with any clarity why some bids were awarded BSIP money and why others didn't. Without this knowledge no improvements to the content of any future bids can be made, nor can there be better selection of projects for inclusion in bids.

The money awarded to winning councils through the BSIPs was not only less than the initial allocation sought by the councils, but it also came with a limited amount of time to spend awards (e.g. a year). Furthermore, the view was that even in CCN members awarded funding, infrastructure projects selected by the DfT for funding tended to be based in the towns/cities covered in their BSIP area.

Considering options for schemes in rural areas, it was felt that very little can be achieved in a year. However, one idea that did seem to attract the attention of the DfT in awarding money was the installation of rural mobility hubs, serving buses, cycles and pedestrians and offering an attractive, inclusive boarding and alighting point. At the scale recommended for rural locations in mobility hub guidance, this was potentially deliverable within the timeframe sought by the DfT.

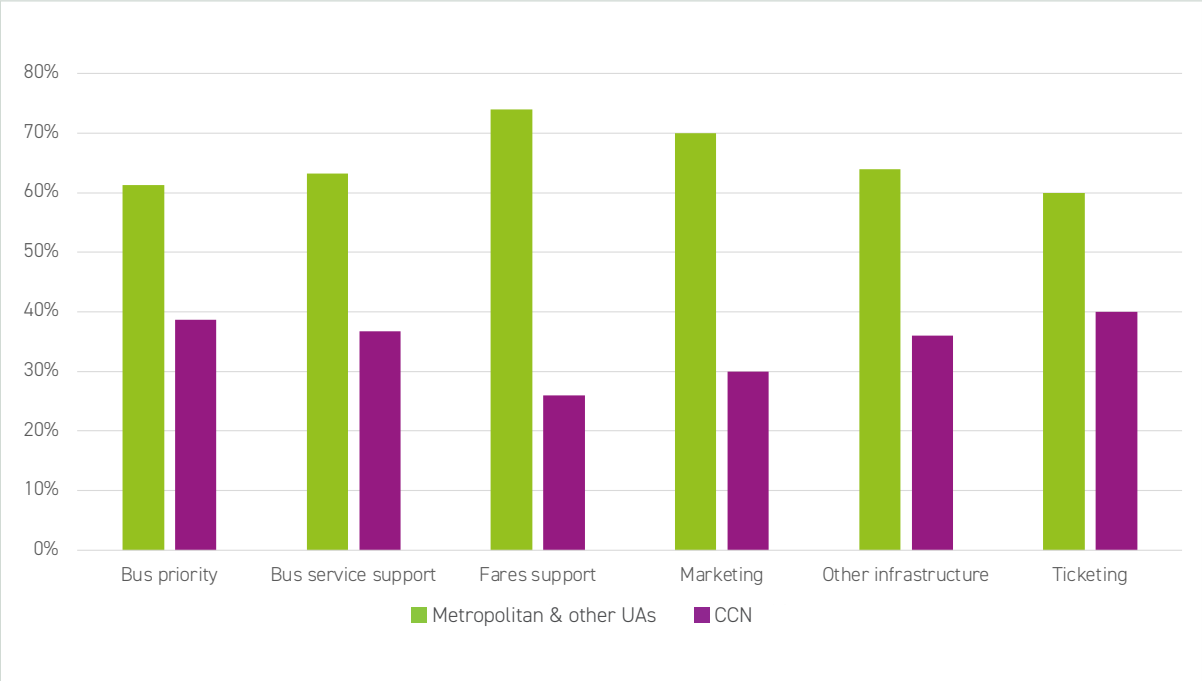
3.3.2 BSIP Schemes Awarded By Area Type

In addition to the uncertainty regarding the breakdown of awards between CCN areas and Metropolitan and Other UAs, workshop attendees emphasized that awards within their own CCN area veered in favour of their larger towns. It was felt that rural areas, with communities poorly served by buses (in some cases by no buses at all), were missing out once again from the government funding allocation - a past pattern illustrated in the LG Futures analysis included in the previous chapter.

No data is published by the DfT regarding individual LTA schemes awarded BSIP funding (as opposed to total funding allocated to each LTA), which presents problems enabling an easy analysis of awards made to different types of authority and area. It has however been possible to obtain an indication of this split using an Artificial Intelligence (AI) analysis, in this case Google Bard.[18] AI can review a massive amount of data, text and code from the internet in a short amount of time and answer questions in an increasingly informative way, using information from multiple web sources to build an answer.

Based on AI analysis, Figure 13 below shows the percentage split by type of authority and funding allocated in the first round of BSIP funding. The percentage split is based on the number of schemes publicly declared and awarded funding. For example, in respect of marketing this analysis indicates that only 30% of CCN council area schemes received funding, while 70% of Metropolitan and Other UAs proposed schemes were successfully awarded financial support.

Figure 13. Breakdown of BSIP funding awarded by authority type and project type (AI analysis)

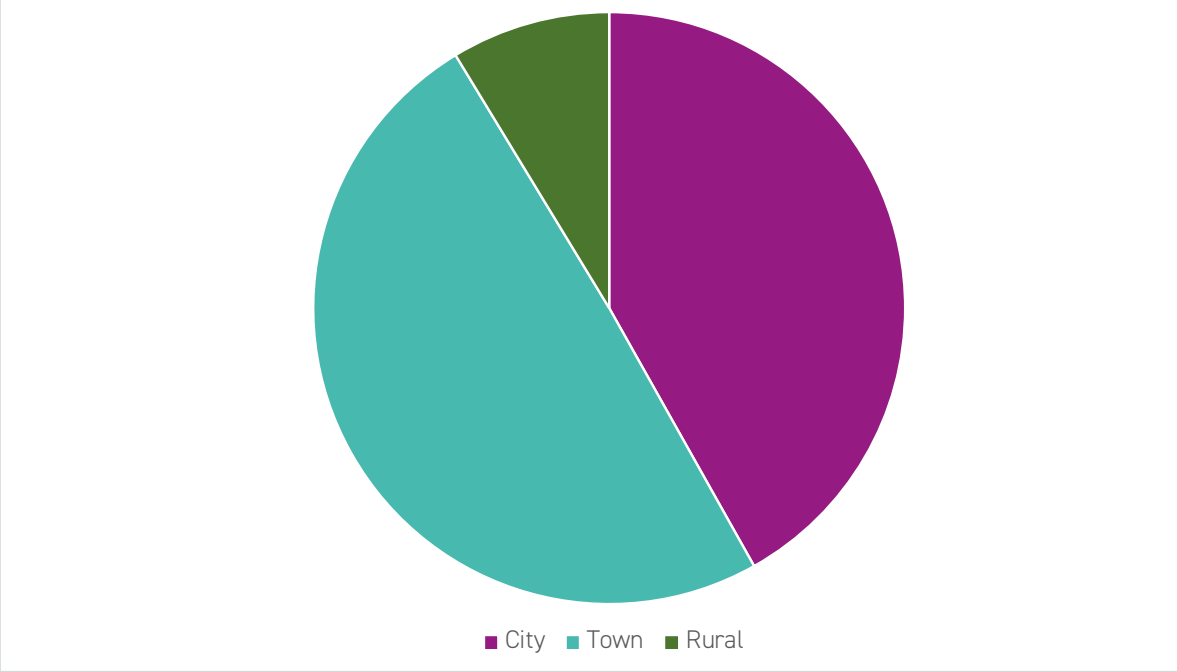


18 ↱Bard frequently asked questions (google.com)

Across all categories, our AI analysis suggests that schemes that obtained an award in the BSIP first round tended to be in Metropolitan and Other UAs. In marketing, fares support and other infrastructure measures, Metropolitan and Other UAs seem to have obtained awards for their schemes much more often than CCN member councils. This may be because these were considered to be easier to deliver and lower risk for already relatively well-used and frequent routes.

Following workshop feedback on how even the winning proposals in CCN areas also seemed to favour their larger towns, a further assessment of the breakdown of schemes awarded funding was undertaken to assess how rural areas across England fared. Figure 14 below shows an overall breakdown of the number of awards by area type. This suggests that the number of awards benefitting exclusively rural areas was low as part of BSIP round one.

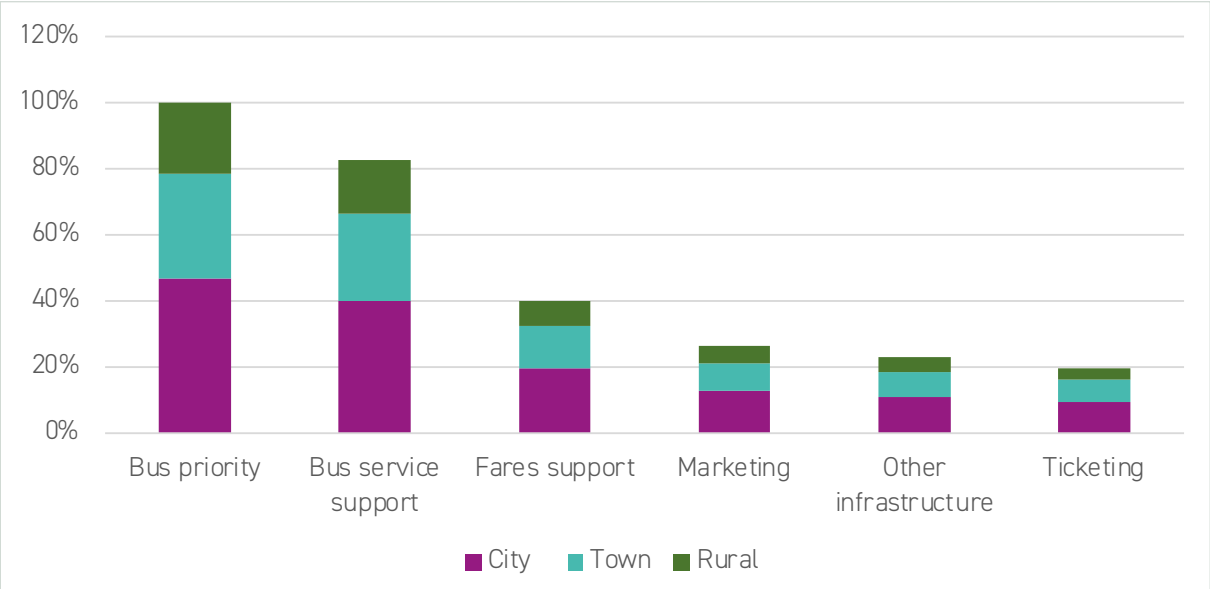
Figure 14. Breakdown of awards by area type (AI analysis)



Although hidden within this city/town/rural AI allocation there is likely a substantial amount of funding that should in fact benefit all areas (for example projects providing pan-authority upgrades to bus shelters) the level of rural-specific schemes receiving BSIP first round funding is low (at 9% of total schemes submitted by authorities under BSIP round one).

Figure 15 below shows a breakdown of awards by project type and then by area type. This shows how the already low level of awards to rural area schemes spreads across different projects and suggests a substantial lean towards bus priority measures in towns and cities, given the capital cost of these schemes. This is supported in our word cloud analysis of winning BSIPs in the next section.

Figure 15. Breakdown of BSIP funding awarded by project type and area type (AI analysis)



The award breakdown by area type based on the AI research tallies with the feedback from senior managers in SYSTRA's workshops and the view that rural areas failed to benefit from funding, even when award funding went to CCN areas.

3.4 Assessment of BSIP Submissions

SYSTRA subsequently undertook an analysis comparing the contents of our case study councils' BSIPs. The BSIPs opened the door to the EP direction of travel for an LTA and its operators and stakeholders, so were of great importance in setting the scene for what, why and how bus improvements would be planned, implemented and operated. Using word-cloud software, we sought an insight into the themes in successful and unsuccessful BSIPs at the first round of funding, both in terms of their proposals and plans for implementation and monitoring.

3.4.1 Word-Cloud Analysis

To compare the different BSIPs, we firstly undertook a word cloud software analysis of each BSIP. This allowed us to interrogate whether there were any notable themes that differentiated the successful LTAs from the others.

Reviewing and drawing conclusions from a word cloud, particularly word cloud analysis of long documents like a BSIP, is not a precise matter and requires judgment. Under review and consideration of the word clouds, it has become notable that the BSIPs from LTAs that subsequently received award did tend to feature more prominently words that indicated thought as to what success would be and/or a plan for its measurement (for example 'standards', 'measures' or 'targets' or 'levels'). As an alternative or in addition, BSIPs from areas subsequently receiving awards give more prominence to words that link to more specific areas of focus in schemes (for example 'routes', 'hub', 'fares' and 'priority') rather than more strategic-focused transport and spatial planning words (for example 'network', 'investment' and 'services').

As a further exercise, we pasted either the BSIP EP scheme names or a very short description of schemes that either CCN members or our AI output identified as successful into a single document and we ran a word cloud analysis on this. The output of this is shown in figure 16. Words that come out larger and closer to the centre of this cloud are more present and so more likely to be associated with winning BSIP themes and strategies.

Figure 16. Word cloud generated from the titles or one-sentence descriptions of winning bid

Many words that are clear and central to the word cloud relate to the types of schemes that are present in a city or town, such as 'road', 'priority', 'corridor', 'street' and '[bus]lane'. Some of the prominent words relate more to schemes that could cover all areas of an authority, such as 'service', 'information', 'network' and 'improvements', but notably there are no prominent words in the word cloud that relate to county or rural-specific transport.

Bus priority schemes – prominent in the word cloud – are unsurprisingly usually allocated to towns and cities and are likely to consume a large proportion of the first round of capital budget. Projects such as these are also likely to be popular because they are easy to monitor e.g., the length of new bus lanes that received funding. Authorities implementing schemes aimed at mode shift within a particular area or along a particular route can assess the outcome of schemes, via well-established criteria. Considering the importance that measurement and assurance has in both the DfT's Transport Analysis Guidance (TAG) and the HM Treasury Green Book, choosing schemes with clear and established methods of monitoring the success of investment at this early stage of the National Bus Strategy may have been preferable.

3.4.2 Analysis of BSIP Submissions

Following the word cloud analysis, a thorough reading analysis of the case study BSIPs and EP plans and schemes was undertaken. They had many similar projects, schemes and objectives including new bus priority measures, upgrades to bus stops and interchanges as well as to provide real time information for passengers, upgrades to passenger safety and improvement to comfort on board buses.

Many schemes that the CCN LTAs received funding for were for improvements in towns or key roads within their areas, rather than for measures in rural countryside locations. There was a substantial investment in bus priority across winning authorities. Winning LTA measures also regularly included cross-operator ticketing, passenger information and marketing measures (of various degrees of complexity), and lower fares. This supports the suggestion by CCN members that the DfT's approach was geared towards maintaining and improving the performance of already-successful routes in cities and towns, as well as providing for the cross-LTA need of information and lower fares for many existing and potential users.

It was also notable that the LTAs receiving funding were ones that had previously delivered improvements from funding bids, and which were applying for funding for specific schemes that were almost ready-to-go projects. Of targets presented, there are no ones that particularly stand-out (for example no ones that aim to achieve a significantly more optimistic outcome compared to other plans and schemes). Instead, the record of the LTPs receiving money and the fact that their BSIPs and EP plan documents addressed all the points raised by the DfT meant that they were considered most able of delivering the targets in the timeframe identified.

3.4.3 Lessons from the BSIP and EP programme

From the word cloud assessment, the overview of BSIPs and EPs awarded funding and a review of the targets from EPs awarded funding, it is possible to draw conclusions that bids awarded funding had some or all the following characteristics, to a greater extent that the other bids:

- An emphasis on a plan for measurement or assessment
- A specific scheme that was being pursued via investment and for a given reason
- A focus on a timeframe in line with that focused on in the National Bus Strategy (around five years)
- Development by an LTA with a track record at implementing bus infrastructure partnership projects
- Measures that were ready-to-go (this could include hard or soft infrastructure or even specific studies to address key topics around the BSIP objectives)

Notably, the DfT provided funding for appointing expertise (in the form of LTA enhanced partnership leads) to work with their in-house team on developing further on BSIPs and EPs for future funding bids. This would hopefully provide LTA expertise and a track record on developing schemes, to address some of the issues that potentially unsuccessful LTAs missed out from their EP plan and scheme development.

During the Chatham House Rule workshops it was felt that many of the requirements for bids, in particular for a quick implementation and an expectation that any funding award would not support existing bus measures, were unhelpful to planning improvements for rural areas. It was also felt that the bidding process was unhelpful, when support for bus services was a universal requirement across CCN LTAs.

Nonetheless, in discussion with the CCN LTAs at the workshop, a number of service and infrastructure options that were felt to be deliverable in rural areas (beyond the realm of ticketing and marketing) within a BSIP timeframe were identified. These were:

- Rural mobility hubs
- Mobility as a Service-type measures
- Real Time Passenger Information
- Demand Responsive Transport (including Community Transport)

The box outs below provides an overview of these service and infrastructure options, with part two of this report exploring these interventions in more detail.

Infrastructure Options in County Areas – View From Our Workshops

Demand Responsive Transport (DRT)

DRT is a user-oriented form of passenger transport, usually characterised by flexible routes and smaller vehicles which operate a shared-ride transport mode between pick-up and drop-off locations according to the needs of passengers. This is a wide-ranging definition, which can cover a wide range of services, including shared taxis, many-to-one destination services (such as links to a hospital), many-to-few destinations services, and many-to-many services.

Traditionally DRT has often been provided as a transport solution for those people who cannot access mainstream transport services, such as those with mobility issues or for people in underserved areas where a fixed route bus service would not be viable. In addition, DRT aimed primarily at people who have difficulties in accessing public transport (often from the point of view of inclusion) is often provided by Community Transport services. This often complements the service provided by buses.

In county areas, DRT has been implemented across many county areas and is often pointed to as an option for improving rural transport. Indeed, it can helpfully fill a gap no served by commercial routes, or where they have been withdrawn. However, whilst it can work in some areas, DRT is expensive. So far, the evidence suggests it appears difficult to manage in rural areas, with only one route across the country known to be profitable.

The cost of establishing and operating a DRT service is high, with major costs being drivers and staff salaries and developing the app and infrastructure required. There is inevitably a demand from holders of free bus passes, concession passes and other reductions to use what is a more expensive to operate service, making funding even more difficult for councils.

Community Transport

Community Transport exists to meet needs that are otherwise not provided for by other forms of transport. These transport solutions are devised, delivered and driven by local communities often in response to reduced, withdrawn or altered bus services. Community transport clearly plays a very important role at a local level to bridge gaps in services provided by larger operators.

If funded, Community Transport could solve issues around isolation and transport can help overcome this, especially for the elderly in rural areas who often suffer with this due to a lack of access to a car. Independence and transport links are vital, keeping people in their homes will save money for health and transport and brings benefits for other sectors such as the economy, health, and adult social care. Transport underpins adult social care as it allows carers and patients to access each other and any health services which are required.

These services, while valuable, are also struggling to provide transport with a lack of funding available to support these community schemes. Frequently there are issues for transport authorities when it comes to engaging with the NHS to collaborate with them to solve issues such as getting patients to and from hospitals and health services in a way which would have a mutual benefit for both parties, but the NHS is currently not engaging with councils to develop a successful strategy. The NHS needs better logistics and transport experts who are willing to help to try and solve some of the issues, but the experience of most attendees is that the NHS will not engage with them. A UK government co-ordinated policy attitude shift would be required with renewed engagement from all the required parties.

Infrastructure Options in County Areas – View From Our Workshops

Mobility Hubs and Place-Based Interchanges

Mobility hubs and similar place-based interchanges are becoming known in the UK as ways of developing interchanges in locations (both rural and urban) where transport facilities serve as the foundation of a wider number of services to users of the mobility hub. As well as services to the travellers, the services of the mobility hub can also act as an anchor and draw users to the hub, allowing them to consider the location's provided mobility options.

Mobility hubs can be of the appropriate size, design and function for almost any area. Because of their size, function and design, they can also be implemented in a modular way. For example, a basic rural mobility hub could be a bus stop, cycle rack and post box; this could grow and over time and as investment is forthcoming, add a larger micro-mobility facility, a community transport stop, a set-down/pick-up location, a café, a shop, day care centre and more.

By providing space and encouraging potential bus users to board, alight and interchange at accessible and inclusive mobility hubs, users of the bus network would be brought together from a wide area in a place servable by scheduled bus routes.

Despite having significant upfront costs, mobility hubs are relatively quick to implement. They can potentially be delivered via the planning system through Section 106. Although they are reliant on bus providers continuing to serve the hub location, they can offer a range of other transport services and can provide an interchange point to attract and serve wider rural areas and economies by encouraging people to use shops and services around the hub.

Real-time Passenger Information

Generally rural bus services are not frequent and therefore reliability and punctuality of bus services is even more relevant than in an urban environment. Real-time passenger information allows operators to provide up-to-date timetables and real-time arrival times to passengers providing a level of reassurance and confidence in services.

The infrastructure required to support real-time information is costly and expensive, and provision in rural areas has traditionally been difficult because rural bus shelters are not connected to mains electricity. New technologies are meaning that displays are becoming cheaper, but the reliability of services must also be worked on to ensure that they are useful and can be trusted. However, it is clear to understand how demand responsive travel could help to instil trust in the network and increase ridership.

3.5 Summary

This chapter has considered the impact of the government's major policy intervention, the National Bus Strategy, providing an analysis of the BSIP process, EP development and the outcome BSIP funding awards.

Emerging from the shock of the pandemic and its impact on local bus services, the National Bus Strategy and associated BSIP and EP process provided for the first time a framework in which councils could work with bus operators to put forward ambitious visions for how they could transform local services. With future funding dependent on the EP model or franchising, CCN member councils

embraced the opportunity, all choosing to adopt the EP model and putting forward detailed plans. The scale of their ambition, and the resources they believed were necessary to deliver a bus revolution, is demonstrated by CCN member council bids totalling £3.6bn; over three times the resources allocated nationally.

EPs are likely to be the most viable operating and improvement model for most county areas comparatively to other options explored in this report such as franchising and in-house delivery. However, while our analysis shows there are many benefits that can be gained from pursuing EPs, it is unlikely to deliver transformational change. An EP will inevitably be limited by the amount of resource and support that the bus operators can bring forward, along with the resource and ability to deliver that a council has to deliver on its side of the agreement.

With a dependency on the availability of resources, it is clear from the above analysis that to-date the National Bus Strategy, BSIP and EP process has benefitted metropolitan areas to a greater extent than county and rural areas. Overall, CCN member councils received a significantly smaller proportion of funding from BSIP and BSIP+ (33%) compared to metropolitan areas. The findings reveal the extent to which BSIP funding was oversubscribed, with just 10.2% of the total funded requested by CCN member councils ultimately received to-date.

With BSIP funding already limited and reduced further by Covid-19 support, all LTAs received less funding than their submissions. However, it is clear from the final approach to BSIP allocations that the funding for 'specific larger schemes' took far more precedent over any allocation based on formula or funding to support all LTAs. This ultimately benefited metropolitan and urban areas. Our analysis suggests there was no relationship with the allocations received by local authorities and relative decline in passenger numbers pre-Covid. Funding allocations favoured Metropolitan & Other Unitary Authorities which had witnessed lower relative declines in passenger journeys pre-covid and those with the highest pre-existing passenger numbers per head.

Even when there has been funding awarded to CCNs, this has often been to support improvements tending to benefit the larger towns and cities in an area. Measures focusing on metropolitan areas and towns are probably considered by Government as being ones with a larger return in terms of rejuvenating overall passenger usage, as well as hitting the traditional DfT Transport Analysis Guidance themes of reducing journey times, lowering congestion, high shift to public transport and high reduction in carbon emissions. Furthermore, larger authorities and towns are more likely to have 'ready to go' projects and monitoring arrangements to attract the DfT funding, whereas this was lacking in some case study CCNs that missed funding.

Moreover, analysis of schemes awarded BSIP first-round funding shows that significantly fewer schemes in CCN authorities, and particularly rural areas, received funding in comparison to Metropolitan and Other UA areas. Bus priority, marketing and ticketing schemes – easy to implement in more urban areas – seem to have been of more interest in the BSIP first round. This suggests that in future there needs to be specific bidding opportunities for rural measures, which we consider as part of our recommendations in the next chapter.

Conclusions & Recommendations:

Where Next for County Buses?

4

4.1 Conclusions

Bus services are an essential means of transport for counties and rural areas. They provide access to residents who are unable or unwilling to use cars – for multiple reasons – and they provide critical access for employees to businesses and jobs across counties, towns and rural areas. Sustainable public transport has considerable economic benefits, while providing access to healthcare and social care, shopping, education and leisure, either in nearby towns or simply in other county areas. They also help to reduce social isolation, particularly amongst the elderly and those that live in predominantly rural areas.

However, the financial situation currently faced by the bus industry is arguably reminiscent of the 1970s. Falling usage following the Covid pandemic has altered, perhaps permanently, commuter and related travel patterns, reducing revenue for bus services. Meanwhile, operational costs have increased, with pressure on staff costs from Brexit and fuel costs rises resulting from the Ukraine war and longer-term worldwide geopolitical issues. Faced with continuing spending pressures, councils are also unable to maintain the current levels of subsidises in the system.

As with the 1970s, these factors have a negative impact on the viability of bus operations, particularly in county areas where bus services operate either with subsidy or very close to a margin of viability. However, unlike in the 1970s, the changes in the bus operating environment have coincided with increased pressure on government to deal with environmental, economic, and societal impacts of climate change. The imperatives of reducing carbon emissions, enabling an ageing population and those without cars to travel in counties areas, while 'levelling up' left-behind areas, are important policy drivers for sustained investment in local bus networks.

The National Bus Strategy for England came at a key moment of opportunity for changing local buses in England and helping the industry recover from the pandemic. More recently, the government have also intervened with further support (£140m) of Bus Service Operators Grant Plus paid directly to operators and the introduction and extension of the £2 Bus Fare Cap to help recover passenger numbers.

Although this short-term support is welcome, with CCN member councils receiving limited financial support through BSIP and facing intense funding pressures to maintain existing subsidises, the 'revolution' in local buses intended by the National Bus Strategy is unlikely to be realised in county areas. The Labour Party has suggested that, if it wins power, it will allow authorities to introduce franchising without the need for approval and will end the

ban on creating new municipal or council-owned bus companies. Nonetheless, while there are merits in these policies, these options will likely have limited take up in county areas owing to the limited viability of services in these areas.

Building on the findings of this report, the current government and all major political parties need to consider how they build on recent policy interventions in the lead up to, and beyond, the next General Election to truly recover county buses post-pandemic. Locally, councils also need to consider whether alternative or supplementary delivery models could be pursued to revitalise local bus networks.

Based on analysis carried out by SYSTRA and views expressed during workshops held with CCN members, this report provides recommendations that we believe government should take forward to improve services in county areas and drive a bus revolution.

4.2 Recommendations

1. Support the delivery of Enhanced Partnerships in county areas through a further targeted round of Bus Service Improvement Plan allocations.

The National Bus Strategy has refocused the policy landscape on local buses, providing a framework in which councils could better collaborate with bus operators to put forward ambitious plans through EPs to transform their bus networks in the long-term. Amongst councils themselves, there was no lack of ambition – demonstrated by CCN member councils setting out investment plans totalling £3.6bn, with the majority of the funding requested for capital investment.

As references throughout this report and explored in detail in Part Two, alternative delivery models are not a panacea and are not appropriate everywhere. EPs are the most viable operating and improvement model that currently exists. Taking advantage of the many benefits and opportunities of EPs, however, will inevitably be limited by the amount of resource a council has to deliver its side of the agreement.

While the government have recently provided a further £80m through BSIP 'Plus', ensuring all councils received some funding to support EPs, the reality remains that CCN member councils have only been provided with a fraction of the investment required to deliver these plans, while funding overall has clearly favoured urban metropolitan areas and specific larger schemes. This is particularly the case for those 24 CCN member councils who received no funding in the main round of BSIP.

To ensure that the EP process in county areas can gain traction and lay the foundations for wider transformational change, SYSTRA recommends that the CCN should engage with the government to determine and provide a further targeted round of BSIP allocations.

2. Government should be more transparent about the criteria used to decide funding allocations.

CCN areas were highly ambitious in their BSIPs and submitted comprehensive plans to improve the services in their areas. With limited guidance on the amount of funding that could be expected to be allocated, many submitted bids that required significant financial support. However, CCN members received just 33% of total BSIP funding to date, with 67% going to Metropolitan and other UAs. In addition, CCN members received just 10.2% of the total funding requested through the BSIP process.

As outlined in this report, no information is currently available on the criteria used by the DfT in respect of BSIPs and how the funding awarded was calculated. From our engagement with councils, they felt the process and outcomes should be more transparent with more information on the scoring systems used so improvements can be made to improve any future proposals. Without this knowledge no improvements to the content of any future bids can be made, nor can there be better selection of projects for inclusion in bids.

In the future, as the new approach to buses develops, the CCN believes that Government should be more open about the criteria that future improvement plans are evaluated against and the amount of funding that can be expected. This was a view put forward strongly by several attendees at SYSTRA's council workshops during this study. This situation will clearly have an impact on the level of support and improvement that authorities can make and is unlikely to spearhead a bus revolution.

The analysis carried out suggests that more resources and information on monitoring schemes should be provided to counties developing rural bus schemes, to help officers understand how best to satisfy the DfT and Treasury as to the effectiveness of funding. Without this, county and rural schemes will have less information on monitoring and less ability to win funding from future BSIP rounds and from other funding sources.

3. The newly launched Bus Centre for Excellence should work with CCN county areas on a dedicated County Bus Service support package that recognises the unique challenges and opportunities faced across county areas. Government should use this to inform a future dedicated County Bus Strategy.

Bus services in county areas require a unique approach to deliver viable services that serve the needs of local communities. The National Bus Strategy promised a 'bus revolution', and although we recognise the acute impact that the Covid-19 pandemic and subsequent changing work patterns, this is unlikely to materialise based on current funding levels and operating models.

The Bus Centre for Excellence was announced in the Bus Back Better strategy in March 2021 and was launched in March 2023. The aims of the centre are to help

address the gap between those local authorities that were already well-placed to deliver better bus services, and those with less resources and expertise.

The BSIPs prepared by CCN members contain a comprehensive ready-made County Bus Service action plan to tackle the issues they face. SYSTRA recommends that the Centre for Excellence should work with these councils acting as a convenor and facilitator of best practice to help areas learn from each other as they seek to improve the bus services in their areas, and address the unique long- and short-term challenges that bus services in these areas face.

If a future government decides to revisit the National Bus Strategy, this should be used as part of a dedicated County Bus Strategy, recognising the unique challenges and opportunities in these areas.

4. Government funding for buses should move away from competitive bidding and be allocated based on need

Despite DfT indicating in May 2021 that the department 'anticipated' two tranches of funding being available, one allocated by formula to all local authorities and a separate tranche of funding for specific larger schemes, the final allocations were overwhelming distributed via a competitive approach which favoured larger schemes.

As a result of this approach, the analysis in this report suggests that not only did CCN member councils receive the least amount of BSIP funding, but urban areas also benefited the most from allocations despite witnessing lower relative reductions in passenger numbers pre-pandemic and containing the highest existing levels of passenger numbers. This suggests that funding decisions will support existing levels of passenger numbers and larger schemes, rather than allocating resources based on a needs-based formula and increasing passenger numbers in areas where they had decreased the most.

Looking beyond the BSIP process and current spending review period, there was a strong view in our workshops and engagement with councils that the government should move away from competitive bidding and allocate funding based on need. This would make decisions more transparent and enable the needs of county and rural areas to be fully assessed as part of an evidence-based allocation formula.

5. Government and other political parties should commit to a long-term revenue funding settlement for bus services at the 2025 Spending Review

A new needs-based approach to funding should be coupled with long-term revenue funding in order to provide sustainable bus services in county areas. The cyclical nature of core funding for bus services limits the amount of improvement that authorities can make, with services being withdrawn due to cost pressures and when specific funding streams comes to an end, even if routes have been a success. Whilst funding through BSIPs is important in providing capital investment to put in place the infrastructure and upgrades to bus networks to support EPs, revenue funding is equally important in enabling councils to continue to subsidise routes and consider alternative delivery models.

Evidence shows that the resources available to local authorities to support bus services declined significantly in the lead up to the pandemic due to fiscal austerity. CCN member councils witnessed the largest relative decline in resources and as a result, the largest reduction in local authority supported routes. Our analysis also shows that commercial operators have substantially cut routes owing to reduced revenue post-pandemic, increasing the pressure on councils to increase subsidies to local services.

During the pandemic, these councils sought to protect spending on bus services to keep services running. However, this continued level of support is not sustainable, particularly in the context of other cost pressures that authorities are currently facing. New analysis by LG Futures contained in this report shows that, outside of London, councils face a revenue funding gap of over £1bn to return services to the levels of funding they were receiving in 2010.

The CCN and its members believe that short time-limited funding does not provide an adequate approach for bus services in county areas. Authorities and operators need certainty to ensure that services are viable and to allow the continuation of routes. CCN believe a long-term funding solution is therefore required at the 2025 Spending Review to enable CCN member councils to begin to reverse the decline local authority supported bus routes experienced over the past decade.

6. Government should consider freedoms and flexibilities for local transport authorities to help bridge the gap between funding and expenditure of concessionary fares.

Although concessionary fares are outside the scope of the SYSTRA study, this report highlighted that concessionary fare journeys accounted for 28.8% of all journeys in CCN member areas in 2021/22. The CCN believes that concessionary fare funding does not match need with authorities – with councils having to plug the gap, diverting funding away from core services. The CCN believes that Government should work with transport authorities on initiatives that allow them to raise additional income to support concessionary fare provision and wider bus services, including the introduction of an administrative charge for processing free bus passes.

7. Government should make the fare cap scheme permanent, amending it to a 'journey scheme' allowing passengers to make one interchange on a bus journey

Analysis of the latest DfT data has shown the extent to which Covid-19 has further hastened the 'managed decline' of passenger numbers witnessed during the 2010s. As shown, these trends have been most acute in county areas. While overall passenger numbers have recovered at a marginally stronger rate in county areas, bus services usage and coverage reached a historic low during 2021/22 in county areas; with 344 million less journeys compared to 2010.

Given these trends, it was right that the government took concerted action to encourage and incentivise a recovery in passenger numbers. The £2 fare scheme, first introduced in January 2023, has the potential to help further recover passenger numbers and regrow bus networks, attracting more passengers away from cars and on to buses. Feedback from our workshops suggested that locally the scheme had been popular in county areas. As such, the government recently extended the £2 scheme until October 2023, with this rising to £2.50 until November 2024.

However, the nature of bus services in county areas means that passengers often must change to a different route within a journey to reach their destination, and members stated that not every operator had implemented the policy. CCN members would therefore like to see the scheme retained permanently, made mandatory for all routes and funded indefinitely. They also believe that the scheme should also be amended to allow one interchange within a journey.

8. The same franchising powers and process on offer to Mayoral areas should be given to all LTAs, enabling them to establish franchising more quickly in their areas.

The Bus Services Act 2017 and subsequently the National Bus Strategy for England gives MCAs the automatic ability to commence working towards franchising, while all other authorities (including CCN LTAs) need to commence an EP, and if wishing to move to franchising, to prepare to provide a convincing case to the Government setting out why a franchising system is preferable to an EP.

As outlined in toolkit in chapter 5, there would potentially be numerous benefits to franchising, with councils in control of routes, frequencies and fares, and bus specifications (for example on the size of bus or requirements of electric buses). However, franchising is complex, and the nature of county bus services with the networks and number of buses operating at a relatively small scale may not always be conducive to introducing it.

While franchising may not be suitable for all areas, it should be more easily available to county areas that wish to pursue it, whether independently or within a regional group. The same powers on offer to Mayoral areas should be given to county councils, enabling them to establish franchising more quickly in their areas.

9. Councils should consider the benefits of a regional approach to Demand-Responsive Transport

The toolkit provided in chapter 5 of this report provides a detailed analysis of Demand-Responsive Transport (DRT). DRT is a user-oriented form of passenger transport, usually characterised by flexible routes and smaller vehicles which operate a shared-ride transport mode between pick-up and drop-off locations according to the needs of passengers.

In county areas, DRT has been implemented across many county areas and is often pointed to as an option for improving rural transport. Indeed, alongside other forms of community transport, it can helpfully fill a gap not served by commercial routes, or where they have been withdrawn. DRT has worked successfully in some areas, although it can be expensive and can be difficult to operate at a significant scale to offer a long-term sustainable alternative to current operating models.

Many county authorities are continuing to explore DRT. A possible solution to reduce costs and increase awareness of DRT could be CCN authorities joining together and franchising and licencing DRT companies across entire regions. This consolidated operation would provide cost efficiencies, with one central control/call centre and maintenance function to reduce overall costs of the operation but would take time to introduce and would require significant upfront investment.

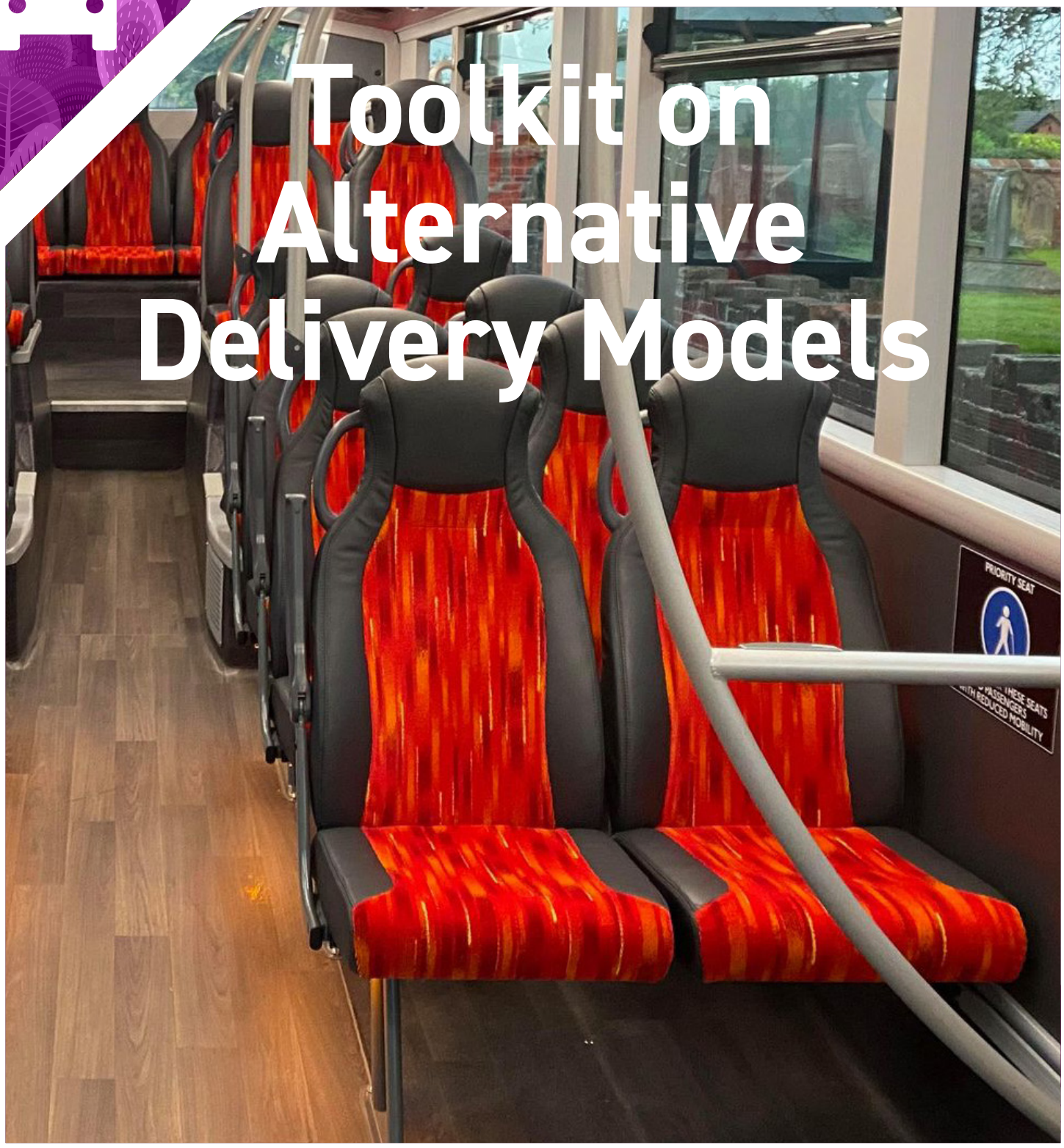
10. Government should work with operators and transport authorities to roll out the infrastructure required to support sustainable bus fleets.

CCN believe that bus services will also be a central to helping areas meet their net zero targets. Improved and reliable bus services will help to attract increased ridership, reducing in fewer car journeys. Bus fleets are also in need of modernisation, and investment into electric and biofuel fleets will also help to reduce emissions. However, the infrastructure required to support these types of fleets must be rolled out more quickly across the country.

The roll out of infrastructure to support more sustainable bus fleets has never been more important. Local authorities need the right tools and investment to enable them to increase the rollout of this infrastructure so that the move to more sustainable fleets can be expedited.

Part 2

Toolkit on Alternative Delivery Models



Overview

5

This section of the report has been written as a practical guide for transport authorities, and provides information and advice in respect of various ways by which county and rural bus service pro vision could be improved. The first two sections of this chapter cover what operational model county and rural areas might best turn to, given the lower subsidy, uncertain demand and increasing costs, at least in the medium term.

The subsequent sections look at options for improving the ride offer to people in counties and rural areas including developing rural mobility hubs, incorporating the evolving Mobility-as-a-Service concept into the transport offer, improving passenger information and introducing Demand Responsive Transport.

5.1 Franchising

5.1.1 Introduction

The Bus Services Act 2017 and subsequently the National Bus Strategy for England gives Mayoral Combined Authorities (MCA) the automatic ability to commence working towards franchising, while all other authorities (including CCN members) need to commence an Enhanced Partnership (EP) and if wishing to move to franchising, to prepare to provide a convincing case to the Government for why a franchising system is preferable to an EP.

Under franchising, local bus service specifications set out by the council, transport authority or other bodies are offered to bus operating companies to run as a tendered contract over a period. These bus services are the only ones licenced to operate in the area or on the route where franchising is in place.

Franchising-type operation is best known in the UK as the model for providing bus services used in London by TfL (with its context described earlier in the section on bus service up to today). Elsewhere, in Jersey, the Liberty Buses local network is franchised, as well as in some cities, regions and countries across Europe including Norway, Sweden and Denmark. Finally, franchising might arguably be used by large-scale businesses, for example to serve or provide links around airports.

In Norway, a country with a large number of people living in rural areas, a franchising system has been in place since the 1990s. By 2019, the share of local and regional transport that is provided through franchising has reached more than 90% of all route

kilometres run. Typically the Norwegian county develops and defines the routes and tenders for operators to deliver services. Route contracts often allow operators to increase profitability by increasing ridership.

5.1.2 Could there be a benefit in county or rural franchising?

Although bus franchising, with its the associated risks from financial and planning burdens being placed onto the council, franchising might provide a more viable option in counties dominated by the financial burden of supported services.

- In counties dominated by supported services, tendering for supported services would simply be replaced by in-house franchising, potentially with higher reliability standards
- Councils would face low or no risk from commercial services being withdrawn at short notice by private operators, as has happened increasingly frequently since 2019
- Councils could merge a bus franchising team with a supported bus service team, a demand responsive transport team and a Park & Ride team, reducing duplication and ensuring integration
- Profitable routes would cross-subsidise supported services

5.1.3 Introducing a bus franchising schemes in counties and rural England at present

The first step that a council must take to introduce a bus franchising scheme is to gain consent from the Secretary of State to proceed. To gain consent, the council must demonstrate that a number of issues have been addressed and do not cause a threat to a franchising scheme.

The issues that the Secretary of State will consider are:

- Whether the council adequately articulates its high-level plans to make bus services better for passengers, including how they will use bus franchising to provide these improvements, and why these improvements would not be obtained in any other way (such as via a partnership with operators)
- Whether the council has a suite of powers to make franchising a success. Ideally a council (or group of councils) will have control over local roads, local public transport, parking policy and input into development planning. If this suite is not available, whether alternative practical arrangements can be put in place, such as a proposition for how the county or unitary authority and other constituent authorities will work together to implement franchising effectively
- Whether the council has strong governance arrangements in place, transparent to local people, to implement franchising. There is a preference towards specifying a named individual such as the council leader to take responsibility for franchising
- Whether the geography of the council area (or counties, if a county councils or unitary authorities make an approach) is such that franchising can be put into practice and made a success. Information on travel to work and leisure patterns will be required along with consideration on the extent that franchised service will impact on those of a neighbouring area that has not requested franchising

- Whether the council (or councils) has the capability and resource to deliver franchising, demonstrating successful delivery of complex projects, previous commitment to public transport and a successful financial history.

In the only switch to franchising that has been implemented England since the Bus Services Act 2017, Transport for Greater Manchester has had a long-drawn-out process, tested repeatedly in the courts. However, it should be noted this has been in the context of an urban area (with a large number of operators) switching to franchising via the MCA route, as opposed to a county receiving approval via the Secretary of State route above.

5.1.4 Ownership and responsibility under a bus franchising scheme

The council would bear the responsibility of the cost of operation (except for day-to-day maintenance and vehicle upkeep) and take all or some of the revenue risks associated with bus operation under a franchising approach. Either the bus operators, the Local Transport Authority or a third party would own some or all the assets (such as vehicles, depots and maintenance equipment) and the operator would run the bus services under a contracted framework with various key performance indicators (KPIs) to measure performance and trigger financial penalties for below standard performance.

TfL and TfGM offer five-year contracts with two-year extension options if the operator has met performance standards.

5.1.5 Network development under franchising

The council (or councils) designs the network of services along with setting frequencies and fares and also considers areas that are currently under supplied or not served by bus services. It is likely that the bus network development priority would shift from running services that are profitable in the short term, as per the current bus operator-led model, to one where a stable network is provided for the wider population. In doing this there is a strong possibility that bus ridership could increase in the long term (when combined with measures to improve reliability and network operation). This could improve the financial sustainability of the network as a whole, offering opportunities to further develop the bus network and limit any future funding required from central government sources.

Where there is a Community Transport service, a clear differentiation in responsibilities has been agreed.

Policy making often impacts profit as much as the franchising method itself (for example in London a wide proportion of the population benefit from free bus travel). Franchising, as opposed to 'council ownership', could be a more attractive proposition for councils if it can fulfil most of the network's objectives and provide councils with the same major opportunities to set routes, frequencies and fares that they feel would best suit the needs of local rural bus users and help deliver wider policies such as those relating to climate change. The bus franchising scheme option alleviates the need for the network to source the significant capital required to purchase a bus company under a 'council owned' proposition.

5.1.6 Potential outcomes

The sorts of outcomes which could be achieved are summarised below:

Better journeys

Giving councils the power to decide:

- **What buses services run where, when and at what frequency**
- **The types of ticket available including discounts for apprentices or other passenger groups as required.**
- **What types of payment must be accepted including smart and contactless.**
- **What information is available to passengers.**

Better Places

- **Putting responsibility for key local roads, and deciding which bus services run, in one place.**
- **Giving councils the power to decide what type of buses must be used - including their emissions standards or technologies.**

Better Value

- **Councils are is accountable to local people - setting all fares.**
- **Giving Councils the central funding for bus services that is currently provided directly to operators such as BSOG for commercial services**
- **Taking a more strategic view of what services are needed and where and focusing services where they are most needed – rather than where the best commercial opportunity may be.**
- **Creating effective competition to run bus services in areas where there is little on-road competition today by having more than one operator bid for franchised services.**
- **Councils joining up their planning of local transport services across modes and types of provision (including school and health transport).**
- **Allowing commercial bidders for franchises to innovate too, this would encourage growth in ridership by including some incentives in the contracts for increase in ridership within rural areas.**

The SWOT table below provides a summary of the strengths, weaknesses, opportunities and risks for bus franchising in county and rural contexts.

Table 10. SWOT table for bus franchising for rural services

SWOT – Bus Franchising

Strength	Weakness
▪ Does not require significant capital to purchase a bus company as with 'council owned' ▪ Council retains full control of routes, frequencies, fares ▪ Council can stipulate policy measures easily, for example on fare levels or emissions ▪ Quality improvements can be delivered without having to negotiate with private bus operators ▪ A sense of local ownership under 'franchising' with single branding on buses, ticketing and marketing ▪ Allows for cross subsidising of routes ▪ Single integrated decision maker to source funding from central government ▪ Healthy competitive tension by involving more than one operator to bid for work ▪ Transparent and stable operating costs for 5+2 years (depending on length of contract)	▪ The network and number of buses operating within Council boundaries are on a small scale and may discourage sufficient bus operators to be present in the area to allow effective competitive tendering ▪ Costs likely to increase due to requirement of additional staff both for Councils and contractors to ensure contractual compliance ▪ Franchising could have a negative impact on operators of non-franchised services in neighbouring authorities that would need to be mitigated financially for services running into Councils. ▪ Risk of legal challenge from an incumbent operator if process to establish franchising model and let contracts is not carefully managed ▪ Council may have to stand the cost of buying assets/depots belonging to incumbent operator ▪ Revenue could fail to match operating costs, leading to further ongoing revenue costs to Council
Opportunity	**Threat**
▪ Review car parking and kerbside use policy to discourage car usage. Car parking revenue can be diverted to improve public transport ▪ Bus journeys can be integrated with bike journeys with the installation of secure cycle stands at key bus stops ▪ Changes to service levels and routes can be made quickly ▪ Consistent standard of service delivery ▪ Improve environmental outcomes at a faster pace ▪ Removing revenue risk from operators and offering long-term contracts may interest operators in a financially uncertain environment ▪ Cross boundary services to operate under a licensing agreement with Councils without adversely affecting core network	▪ Unanticipated increase in costs force operator to end contract prematurely or renegotiate price ▪ Farebox revenue lower than projected resulting in funding gap for the county ▪ Franchising application could be rejected due to legal challenges from incumbent operator ▪ Potential for a lack of bids

5.2 In-House Bus Service Delivery

5.2.1 Introduction

The 2017 Bus Services Act prevents a council from forming a new council owned or municipal bus company. The interpretation of this Act means a council cannot start a bus company from scratch. However, it may be possible for a council to buy a bus company.

A council could purchase a bus company if there is a bus operator willing to sell its bus operations business. Furthermore, if such a situation did arise, a council can only explore the purchase of the bus operating company providing there are no other organisations interested in the purchase.

Pembrokeshire County Council offers a recent example of a switch to county council or municipal ownership. The incumbent operator was planning to significantly increase prices on the contracted work or close the business down. In the absence of a willing buyer, Pembrokeshire Council stepped in and made the purchase.

There are a wide range of challenges to be overcome if a council is to progress with the purchase of a bus company from a willing seller. The section below provides more details on the issues around the transition of privately owned bus network assets, processes and staff to a new local council owned operator, in each case identifying the key requirements and potential challenges for the council.

A council would have to source significant capital to purchase a bus company and any application for such funds from central government would require a robust business plan. Buying a bus company is a big decision which could create new opportunities to deliver a wider network of bus services that are accessible to a wider population. However, it can have significant implications for existing bus operators and passengers and potentially expose a council to significant financial risks as it does not preclude services operated by a municipal bus operator also being served by other commercial operators and does not remove the possibility of a competitive market. It should also be noted that any bus company could register on as many routes as possible during the purchasing process or after a purchase has taken place.

5.2.2 Summary

The few council-owned bus companies have a good reputation in the UK in terms of passenger satisfaction and performance and whether due to good fortune or customer choice have survived and grown even when facing competition. The municipal bus companies consistently score highly in terms of passenger satisfaction on surveys of bus operators. However, these bus companies have been in operation in their current structure for several decades and are in towns and cities with an established level of bus usage.

For a CCN member council (individually or as a group) to acquire a bus company under the current environment may ironically poses several risks as the local population would have an elevated level of expectancy for services to improve and that the network is designed to be more accessible, frequent, fast and affordable, since the transition will be regarded as buses returning to public ownership. The council may require significant capital to acquire the business and make investments to improve the network. The on-going financial risks are far greater post Covid-19 and all cost and revenue risks would transfer to the council-owned company (although this could be potentially shared with a minor private shareholder)[19].

Under a bus franchising scheme option, the council can in theory deliver the same objectives without having to spend significant capital in acquiring a bus company and take on the revenue and cost risk on a commercial basis. Furthermore, the council can control the franchised elements of the network by preventing operator incursion.

However, bus franchising is more likely to succeed in areas where there are several private bus operators who are willing to invest in an area. In many councils and rural areas, bus operators are simply withdrawing and even closing depots, reducing competition and rendering service unreliable (as with the Pembrokeshire County Council example). In this situation, considering acquiring a bus company from a closing firm may be worth considering than doing so in a town with a strong operator presence.

19 Transdev plc hold a 18% in Nottingham City Transport (About NCT - Nottingham City Transport (nctx.co.uk))

Table 11. SWOT table for In-house bus service delivery

SWOT – In-house bus service delivery

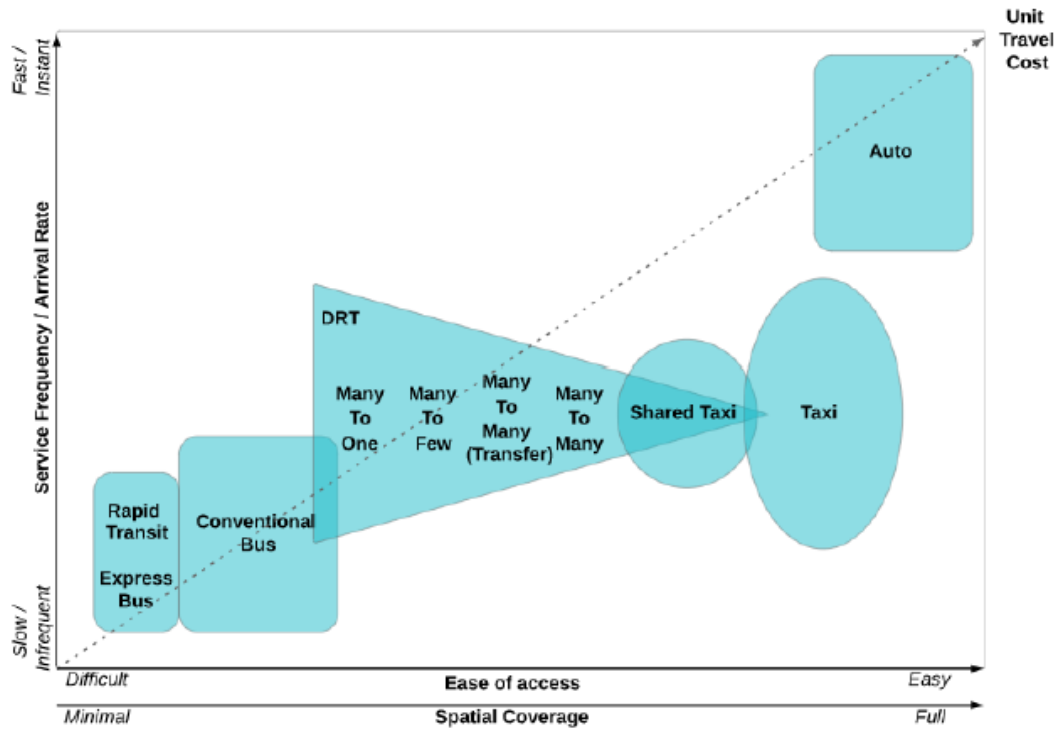
Strength	Weakness
▪ Any future profits invested in bus network ▪ Costs and potential disruption of periodic retendering avoided as opposed to franchising and EP ▪ Delivery of a stable network of bus services with direct influence and responsibility of council ▪ Quality improvements can be delivered without having to negotiate with private operators ▪ Assurance that there will be a bus operator remaining in a location even with the withdrawal of private operators ▪ A sense of local ownership under 'council ownership' ▪ Access to existing council owned land for bus depots if site relocation required ▪ Full control of branding, routes and fares ▪ Enables a long-term view on network stability ▪ Ownership can be shared between authorities if required	▪ Significant capital may be required for goodwill and purchase of assets from outgoing operator ▪ The ability for an in-house operator to achieve many of the strengths and opportunities listed left is determined by the availability of long-term capital and ongoing route revenue funding ▪ Significant risk of an increase in overall annual operational costs for a municipal operation (in the case of a 'big four' bus operator incumbent) due to the loss of central support staff and loss of national/international buying power on fuel, bus parts and systems ▪ Need to recruit relevant management expertise in the council-owned company ▪ Possible lack of future profits would mean future capital investments would need to come from council budgets ▪ Competitive environment remains
Opportunity	**Threat**
▪ Car parking revenue can be diverted to improve public transport. Greater council incentive to bring forward measures on parking etc to ensure bus company success. ▪ Changes to service levels and routes can be made quickly ▪ Improvements to quality of bus services can be made quickly ▪ Improved industrial relations in the longer-term with greater sense of local ownership ▪ Improve environmental outcomes at a faster pace	▪ Competitor chooses to register on core routes resulting in revenue extraction ▪ Loss of specific skills sets and expertise during the transition, especially in management, drivers, engineers and scheduling ▪ Low ridership and low revenue resulting in low cost recovery leaving a gap in public funds ▪ Post-Covid ridership recovery takes longer than anticipated ▪ National driver and other skills shortage prevents development of the bus network

5.3 Demand Responsive Transport

5.3.1 Introduction

Demand Responsive Transport (DRT) is a user-oriented form of passenger transport, usually characterised by flexible routes and smaller vehicles which operate a shared-ride transport mode between pick-up and drop-off locations according to the needs of passengers. This is a wide-ranging definition, which can cover a wide range of services, including shared taxis, many-to-one destination services (such as links to a hospital), many-to-few destinations services, and many-to-many services.

Figure 17. DRT in the context of frequency and coverage (Currie & Fournier, 2020)



There is a broad level of flexibility varies between schemes, ranging from route deviation only (a core route with some deviation to serve pre-booked passengers within a zone or at pre-determined stops) to fully demand responsive. Finally, there are various types of scheme, which include those open to the wider public, those open to particular users (such as employees, school children or hotel patrons) and those open to people with disabilities.

Traditionally DRT has often been provided as a transport solution for those people who cannot access mainstream transport services, such as those with mobility issues or for people in underserved areas where a fixed route bus service would not be viable. In addition, DRT aimed primarily at people who have difficulties in accessing public transport (often from the point of view of inclusion) is often provided by Community Transport services. This often complements the service provided by buses.

Community Transport fell outside the mandate of DRT as defined in National Bus Strategy, despite its relevance to underserved rural areas. This is on the basis that Community Transport services operate under different regulations, often targeted at specific demographics (for example elderly users or people with disabilities) and have mainly volunteer staff. Shared taxis also operate under taxi and minicab regulations, not bus ones.

To consider appropriate services for the area considered in this study, the DRT services analysed within this paper are open to all users, aiming to form part of, or complement, the public transport network. Shared taxis are considered, as these are usually open to all users.

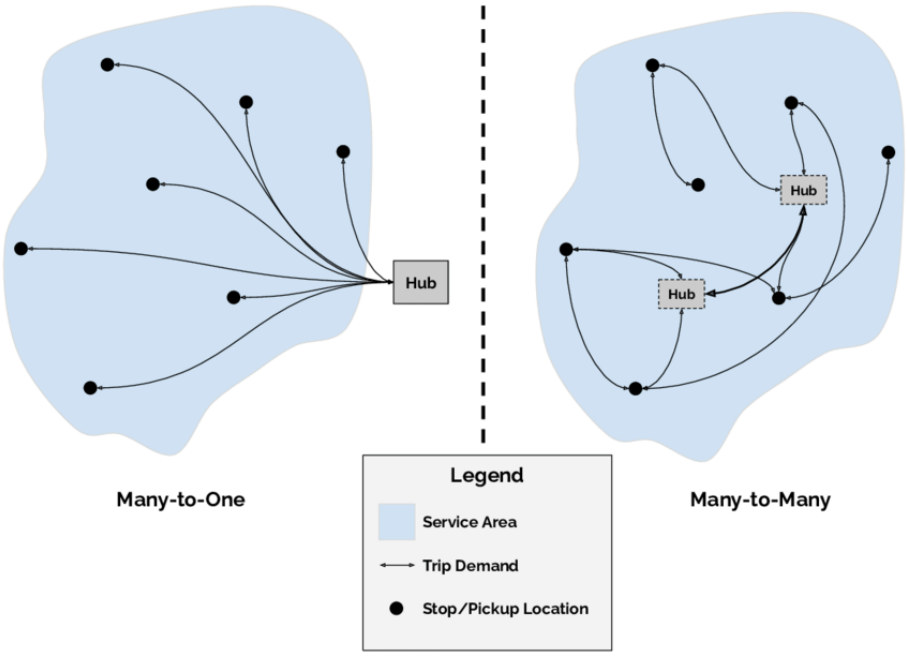
5.3.2 Operational principles

Routing

There are multiple options for the level of flexibility offered by DRT services. Some of the most common examples include:

- Route deviation – where the vehicle operates along a core route which has fixed bus stops with set stopping times. The vehicle can then deviate to serve pre-booked passengers within a zone around a core route
- Many-to-one: Services are demand responsive at one end of the journey but take passengers to or from set locations such as a shopping centre, transit interchange or a hospital. They are often phased to arrive and depart the fixed destination at set times.
- Many-to-many or many-to-few (point deviation): Services travel anywhere within a zone or a corridor, but pick up or drop off at a set of predefined points (rather than door-to-door) but in no pre-determined order. These points are sometimes public transport hubs to allow onward journeys and sometimes virtual stops (alongside a road), which do not have infrastructure related to them in the same way as a typical bus stop would. There is no core route and the points/stops are connected as determined by demand. Typically, passengers pre-book to have the vehicle come to the nearby collection point. They are then taken to their pre-booked destination, but will sometimes need to serve other passengers on the way
- Many-to-many (door-to-door): Services are wholly demand responsive, with flexible routes, stops and timings. These generally change each day to suit the needs of the passengers, and only operate when there is demand. These usually operate within a set boundary which is defined based on an area of need, funding, or operational viability (e.g. within a reasonable distance of a depot)

Figure 18. Many-to-one and many-to-many DRT comparison (Klumpenhouwer, Shalaby & Weissling, 2020)



Booking, Scheduling and Dispatch

Booking, scheduling and dispatch software facilitates the provision of services in the ways set out above, aiming to provide efficient routing to balance the needs of users sharing the vehicle. Some of the scheduling software used on the services reviewed include Via, Padam, Trapeze and RATP.

There are also different ways in which bookings of a DRT service can be made. Traditionally, bookings have been made by telephone to a DRT administrator, often days in advance. Membership of a scheme has often been required. More recently, digital demand responsive transport technology has made the booking window much shorter, often using an app on a smartphone, minutes in advance of the required departure time. This flexibility in booking has a knock-on effect in respect of how services are resourced and the way information is provided to a driver.

Staffing numbers from the services reviewed suggest between two and three drivers are required for each DRT fleet vehicle, when full weekday, weekend and evening service are provided. If a DRT is operated on a one driver to one vehicle basis; this will provide only a weekday peak hour service and would likely not operate at capacity. Support staff requirements are generally one support staff to every four fleet vehicles – this is a relatively high resource requirement compared to the conventional bus market, reflecting the challenges faced by of small-scale operations in maintaining viability.

Licencing

Most services are registered as flexible bus services, with the exception of shared taxis.

For a flexible bus service operating with a PSV license:

- Operators must meet the requirements of the Transport Act 1985, Transport Act 2000, the Public Service Vehicles (PSV) Regulations 1986, and the Bus Services Act 2017;
- All drivers need a valid PSV driver licence to provide the service;
- Operators need a PSV Operator's Licence from the Traffic Commissioner;
- Operators whose services enter London require a London Services Permit;
- Vehicles must arrive to a customer not more than ten minutes earlier and not more than ten minutes later than the time specified in the booking; and
- All passengers on board a vehicle must be subject to the same fare conditions.

For shared taxis:

- Businesses (including sole traders) operating shared taxis require private hire vehicle licencing and registration with the Traffic Commissioner;
- Businesses (including sole traders) require registration with the local authority;
- There are limitations on passenger capacity, with occupancy restricted to fewer than nine people;
- Each vehicle used for the service should be registered as a PHV with the local authority, and each driver needs to hold a valid PHV driver licence;
- Drivers may need a Criminal Records Bureau check; and
- Services may not be able to use priority infrastructure, such as bus lanes, depending on local conditions.

Fare Structure

DRT services usually use fixed fare terms, which may be based on the following factors:

- The distance of the journey;
- Travel within defined areas;
- The number of passengers, with a reduced fare for 'additional' passengers in the booking;
- Whether the trip is possible on the local bus network (to avoid abstraction from bus, with a surcharge payable for those journeys which can be made by local bus);
- Pre-purchase of credit, or the purchase of period passes (e.g. daily, weekly monthly) offer discounted travel compared to single fares on most services; and
- Eligibility criteria for certain fare reductions, e.g. by age, company discounts, profession.

DRT operators may regard this as a limitation, as the opportunity to charge 'surge fares' based on demand is restricted.

A number of UK services allow free travel for ENCTS cardholders and, in London, Freedom Pass holders. Services outside of the UK generally allow travel with their equivalent entitlement cards. Some services offer reduced fares for concessions, such as older and disabled people. As the operational subsidy per DRT user tends to be high, this is not a universal DRT offer in England.

5.3.3 Integration With Wider Public Transport Network

A common theme amongst the DRT services reviewed is the lack of integration with the wider public transport network. Although most DRT services include some aspiration for integration, e.g. by connecting to transport hubs and being used as a feeder service, there is little integration of service conditions, booking, payment, fares, etc. Elements of integration that have been used on DRT services previously are:

- The alignment of ticketing and fares to the fixed route bus services.
- Utilisation of the same fare payment system as conventional public transport.
- Travel passes that include DRT services and bicycle hire.

To gain real value from a DRT service as an integral part of the transport network, tackling this issue needs to be considered. Services with the aim of modal integration should make it as easy as possible for customers to use multiple services, particularly since a lack of integration was seen as one of the most common failures of DRT services.

5.3.4 Costs of Operation and Financial Support

Some of the DRT services introduced in recent years have been aimed at demonstrating the commercial viability of DRT, in particular compared to conventional bus. However, DRT schemes in the UK that have not received subsidy have been launched and then later withdrawn.

General cost estimations for the delivery of DRT services requires understanding of the service characteristics (e.g. hours of operation, fleet type, PVR, fares structure), which would need to be combined with assumptions around cost components and known passenger numbers to estimate the potential overall cost and potential level of cost recovery for DRT services. The cost components include:

- Vehicle costs – capital cost, depreciation, and engineering;
- Staff costs – driver pay, support staff pay, holiday and sick pay allowances, National Insurance and pension costs, driver training, uniforms etc.;
- Operating costs – fuel, hours of operation, vehicle speed, tyre wear costs, licensing, insurance, BSOG payments;
- Ticketing equipment and revenue collection costs; and
- Depot, marketing, and administration costs.

Rather than a commercial service, DRT is increasingly realised to be a means of offering supported accessibility, as an alternative to irregular local buses, sole driver vehicles or single-passenger taxis, appealing to a wider demographic and operating across a wider time period. This has enabled DRT services to apply for greater funding sources in recent years, including:

- EU funding via plans such as Horizon;
- Government national funding;
- Local authority funding;
- Private sector funding sources (e.g. Section 106 agreements on development);
- Community funding;
- COVID-19 response funding; and
- Money from beneficiaries of the service — for example, employers or hospitals.

However, once funding streams run out and the cost of operation falls more on the shoulders of the local authority, the financial sustainability of DRT (compared to other local priorities) is less clear.

5.3.5 Case studies of running DRT

The following sections provide case studies of different types of DRT in different locations.

Surrey Connect – Surrey County Council

Many-to-Many

Surrey Connect is operated by Surrey County Council, working with Mole Valley District Council. Mole Valley is an area combining a commuter town (Leatherhead) with more rural peri-urban villages, with a wide variety of transport needs. The councils decided to implement a new digital demand responsive transport scheme, using websites and apps to improve service booking, while retaining a call centre option for residents more used to traditional demand responsive transport.

An initial trial of the scheme was made possible using Section 106 money to establish a DRT shuttle service between Leatherhead station and the Queen Elizabeth Foundation site to the north of the town. This trial indicated a potential demand for the service and once funding for the wider scheme was obtained from the DfT's Rural Mobility Fund a wider digital DRT scheme was identified for an area north of Leatherhead. This first stage in the wider DRT scheme has the objective of growing the existing 'shuttle' market and expanding the passenger base in the north of the Mole Valley, while offering links to some out-of-valley locations such as supermarkets, hospitals and a station. A contract was procured with Padam mobility to operate the service. In May 2023 the service was expanded to the south of the Mole Valley, where patronage is growing currently with a focus on providing weekday commuter journeys. In total, the service now operates with four electric minibuses, offering a door-to-door DRT approach.

Surrey recently tendered for another five service areas, indicating the political support for DRT and the preference for using DRT instead of subsidised fixed routes..

Arriva Click – Sittingbourne, Kent

Many-to-Many

Arriva Click was a Many-to-Many DRT service launched by bus operator Arriva in Sittingbourne, Kent, in 2017. The service was part-funded by the Kent Science Park, partly to bring professionals to work via sustainable transport and reduce car trips. The service was operated by a fleet of new vehicles, with leather seats and wi-fi inside. It received positive reviews and established a base of regular users. Customers were asked to order and pay for the service via the ArrivaClick smartphone app. However, once the subsidy from the Kent Science Park ended, Arriva chose to end the ArrivaClick in Sittingbourne and focus on traditional bus operations, including launching a new peak bus route that it said had been developed using journey data from the app. As with other many-to-many DRT, subsequent introductions of ArrivaClick have required subsidy and support in order to continue operations.

RTS On Demand – New York State

Route Deviation

The route deviation service is available in several counties in New York State. It runs on sections of established routes with designated stops. However, the bus may deviate from the designated route to serve points within ¾ mile of the route, providing a kerb-to-kerb service. After deviating, the bus will return to the point where it left the route. Anybody traveling within the service area can use route deviation. Customers request route deviation trips in advance using an app or telephone and pay a premium fare. Fares for using the On Demand service can be incorporated in a wider journey fare (incorporating interchange). The service was launched in 2021 and saw ridership increase by 51% in the On Demand route sections compared to the previous system.

Uber Share – UK-wide

Many-to-Many

Uber, the global private hire vehicle system, launched Uber Share in the UK in 2017, focusing on London and other cities where it had a significant presence. Customers using the Uber app can specify a journey and then use Uber Share to seek a ride-share from a point close by the journey origin to a point close to the destination. An indicative fare is shown in advance to the app user. Uber drivers can combine providing Uber Share journeys with providing standard Uber style journeys, meaning that vehicles do not have to be acquired specifically for a DRT purpose. However, because Uber drivers can choose not to take an Uber Share assignment (preferring a simple private hire fare), Uber Share availability is low outside of London. Uber or its rivals do not currently operate in many county or rural areas in England. However, this modern many-to-many system is probably worth investigating for county and rural DRT, as it may have lower overheads than traditional DRT vehicles and depots.

5.3.6 Conclusion

DRT is a concept and a system that is still being established and perfected, at least as an addition to the wider public transport mix. It can offer new journeys and bring a new demographic to bus and related public transport, especially as the Mobility as a Service platforms develop.

A SWOT table for DRT is below.

Table 12. SWOT table for Demand Responsive Transport

SWOT – Demand Responsive Transport

Strength	Weakness
▪ Quality of service and customer relations were seen to be strong across services. Booking and payment should meet the needs of all intended users, e.g. suitable for older users, or school age children. ▪ Services can be targeted towards the needs of users ▪ Can attract non-traditional public transport users, such as car drivers, through convenience and premium image ▪ Strong data analytics information through account-based booking and payment etc. ▪ May be able to fill gaps in the commercial bus network, although will likely need to be supported financially.	▪ High set up costs and staffing costs means cost recovery potential tends to be lower than traditional buses, resulting in financial viability problems for local authorities despite widening popularity of public transport via DRT ▪ Integration with the wider public transport network can be difficult to achieve, particularly relating to booking, payment and ticketing. ▪ Viability can be compromised through excessive specialisation of target users, or inversely through too much generalisation. Careful market analysis of demand ideally required. ▪ Services may compete with public transport services, resulting in abstraction or viability issues. ▪ In an Enhanced Partnership area, negotiation on where subsidised DRT runs will be necessary to avoid competition law
Opportunity	**Threat**
▪ Network coverage will be provided by smaller vehicles. This can be advantageous where fixed route services are costly, underutilised or being withdrawn. ▪ Where feasible, off-peak periods can be operated with fewer vehicles without reducing service levels for users (e.g. there is no 'frequency' reduction as per fixed routes), assuming capacity is matched with demand. ▪ Area/route coverage is highly flexible, with little to no physical stop infrastructure requirements. ▪ There may be a role for DRT in designing for particular demand generators such as hospitals, employers, schools, higher educational establishments, etc. ▪ Can be a general public service or one that seeks to provide optimal service to a particular group (for example Community Transport, Dial a Ride, executive business park links.) ▪ CCN LTAs could join together across regions and franchise/licence together to DRT companies, reducing back-office costs	▪ Due to commercial viability issues, it is likely that public sector financial support would be required for local services. ▪ Back-office systems can constrain integration of booking, fares and payment options, resulting in an unintegrated service with other transport offerings, such as bus. ▪ Booking and payment systems need to be procured and can be costly. ▪ The operating license (PHV, PSV) used can constrain passenger numbers and fare options. ▪ Events such as COVID-19 restrictions and the need for social distancing for most groups of people may limit potential capacity on vehicles, either reducing efficiency or requiring larger vehicles than would otherwise be needed. ▪ Political and legal assurance required that cross-area franchising decisions will be supported by all participatory councils

5.4 Mobility hubs and place-based interchanges

5.4.1 Introduction

Mobility hubs and similar place-based interchanges are becoming known in the UK as ways of developing interchanges in locations (both rural and urban) where transport facilities serve as the foundation of a wider number of services to users of the mobility hub. As well as services to the travellers, the services of the mobility hub can also act as an anchor and draw users to the hub, allowing them to consider the location's provided mobility options.

Mobility hubs can be of the appropriate size, design and function for almost any area. Because of their size, function and design, they can also be implemented in a modular way. For example, a basic rural mobility hub could in theory be a bus stop, cycle rack and post box; this could grow and over time and as investment is forthcoming, add a larger micro-mobility facility, a community transport stop, a set-down/pick-up location, a café, a shop, day care centre and more.

Figure 19. South Woodford Community Hub, with cycle rack, bus stop and cafe (source: CoMoUK)

5.4.2 Benefits of mobility hubs

By providing space and encouraging potential bus users to board, alight and interchange at accessible and inclusive mobility hubs, users of the bus network would be brought together from a wide area in a place servable by scheduled bus routes. The first and last mile to mobility hubs could be covered by walking, cycle use, micro-mobility, community transport, ride sharing or in some cases 'kiss and ride', potentially at a lower operational cost than making long-distance journeys by demand responsive transport. In the longer-term, mobility hubs served by routes on the core bus network might benefit from lower operating costs of autonomous vehicles on these routes.

Mobility hubs should be much more than that and would not focus solely on transport provision. Adding other services and amenities outside of the traditional transport or interchange specification, in a modular and inclusive way, can bring viable new business to a neighbourhood and make choosing bus and other sustainable transport easier. A successful, community-backed mobility hub in turn could expand the market for bus transport to serve a location and may make the wider bus journey easier and more attractive.

A SWOT table is below to summarise the strengths, weaknesses, opportunities and threats of a mobility hub project in a village context.

Table 13. SWOT table for Rural Mobility Hubs

SWOT – Rural Mobility Hubs

Strength	Weakness
▪ Relatively quick to implement via a modular design, so deliverable within the BSIP timeframe ▪ 'Start out small' means that they are relatively low cost ▪ Pleasant locations, designed with local input ▪ Deliverable via Section 106 where possible	▪ Capital cost involved ▪ Appropriate locations allowing an inclusive, accessible design to be delivered – may be unavailable in the village ▪ Could encounter objections ▪ Maintenance required on an ongoing basis
Opportunity	**Threat**
▪ Provision of a choice of quality transport services ▪ Convenience of practical and leisure facilities and improved public realm ▪ Interchange point to attract and serve wider rural area and economy ▪ Encourages visitors to shops and cafes to consider buses and sustainable transport ▪ Introduces a centre and meeting point to the community, visitors and tourists ▪ Real Time Passenger Information location	▪ Bus element relies on the bus operator or council continuing to operate the service ▪ Other facilities and services (commercial, café etc) may not set up or stay ▪ County or unitary council, local council, community or other responsible body may not maintain the hub and it becomes an undesirable location

5.4.3 Incorporating Mobility as a Service (MaaS) with mobility hubs

Transport, so it is often pointed out, is not an end in itself; rather it is a facilitator. More recently, it is emphasized that mobility is the end in itself – a wider definition than transport. Mobility is achieved by different means, whether making it easier to despatch mail, encounter contacts, and make journeys whether in person or in abstract (for example by phone). From this definition has dropped the concept of how to provide mobility as a service – to enable the full function of a journey or interaction via one ticket or piece of software.

To focus more on public transport, there are many definitions of Mobility of a Service. One definition from University College London[20] is that Mobility as a Service is a method of travel that 'stands for buying mobility services based on consumers' needs instead of buying the means of transport'. The organisation MaaS Scotland[21] defines MaaS as a method of travel which 'brings all means of travel, transport providers and payment options together into one single service, giving customers instant access to all public transport, from trains and trams to buses and bikes'.

20 https://www.ucl.ac.uk/bartlett/energy/sites/bartlett/files/fs-maas-compress-final.pdf
21 https://maas-scotland.com/what-is-maas/

In terms of a full, one-ticket journey with interchange identified and paid for, mobility hubs are rural centres in which the MaaS journey will often pass, as travellers transition from one mode to another at a location that is attractive. Mobility hub development should increasingly have MaaS developers from a variety of mobility providers alongside to ensure this is integrated.

Two examples that SYSTRA has investigated of how technology has integrated with mobility hubs to bring an aspect of MaaS alive are below.

Enterprise Mobility as a Service

Enterprise is a transport service provider which has been appointed to deploy the GO-HI Mobility-as-a-Service (MaaS) platform, which launched in June 2021 in the Highlands and Islands region of Scotland.[22] The GO-HI app provides instant access to information on buses, trains, taxis, car hire, car clubs, bicycle hire, air travel and ferries. This allows users to plan their journeys and then to select, book and pay for all modes of transport all in one place using any iOS or Android mobile device. The experience is proving to be successful, with 1,000 downloads of the app so far. This experience is relevant for the CCN rural LTA context, as the Highlands are similar in terms of population density and rural settlements. Interviewed recently by SYSTRA for a separate study, Enterprise pointed out some relevant considerations that need to apply when developing a Mobility Hub:

- Land ownership
- Electrification potential
- Working with partners, each having a strong branding
- Understanding of commercial viability
- Marketing and incentives for the people to use the Hub

Shopappy

Shopappy is an online platform which supports local, independent shops by enabling them to show information, products and services in one single online platform, where people can shop online and arrange deliveries, click and collect or pick up in stores. Shopappy is currently active in a few CCN LTAs. For Shopappy, a mobility hub should be a location where:

- People can pick up the goods they buy
- Goods can be delivered
- Places for people to dwell to maximise the awareness of the Shopappy provision
- Click and collect provision can be provided
- A base for cargo bikes
- Digital signage can be provided, promoting local businesses, allowing direct ordering via QR codes, as well as providing arrival data on public transport

In conclusion, MaaS and technology is of increasing potential value in rural areas, but needs to be integrated at an early stage by project sponsors and consultants.

22 https://www.mobilleo.com/hitrans-gohi-launch-maas/

A SWOT table for 'Mobility as a Service' is below.

Table 14. SWOT table for 'Mobility as a service'

SWOT – Mobility as a Service

Strength	Weakness
▪ Increases access to the fixed route network using "range extenders" (either feeder services or personal mobility devices) ▪ Makes travel easier by integrating the process of planning, booking, paying for and boarding a transport service ▪ Can substitute for use of private motor vehicle (mode shift) ▪ Can provide opportunities to access goods and services that might otherwise have been inaccessible (social inclusion)	▪ Requires considerable local authority investment in setting up revenue sharing agreements ▪ Can require a bespoke service to be designed in each area ▪ Users must have a smartphone
Opportunity	**Threat**
▪ Increasing demand be able to live in rural areas without the need to own a motor vehicle or to have a driving licence ▪ In the long term, autonomous vehicles might expand the coverage of MaaS and decrease cost ▪ Can make use of unused capacity provided by other service providers in other sectors	▪ Subsidy necessary to create attractively priced transport offers may have significant impact on budgets ▪ Can abstract from conventional public services if not designed well

5.5 Real-time passenger information (RTPI) in rural areas

5.5.1 Introduction

Generally rural bus services are not frequent and therefore reliability and punctuality of bus services is even more relevant than in an urban environment.

Providing an up-to-date timetable at every stop and giving information on real-time bus arrival times are among the top ten measures recommended by Transport Focus[23] in their guidance published on Bus Service Improvement Plans. Earlier guidance states that "electronic real-time display boards were felt to be the most useful way of communicating with all types of passengers and this was passengers' overall preferred method". The provision of a real time passenger information (RTPI) display therefore provides a level of reassurance, not just that buses will arrive, but also that the providing operator or authority recognises that the benefit of providing such a display outweighs the cost. Therefore, the provision of real time information at stop engenders confidence in the bus service and public transport as a whole.

23 https://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2021/06/08143813/Enhanced-partnership-response-template.pdf

With increasing pressure on all transport authority budgets it is tempting to substitute physical passenger information displays with a smartphone "app". Transport Focus suggests that smartphone apps do not adequately substitute for physical signage as although apps can be provided at much lower cost, they require a passenger to actively seek information whereas electronic displays require very little effort. Although smartphones are increasingly widespread, to rely solely on this technology worsens the "digital divide" between those who possess the relevant technology and the skills to use it and those who do not. To solely on apps reduces the opportunity to advertise the presence of bus services to non-users.

5.5.2 Why is real time passenger information not widespread?

Provision of RTPI in rural areas has traditionally been difficult because the systems used private mobile radio networks for transmission of data both from the bus and to the displays. Since the advent of cellular communications, the cost and coverage cost of communications has vastly reduced while the area covered has increased.

Another reason that provision of real time passenger information is not widespread is that to know where the bus was it was necessary previously to install a special device on the bus. With the advent of the Global Positioning System it is possible to incorporate location-sensing technology directly into the electronic ticket machine that are fitted in most buses. As a condition of their registration, bus operators are now required to send real time location data for their vehicles to a government data service. By combining this data with the timetable, it is possible to predict when the bus will arrive at a stop.

Finally, in many rural locations there is no mains electrical power. This means a "traditional" three-line cannot be used. For the same reason passenger shelters in rural areas are often unlit (and in some cases somewhat unwelcoming). Displays used in urban areas typically use high brightness "light emitting diodes" (LED) so that they can be seen from up to 10 metres away. Using these highly visible displays effectively advertises bus services to passing motorists and thereby enhances knowledge of the opportunities to travel by bus even for those who already currently travel by car. A typical London-style display is shown in 20, but it should be noted that this is an old design and more attractive solutions are available.

Figure 20. Transport for London "Countdown" display

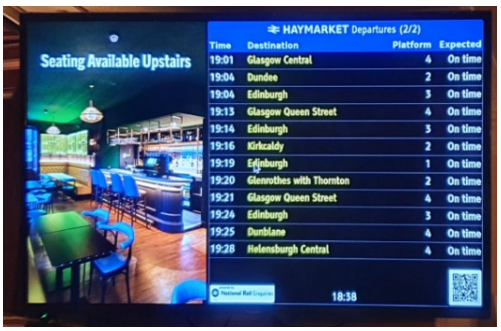
5.5.3 Falling costs of RTPI

New technology means that real time passenger information can be provided more cheaply and in different ways. For very technical reasons, it was previously required that the bus communicated directly with the sign to inform the sign that the bus had left the stop. This is no longer necessary and makes it much easier to deploy passenger information displays in locations not associated with a bus stop. Where possible, "traditional" LED displays (as above) provide the best solution as they can be read from a distance and fulfil the function of advertising services to both users and non-users. However, where LED displays cannot be used, a range of options is available.

5.5.4 Digital signage

It is possible to show bus departure information in a café or other building near the stop using "digital signage" technology which is used in shops and for advertising. Using digital signage allows the building owner to create a display that shows for example a menu and bus departure information concurrently or in distinct "pages". Figure 21 shows a train departure board alongside a CCTV view of the upstairs of a pub (in Edinburgh). The left-hand side of the screen could show the food menu or local news. Note that this is an example and that the right-hand side of the display could show bus departures.

Figure 21. Mixed use display in a pub



5.5.5 At-stop displays using "electronic ink"

Where possible, a mains-powered real time information display with light emitting diodes gives the best outcome for passengers. Where mains electricity is not available "electronic ink" displays can be used. Electronic ink is different technology to LEDs and requires much less power. Such displays can be powered by renewable energy sources such as wind or solar (with battery back-up).

Electronic ink is best suited for text that does not change often so care must be taken to ensure that as little text is changed as possible when showing real time passenger information. Communications technology, even fourth and fifth generation cellular radio (also known as 4G and 5G), requires a reasonable amount of power so to save energy some e-ink displays only show information when a button is pressed. The same button can be used to change from one page of information to another, such as departures on Monday to Friday, Saturdays and Sundays.

Figure 22. E-ink timetable display with solar energy source

5.5.6 Other considerations

In addition to departure information at bus stops, stations and other locations, ticketing information can be provided. Arguments against showing fares and ticketing information has always been that it is hard to keep up to date, but e-ink will substantially reduce cost and make the publishing process simpler.

Video help points are being trialled in various parts of the world using 4G and 5G cellular communications technology, sometimes in addition to CCTV. Both these features can reassure passengers waiting at a rural bus stop. Image processing technology can be used to detect the presence of passengers waiting at the stop, and potentially to identify if the passenger needs assistance when boarding.

The DfT recommends that both audio and visual information should be provided wherever possible. Departure announcements were commonplace in bus and rail stations but are less so now, partly due to the number of departures that need to be announced. Departure announcements remain useful for bus passengers in some circumstances, for example where there are key connections (e.g. when an express bus arrives with established connections to soon-departing local bus services). Again, technology can help as it is possible to use "text to speech" technology to enable the content of a real time passenger information display to be read aloud.

Table 15. SWOT table for Real Time Passenger Information

SWOT – Real Time Passenger Information

Strength	Weakness
▪ Reduces passengers' perceived waiting time ▪ Advertises the presence of bus services ▪ Promotes a feeling of care from the local authority to passengers ▪ Combats social exclusion by increasing the perception of reliable access to goods and services ▪ Has been shown to promote modal shift	▪ Capital cost (but now much decreased) ▪ Planning permission – displays need to be designed with reference to the local environment ▪ Revenue costs of data communications (now much reduced) ▪ Revenue costs of maintenance (design out where possible)
Opportunity	**Threat**
▪ Low-cost solutions are now available ▪ Sustainable energy sources are available that can provide sufficient power ▪ 4/5G communications are cheaper than the radio systems that have been used in older systems ▪ Could be used to replace paper timetables ▪ Passenger information displays can be placed in shops, pubs, cafes, libraries and so on, enabling passengers to wait in a pleasant atmosphere	▪ Public trust in displays is undermined if the information presented is not reliable ▪ Bus companies insisting on providing information through their own smartphone apps and thus requiring a passenger to have multiple apps if there are multiple operators

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