



Let's inspire the nation to  
love and use the bus

First  Bus

# Headlines

Only the bus can **affordably, flexibly and rapidly** get Britain moving again. Buses are the key to **unlocking economic, social and environmental benefits** – no other asset delivers so quickly and effectively across so many different challenges, including **congestion, carbon and poor air quality**.

**This paper serves as a call to action to drive positive change:**



For **people**, bus means better connections to jobs, education, leisure and social opportunities, improved health outcomes, and happier lives.



For **places**, bus means modal shift – getting people out of their cars and onto the bus, tackling congestion, improving street-level air quality and reclaiming our public realm.



For the **planet**, bus means reducing our fossil fuel dependency and addressing climate change.



First Bus is committed to playing a leading role in the transformation of the bus sector, working in close partnership with national, regional and local governments in every regulatory environment to deliver best outcomes for customers.

## What needs to happen?

### 1. Free the bus and increase reliability by tackling congestion

**Turbocharge bus priority rollout** with local targets for faster, more reliable journeys.

### 2. Think 'bus first' in planning decisions

**Support new routes** and socially necessary services to reflect where people want and need to go.

### 3. Attract new customers with affordable, fair fares for all

**Target low fare** initiatives at young people to support lifelong bus use.

### 4. Retain customers with a consistently outstanding experience

**Enhance bus fleet, shelter accessibility** and convenience for all customers.

### 5. Showcase career opportunities and social mobility in the bus sector

**Operators need to remunerate workforces fairly**, across entire organisations including apprentices and contractors. Government should overhaul the apprenticeship system to facilitate rapid access to opportunity.

### 6. Make bus the leading visible indicator of our green transition

By **incentivising increased private sector investment**.

### 7. Ensure the operating model for bus best meets local needs

It is right that decisions on how bus is governed are devolved – local community needs are different and **local authorities need to consider carefully what works best for them and their networks**.

## Who is First Bus?

First Bus is part of FirstGroup plc, a market leader in the public transport industry, improving lives by connecting people and communities.

We employ more than 13,000 people in bus across the UK, and our customers make more than a million bus daily journeys with us.

Working with our trade union partners, we are the first national bus company to become a real Living Wage employer.

# Let's inspire the nation to love and use the bus

Only the bus can affordably, flexibly and rapidly get Britain moving again.

By putting the bus at the heart of an integrated, sustainable and reliable transport network, we can tackle congestion, liberate our roads and public spaces, give us clean air to breathe, and deal with our climate emergency by ending our costly dependency on fossil fuels.

No other investment delivers so quickly and effectively across so many different challenges.

**Buses reduce traffic congestion:** Congestion hurts everyone and costs the UK economy £7.5bn annually<sup>1</sup>. A survey by the British Chamber of Commerce found congestion to be a problem for 90% of businesses<sup>2</sup>.

**One double decker bus can take up to 75 cars off the road** for each and every service it operates, dramatically reducing congestion<sup>3</sup>.



## Buses support economic growth:

Every **£1 spent on investment** in local bus priority measures can deliver up to **£7 of net economic benefit**, including £2.3bn direct benefits to customers by speeding up journeys; and £2bn in improved access to jobs.<sup>4</sup>



Bus users create more than £64bn worth of value to our economy, through the purchase of goods and services<sup>5</sup>. Our city centres rely on buses as the primary mode of access, with bus users responsible for 29% of total expenditure on retail and entertainment in city centres, and 22% of expenditure in all location types.<sup>6</sup> First Bus data bears this out – 44% of recent customer journeys were to shop or for entertainment.<sup>7</sup>

## Buses are the key to unlocking economic, social and environmental benefits.



### Connection:

Buses provide accessible and affordable links to jobs, education and social activities, combating loneliness and economic and social isolation



### Air quality:

Modal shift from cars to buses, especially zero-emission ones, enhances street-level air quality and public health.



### Public space:

Reducing private car usage reclaims road space for public transport, cycling, walking, and social activities.



### Fuel, energy, and carbon:

Electrifying buses decreases fossil fuel dependency and helps combat climate change.

**Buses help to achieve our Net Zero goals:** Road transport is a major and resilient source of greenhouse gas emissions, accounting for 27% of the UK's total emissions in 2021<sup>8</sup>. Per customer, one diesel bus generates only a tenth of the carbon emissions of cars<sup>9</sup>. If everyone in the UK switched just one car journey to bus each month, we could save two million tonnes CO2 every year<sup>10</sup>, which is more than the total of Leeds's annual CO2 transport emissions<sup>11</sup>.

**Buses improve public health:**



Transport-related air pollution contributes to **40,000 premature deaths annually in the UK<sup>12</sup>**.

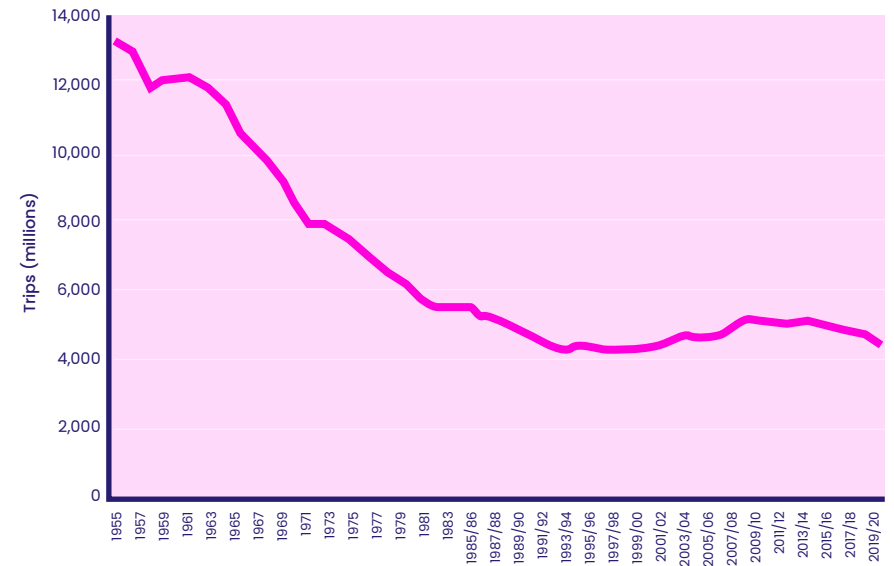
Bus use improves air quality by reducing cars and car tailpipe emissions. Air quality is further improved with the introduction of zero emission buses. Reduced congestion and better air quality have direct health benefits, including lower rates of respiratory and cardiovascular diseases. General health and fitness are improved by walking to and from the bus stop and social interaction has mental health benefits, whilst the bus service itself provides greater access to health appointments and can reduce costs arising from cancellations and help to tackle loneliness.

**Buses are safer than cars.** First Bus analysis of UK Government road accident data<sup>13</sup> shows fatality rates are six times lower in buses than in cars.

**Buses are flexible, inclusive and accessible:** Routes and timetables can be adapted to get people to where they want to go. Buses are also accessible to almost everyone irrespective of disability, income or ability (or desire) to drive a car.

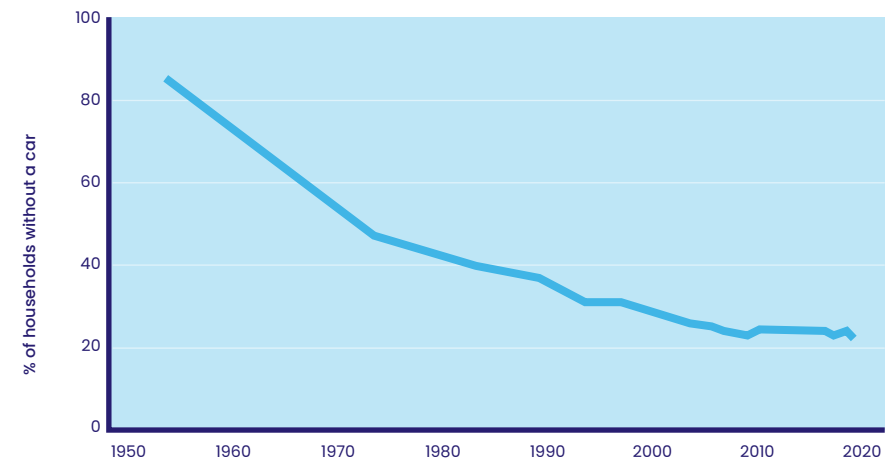
As the graphs opposite illustrate, **over the last 70 years bus use has fallen, as car ownership has risen**, although this decline has slowed in recent years. **40% of households in some disadvantaged communities do not have access to a car<sup>14</sup> and the bus remains a lifeline.**

**Bus Patronage from 1955**



Data Source: Department for Transport

**% Households without a car since 1950**



Data Source: Department for Transport

## Delivering change

Public and private partners need to work together to deliver change that connects the country. **Courageous leadership is called for, beyond simply managing the current mix of road traffic. There will be resistance to counter, but that is what bold, brave and visionary leadership is for. This is a moment in time where the right combination of creativity, courage and commitment can lead to genuinely transformative outcomes.**

Government needs to set the policy and regulatory framework; the private sector can leverage capability and expertise for timely delivery of change. This means getting the best from what both the public and private sectors have to offer, in partnership, to deliver the best possible outcomes.



For **people**, this means better connections to jobs, education, leisure and social opportunities, improved health outcomes, and happier lives.



For **places**, it means modal shift – getting people out of their cars and onto the bus, tackling congestion, improving street-level air quality and reclaiming our public realm.

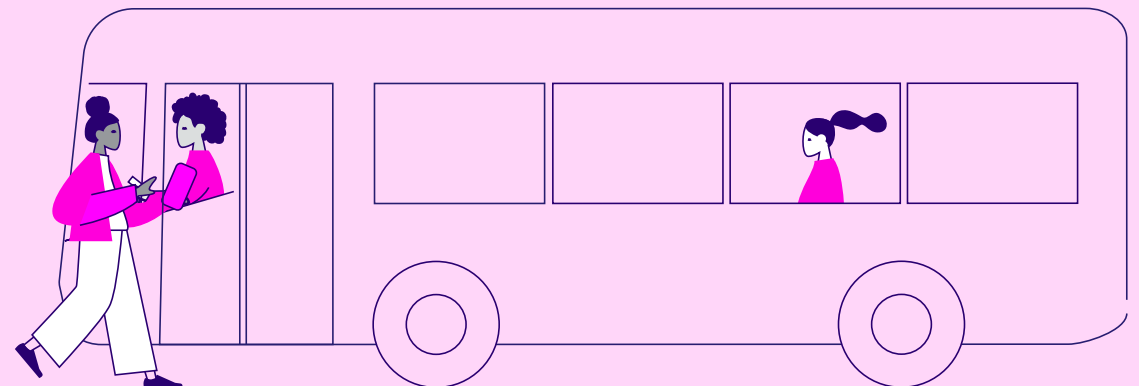


And for the **planet**, this means reducing our fossil fuel dependency, addressing climate change, and using clean energy.

**These are the fundamental issues, whatever the governance.**

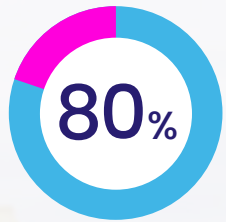
### What needs to happen?

1. Free the bus and increase reliability by tackling congestion
2. Think 'bus first' in planning decisions
3. Attract new customers with affordable, fair fares for all
4. Retain customers with a consistently outstanding experience
5. Showcase career opportunities and social mobility in the bus sector
6. Make bus the leading visible indicator of our green transition
7. Ensure the operating model for bus best meets local needs

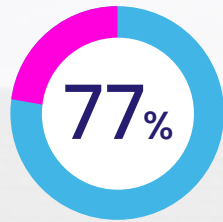




# 1. Free the bus and increase reliability by tackling congestion



Overall bus customer satisfaction.<sup>15</sup>



First Bus customers value punctuality and reliability above any other factor.<sup>16</sup>

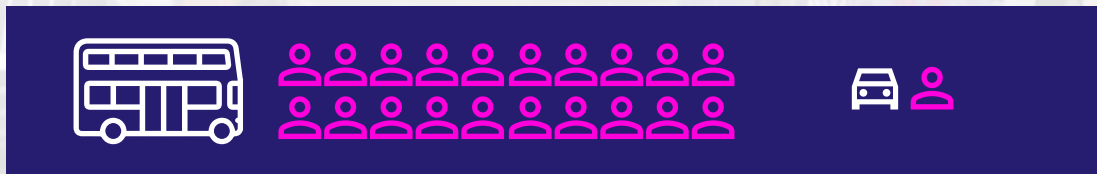


Due to congestion, average bus speeds in some urban areas are as low as 7mph.<sup>17</sup>

Transport Focus<sup>18</sup> documents overall bus customer satisfaction at 80%. The Bus Passenger Satisfaction analysis (Feb 2023) states that punctuality/reliability satisfaction is the most important driver of overall journey satisfaction. First Bus customer research bears this out. 77% of our customers value punctuality and reliability above any other factor. The primary cause of poor punctuality and unreliability is congestion, with average bus speeds in some urban areas are as low as 7mph.

## Our ask of Government

LTAs need to tackle local congestion to keep buses moving. This is in line with their duty under the Traffic Management Act to manage the network for the good of all vehicle users, including by clearing obstructions and roadworks promptly, by enforcing illegal parking, and by investing in bus priority. LTAs should consider the movement of maximum numbers of people possible within the constrained roadspace available – while a double decker bus takes up to three times the road space of car, it has the potential to carry up to twenty times more people. Measures such as bus priority at traffic lights can be particularly beneficial at low cost.







LTAs need to show leadership regarding parking charges, duration of stay and numbers of spaces, and congestion/road user charging. Public transport improvements must be implemented before car priority measures.

LTAs and bus operators should commit to local targets to increase bus speeds and reduce their variability, as a means of measuring success.

We recognise that funding in the next Parliament will be tight and will need to be allocated carefully, where it will have maximum impact. Within this context, bus funding is relatively cheap compared to other transport modes<sup>19</sup> and given the benefits we have already set out.

LTA funding by central government through Bus Service Improvement Plans (BSIPs) should take account of LTAs' track record in delivering effective priority schemes and increasing bus usage.

 Measure	 Cost	 Ease of implementation	 Customer Benefits (Journey Time Reliability)
<b>Busway</b>	High	Difficult	High
<b>Roundabout Bypass</b>	High	Medium	High
<b>Bus Lanes</b>	Medium	Difficult	Medium
<b>Raised Kerb</b>	Low	Easy	Low
<b>Signal Priority</b>	Low	Easy	Low to High
<b>SCOOT*</b>	Medium	Medium	Medium to High
<b>Pre Signals</b>	Medium	Medium	High
<b>Stop Pre-release at Signal</b>	Low	Easy	High
<b>Kerbside Parking Removal</b>	Low	Difficult	High
<b>Layby Removal</b>	Low	Easy	Medium
<b>Enforcement – Cameras</b>	Low	Medium	High
<b>Enforcement – Personnel</b>	High	Easy	High

\*Split Cycle Offset Optimisation Technique



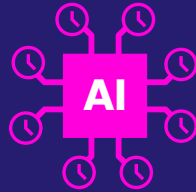
## The role of bus operators

Operators need to get their performance basics right and make sure that buses leave the depot or bus station on time, every time. Operators must also recruit and train enough drivers, engineers and supervisors to run the optimum level of service (see “jobs and skills” below).

Collaboration between operators and LTAs, including through co-location is essential to identify congestion hotspots, with data shared to help develop investment-ready proposals and business cases to rectify identified issues.

AI and real time data are critical enablers to help improve punctuality and service reliability through schedule planning, identifying congestion, predicting journey times, and understanding customer travel habits. .

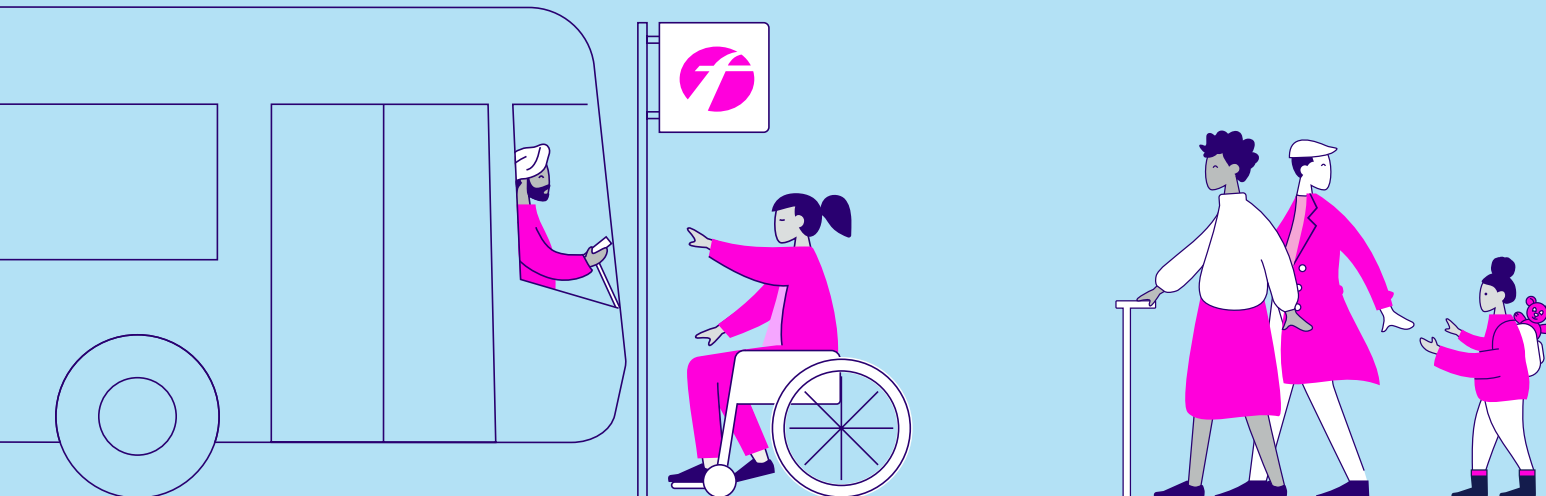
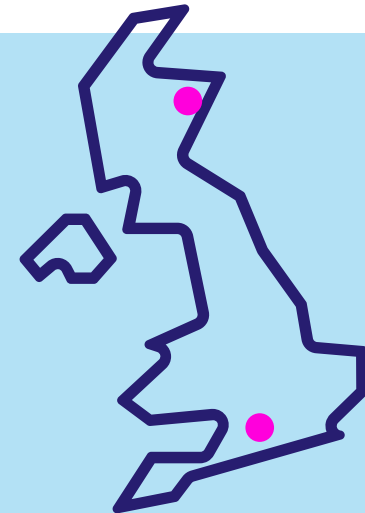
At First Bus, our data shows that our investment in AI systems generated an overall 13% improvement in services arriving on time, as high as 20% on peak time services<sup>20</sup>



## Case Studies

**1.** In Aberdeen, bus gate implementation **reduced average journey times by 25% and increased bus use: 20% more weekend bus use and 9% more people using the bus overall.** This has enabled the City Council to invest in free travel schemes for customers.

**2.** First Bus and Hampshire County Council launched the Eclipse busway programme, which included dedicated bus-only routes, high quality stops and shelters, bus priority at junctions, and enhanced customer experience (eg next-stop information, air-conditioning). **This generated up to 25% journey time savings and 60%+ customer growth in the first year alone.** The busway was delivered and is run under an innovative governance model. **A share of First Bus profits is reinvested in customer facilities.**



## 2. Think ‘bus first’ in planning decisions.

Bus services need to be financially viable. On average, operating a bus service costs around £60 every hour<sup>21</sup>. Where revenues fall below this, a route is loss-making. While revenues from busier periods of the day (eg morning peak) can support operations in less busy times, operators cannot “cross-subsidise” less viable routes with busier routes. This is because this subsidy might prevent another operator from entering the market (ie it is anti-competitive).

To realise the multiple benefits of the bus we need to place bus services at the heart of planning decisions. Bus services are flexible – timetables and routes can be altered very quickly compared to fixed modes such as rail, to accommodate new demand, eg new centres of housing, culture, entertainment, employment, colleges or universities.

Where centres are new, agreements with developers facilitate access by public transport and include for instance bus stops and funding for services. This is particularly important where new developments are sited out of town. Out of town centres attract higher levels of car travel which means bus travel demand can be low, and services not viable without funding. Successful developer funded services arise from direct working with the developer to design the solution with long term commercial viability in mind.

### Case Study

First Bus has recent successful agreements in Essex, including Runwell and Chelmsford. **Funding is delivered through a five-year reducing subsidy**, from the occupation date of the 100<sup>th</sup> home in the development, so the service is available early.

**New residents are provided with a free annual ticket with discounted travel thereafter;** the target is service commercial viability after five years. The Runwell service is now commercially viable; and the Chelmsford service is being redesigned to benefit a further phase of development.

### Our ask of Government

The last Government committed in its National Bus Strategy (DfT, 2021) to consider introducing a statutory requirement on LTAs for provision of socially and economically necessary services. Government must rapidly introduce this requirement in the context of the Bus Connectivity Assessments that LTAs are currently completing. The new Government should consider a “kickstart” sister scheme to planning agreements to fund new routes in existing areas – with the aim of growing patronage. Funding will need to cover costs (around £60 per hour).

### The role of bus operators

Most operators have a wealth of digital data that can be readily shared with LTAs and developers/large employers to help identify customer needs and suitable network expansion. Operators should take a proactive approach to lead on developer engagement and use data to actively inform change.

### Case Study

Leeds City Council, West Yorkshire Combined Authority and bus operators worked together to deliver the Connecting Leeds programme which built on a £173.5m government award to improve the bus network and enhance public realm and pedestrian/cyclist facilities. As an active partner in the programme, **First Bus invested £70m in 284 ultra-low and zero emission buses to improve air quality for Leeds residents and visitors.**

### 3. Attract new customers with affordable, fair fares for all

Affordability remains critical for low-income customers who rely on buses for their daily commute or for connecting with essential services, friends and family. In recent times national initiatives such as the £2 fare cap have helped, but questions over their long-term sustainability and their impact on most-in-need communities remain and must be resolved.

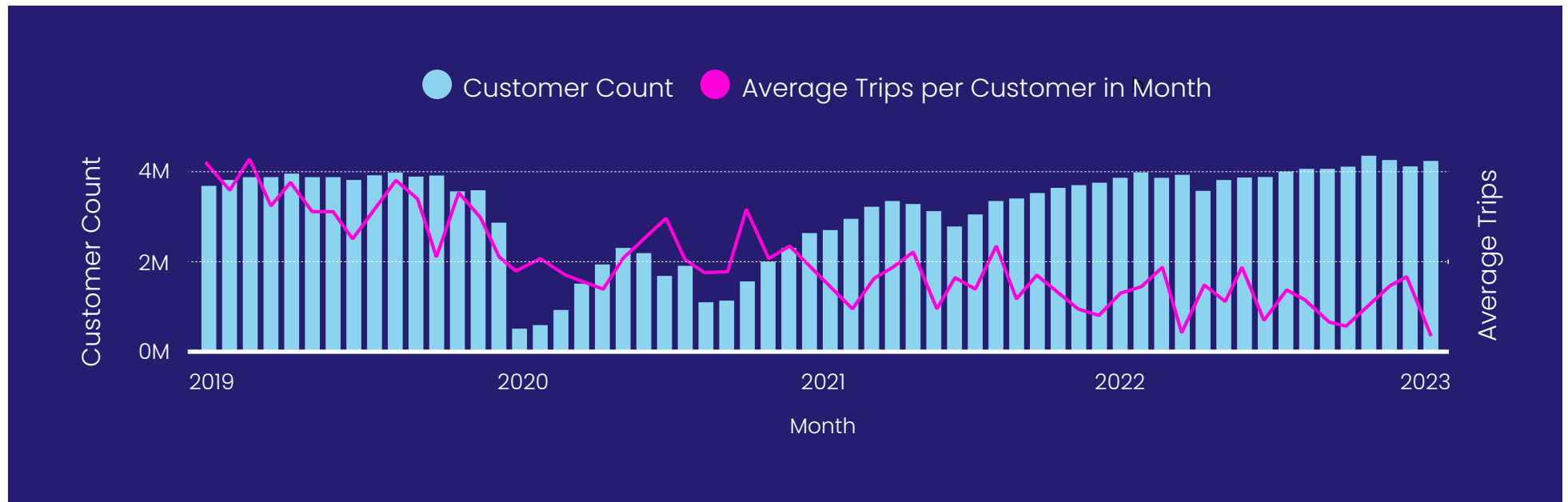
The extension of the national £2 fare cap in England provided a lifeline for some customers, helping to make buses more attractive during a cost-of-living crisis. But it provides a small discount to large numbers of customers in urban areas, not all of whom need it. Since the introduction of the £2 fare, we have seen more customer growth in areas where

longer journeys were more costly and therefore the discount is greater. For example, in Worcester customer volumes have grown by almost 25%<sup>22</sup>, while in Bath (urban, shorter routes), volumes have hardly grown at all.

Post-pandemic, proportionately more young people are travelling, and older concessionary card holders have reduced their travel. In recent times First Bus has experienced higher growth in the adult market. Concessionary travel among older customers has been slower to recover.<sup>23</sup>

In Scotland, young person U22 journeys have increased by 15% since the introduction of free bus travel.

Post-pandemic we have more customers but they travel less frequently by bus. Approximately 75% travel 2-3 times per month or less.





## Our ask of Government

Once funding for the £2 fare runs out in England, Government should introduce more targeted schemes. Our preference would be a young persons scheme to build the next generation of bus lovers.

People rely on the bus to get around – more than one quarter of UK adults do not hold a driving licence,<sup>24</sup> fewer young people are learning to drive and they are moving to cities<sup>25</sup>. Initiatives to encourage young people to become used to travelling by bus coupled with improved services, would mean they would be less likely to switch to cars later in life. A £1 scheme would prove far more cost-effective than a blanket

free travel scheme, which could cost as much as £1.4bn each year according to First Bus analysis.

In addition, options include low-income groups, jobseekers (at approximately £400m every year) or capping longer distance fares, particularly in rural areas, to improve the sustainability of services (potentially £200m every year depending on the level of the cap)<sup>26</sup>.

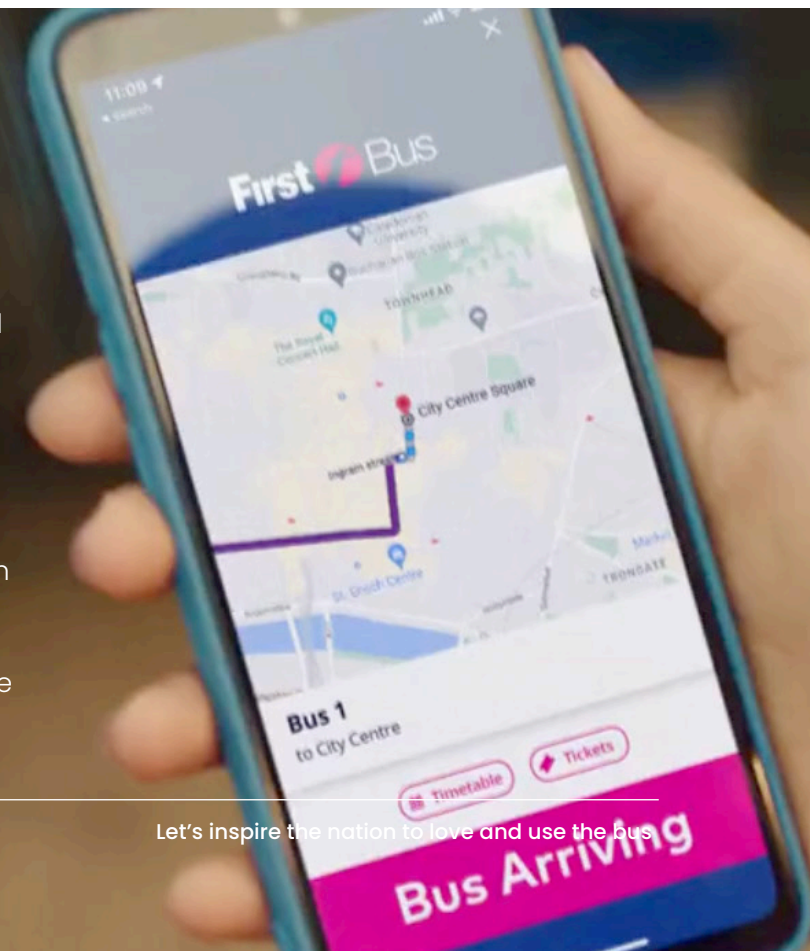
## The role of bus operators

Operators can invest in systems which allows a customer to create an account where different cohorts of people can receive discounted fares. This could work in conjunction with targeted funding.

## Case Studies

**1. First Bus offers 'Tap-On, Tap-Off' (also known as TOTO) ticketing on all services.** Customers use their contactless bank card/phone to pay for their fares which are calculated based on taps made when boarding and alighting the bus. Fares are capped at the price of a daily or weekly ticket. In Wales, TOTO allows First Bus to charge more granular fares, better reflecting the journey distance, which avoids pricing people out of shorter journeys. Additionally, First Bus trialled journey pricing, where a customer needs to change bus due to the makeup of our network, the fare reflects the direct distance to destination, offering better value for money and allows bus to compete against other modes of travel.

**2. Project Coral** will offer customers a seamless travel and payment experience across multiple operators. UK bus operators are working together with West Midlands Combined Authority to deliver multi-operator contactless ticketing. The system will process contactless transactions from different ticketing technology and financial processing environments. Department for Transport capital funding is supported by operators. The system will be deployed in the West Midlands in 2025. Operators anticipate quickly extending coverage across the UK. 65% of local authorities have committed support.



## 4. Retain customers with a consistently outstanding experience

After reliability and punctuality, customers prioritise a comfortable, safe on-board experience<sup>27</sup> supported by accurate information. Continuous improvements in accessibility features, better driver training and consistent and timely information are essential for bus services that meet the needs of all customers.

### Our ask of Government

To require local authorities to:

- Make improvements to bus stops and interchanges, to provide safe and accessible boarding and alighting facilities.
- Work with the bus industry to support common industry standards to deliver consistent and accurate information for customers across all channels.
- Provide accessible, well signed routes to and from stops and within interchanges.

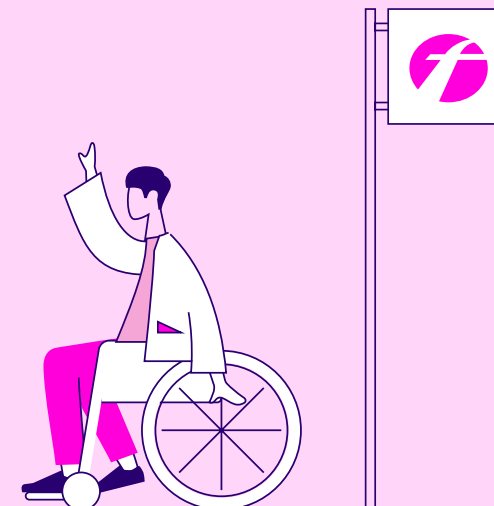
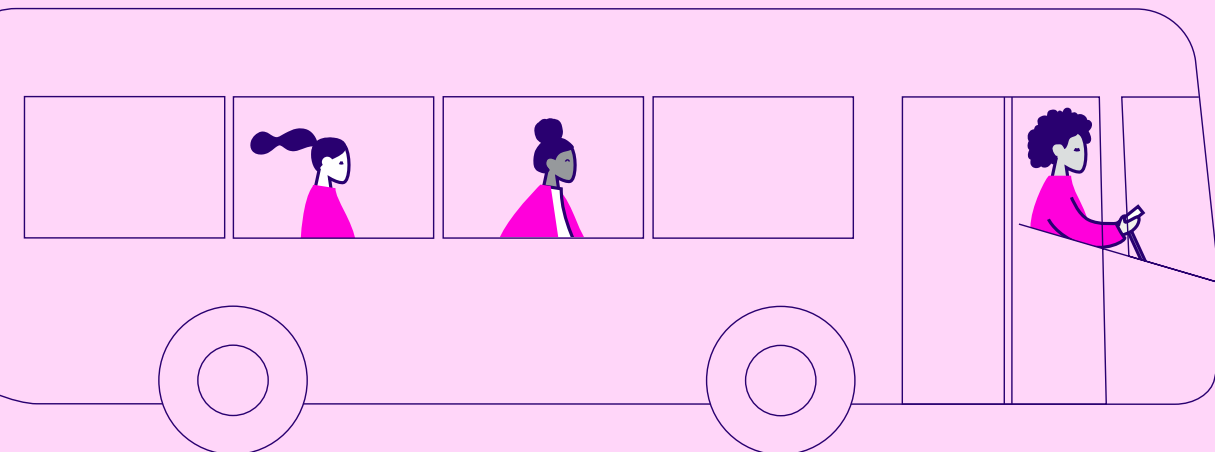
### The role of bus operators

Operators should ensure that staff training in customer service and disability awareness is continually updated. Separately, enhance bus fleets' comfort and accessibility for all customers.

#### Case Study

##### Driver training to better understand customer needs.

Bus operators need to know how to support customers with disabilities. Each First Bus driver and customer facing teams receive specialist customer needs training to understand customers with disabilities, including hidden disabilities, reduced mobility and sensory impairment, and specific needs to help them use the bus. We worked with Disability Action Alliance and Age UK and introduced "Extra Help to Travel" cards, which discreetly allows customers to let drivers know if they need extra assistance. These cards have since been adopted by the wider bus industry.





## 5. Showcase career opportunities and social mobility in the bus sector

The bus sector offers a range of rewarding careers, including in driving, engineering and core business functions. Over recent years, a severe bus driver shortage, affected operator ability to deliver services. Operators have invested in improved attraction, recruitment and retention, including fair remuneration and more inclusive work environments which have helped to address the shortages, if not entirely eradicate them. First Bus recently introduced new measures to improve recruitment and retention and driver shortages reduced from 12% to 6% over the course of 18 months.

Investment in a directly-employed workforce also reduces industry reliance on agency drivers which reduces service delivery costs.

The UK is also facing a shortage of engineers, which is further exacerbated by the age profile of qualified engineers. First Bus recruits engineering apprentices annually, developing skills for now and the future (eg zero emission vehicles) with emphasis on inclusion, such as improving gender balance. Whilst we have a strong track record of recruiting recent school leavers, a reform to the apprenticeship levy would enable us to better attract and reskill more mature candidates seeking a career change.

First Bus uses the apprenticeship levy for drivers and engineers. However, the system is slow and bureaucratic and needs an overhaul.

- gaining accreditation is onerous for large employers who must submit the same information multiple times for each business entity
- government assessment of multiple submissions can take three months, delaying programme launches and denying young people and colleagues wishing to reskill timely opportunities .



Rules around qualification for apprenticeship levy are extremely limiting.

- candidates must be UK resident for three years to qualify
- the eligibility requirement for maths and English is a further obstacle when targeting recruitment from particular socio-demographic groups.<sup>28</sup>
- candidates who have a university degree are ineligible, despite needing practical training to apply the theory they have already learnt.

### Our ask of Government

Apprenticeship levy reform should be undertaken in close consultation with the transport sector. The primary need for change is to ensure that the levy supports genuine social mobility and is made accessible to those with scarce STEM skills.

To facilitate rapid new driver training, government must quickly follow through on its 2024 commitment to allow trainee bus and coach drivers to complete off road training modules before they receive their provisional licences, and to drive any bus or coach service from age 18 once qualified.

### The role of bus operators

Operators need to remunerate employees fairly, across the entire organisation, including apprentices, and continually invest in their workforce and promote safe and inclusive working environments.



## Case Studies

First Bus is the UK's largest national bus operator to achieve real Living Wage employer status. This extends to apprentices and agency workers.

1. 'Route to Success' is a **free training programme that takes people with no bus driving experience and equips them with the skills to become professional drivers.** The programme is delivered by training provider Realise in partnership with Combined Authorities in West Yorkshire & South Yorkshire. In the last 12 months, the programme has delivered 77 candidates through to operator interview.

2. The First Bus Lifelong Learning initiative with Unite aims to **empower workers with the skills and knowledge that they need to succeed in today's rapidly changing workplace.** Now in its 23rd year, it is the longest running UK union/ employer learning partnership. From this year, First Bus will fully fund the scheme. The scheme offers both vocational and non-vocational courses is open to everyone, so that any worker, regardless of their position or seniority, can take part. To date, the scheme has helped employees 40,000 times.

3. The First Bus apprenticeship programme **grows vital engineering skills and provides social mobility opportunities.** We partnered with Reaseheath College in Cheshire to set up the UK's first bus and coach engineering academy for training apprentices on zero-emission vehicles.



## 6. Make bus the leading visible indicator of our green transition

The imperative to eliminate harmful emissions and decarbonise road transport is strong and urgent. It accounts for 27%<sup>29</sup> UK total greenhouse gas (GHG) emissions and 90% of UK domestic carbon emissions from travel. 57% of these emissions come from cars and taxis, and only 3% from buses (even diesel buses). Road transport is also a significant contributor to air pollution, particularly nitrogen dioxide (NO2) and particulate matter (PM).

Actively incentivising and accelerating the modal shift from private cars to buses tackles the economic cost of congestion, the environmental cost of pollution and the social cost on public health.

### Our ask of Government

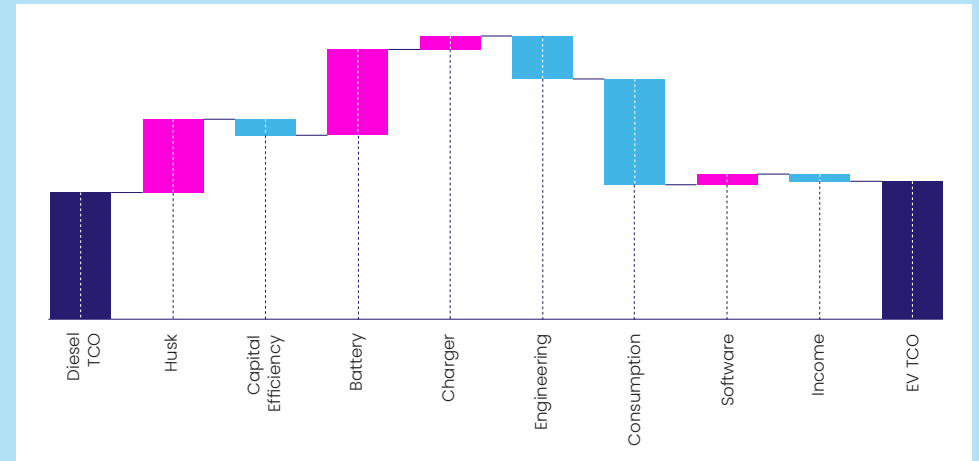
The higher capital cost of decarbonised depots and fleet compared to maintaining diesel operations means that funding is necessary. Recent capital funding competitions (ZEBRA in England and Suleb/Scotzeb in Scotland) have been useful to kick start the zero emission bus transition, but they have also created winners and losers, been timed irregularly, and bidding processes have been resource intensive for LTAs and operators alike.

Capital funding may be needed for the complex and expensive upfront zero emissions infrastructure investments. Removal of capital funding competition cycles for procurement of vehicles, and adoption of a revenue model would offer suppliers a more consistent pipeline and potentially improve vehicle pricing. We recommend Bus Service Operator Grant (BSOG) revenue funding through the life of the vehicle.

The chart shows higher capital costs and lower operating costs for electric vehicles and infrastructure. The total cost of ownership over the life of the electric vehicle, for now, is a little more expensive than diesel.

### The role of bus operators

**Invest,** Government funding and supportive regulation can leverage significant investment from private sector partners. The private sector is well positioned to secure the high upfront capital investment needed



to invest in a zero-emission fleet, and in a tight fiscal environment, it makes sound economic sense for private sector partnership to drive best value from taxpayer investment. For example, to date, First Bus has invested £238m in decarbonisation, with government funding of £128m, meaning that every £1 of public money has generated nearly £2 of First Bus investment.





The private sector can also spread investment benefits to local communities. First Bus is the UK's first bus operator to offer access to its electric vehicle charging infrastructure to other businesses, for example to DPD, Openreach and Police Scotland and smaller transport operators Ember and West Coast Motors. We have also recently opened a public charging facility in Cornwall.

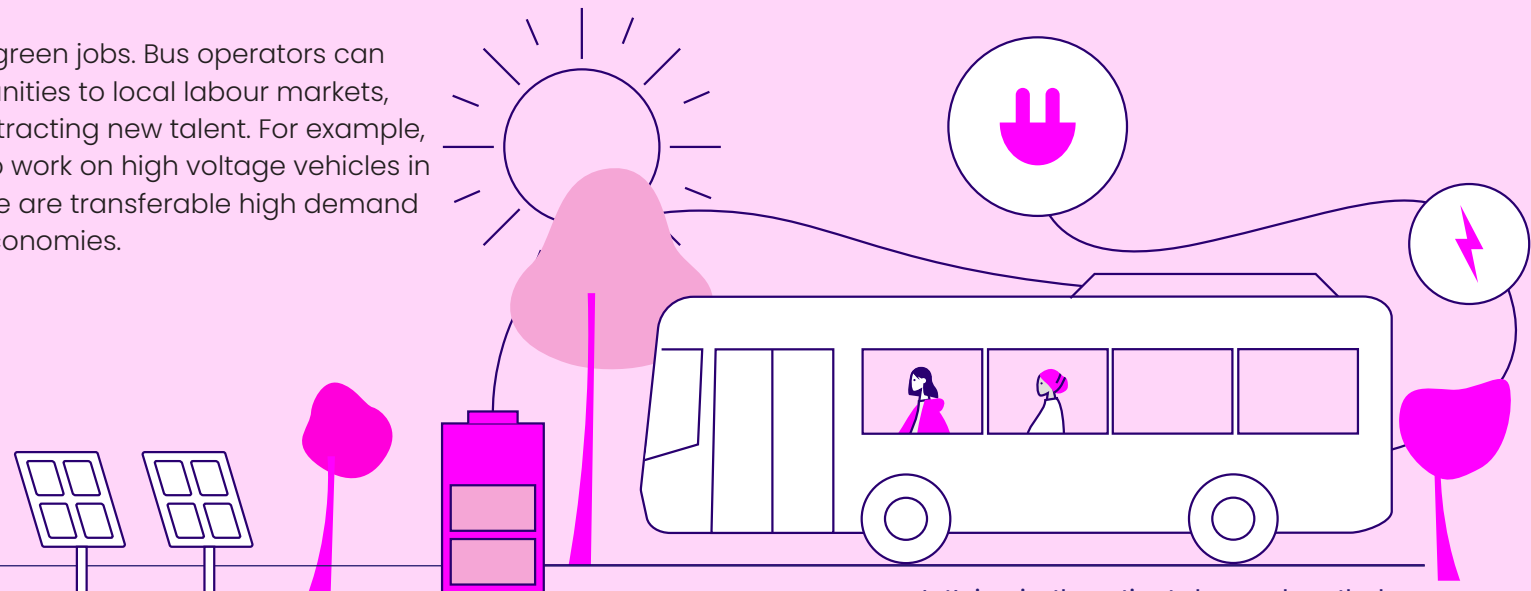
Solutions require investment from both public and private providers, and the proposed models work in any form of governance. It is important to note that areas considering franchising of bus services may prevent interim private investment in those areas driven by the uncertainty of future use of, and value from, new assets. In this scenario a rational investor will focus on areas where they foresee a full life of return from an asset.

**Share expertise** Operators have the expertise to implement complex programmes to time and to budget. This expertise can be shared with public sector partners to increase overall capacity and capability to electrify depots. For example, First Bus recently worked with TfGM to electrify the Oldham depot prior to its Tranche 2 franchise mobilisation.

**Training and skills** Bus sector jobs are green jobs. Bus operators can bring high quality employment opportunities to local labour markets, by upskilling existing colleagues and attracting new talent. For example, engineering teams must be upskilled to work on high voltage vehicles in advance of EVs arriving in depots. These are transferable high demand skills which support local low carbon economies.

## Case Studies

1. First Bus works in partnership with the City of York Council and together we have replaced the entire fleet of 86 vehicles with electric buses. The depot is on track to achieve net zero status later in 2024. Customer numbers have increased by 11% on pre-pandemic levels.
2. First Bus is collaborating with local electricity distribution network operators (DNOs) by establishing timed connection agreements. These agreements only allow First Bus to draw power from the grid during nighttime hours when the buses are charging and subsequently can **reduce the costs of power upgrades and network expansion versus a 24-hour guaranteed power supply.**





## 7. Ensure the operating model for bus best meets local needs

It is right that decisions over how buses are governed are devolved. Local community needs are different and so one size does not fit all in terms of governance arrangements. Different areas may be franchised, have an enhanced partnership, an enhanced partnership plus or in Scotland, a Bus Service Improvement Plan in place.

Franchising can provide value for money, stability, and reliability where local authorities have the necessary funding, capacity and commercial skills. Equally, mutual objectives can be achieved quickly where there is a strong collaborative partnership approach between authority and operator, and effective performance incentives are in place.

A range of franchising options can be adopted. Models where authorities take on all costs through asset ownership, as well as all revenue risk, give the authority greater control but are costly to the taxpayer and take longer to implement.

At the other end of the spectrum, authorities can set service standards, and enable operators to take on more commercial and investment risk. This reduces cost for a combined or local authority as more responsibility transfers to the operator. It potentially also creates opportunities to benefit from increased capital investment, procurement economies of scale, and commercial operator expertise and innovation.

First Bus experience is that partnerships are extremely effective, allowing operators to leverage their capital to invest locally, in support of local objectives.

### Case Study

In Leicester, the enhanced partnership plus scheme between the City Council and operators, **increased bus use by more than 20% in a single year** on First Bus routes, through a series of measures including bus priority schemes, electrification of the fleet, real-time information and improvements to bus shelters. The scheme aims to increase bus use overall by 25% by 2025 and 40% by 2030.

### Our ask of Government

It is right that bus policy is devolved – local community needs are different and local authorities need to consider carefully what works best for them and their networks.

### The role of bus operators

Bus operators need to be open and flexible in their approach to working with Local Transport Authorities in every regulatory environment to deliver the best outcomes for customers, and to ensure best value for taxpayer investment.



## References

- 1 INRIX 2023 Global Traffic Scorecard:
- 2 As reported by PTEG / Urban Transport Group, Transport works for growth and jobs, 2014
- 3 CPT, Moving Forward Together
- 4 KPMG, an Economic Evaluation of Local Bus Infrastructure Schemes, 2015
- 5 Institute for Transport Studies, University of Leeds, Buses and Economic Growth, 2012
- 6 University of Leeds, Buses and the Economy 2; 2014
- 7 First Bus Heartbeat Passenger Survey
- 8 UK Government, Net Zero Strategy: Build Back Greener, 2021
- 9 First Bus analysis
- 10 Campaign for Better Transport  
<https://bettertransport.org.uk/take-action/travel-sustainably/>
- 11 Leeds's transport emissions 2021: 1.43 million tonnes CO2, BEIS  
<https://naei.beis.gov.uk/laghgapp/>
- 12 Centre for Cities, How can UK cities clean up the air we breathe? 2018
- 13 First Bus analysis
- 14 Left Behind Neighbourhoods APPG 2021
- 15 Transport Focus, Your Bus Journey 2023 results, 2024
- 16 First Bus, Heartbeat survey
- 17 First Bus analysis
- 18 Transport Focus, as above
- 19 Department for Transport Annual Report and Accounts 2022/23 p.27 demonstrates the relative investment in bus, in comparison to rail and highways
- 20 First Bus analysis
- 21 First Bus analysis
- 22 First Bus analysis
- 23 As above
- 24 UK Government, Driving licences and access to vehicles, 2024
- 25 University of Oxford, University of the West of England, Young People's Travel – What's Changed and Why? 2018
- 26 First Bus analysis
- 27 Transport Focus and First Bus surveys, as above
- 28 Professor Steve Strand, Ethnic, socio-economic and sex inequalities in educational achievement at age 16, 2021
- 29 [Transport and environment statistics: 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

