

CONSIDERATIONS FOR GOVERNMENT

The Confederation of Passenger Transport has produced a pair of challenging manifestos for the next government to meet, in order to best assist the bus and coach sectors. **JAMES DAY** reports from the organisation's annual conference

With a UK general election expected this year, unless it is pushed back to the absolute latest possible date, topics at the Confederation of Passenger Transport (CPT) conference and annual dinner event leaned heavily on politics. Much of the discussion centred around what the priorities of the next government should be.

The CPT launched a pair of manifestos, one each for bus and coach, aimed at influencing the priorities of the next government.

Manifesto for buses

The bus manifesto put forward by the CPT called for partnership between central government, local government and the private sector. It claimed the strategy "maximises the value for money of public funding by leveraging private sector investment and creating a sustainable, virtuous cycle of growth".

The bus manifesto carries a six-point plan:

1. A five year funding settlement

A recurring issue since the Covid-19 pandemic has been long-term funding support. Repeatedly, Buses has carried news stories about eleventh-hour extensions to support, as passenger numbers were consistently below pre-pandemic levels. This constant "cliff edge" situation led to many unnecessary service cancellations from bus operators, who were often unwilling to take the risk that services no longer commercially viable would receive support.

According to the CPT, £400m per year is spent directly on supporting bus services, through payments to operators and councils. It said: "a clear future stream of income will build confidence. It will enable, for example, operators and councils to develop new routes over a period of two-three years, giving them time to grow and become sustainable in a way which wouldn't be possible within a single year."

The organisation stated that the government would receive better return on its investment by allowing longer-term spending plans, pointing out that the rail industry already enjoys a five-year spending plan. It added that an updated reimbursement mechanism for free travel by older and disabled people should be included in such a plan, to reflect post-pandemic travel patterns.

2. Keeping fares low

Much of the positive mainstream news about the bus industry recently has centred on the £2 fare initiative. Broadly, the scheme appears to have been successful, with many operators reporting impressive growth on some of their services. However, plenty of bus companies have been hesitant to adopt the voluntary £2 fare, and others have said it has limited use for regular commuters, who already purchase discounted long-term tickets. There has also been plenty of discussion about an exit strategy - how can the scheme be taken away again?

The CPT argues that it is likely there will be ways of helping passengers through methods offering better value for money. The £2 fare scheme represents a substantial annual investment of at least £350m.

"The next government should continue to support passengers from January 2025 with a package of targeted measures that support sustainable modal shift," CPT said.

3. National and local targets to increase bus speeds

Bus speed targets is something the CPT has been campaigning for for some time. Though this is usually tied to congestion, recent developments in Wales have shown how important it is to consider the speed of bus services. The 20mph imposed across most of Wales, well-meaning as it may be, has resulted in many service adjustments or cancellations from operators forced to come to terms with their services taking as much as 50% longer, and therefore requiring more resource to maintain the same frequency.

"Slow buses cost us all: they increase operating costs for operators, soaking up money which could be invested in more services; waste bus passengers' time; and deter others from taking the bus at all," CPT said.



CPT claimed the average bus now travels at just 10.7mph, and even more slowly in congested urban areas. It argued reversing the trend is still possible, and would be transformational for the industry, with a 10% increase in bus speeds expected to increase passenger numbers by 2.5% and reduce operating costs by 8%, a cost saving “which operators will work with councils to reinvest in local services.” The organisation also claimed the improvement would save the average household £400 a year in transport spending.

It asked the next government to set and monitor a target for all local transport authorities to increase bus speeds by 10% over the lifetime of the next parliament.

4. A new statutory definition of essential bus services

While not stating what such a new definition should be, CPT asked for a new statutory definition for essential bus services, highlighting that “56% of lifeline services covering 180 million miles per year had been lost since 2009/10.”

It added: “Too many people in rural areas and small towns lack access to the transport services they need to participate fully in the workforce and their community. Bus services which cannot be run on a commercial basis can be supported by councils, but declining budgets and competition with statutory priorities such as education and adult social care mean that funding has declined.”

5. A government-industry partnership to drive the transition to a zero emission bus network

Similar to its criticism of support for services post-Covid, the CPT said funding for zero-emission vehicles has been “stop-start” and has “held back manufacturers’ production plans and operators’ purchasing decisions.”

While it said government investment leverages private sector investment, citing the recent ZEBRA funding scheme as an example, it said every £1 of central government investment attracted around

£1.20 of private sector investment. While this does mean operators are more than meeting the investment given to them, it also shows that a significant proportion of zero emission fleets are still being paid for by the taxpayer, raising the question of when operators will consider electric buses as a viable commercial investment without support.

The CPT appears to be looking to the government to leverage the UK’s bus manufacturing sector, using subsidy to allow Britain to “lead the world in manufacturing, operating and engineering a zero emission bus network.” It asked for a five year £1bn investment programme to “leverage more private sector investment in new vehicles and put us on track to a zero emission fleet by the middle of the next decade”, aligning with the current government’s delay to 2035 on net zero.

6. A workforce strategy led by industry, supported by government

While the driver shortage in the bus and coach industry is not as severe as it was at its peak, CPT estimates almost 7% of roles in the industry remain vacant, despite record levels of recruitment and record investment in training and apprenticeships.

Suggesting ways the government can help, the CPT asked for the removal of red tape, the endorsement and amplification of its campaigns and collaboration to reform apprenticeships and ensure Jobcentres work with local operators.

“The next government should put its full support behind an industry-led strategy to develop the workforce the sector needs to grow and to prepare for the zero emission future,” it concluded.

Supporting the coach sector

Alongside the bus manifesto was a similar document for coaches. CPT argued that “maintaining easy and fair access to all the places passengers want to get to and a fair deal for the sector when it is called on to deliver wider policy aims” was essential to the coach industry’s future.

The coach manifesto offered a five-point plan:

1. Getting coach travel in local transport plans

Local authorities and politicians are often particularly uninformed when it comes to the coach industry. Asked about it, they tend to speak about the likes of National Express, Megabus and Flixbus, who, with their timetabled long-distance express routes, have more in common with buses than the rest of the coach industry.

The CPT acknowledged this, stating: “At best, [local transport plans] simply consider access for long-distance scheduled services to bus and coach stations.”

It asked that the next government impose a statutory duty on local transport authorities to collect data on the current and potential coach market, while requiring authorities to consider appropriate drop-off/pick-up and parking facilities in their plans.

“Local authorities should be guided to ensure that bus priority measures are available to coaches, unless there is a specific reason to exclude them, and to provide clear information about coach facilities,” it added.

2. Fair access to clean air zones

Both bus and coach operators have long expressed frustration at being seen as an easy target for the initial rollout of clean air zones, despite being far from the worst offenders. With the coach industry’s history of being under the political radar, it arguably suffers the worst.

CPT claimed: “Carbon emissions of modern coaches are six times lower per passenger than private car travel.”

“Operators seeking support to upgrade their engines to modern standards face a postcode lottery of local funding schemes. A better approach would be to recognise the air pollution benefits that coach travel can bring and maximise the role of coaches.”

It called for a new class of clean air zone which enables councils to charge vehicles with a heavier pollution footprint, while

LEFT: What will the next government do for coaches and buses? Go-Ahead London New Routemaster LT511 (LTZ 1511) passes through Parliament Square in coronation livery. MARK LYONS

CPT CEO Graham Vidler (left) relays questions to shadow local transport minister Simon Lightwood. CPT



exempting coaches. It also asked the government to establish a national fund to support operators with upgrading their engines.

3. A national strategy for net zero coach travel

Although very few coach operators have begun to transition to zero emission, the CPT made the bold claim that coach travel is “the greenest way of travelling across the country, with lower greenhouse gas emissions per passenger than any other mode.”

It acknowledged significant barriers to change in how coaches are powered, and asked the next government to publish a net zero strategy for coaches, including key dates and measures.

It said such a strategy should include government investment in zero emission refuelling and recharging infrastructure suitable for coaches, investment in research and development to improve vehicle range and an interim fuel duty incentive for low carbon fuels until zero emission operation becomes viable.

4. A straightforward approach to accessibility

The rollout of Public Service Vehicles Accessibility Regulations (PSVAR) feels endless when it comes to the coach industry. One side is frustrated that operators have been given ample time to adjust their fleets and have not done so, the other argues such changes are unhelpful, unnecessary and impose a disproportionate and unfair financial burden on coach operators.

CPT claimed PSVAR legislation is too complex. It gave the example of a school child’s entitlement to travel with a wheelchair being dependent on whether or not the school or council procuring the service charges any parents for travel.

“We need a clearer definition of PSVAR, which gives disabled people confidence in travelling inclusively, whatever their journey, and gives operators absolute clarity over the need to invest in suitably-adapted vehicles,” it said.

It asked that the next government simplifies PSVAR to ensure all ‘open door’ coach services (where passengers are not known in advance) are operated by fully accessible vehicles, while ‘closed door’ services (where passengers are known in advance) provide an accessible vehicle where a passenger requests it.

5. A workforce strategy led by industry, supported by government

The CPT made a similar request to that in its bus manifesto regarding the shortage of drivers. The only major difference between the two manifestos was the acuteness of the driver shortage in the coach industry.

The CPT claims this remains twice as bad as the bus sector, with 14% of driver roles currently vacant.

Buses minister’s short address

Both the buses minister, Guy Opperman, and the shadow local transport minister, Simon Lightwood, were invited to speak at the CPT’s conference, but Opperman



CPT is asking for a £1bn investment programme to increase investment in zero emission vehicles. First Aberdeen Wrightbus StreetDeck Hydroliner 39701 (SV70 BWK) on Aberdeen city service 13 from Seaton to Scatterburn. MARK BAILEY

could only provide a two-minute video address. The bulk of this was devoted to highlighting positive work the industry is doing and existing government schemes, which most in the room would have already been aware of.

He claimed that Network North, the government’s transport policy born out of the cancellation of the northernmost section of HS2, would provide the industry with a further £1bn of funding. He also said the government is progressing long-term systemic reforms on the Bus Service Operators Grant and the Concessionary Travel Scheme, though he provided no details.

“I believe 2024 promises to be a year filled with progress and innovation for the country’s favourite mode of public transport, and I look forward to working with you to provide better services for passengers, drive up growth and reach our shared ambitions,” he concluded.

Pitch of the opposition

Shadow transport minister Simon Lightwood returned for a second year, speaking for around 10 minutes and answering 15 minutes of pre-submitted questions. During the period of questions, he took a swipe at his Conservative counterpart, claiming should he be in power in the next government, “you won’t receive any recorded videos from me”.

He said that should Labour be successful in the next general election, “we have ambitions to step into a new era of national renewal”.

He highlighted declines in bus mileage and bus routes, and claimed the government’s promise of 4,000 new zero emission buses by the end of the parliament was “woefully off target”. He called Network North a “half-baked wishlist of re-announcements, errors and projects which have already been completed.”

“As the shadow minister for light rail, as well as buses, you can imagine my surprise when Network North proposed to extend Manchester’s Metrolink to Manchester Airport, despite the fact it had already been built in 2014,” he commented.

Around halfway through the speech came the phrase “take back control”, as Lightwood reiterated plans to expand

franchising powers beyond the current limitation of mayor combined authorities, and lift the ban on the creation of new municipal bus companies. He claimed Labour’s plans are “the biggest, most ambitious reform to the bus network for 40 years”.

“Smart ticketing, integrated transport systems and state-of-the-art electric buses shouldn’t just be reserved for London, or just the biggest city regions across the country,” he said.

He claimed wider adoption of franchising would secure the long term viability of the industry, through the stability of franchise contracts, which he argued would provide the necessary certainty for long-term investment.

Lightwood concluded by stating his door is always open for engagement with the sector. He encouraged coach and bus operators, as well as manufacturers, to get in touch about how they could work with him in government to support the sector.

“I genuinely want my diary to be even more jam-packed than it already is,” he mused.

Difficult economic circumstances

A standout, if bleak, presentation came from David Leeder, managing partner of Transport Investment Limited at former FirstGroup UK Bus managing director. The detailed talk examined many aspects of the UK economy, and made it clear that significant investment in the bus industry will be difficult to ask for.

He said the effects of Covid-19 on the economy were “comparable to a world war”. Combined with the current wars in Ukraine, Gaza and potentially Yemen, as well as inflation, “demand has changed in fundamental ways. This is a very unusual situation”.

While the UK remains the sixth biggest economy in the world, he noted that this is a “poor measure” of wealth and the ability of the state to pay.

In terms of GDP per capita, which Leeder claimed is a better measure of economic wellbeing, the UK falls closer to 20th once outlier tax haven states like Monaco are excluded. When broken down further into individual UK regions, many areas in the UK fall behind central European countries. ➔

Public spending as a percentage of GDP is already extraordinarily high, after a peak at the height of the pandemic at 53%. It currently stands around 46%, which is a similar level as during the banking crunch of 2008 and energy and public debt crisis of 1973. This means it will be difficult for any government to increase public spending further.

Debt is also high, with net debt interest standing at 9% of public spending. This is more than double the entire transport budget, which stands at 4%, and despite historically low interest rates. Even with the recent rises against inflation, interest rates are now low by historic standards. They were above 5% pre-2001, and peaked at 17% around 1980. UK debt is now over 100% of GDP and amongst the highest in the world.

Because the UK debt is so high, it is hard to increase spending by selling more debt.

Leeder than posed the question of whether taxes could be raised, and highlighted that levels of taxation are already very high historically. Tax yield is approaching 38% of GDP. Only during Harold Wilson's tenure as prime-minister in the late 1960s, and the period shortly after the Second World War, have tax yields been higher than today.

Turning to employment, Leeder highlighted the massive growth on long term sickness as a reason for economic activity post-Covid. He also showed a spike in inward migration, which almost 50% higher now than at the time of the EU referendum. You claimed that "a large percentage" of these migrants are "family dependents and students, not job-seekers".

He also appeared to criticise emissions being the "main driver of elite policy thinking across the parties", stating that the UK produces less than 1% of global CO2 emissions and has been the best of all G20 countries in reducing emissions from peak levels. However, he noted that the UK has "exported" carbon-intensive activities like steel production to China and India.

Presidential reflections

At the CPT's annual dinner, the handover of the CPT presidency was formalised, with outgoing president Ralph Roberts saying farewell to the role.

Reflecting on his time at the helm, the McGill's Bus Group CEO said: "We have seen incredible political turmoil. There have been multiple prime ministers and secretaries of state, we have had interest rates and inflation doing their best to choke off the recovery of our sector and staff shortages on a scale that we last saw many many decades ago."

He highlighted some positives seen during his time in the role. He said BSIPs had been brought in by a "PM who knew what it took to make buses successful", but had underestimated the slow pace of change in national government. He also praised the £2 Flat Fare, admitting that it is not universally liked by bus operators but adding "I'm yet to hear a negative from a bus user's perspective. Also, the £2 flat fare caught the imagination of the public

and the media alike. We need to learn from that."

While not willing to call the transition to the Bee Network in Manchester a positive, he did say he hopes it is a success for the people of Manchester.

Another highlight for Roberts was the free travel for under 22-year-olds in Scotland. He also commented that the coaching sector has enjoyed a strong 2023, "against all odds."

He added: "During the pandemic I had a hope. A hope that society would take stock of its priorities. That we would all walk more and rely less on cars. I still have hope, but it is going to take a long time to put right the decades of inaction, under funding and transport policy blunders by successive governments – local and national."

"As an industry, we have prevailed through incredible change, and we will continue to prevail."

Paul Lynch takes the helm

Stagecoach London managing director Paul Lynch was announced as the next CPT president in November, and formally took over from Ralph Roberts at the event. He has worked in the industry for 40 years, beginning as a London Transport graduate trainee. Stagecoach purchased the company he was working for 30 years ago, and he has spent 25 of the years since as a managing director for the company in various locations.

He said he has always been a strong proponent of partnerships. "In the endless debate about the commercial model, it's often forgotten that it was actually designed to ensure both commercial and socially necessary services thrived," he said.

"What broke was the funding required for those socially necessary services needed to increase, when in reality it did the opposite."

He said the pandemic has shown that "the commercial model can break." He said the bus industry is grateful for the support it has received, though he noted the lack of it for coach operators.

On the franchising debate, he commented: "People like me will keep saying, as it's true, you can have something virtually the

same as franchising, quicker, cheaper and at less risk through partnerships. We'll also keep saying, whatever the regulatory or ownership structure chosen, what will actually help our customers most is road priority.

"For many years lots of people have been saying they 'want what London has'. But it's previous success is down to unique factors. And now, well, London has insecure and arguably insufficient funding which is guaranteed for a much shorter time period than other mayoral authorities - and it has slowing buses, worsening congestion and fewer customers. So be careful which bits you wish for."

Lynch commented that in London, the CPT "hasn't been that strong historically, but there are reasons like this why it should be, especially now."

He had choice words about politicians in this election year. He described the comments of a councillor in Bourton on the Water, where attempts are being made to prevent coaches from parking, as ignorant. "It's depressing that some politicians still think like that and it shows there is still plenty of work for us to do," he said.

He said he has generally found politicians to be "okay" one to one, where they will engage to understand our issues, but said there is a "recent trend in politics for politicians to take a position that you know they know is counter to 'the right one', or the one they really believe in, for the sake of a supposedly populist position". He highlighted the London mayor and government "blaming each other shamelessly for things that they did or believed until recently".

Concluding his address, he said: "I joined the industry not because I was interested in buses – I wasn't particularly – but because I wanted to spend my working life doing something useful rather than, say, flogging stuff to people that they don't need. Public transport... is providing a vital service.

"I used to be a bit embarrassed to share this personal motivation, but increasingly I find it's a shared one and spoken of. So, let's be proud of what we all do, and in this coming year let's do it even better." ■



One of the biggest beneficiaries of the £2 fare scheme is Transdev's Yorkshire Coastliner service. Volvo B5TL Wright Gemini 3 3643 (BN68 XPS) promotes the scheme. DANIEL STAZICKER