

# Bus Industry Costs in June 2024

Confederation of Passenger Transport  
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# 1. Introduction

## 1.1 The Purpose of this Document

1.1.1 This document reports on the survey of bus operating members of the Confederation of Passenger Transport (CPT) undertaken in August and September 2024. It also provides revised data for earlier surveys following resubmission of corrected returns, specifically affecting data for February 2023, June 2023 and February 2024.

## 1.2 Methodology

1.2.1 Members were requested to supply operating statistics and cost data for a representative week during June 2024, by completing a spreadsheet template. The design of the template and the nature of the data requested was the subject of extensive consultation with CPT members during the autumn of 2022, at the start of this ongoing project.

1.2.2 The responses were transferred into a database format to assist with the analysis process and this report provides an analysis of the data supplied. The data itself was supplied on the basis of strict confidentiality and individual responses are not disclosed by the analyst to anybody and will not be published. An example of the template is provided in Appendix A. More detail about what is included under each cost heading can be found in Appendix B.

## 1.3 Responses

1.3.1 Data was supplied for a total of 55 operators across the country. They are spread across all regions and nations, and between them operated 20,778 peak vehicles. This represents 60% of the total local bus fleet in Great Britain, as recorded by the Department for Transport at March 2024<sup>1</sup>. Looking at distance operated, respondents accounted for 82% of the national total for 2023/24<sup>2</sup>. Outside London, the fleet represented was 16,095, 62% of the total and covering 85.4% of the total kilometres operated. The details are shown in Table 1.1 below.

**Table 1.1: Response Rate by Fleet Size & Km Run, Main Market Segments**

Market Segment	Fleet Size per DfT	PVR in this return	% included	KM Run per DfT (million)	Annual Km from survey	% included
Greater London	8,704	4,683	53.8%	453	320	70.6%
English Mets	7,605	5,558	73.1%	399	441	110.5%
English Shires	13,481	7,544	56.0%	771	616	79.9%
England	29,790	17,785	59.7%	1,623	1,377	84.8%
Scotland	3,452	2,296	66.5%	272	182	66.9%
Wales	1,370	697	50.9%	80	60	75.5%
GB O/S London	25,908	16,095	62.1%	1,522	1,300	85.4%
ALL GB	34,612	20,778	60.0%	1,975	1,619	82.0%

<sup>1</sup> Annual Bus Statistics 2024, Department for Transport, Sheet BUS06

<sup>2</sup> Ibid, Sheet BUS02km

1.3.2 We therefore believe that the results offer a representative sample of the industry as a whole, and for each of the main local bus market segments.

1.3.3 Every effort is made to verify the logicality, consistency and structure of the data supplied on arrival. However, this report is of necessity an analysis of data supplied by third parties, and neither 2FM Ltd nor CPT can therefore warrant the accuracy of the inputs that were received.

## 2. Industry Cost Structure

### 2.1 Introduction

2.1.1 The returns permit us to examine the structure of industry costs, i.e. the relative importance to the total of each individual heading. We can compare these with the previous breakdowns supplied by the *Bus Industry Monitor* project.

### 2.2 The Analysis Results

2.2.1 The figures for Great Britain outside London for June 2024 are shown below in Figure 1 and can be compared with the same breakdown for the four previous periods, which are shown in the graphs at Figure 2 below. Note that to aid legibility, the “Ownership” heading includes depreciation and leasing charges, and “Overheads” includes semi-variable costs.

2.2.2 The figures that underly each of the charts are shown in Table 2.1 below.

**Table 2.1: Movements in Bus Industry Cost Structure since 2022**

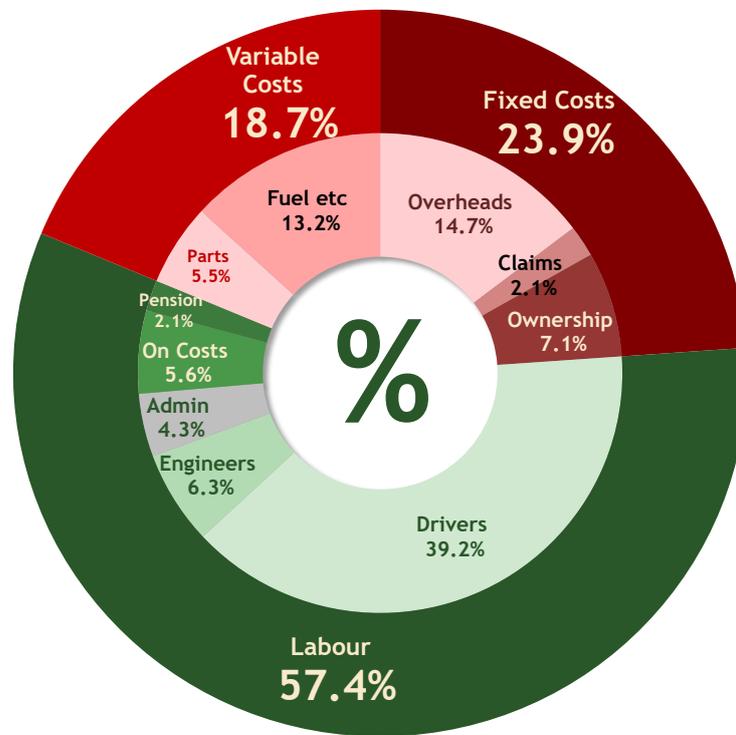
Great Britain outside London

	Mar-2019	Feb-2022	Jun-2022	Feb-2023	Jun-2023	Feb-2024	Jun-2024
<b>Fixed &amp; Semi-Variable Costs</b>							
Overheads	11.4%	13.5%	14.9%	15.6%	14.2%	15.2%	14.7%
Claims	2.5%	2.5%	2.6%	2.2%	2.2%	2.5%	2.1%
Dep'n & Leasing	8.9%	7.7%	7.5%	8.0%	7.6%	7.3%	7.1%
<b>Labour Costs</b>							
Drivers	41.2%	35.3%	35.3%	36.3%	37.5%	37.5%	39.2%
Engineers	5.4%	6.5%	6.6%	6.4%	6.3%	6.6%	6.3%
Mgt & Admin	4.6%	4.5%	5.0%	4.6%	4.7%	4.2%	4.3%
On Costs	4.8%	5.8%	5.7%	4.3%	4.8%	4.8%	5.6%
Pensions	3.4%	2.6%	2.4%	1.8%	2.0%	2.1%	2.1%
<b>Variable Costs</b>							
Parts	4.1%	6.5%	6.2%	6.5%	6.7%	5.7%	5.5%
Fuel etc	13.7%	15.0%	13.8%	14.3%	14.1%	14.2%	13.2%
<b>Summary</b>							
Fixed Costs	22.8%	23.7%	25.0%	25.8%	23.9%	24.9%	23.9%
Labour	59.4%	54.7%	55.0%	53.4%	55.3%	55.1%	57.4%
Variable Costs	17.8%	21.6%	20.0%	20.8%	20.8%	19.9%	18.7%

2.2.3 As can be seen, labour costs have continued to dominate the picture throughout the periods, albeit to a slightly lesser extent than in 2019. They accounted for 57.4% of the total, up from the February 2024 figure of 55.1%, and in line with previous surveys.

- 2.2.4 Drivers form the largest component, accounting for 39.2% in June, the highest proportion so far in the survey series and up from 37.5% in the previous two surveys. Adding in other labour costs, including Employer’s NI, Employer Pension Contributions and other on costs, takes the proportion to 45.2%, up from 42.8% in the February 2024 survey.
- 2.2.5 Direct vehicle operating costs account for a further 18.7%, down from 19.9% in February 2024. The largest component is fuel, oil and tyres on 13.2% - the lowest proportion in the survey series. The engineering costs fell again, and now constitute 5.5% of the total, down from over 6% in the 2022 and 2023 results.
- 2.2.6 Fixed costs account for the balance of 23.9%, in line with the three previous surveys and well below the 25.8% recorded in February 2023.

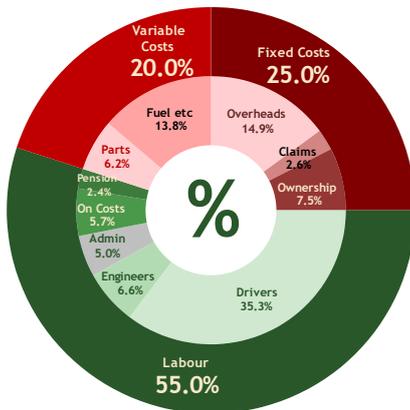
**Figure 1: Breakdown of Bus Industry Costs, June 2024**  
Great Britain outside London



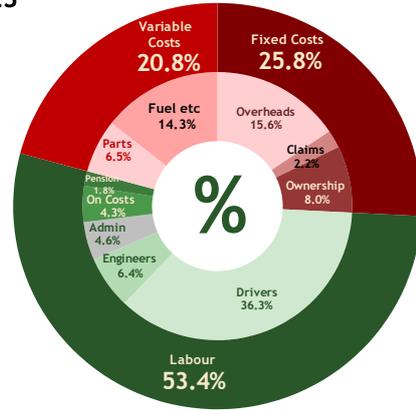
**Figure 2: Breakdown of Bus Industry Costs, June 2022-February 2024**

Great Britain outside London

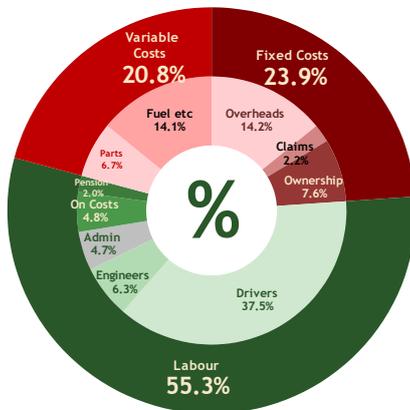
June 2022



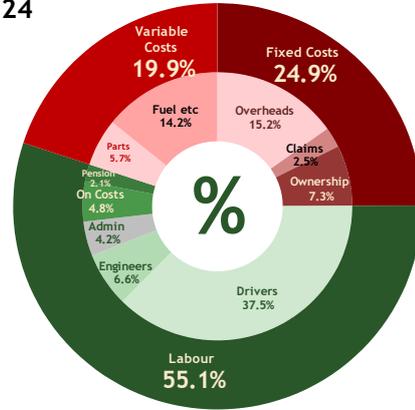
February 2023



June 2023



February 2024

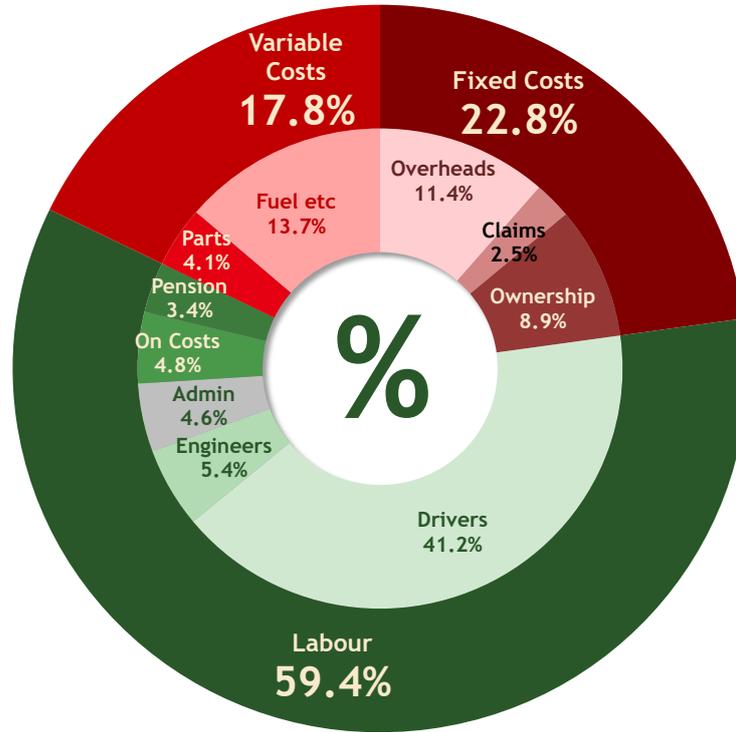


## 2.3 Comparisons with the Past

- 2.3.1 The figures above can be compared with the last set produced in 2020, covering the financial year 2018/19, based on an analysis of statutory accounts alongside the CPT cost index. The published breakdown for that year can be seen in Figure 3 below. There may be minor differences in the treatment of individual cost headings, such as employee on costs (including NHI), but the comparison is still of interest.
- 2.3.2 As can be seen, there have been some significant shifts, as the proportion taken by labour costs has fallen from over 59% down to the 51-55% range. This does not reflect any reduction in labour costs, however, merely that other elements of the mix have increased at a faster rate.

Figure 3: Breakdown of Bus Industry Costs, 2018/19<sup>3</sup>

Great Britain outside London



<sup>3</sup> Source: 2FM analysis of Bus Industry Monitor database, courtesy of Passenger Transport Monitor

## 3. Changes in Cost Levels

### 3.1 The 2024 Survey Results

3.1.1 The returns enable us to provide a picture of operating costs in the different regional and sector markets. The percentage increases in each sector for each main cost category are shown in Table 3.1 below, followed by the same for each English region in Table 3.2.

**Table 3.1: Changes in Principal Unit Costs by Sector (%)**

June 2023 to June 2024

% changes	English Mets	English Shires	Scotland	Wales	GB o/s London	London	All GB
Running Costs	(1.1%)	(0.0%)	21.8%	2.1%	2.7%	(3.1%)	1.6%
Dep'n & Leasing	4.0%	6.5%	(5.7%)	19.5%	4.5%	2.1%	4.2%
Labour	9.8%	9.6%	9.4%	20.3%	9.8%	2.3%	8.0%
Engineering	(5.3%)	(6.6%)	(31.4%)	(46.6%)	(12.3%)	13.4%	(6.8%)
Semi-Var. Costs	(14.0%)	(16.2%)	(12.1%)	30.3%	(11.8%)	(41.3%)	(18.6%)
Claims/Insurance	0.6%	3.6%	51.9%	15.7%	8.4%	64.5%	22.9%
Overheads	27.6%	27.0%	9.6%	(5.4%)	23.2%	55.2%	26.6%
<b>Overall</b>	<b>7.9%</b>	<b>7.0%</b>	<b>0.1%</b>	<b>3.2%</b>	<b>6.2%</b>	<b>2.8%</b>	<b>5.2%</b>

**Table 3.2: Changes in Principal Unit Costs by English Region (%)**

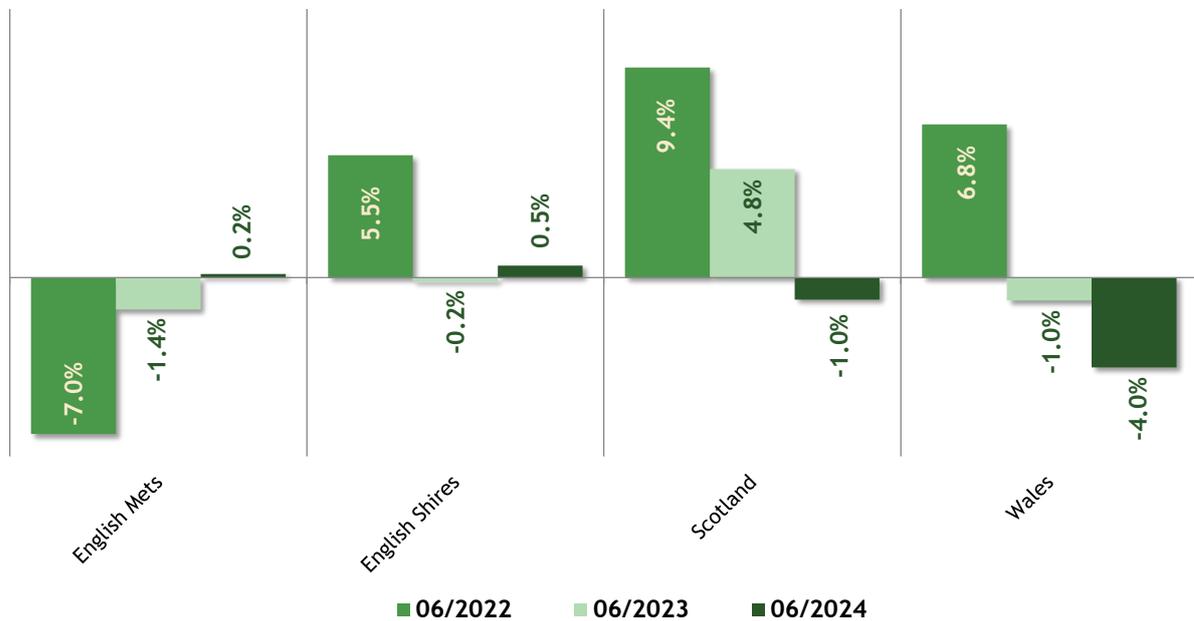
June 2023 to June 2024

% changes	Eastern	East Midlands	North East	North West	South East	South West	West Midlands	Yorks & Humber
Running Costs	(0.4%)	7.8%	9.6%	0.6%	(6.2%)	7.6%	(2.5%)	5.8%
Dep'n & Leasing	2.9%	2.1%	7.4%	4.9%	219.7%	(4.6%)	6.6%	(8.4%)
Labour	14.0%	8.1%	22.0%	10.4%	5.6%	16.2%	4.6%	4.5%
Engineering	(8.0%)	(13.2%)	52.0%	1.8%	(3.4%)	9.5%	1.8%	(49.0%)
Semi-Var. Costs	(41.2%)	(18.0%)	12.1%	(42.1%)	3.5%	(52.1%)	(3.8%)	(21.5%)
Claims/Insurance	15.8%	(0.9%)	21.6%	9.4%	(18.6%)	14.6%	(16.1%)	24.4%
Overheads	8.1%	5.7%	127.6%	5.2%	16.3%	27.0%	(2.5%)	17.2%
<b>Overall</b>	<b>7.5%</b>	<b>4.5%</b>	<b>29.1%</b>	<b>6.2%</b>	<b>19.2%</b>	<b>10.5%</b>	<b>2.5%</b>	<b>(1.9%)</b>

3.1.2 The chart at Figure 4 below shows the variation between the gross unit costs per bus hour for each sector. As can be seen, there is comparatively little variation here, with Scotland, Wales and the English Shires all being above the average and the English Metropolitan areas below. It is noticeable how differentials appear to have narrowed over the last two years.

## Figure 4: Gross Operating Costs per Bus Hour: Sector Differentials

Variance from figures for Great Britain Outside London

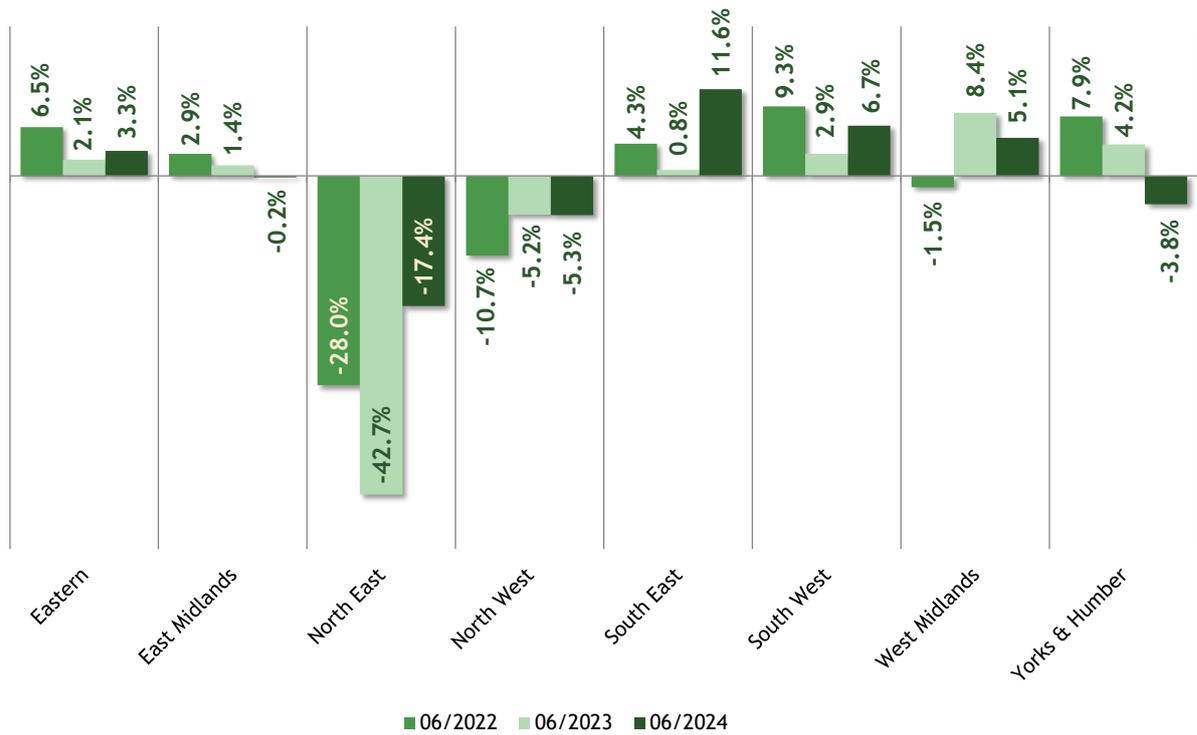


3.1.3 The analysis is repeated for the English regions in Figure 5. As can be seen, the largest variant is North East England, which was significantly below the national figure in all the surveys to date. However, the gap has narrowed significantly following some significant cost increases in the latest return – notably in labour costs after the settlement following industrial action in the autumn of 2023. A combination of factors influences the variation, including significantly lower unit labour costs (despite the increases), but also different operating patterns, as can be seen from the KPIs discussed in Chapter 5 below. More intensive vehicle utilisation results in the spreading of costs over more bus hours. In June 2024, labour costs per bus hour were 14.9% below the average for the whole of Great Britain outside London, whilst average vehicle utilisation was 12.2% higher, at 13.3 hours per vehicle.

3.1.4 Following this, in Figure 6 we see the change in cost levels between the June returns in 2022, 2023 and 2024 returns. Costs were ahead in all but one area – the exception being a small 1.9% reduction in Yorks & the Humber. The North East recorded the highest increase at 29% for reasons already discussed. The South East also experienced a significant rise, at 19.2%, mainly driven by sharply increased depreciation, leasing and overhead charges. The other region which saw a double-digit increase was the South West; there, the 10.2% uplift was mainly driven by a 16.2% rise in unit labour costs. Lowest rise was in Scotland at just 0.1%. In Wales, the rise was limited to 3.2%.

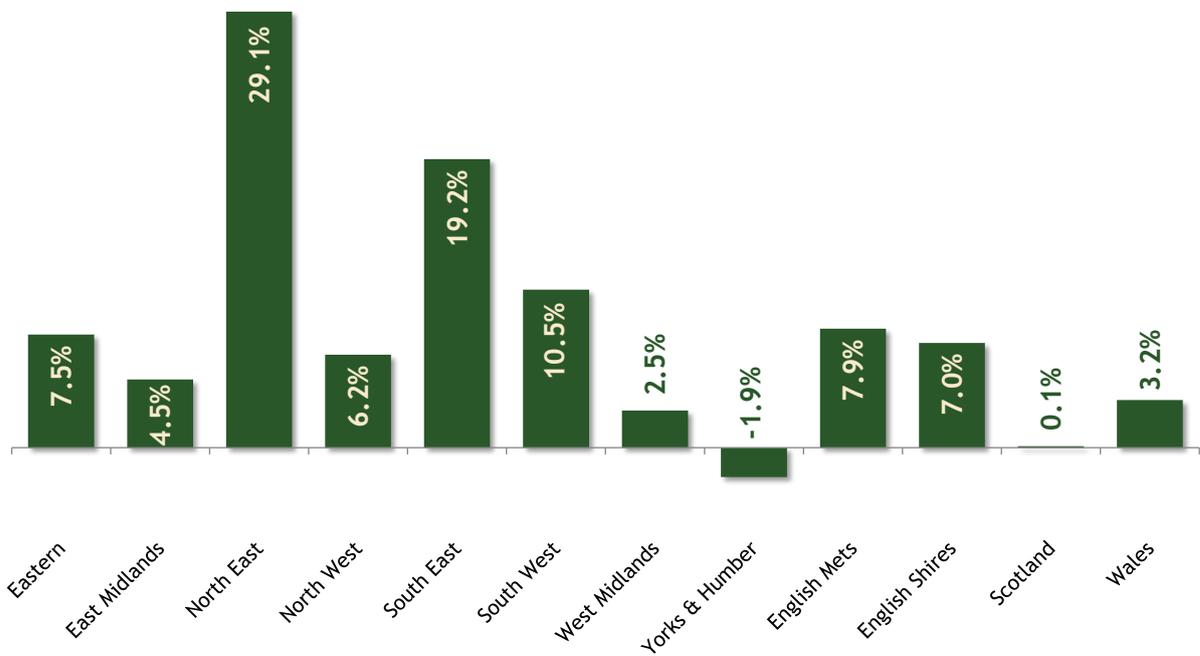
## Figure 5: Gross Operating Costs per Bus Hour: Regional Differentials

Variance from figures for Great Britain Outside London



## Figure 6: Change (%) in Gross Operating Costs per Bus Hour by Region/Sector

June 2023 to June 2024



## 4. Comparisons with Previous Years

### 4.1 Methodology

4.1.1 In addition to their voluntary completion of the CPT survey, bus operators are required by law to provide, in an annual statistical return (known as STATS100), information on all aspects of their business. This annual survey receives information from over 500 operators of all sizes.

4.1.2 It is therefore interesting to compare the results of the June 2023 CPT survey reported here with the most recent DfT figures, which covered the year to 31 March 2024.

### 4.2 Comparing the Two Surveys

4.2.1 The comparison is shown in Table 4.1 below.

4.2.2 As can be seen, the two results were once again within 1% of each other at an England level. At the higher level of Great Britain outside London, the divergence between the two surveys is 3.7%. However, there was divergence between the figures in the English Metropolitan and Shire areas. In Wales, the difference was 4.9%.

4.2.3 In Scotland, the gap was much larger at 16.6%. This divergence is likely to reflect differences in the fleet size of the operators analysed – since all the respondents to the CPT survey were large operators from the more urban areas of the country. As can be seen, though, the costs per km in the CPT survey are in line with those in England outside London.

**Table 4.1: CPT and DfT Surveys Compared**

DfT results for 2023/24 and CPT Results June 2024

Cost (£) per Km	English Mets	English Shires	England Outside London	Scotland	Wales	GB outside London
CPT Survey	3.182	2.966	3.056	3.057	2.669	3.038
Per DfT	3.319	2.877	3.027	2.623	2.546	2.930
% difference	(4.1%)	3.1%	1.0%	16.6%	4.9%	3.7%

4.2.4 In Table 4.2 below, we have taken the last results of the DfT figures from the analysis above and added on the results of the three June CPT Cost Monitor surveys. The results have been adjusted for inflation to June 2024 prices by use of the GDP Deflator.

4.2.5 It will be seen that, after adjusting for inflation, operating costs per kilometre have risen by 6.7% since the June 2022 survey, and by 1.7% since June 2023. The slowdown results from both a slower rate of pre-inflation increases and the fall in inflation. Even so, per km costs are 21.6% higher than the last pre-Covid year of 2018/19.

4.2.6 Given the differences in timing and sample sizes between the DfT figures and the Cost Monitor survey, direct comparisons between the two data sets need to be treated with some caution – but are useful in pointing to the overall trends.

**Table 4.2: Recent Trends in Overall Costs per Km**

£ per kilometre, Constant (June 2024) Prices, adjusted using GDP Deflator

Period	English Metropolitan areas	English Shires	England outside London	Scotland	Wales	Great Britain outside London
2018/19 DfT	3.010	2.387	2.597	2.285	1.828	2.499
2021/22 DfT	3.306	2.780	2.935	2.652	2.347	2.854
2022/23 DfT	3.369	2.854	2.956	2.695	2.351	2.878
2023/24 DfT	3.319	2.877	3.027	2.623	2.546	2.930
Jun 22 CPT	2.896	2.938	2.920	2.441	2.712	2.847
Jun 23 CPT	3.325	2.944	3.089	2.554	2.484	2.987
Jun 24 CPT	3.182	2.966	3.056	3.057	2.669	3.038
% changes						
Since 2018/19	5.7%	24.3%	17.7%	33.8%	46.0%	21.6%
Since June 22	9.9%	1.0%	4.7%	25.3%	(1.6%)	6.7%
Since June 23	(4.3%)	0.8%	(1.1%)	19.7%	7.5%	1.7%

## 5. Operating Data

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### 5.1 Overview

5.1.1 Certain operating data was requested from operators, both to assist in the accurate calculation of unit costs, but also to fill gaps in key data such as speeds and productivity with a view to benchmarking and tracking changes over time.

5.1.2 The data requested was:

- Kilometres run
- Diesel (and other fuels) used
- Peak Vehicle Requirement
- Bus Hours operated
- Driver Hours paid
- Staff numbers employed by category
  - drivers
  - engineering staff
  - management and administrative staff

5.1.3 Using these numbers together can provide a useful ongoing picture of the state of the industry looking in particular at:

- Fuel Consumption
- Fleet Utilisation and Speed
- Staff and Productivity.

5.1.4 A section of the main report looks at time series data across the period since February 2022. In order to provide a consistent dataset with which to measure the trends, the analysis of previous periods is limited to the same 48 'core' companies for which data has been received covering all six periods.

5.1.5 Data on all these matters is available to respondents to the survey and provides a useful understanding of trends. Probably the most important of these are speed and staff productivity, which are discussed further below.

### 5.2 Operating Speed

5.2.1 Overall, speed across Great Britain outside London averaged 12.13 mph (19.41 kph) in June 2024, up from 12.12 mph (19.39). These figures compared with 11.95 mph in the first survey from February 2022. Inclusion of the generally slower London data meant that the average speed has slowed over the six periods from 10.98 mph (17.57) to 10.92 mph (17.47), a fall of 0.6%.

- 5.2.2 In the most recent twelve months, bus speeds got slower by 4.1% in both London (7.5 mph (12 kph)) and Wales (13.8 mph (22.1)). Scotland saw a small 0.6% fall to 14.8 mph (23.7), whilst the other segments saw small improvements. Across the regions, slower speeds were reported in the Yorkshire and the Humber (3.8%), the South West (3.6%), the West Midlands (1.0%) and East Midlands (0.7%). There were improvements everywhere else, the largest being in the North East.
- 5.2.3 Comparisons with a five-year survey of English operators undertaken on behalf of CPT in 2021 show a standstill in operating speeds – at 11.70 mph in England outside London. In most places speeds are below the levels achieved in 2014/15, the only exceptions being in the North East and the East Midlands.
- 5.2.4 In the most recent twelve months, four regions saw some deterioration in average speeds, but four others showed some signs of improvement. The details are contained in Table 5.1 below.

**Table 5.1: Average Speed Comparisons for England**

Region/Segment	2014/15	2018/19	06/2023	06/2024	% change since 2014/15	% change since 2018/19	% Change Last Year
England o/s London	11.70	11.40	11.59	11.70	(0.0%)	2.6%	0.9%
Metropolitan Areas	11.00	10.80	10.69	10.85	(1.3%)	0.5%	1.5%
Shire Areas	12.20	11.70	12.23	12.29	0.7%	5.0%	0.5%
<b>English Regions</b>							
North East	12.00	11.60	11.00	12.54	4.5%	8.1%	13.9%
North West	10.90	10.60	10.35	10.41	(4.5%)	(1.8%)	0.5%
Yorks & the Humber	11.10	11.00	11.03	10.60	(4.5%)	(3.6%)	(3.8%)
East Midlands	10.80	10.70	11.92	11.83	9.6%	10.6%	(0.7%)
West Midlands	11.30	11.30	11.53	11.03	(2.4%)	(2.4%)	(4.4%)
East of England	13.50	13.30	12.74	13.01	(3.7%)	(2.2%)	2.1%
South East	12.50	11.40	12.07	12.46	(0.4%)	9.3%	3.2%
South West	12.60	12.10	12.60	12.15	(3.6%)	0.4%	(3.6%)

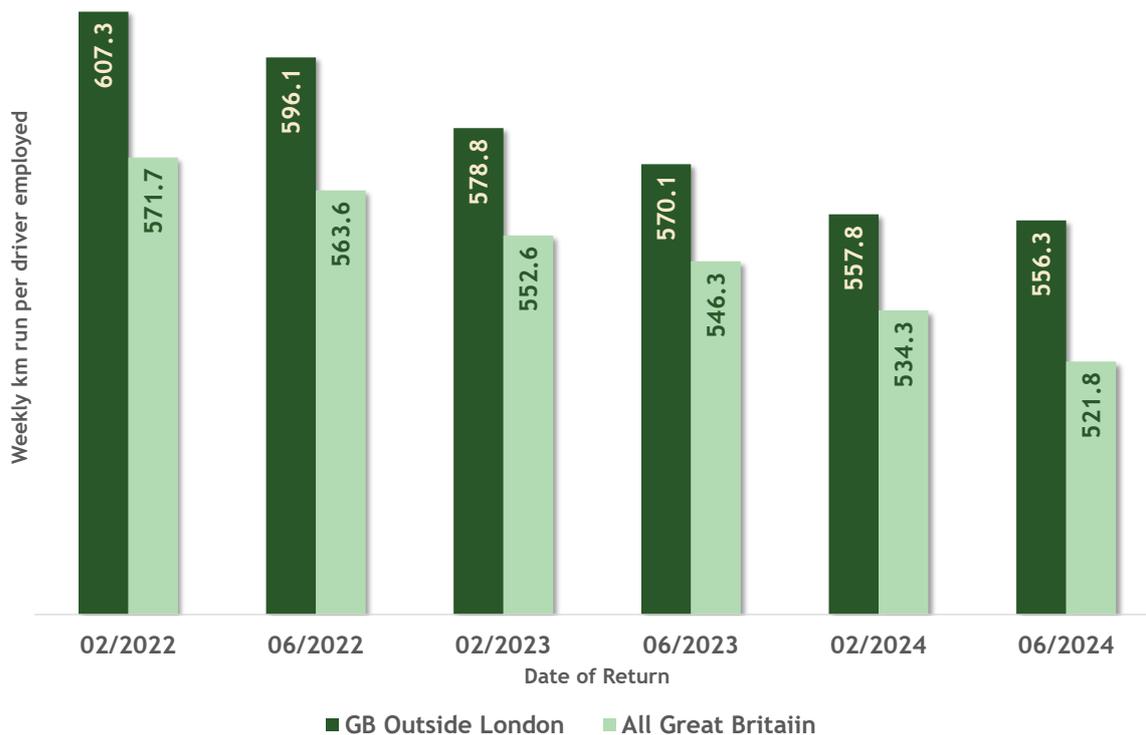
## 5.3 Staff Levels and Productivity

- 5.3.1 Amongst the core operators, staff numbers have increased across the period. All grades show an increase of 4,529 (8.5%) since February 2022. Outside London, the figure is 3,137 (7.5%). In the regions, only West Midlands shows a reduction in employment between February 2022 and June 2024 – but only a tiny 0.1%. In the most recent twelve months, all regions and sectors showed an increase in the twelve months to June 2024 – the highest was the North West (11.1%) followed by the East of England (10.0%).

- 5.3.2 Driver numbers increased, too. The figures continue to bear out the general improvement in driver recruitment, with an increase of 12.8% across the whole country over the two and a half years, and 11.5% in GB outside London. There was growth in all regions and segments over the twelve months to June 2024, with the North West, South East and East of England all showing increases of more than 10.0%.
- 5.3.3 The number of kilometres run per driver employed is a useful, easily tracked measure and is an indicator of staff productivity. As measured using DfT's Annual Bus Statistics and now these surveys, this has trended downwards since 2005. There have been several reasons, including:
- increasing journey times as a result of slower bus speeds (the principal cause)
  - allied to this, increases in recovery time to allow for congestion and improve reliability
  - less intensive schedules as services are cut
  - increased training requirements for safety, disability awareness and CPC.
- 5.3.4 The deterioration has continued during the six CPT Cost Monitor surveys, with numbers being 8.7% lower across the whole country and 8.4% down outside London. The weekly average for kilometres run per driver in February 2022 was 571.7, falling to 521.8 in June 2024. Outside the capital, the figure went from 607.3 to 556.3. Productivity fell in all sectors and most regions over the last 12 months, the exceptions being Scotland, the North West and East Midlands.
- 5.3.5 The figures are illustrated graphically in the chart at Figure 7 below.
- 5.3.6 Finally, lest there be any doubt about the correlation between speed and driver productivity, the chart at Figure 8 plots the two variables against one another in June 2023. This shows a clear correlation, as demonstrated by the trend line.

## Figure 7 Driver Productivity in Great Britain

Kilometres run per week per driver employed



## Figure 8: Speed v Driver Productivity by Region and Market Segment

Average Vehicle Speed (mph) v Weekly Kms Run per Driver, June 2024

