CONFEDERATION OF PASSENGER TRANSPORT
BUDGET STATEMENT SUBMISSION

About CPT

We help a dynamic bus and coach industry to provide better journeys for all, creating greener communities and delivering economic growth.

We do this by representing around 800 members from across the industry be they large or small, bus or coach, operator or supplier. We use our influence to campaign for a supportive policy environment, give our members practical advice and support to run their businesses safely, compliantly and efficiently and bring the industry together to share ideas and best practice. We're ambitious to make things better for passengers, inclusive in seeking out different perspectives and we're always there when our members need us.

Buses and coaches are at the heart of the nation's economic and social life. 11 million[1] journeys a day are made by bus to get passengers to work, education and to access essential services, and the coach sector offers great value inter city and leisure travel, with over 450 million journeys annually, equivalent to 40% of all journeys taken by rail.[2]

The bus and coach sector is ideally placed to help the Government deliver on its key priorities including growing the economy, and growth in every postcode.

Executive Summary

The Prime Minister has made affordable everyday essentials, deeper devolution and growth in every postcode central to the new Government's early programme. His first week also restored the £2 bus fare cap for 2027. CPT welcomes that direction of travel. The Budget should now make the policy deliverable and durable, and should support further measures that help to drive improvements in the services on which passengers depend.

Our key asks of the Government for this Budget are:

1. Make the £2 bus fare cap sustainable
2. Protect bus and coach services from tax shocks
3. Make faster buses a national outcome
4. Scale national passenger safety reporting
5. Give coaches a fair route to zero emission

[1] Annual bus statistics: year ending March 2024 (revised) - GOV.UK
[2] Confederation of Passenger Transport/KPMG (2024), *Economic Impact of Coach Service*

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Why buses and coaches fit the new government's economic model

The Government's emphasis on practical problem solving and stronger local decision making creates a natural role for bus. Bus investment is visible quickly, reaches every type of community, and supports access to work and public services without requiring passengers to own a car. It is also one of the clearest ways to make devolution tangible: national government can set outcomes and stable funding, while Mayors and Local Transport Authorities decide how best to deliver them.

This is also an economic proposition. CPT's evidence shows that bus users support billions of pounds of spending in local economies; people who rely on bus to get to work make a major contribution to national output. Further, a typical package of bus investment can deliver a benefit cost ratio of around £4.55 for every £1 invested. The Budget should treat bus as an enabler to develop agile labour markets, vibrant high streets and to stimulate local growth.

Britain's coach sector is an essential part of the country's economic and social infrastructure. Coaches connect places that the rail network cannot reach, get children to school, support tourism and high streets, provide affordable inter-city travel and step in at short notice when rail and other transport services are disrupted.

This contribution is particularly important to the Government's ambition to deliver growth in every postcode. Coaches connect towns, rural communities and coastal areas to jobs, education, major cities, airports and visitor destinations, spreading economic activity beyond those places served by the rail network. They provide affordable mobility without requiring major new publicly funded infrastructure and support hundreds of predominantly small and family owned businesses across the country.

Our key asks for the Budget are set out below.

1. Make the National £2 Bus Fare Cap Sustainable

CPT welcomes the Government's decision to cap eligible single bus fares in England outside London at £2 from 1 January to 31 December 2027, backed by £400 million of additional funding. This is exactly the kind of visible, everyday intervention that can give households breathing space while keeping people connected to jobs, education, healthcare and leisure.

It is imperative that after four years of short term initiatives, the Government commits to the £2 fare cap for the remainder of this parliament and the funding required to make it work, so operators can plan services, vehicles, depots and staffing and future investment with confidence.

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Budget ask:
That the Government commits to provide adequate funding for the £2 national fare cap for the rest of this parliament, with a settlement that fairly reflects the costs of running bus services.

2. Protect buses and coaches from avoidable tax driven cost increases

We understand that in the current challenging fiscal environment, the Government may be under pressure to implement the statutory default for fuel duty rates rise of 3ppl from 1 January 2027.

CPT supports the Government's objective of making public transport cheaper, greener and more reliable. It would be counterproductive for a tax change intended for the wider road market to raise the cost of providing bus and coach services at the same time.

If this is implemented in the correct way, it could encourage people to use their car less and public transport more, helping to drive modal shift. If this is implemented without an exemption for bus and coach it could add further pressure to already tight margins. CPT's February 2026 Cost Monitor[3] shows depreciation and leasing costs rising by 5% and labour costs by 4.1%. Employer National Insurance changes introduced in April 2025 have added an estimated £110 million a year to bus industry costs, and operators have also faced exceptionally high fuel costs during 2026. To this end, the Government should exempt buses and coaches from any rise in fuel duty to ensure that there are no unintended consequences to this policy.

Bus and coach contribute under 6% of fuel duty receipts to the Treasury[4]. Exempting the category from any rise in fuel duty would mean that the forecast receipts (based on the scheduled 3ppl rise in January),[5] would be reduced by less than £85m for 2026/27.

To put this £85m in context, it is equivalent to more than half of the entire budget for the £3 fare cap, and so would add a further significant cost pressure to the sector.

Set against this, the bus sector contributes over £11bn each year to the economy in taxes, wages and supply chain investment, and the coach sector a further £6.3bn. Bus passengers spend almost £40 billion each year in shops, cafés, restaurants and leisure destinations, with coach passengers adding a further £8.3bn to this number;[6] and those who rely on the bus to get to work add around £72 billion a year to the economy.[7]

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3 CPT Cost Monitor | CPT – February 2026
4 OBR supplementary forecast information release: fuel duty receipts by vehicle type
5 CBP-10340.pdf
6 KPMG "The economic impact of local bus services" – September 2024
7 KPMG "The economic impact of local bus services" – September 2024

Exempting bus and coach from a potential rise in fuel duty will ensure that the sector can continue to provide affordable, reliable transport options that continue to drive the growth of local economies – and would not put a further unplanned, unbudgeted cost on operators.

<u>Budget ask</u>:
We urge the Government to protect bus and coach operators from any increase in fuel duty from January 2027.

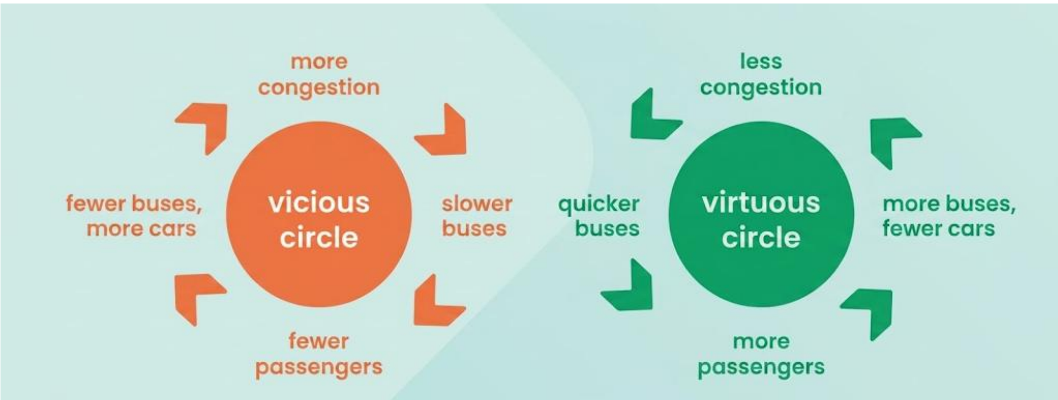
3. Make buses a flagship test of devolution

The new Government has placed devolution at the heart of its economic model. Bus priority offers a practical way to demonstrate what that means: central government can define the outcome, local leaders can choose the interventions, and passengers can see the result in shorter and more reliable journey times.

Bus passengers drive the growth of local economies, spending almost £40 billion each year in shops, cafés, restaurants and leisure destinations;[8] and those who rely on the bus to get to work add around £72 billion a year to the economy.[9]

In addition, a typical package of public investment to improve infrastructure for buses and support better services, can generate returns of £4.55 for every £1 invested.[10]

The most sustainable way to reduce the long term call on public funding is to improve bus productivity. Every minute lost to congestion costs operators money, reduces the number of journeys a vehicle can make, and makes the bus less attractive to passengers. Faster, more reliable buses simultaneously reduce operating costs and increase revenue, allowing more services to stand on their own commercially and enabling public funding to be targeted where it is genuinely needed. Improved operational efficiency makes investment justification easier, and makes journeys more attractive to passengers, stimulating growth in local economies.



[8] KPMG "The economic impact of local bus services" September 2024
[9] KPMG "The economic impact of local bus services" September 2024
[10] KPMG "The economic impact of local bus services" September 2024

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The Government must hold LTAs to account on how they spend funding via the new LTA outcomes framework; this should form a strong reporting and accountability framework that includes a national ambition to improve average bus speeds by 10% over the next five years. Local transport authorities should determine the right mix of bus lanes, bus gates, signal priority, junction changes, kerbside management and enforcement for their networks.

Research undertaken for CPT indicates that an improvement in bus speeds of 10% across England would deliver:

- 2.6 billion faster trips for existing passengers
- 147 million additional passenger journeys a year across England
- £674m for reinvestment (comprising £511m per annum cost savings and £163m in extra fare revenue)
- £5 billion in overall economic benefits.[11]

Budget ask:
We welcome the multi year local transport capital settlements announced in the Spending Review in 2025 which enable LTAs to accelerate locally chosen bus priority and improvement schemes.

This should be supported by a strong reporting and accountability framework that includes a national ambition to improve average bus speeds by 10% over next five years; and for DfT to publish a baseline and annual progress measures for each Local Transport Authority.

4. Scale live digital reporting for passenger safety

Personal safety, including tackling violence against women and girls is a priority for the Government, and for the bus and coach sector. Confidence in personal safety is part of an affordable and usable public transport system.

Existing research demonstrates both the scale of the problem and its effect on travel choices. The Department for Transport's Personal Safety on Public Transport survey found that 28% of public transport users had experienced sexual harassment or unwanted behaviours which made them feel upset, distressed or threatened in the previous 12 months. This rose to 54% among women aged 18 to 34. More than half of people who had experienced a personal safety incident changed the way they travelled as a result, while one in five stopped using public transport.[12]

CPT therefore supports a national framework that enables passengers to report crime, antisocial behaviour and violence against women and girls in real time, with incidents routed into the relevant local police digital contact arrangements and transport control rooms.

[11] The Case for Faster Buses – Chris Cheek for CPT 2026
[12] Personal safety on transport - GOV.UK

This will enable Government and the sector to baseline incidents, understand better where hotspots for ASB and VAWG are around the country, see what schemes and interventions work in practice, and most importantly, enable passengers to receive help and support at the time of an incident.

Transport for Greater Manchester already provides a model of partnership between transport and policing that can be learned from.[13] The important design principle is local delivery through common national standards, not a new national contact centre. The approach fits the new Government's preference for practical, locally led solutions that can be scaled when they work.

National framework	DfT sets minimum standards, common branding, interoperability and incident categories.
Local partnerships	LTAs, police forces and operators agree routing, control room access and operational protocols.
Information sharing	Home Office, National Police Chiefs' Council and relevant security bodies establish proportionate arrangements for authorised transport staff.
National dashboard	Aggregate data supports hotspot identification, trend analysis, benchmarking and evaluation of interventions.

Transport for Greater Manchester has estimated implementation and marketing costs of around £300,000, noting that Greater Manchester Police already had live-chat capability in place.[14] That suggests a national programme can be designed around modest enabling investment rather than creating large new institutions.

Budget ask:
That the Government backs a national framework for live digital reporting of crime, antisocial behaviour and VAWG on public transport. This should be delivered through local transport authority, police and operator partnerships by creating a national implementation fund for software licences, integration, evaluation and communications, with DfT leading standards and local police/LTA partnerships responsible for delivery.

5. Give coaches a fair route to zero emission

CPT welcomed the Government's recent confirmation that the Depot Charging Scheme funding would be available for coach operators to apply for from October 2026.

However, with an average range of 250 miles for an electric coach on a single charge (and much less than that in winter when there is high use of using heater, wipers and lights), it is not viable for many coach operators to rely on depot charging alone. Investment in shared/public charging infrastructure, including on

[13] Safe and secure travel | Bee Network | Powered by TfGM
[14] Police forces that have live reporting in place already https://www.livechatdirectory.co.uk/police-forces-live-chat/#google_vignette

the strategic road network, needs to include the needs of coach and coach passengers.

The key requirement now is to ensure that all publicly supported charging infrastructure is designed and operated so coaches can use it safely and practically. This includes vehicle access, bay dimensions, dwell times, driver facilities and passenger considerations.

Budget ask:
Make coach compatibility an explicit condition of relevant publicly funded heavy vehicle charging schemes; include coach in future zero emission infrastructure and R&D programmes; and work with industry on the small number of strategic charging locations that would unlock the greatest network coverage.

Conclusion: Five practical suggestions for the Budget

The Government has already identified buses as part of its cost of living response and has been explicit about the importance of coaches in providing essential transport links in its integrated national transport strategy and Local Transport Plan guidance. This Budget is the opportunity to turn that into a coherent delivery programme: make the £2 cap sustainable, stabilise funding, avoid tax measures that push up service costs, use devolution to drive real improvements in local bus services, scale proven passenger safety tools, and ensure coaches are included in the zero emission transition.

These are practical, measurable actions. They do not require a new transport architecture. They make better use of funding already committed, give local leaders clearer objectives and operators greater certainty, and support the government's objective of making transport cheaper, greener and more reliable in every part of the country.

	CPT Budget ask	Detail
1	**Make the £2 bus fare cap sustainable**	Agree a stable, funded approach for the rest of the parliament.
2	**Protect services from tax shocks**	Ensure any January 2027 fuel duty increase does not affect bus and coach operators.
3	**Make faster buses a national outcome**	Set an England wide ambition to improve average bus speeds by 10% over five years, with local leaders free to choose the measures that work in their areas and transparent reporting through the LTA outcomes framework.
4	**Scale national passenger-safety reporting**	Back a national framework for live digital reporting of crime, antisocial behaviour and VAWG on public transport, delivered through local transport authority, police and operator partnerships.
5	**Give coaches a fair route to zero emission**	Guarantee coach access to publicly supported HGV charging infrastructure and ensure coach is eligible for

appropriate zero emission infrastructure and R&D programmes.

CPT and its members stand ready to work with HM Treasury, the Department for Transport, local leaders and passenger groups to deliver these actions.

We would of course be happy to meet with officials to discuss or expand on any aspect of our submission.

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