Bus Industry Costs in June 2025

Confederation of Passenger Transport
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Contents

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 July and August 2025.

1.2 Methodology

1.2.1 Members were requested to supply operating statistics and cost data for a representative week during June 2025, 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on the basis of strict confidentiality and individual responses are not disclosed by the analyst to anybody and will not be published.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 62 operators, which represents a welcome increase over previous surveys. They are spread across all regions and nations, and between them operated 21,520 peak vehicles. This represents 61.7% of the total local bus fleet in Great Britain, as recorded by the Department for Transport at March 2025[1]. Looking at distance operated, respondents accounted for 84.7% of the national total for 2023/24[2]. Outside London, the fleet represented was 16,788, 64.6% of the total, covering 88.8% 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	8,913	4,732	53.1%	455	322	70.8%
English Mets	7,894	4,861	61.6%	387	387	100.0%
English Shires	13,603	8,541	62.8%	789	706	89.6%
England	30,410	18,134	59.6%	1,631	1,416	86.8%
Scotland	3,268	2,703	82.7%	286	218	76.1%
Wales	1,226	683	55.7%	80	59	73.2%
GB O/S London	**25,991**	**16,788**	**64.6%**	**1,542**	**1,370**	**88.8%**
ALL GB	**34,904**	**21,520**	**61.7%**	**1,997**	**1,692**	**84.7%**

[1] *Annual Bus Statistics 2025, Department for Transport, Sheet BUS06*

[2] *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 a previous breakdown supplied by the *Bus Industry Monitor* project.

2.2 The Analysis Results

2.2.1 The figures for Great Britain outside London for June 2025 are shown below in Figure 1 and can be compared with the same breakdown for the five previous periods, four of 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-2023	Jun-2023	Feb-2024	Jun-2024	Feb-2025	Jun-2025
Fixed & Semi-Variable Costs							
Overheads	11.4%	15.6%	14.2%	15.2%	14.7%	14.0%	13.2%
Claims	2.5%	2.2%	2.2%	2.5%	2.1%	2.5%	2.3%
Dep'n & Leasing	8.9%	8.0%	7.6%	7.3%	7.1%	7.3%	7.9%
Labour Costs							
Drivers	41.2%	36.3%	37.5%	37.5%	39.3%	38.8%	39.2%
Engineers	5.4%	6.4%	6.3%	6.6%	6.3%	6.5%	6.9%
Mgt & Admin	4.6%	4.6%	4.7%	4.2%	4.3%	4.5%	4.0%
On Costs	4.8%	4.3%	4.8%	4.8%	5.2%	5.2%	6.5%
Pensions	3.4%	1.8%	2.0%	2.1%	2.1%	2.0%	1.7%
Variable Costs							
Parts	4.1%	6.5%	6.7%	5.7%	5.5%	6.0%	5.4%
Fuel etc	13.7%	14.3%	14.1%	14.2%	13.3%	13.3%	12.8%
Summary							
Fixed Costs	22.8%	25.8%	23.9%	24.9%	24.0%	23.7%	23.5%
Labour	59.4%	53.4%	55.3%	55.1%	57.2%	57.0%	58.3%
Variable Costs	17.8%	20.8%	20.8%	19.9%	18.8%	19.2%	18.2%

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 58.3% of the

total, the largest proportion since before Covid – driven in part by the increase in Employers' NI from April 2025.

2.2.4 Drivers form the largest component, accounting for 39.2% in June, compared with 38.8% in February 2025 and 39.3% in June 2024. Adding in other labour costs, including Employer's NI, Employer Pension Contributions and other on costs, takes the proportion to 45.5%, the highest yet in the series. These figures are the first to include that increase in Employers' NI.

2.2.5 Direct vehicle operating costs account for a further 18.2%, down on the 19.2% recorded in February 2025, and the 18.8% in June 2024. The largest component is fuel, oil and tyres on 12.8% - the lowest proportion so far recorded. The engineering costs fell back to 5.4% from the 6.0% recorded in February 2025, making this too the lowest proportion recorded in this series.

2.2.6 Fixed costs account for the balance of 23.5%, slightly down on the 23.7% recorded in February 2025.

Figure 1: Breakdown of Bus Industry Costs, June 2025

Great Britain outside London

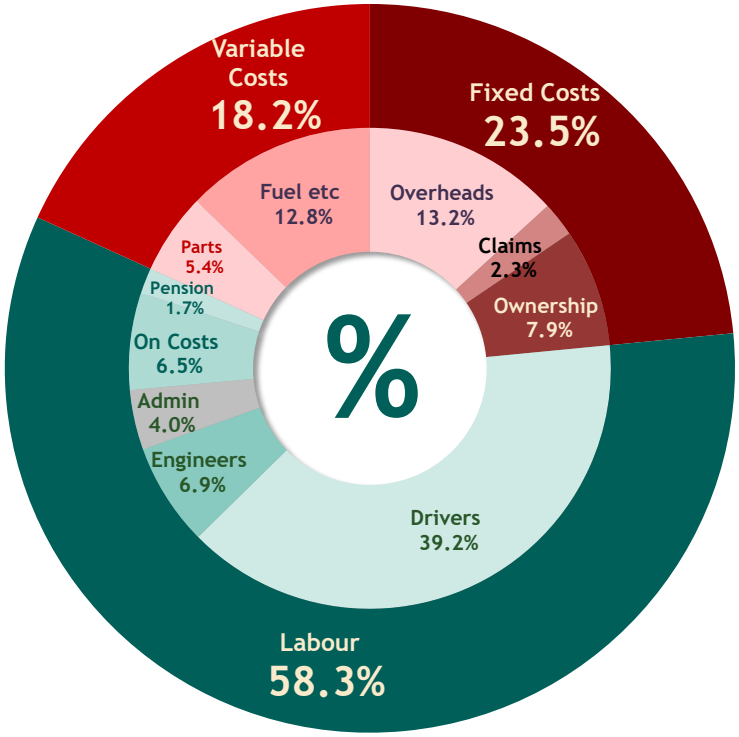
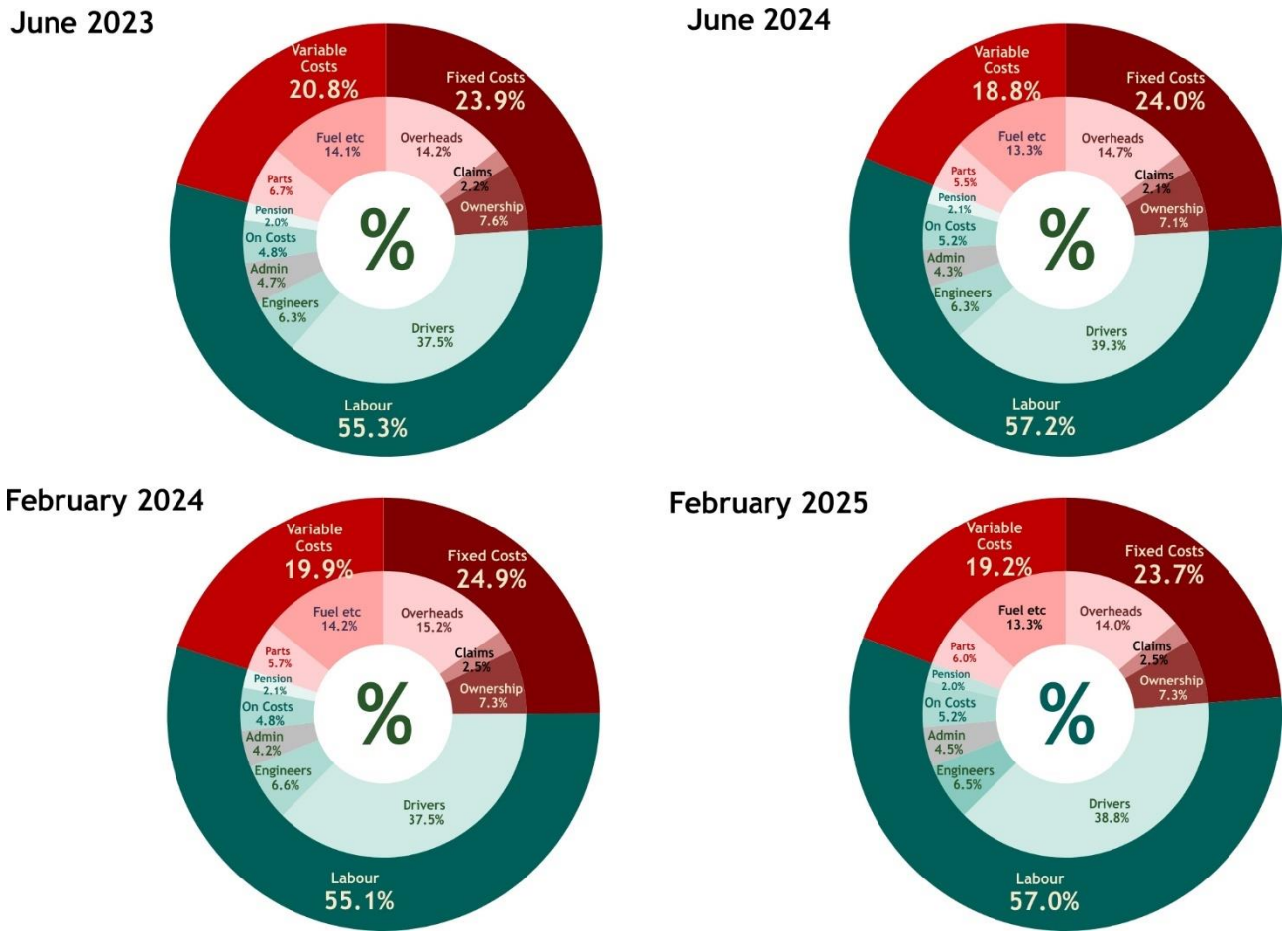


Figure 2: Breakdown of Bus Industry Costs, June 2023-February 2025

Great Britain outside London



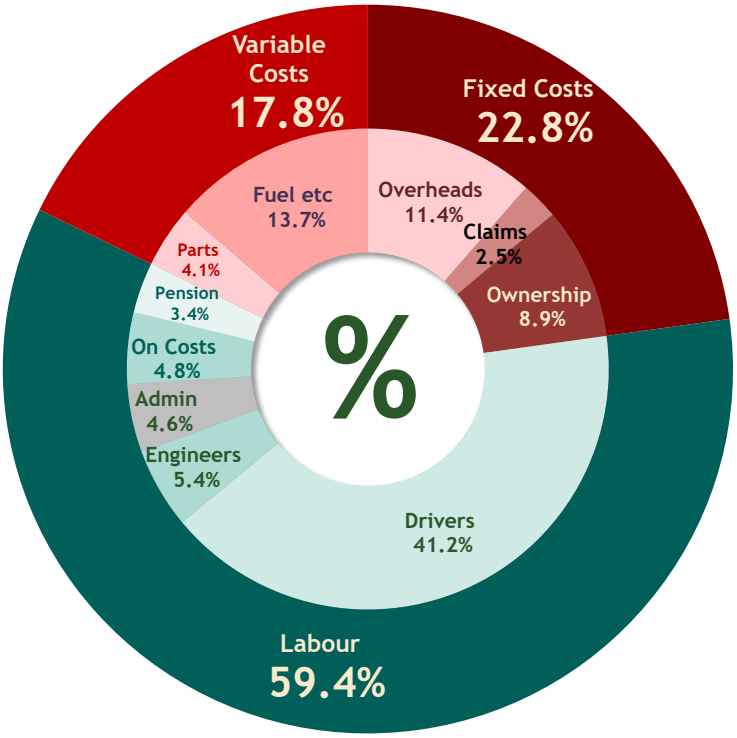
2.3 Comparisons with the Past

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, the proportions have shifted across the period, as labour costs have moved back towards the levels seen in 2019.

Figure 3: Breakdown of Bus Industry Costs, 2018/19[3]

Great Britain outside London



[3] *Source: 2FM analysis of Bus Industry Monitor database.*

3. Changes in Cost Levels

3.1 The 2025 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. The figures for the English regions are shown in Table 3-2.

Table 3-1: Changes in Principal Unit Costs by Sector (%)
June 2024 to June 2025

% changes	English Mets	English Shires	Scotland	Wales	GB o/s London	London	All GB
Running Costs	1.1%	(4.5%)	8.6%	2.2%	(0.5%)	2.5%	0.1%
Dep'n & Leasing	23.3%	12.6%	20.7%	1.1%	16.4%	17.6%	16.6%
Labour	9.9%	1.7%	12.8%	4.5%	5.8%	(0.6%)	3.8%
Engineering	12.9%	(5.7%)	(2.5%)	29.8%	2.0%	(2.9%)	0.6%
Semi-Var. Costs	3.5%	29.1%	(6.4%)	(8.2%)	12.0%	89.9%	24.9%
Claims/Insurance	12.9%	9.9%	23.0%	32.3%	14.4%	(11.7%)	5.4%
Overheads	(9.9%)	(19.1%)	20.6%	2.5%	(10.0%)	8.9%	(6.7%)
Overall	**6.8%**	**(1.1%)**	**12.4%**	**5.2%**	**3.6%**	**1.5%**	**3.1%**

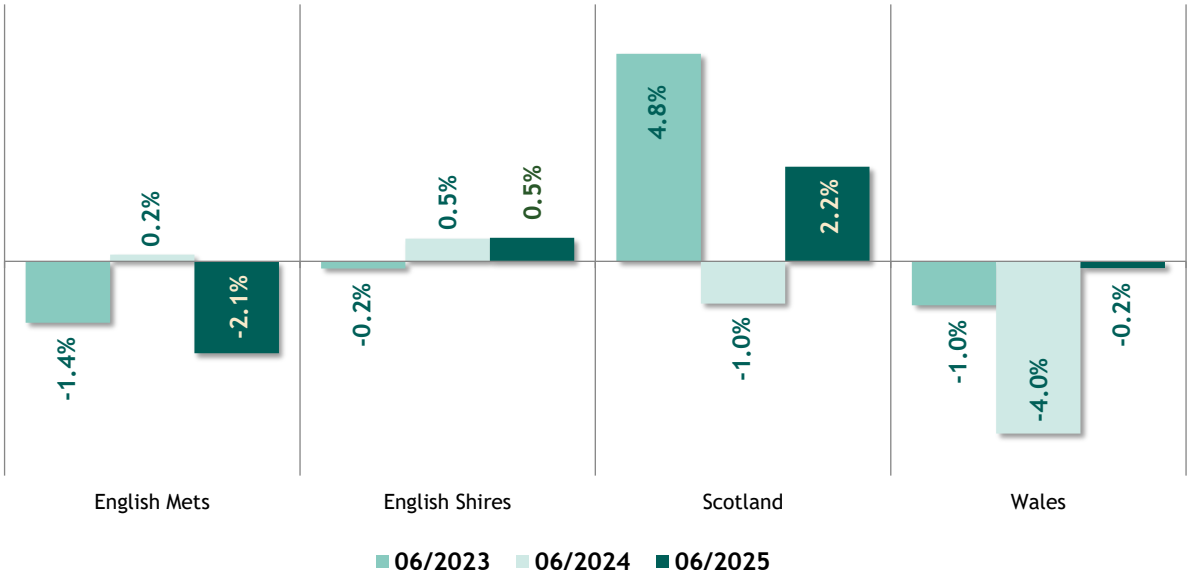
Table 3-2: Changes in Principal Unit Costs by English Region (%)
June 2024 to June 2025

% changes	Eastern	East Midlands	North East	North West	South East	South West	West Midlands	Yorks & Humber
Running Costs	1.8%	(3.3%)	(0.8%)	(6.9%)	(2.3%)	(2.9%)	5.3%	(19.2%)
Dep'n & Leasing	(2.6%)	9.3%	96.0%	2.6%	7.7%	1.5%	37.8%	34.9%
Labour	4.1%	9.3%	2.2%	19.3%	1.7%	7.2%	5.8%	(4.2%)
Engineering	(16.3%)	(13.2%)	(8.8%)	36.2%	(2.3%)	2.9%	21.2%	(13.5%)
Semi-Var. Costs	(14.9%)	64.8%	61.1%	107.7%	33.3%	13.5%	(43.9%)	(16.5%)
Claims/Insurance	0.5%	47.1%	40.8%	(0.9%)	29.2%	(5.9%)	32.3%	(14.0%)
Overheads	2.1%	12.7%	31.4%	(30.7%)	(26.1%)	(24.6%)	6.4%	12.8%
Overall	**0.2%**	**10.0%**	**9.2%**	**10.7%**	**(3.1%)**	**1.0%**	**7.8%**	**(2.9%)**

3.1.2 The chart at Figure 4 below shows the variation between the gross unit costs per bus hour for each sector.

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

Variance from figures for Great Britain Outside London



3.1.3 The overall changes in each region based on the June 2025 returns are shown in Figure 5 below, whilst the chart at Figure 6 below shows the variation between the gross unit costs per bus hour for each region. The wide variations previously seen, especially in the North East, England, have tended to narrow.

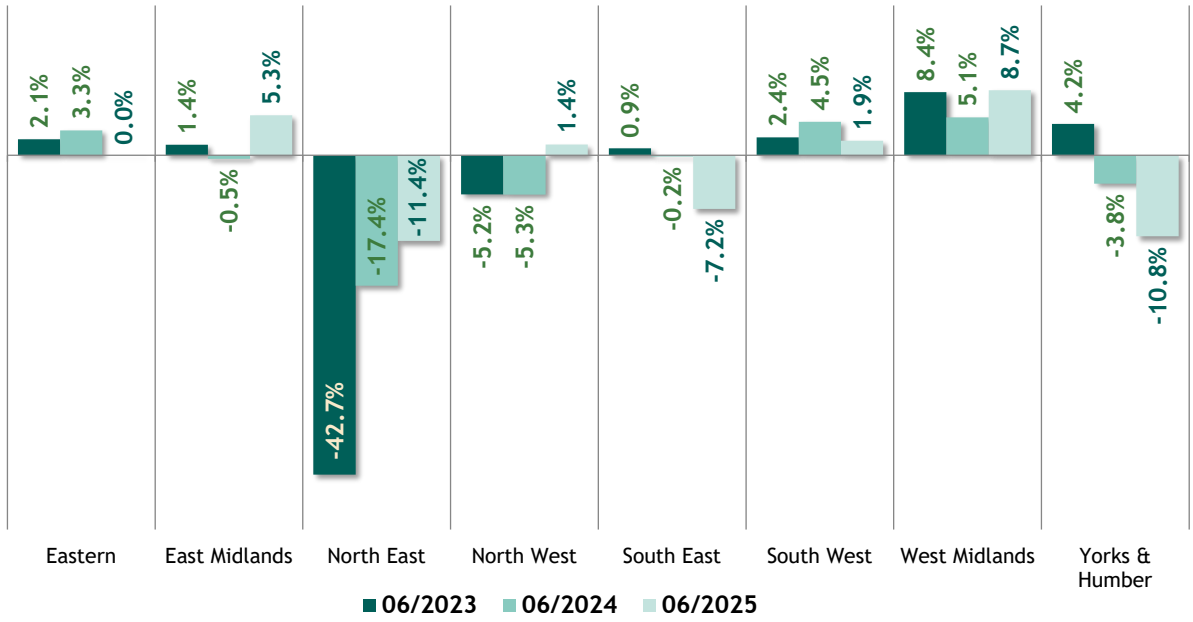
3.1.4 As can be seen, the largest variant remains the North East of England, with a narrower but still substantial differential of 13.0%. Nest comes Yorkshire and the Humber on 12.4%, followed by South East England, on 8.7%.

Figure 5: Change (%) in Gross Operating Costs per Bus Hour by Region/Sector

June 2024 to June 2025

Figure 6: Gross Operating Costs per Bus Hour: Regional Differentials

Variance from figures for Great Britain Outside London EM SR SW June 24



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 an annual statistical return (known as the STATS100). This annual survey receives information from over 500 operators of all sizes.

4.1.2 The DfT's published figures cover a whole financial year and are taken from the STATS100 returns.

4.1.3 It is therefore interesting to compare the results of the June 2025 CPT survey reported here with the most recent DfT figures, which covered the year to 31 March 2025. The comparison is shown in Table 4-1 below.

4.1.4 At the higher level of Great Britain outside London, the divergence between the two surveys is 1.8%. However, gap widens in the different sectors, being 5.3% in the English Mets and 3.6% in the Shires. In Wales, the difference much narrower, at 1.1%.

4.1.5 In Scotland, the gap was much larger at 32.3%. 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.

Table 4-1: CPT and DfT Surveys Compared
DfT results for 2024/25 and CPT Results June 2025

Cost (£) per Km	English Mets	English Shires	England Outside London	Scotland	Wales	GB outside London
CPT Survey	3.449	2.935	3.117	3.391	2.852	3.149
Per DfT	3.643	3.045	3.242	2.562	2.820	3.094
% difference	(5.3%)	(3.6%)	(3.8%)	32.3%	1.1%	1.8%

4.1.6 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 four June CPT Cost Monitor surveys. The results have been adjusted for inflation to March 2025 prices by use of the GDP Deflator.

4.1.7 It will be seen that, after adjusting for inflation, operating costs per kilometre have risen by 3.6% since the June 2024 survey, and by 5.6% since June 2023. Costs per km costs are 9.7% higher than the last pre-Covid year of 2018/19.

4.1.8 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 (March 2025) Prices, adjusted using GDP Deflator

Period	English Metropolitan areas	English Shires	England outside London	Scotland	Wales	Great Britain outside London
2018/19 DfT	3.237	2.640	2.846	2.681	2.015	2.769
2021/22 DfT	3.353	2.782	2.977	2.651	2.165	2.878
2022/23 DfT	3.391	2.873	2.976	2.712	2.367	2.896
2023/24 DfT	3.456	2.996	3.152	2.731	2.651	3.051
2024/25 DfT	3.643	3.045	3.242	2.562	2.820	3.094
Jun 22 CPT	2.952	2.995	2.977	2.488	2.765	2.903
Jun 23 CPT	3.319	2.938	3.084	2.549	2.479	2.981
Jun 24 CPT	3.314	2.966	3.056	3.057	2.669	3.038
Jun 25 CPT	3.449	2.935	3.117	3.391	2.852	3.149
% changes						
Since 2018/19	6.5%	11.2%	9.5%	26.4%	41.5%	13.7%
Since Jun 23	3.9%	(0.1%)	1.1%	33.0%	15.0%	5.6%
Since Jun 24	4.1%	(1.0%)	2.0%	10.9%	6.8%	3.6%

5. Operating Data

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.

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 Bus Speeds

5.2.1 There has been progress in improving bus speeds in several parts of the country over the last three years. The average speed is measured by the kilometres run divided by the reported bus hours reported. The figures are shown in Table 5-1 below.

5.2.2 As can be seen, the surveys show virtually no change in bus speeds across the country as a whole over the period. Speeds have worsened in London, Scotland and three English regions – Eastern, the South East and the West Midlands. Elsewhere, there have been some improvements, notably the North West, the South West and Yorkshire and the Humber.

Table 5-1: Bus Speeds

Average Miles per Hour

Region/Sector	Feb-22	Jun-22	Feb-23	Jun-23	Feb-24	Jun-24	Feb-25	Jun-25	Since Feb 22	Last Year
English Regions										
Eastern	13.4	14.0	12.5	12.7	13.3	13.0	13.2	12.9	(3.7%)	(1.0%)
East Midlands	12.0	11.9	11.7	11.9	11.9	11.8	11.7	12.4	3.5%	5.2%
North East	11.3	11.2	11.8	11.0	11.8	12.5	12.0	11.7	3.1%	(7.1%)
North West	10.1	10.3	10.2	10.3	10.5	10.4	10.6	10.9	7.6%	4.7%
South East	12.1	12.4	12.1	12.1	12.4	12.5	11.8	11.8	(2.3%)	(5.0%)
South West	11.4	11.8	12.5	12.6	12.3	12.2	12.1	12.5	8.8%	2.6%
West Midlands	11.4	11.5	11.1	11.2	11.0	11.0	11.0	11.0	(3.6%)	(0.5%)
Yorks & Humber	10.6	10.5	11.1	11.0	11.5	10.6	10.6	11.4	7.7%	7.2%
England o/s London	**11.3**	**11.3**	**11.5**	**11.6**	**11.8**	**11.7**	**11.6**	**11.7**	**3.5%**	**(0.1%)**
Market Sectors										
Greater London	7.2	7.1	7.6	7.8	7.6	7.3	7.8	7.1	(0.4%)	(2.8%)
English Mets	10.7	10.3	10.9	10.7	11.2	11.3	11.1	11.1	4.1%	(1.5%)
English Shires	11.9	12.0	12.0	12.2	12.2	12.1	12.3	12.1	1.8%	(0.1%)
Scotland†	*14.9*	*14.7*	12.2	*14.8*	11.5	11.6	11.2	11.7	(4.0%)‡	1.3%
Wales†	13.1	11.9	13.3	*14.4*	12.5	12.9	12.4	12.7	(3.3%)	(1.5%)
GB o/s London	**11.8**	**11.7**	**11.7**	**12.1**	**11.8**	**11.8**	**11.8**	**11.8**	**(0.1%)**	**0.0%**
All GB	**10.5**	**10.4**	**10.5**	**11.0**	**10.6**	**10.5**	**10.9**	**10.5**	**(0.2%)**	(0.4%)

† - Figures in italics are not considered representative since they exclude urban operations. They have been disregarded calculating percentage changes. ‡ change since February 2023.

5.3 Staff Levels and Productivity

Staff Employed per PVR

5.3.1 This ratio, shown in Table 5-2 below, is a good measure of operators' ability to recruit sufficient staff and then to use them efficiently. In the earlier surveys, many companies were having difficulty recruiting the right number of staff, but this has since eased. Numbers per PVR have increased in most areas since 2022. The exceptions are the North West, West Midlands and Yorkshire, together with a small reduction in Scotland. During the most recent 12-month period, most regions have seen a fall in the ratio. London has seen the largest growth in 2025 of 6.3%, which may be reflective of slower speeds and service cuts.

Table 5-2: Staff Recruitment and Efficiency

Total staff employed per PVR

Region/Sector	Feb-22	Jun-22	Feb-23	Jun-23	Feb-24	Jun-24	Feb-25	Jun-25	Since Feb 22	Last Year
English Regions										
Eastern	3.19	3.14	3.13	3.21	3.32	3.29	3.36	3.32	4.2%	(1.1%)
East Midlands	3.28	3.33	3.54	3.77	3.89	3.78	3.87	3.65	11.3%	(5.6%)
North East	3.63	3.53	3.73	3.66	3.89	3.85	3.94	3.97	9.4%	0.7%
North West	3.40	3.50	3.56	3.52	3.22	3.48	3.57	3.35	(1.6%)	(6.3%)
South East	3.27	3.25	3.35	3.47	3.64	3.58	3.66	3.45	5.4%	(5.7%)
South West	3.01	2.97	3.19	3.03	3.17	3.24	3.33	3.26	8.1%	(2.3%)
West Midlands	3.39	3.33	3.32	3.37	3.38	3.48	3.20	3.28	(3.2%)	2.6%
Yorks & Humber	3.17	3.28	3.40	3.43	3.17	3.46	3.63	3.00	(5.4%)	(17.4%)
England o/s London	**3.35**	**3.33**	**3.48**	**3.40**	**3.47**	**3.56**	**3.54**	**3.38**	**0.9%**	**(4.3%)**
Market Sectors										
Greater London	3.86	3.90	3.56	3.48	3.59	3.70	3.74	3.97	3.0%	6.3%
English Mets	3.47	3.44	3.62	3.49	3.63	3.64	3.53	3.52	1.3%	(0.4%)
English Shires	3.26	3.25	3.38	3.34	3.35	3.50	3.54	3.31	1.4%	(6.6%)
Scotland	3.13	3.06	3.62	3.25	3.39	3.38	3.13	3.12	(0.4%)	(0.4%)
Wales	3.38	3.32	3.17	3.04	3.46	3.53	3.68	3.59	6.5%	(2.4%)
GB o/s London	**3.33**	**3.30**	**3.49**	**3.37**	**3.45**	**3.53**	**3.47**	**3.35**	**0.6%**	**(3.6%)**
All GB	**3.44**	**3.43**	**3.50**	**3.39**	**3.48**	**3.57**	**3.53**	**3.49**	**1.2%**	**(1.2%)**

Driver Productivity

5.3.2 The number of kilometres run per driver employed is a useful, easily tracked 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:

- 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.

5.3.3 The deterioration continued during the first seven of these surveys. However, the June 2025 figures show a strong recovery, cutting the decline since February 2022 to 2.3% outside London and 1.9% including the capital. The figures are illustrated graphically in the chart at Figure 7 below. Finally, lest there be any doubt about the correlation between speed and driver productivity, the chart at Figure 8 overleaf plots the two variables against one another using the June 2025 survey data. 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 2025