

Bus 2020

The Case for the Bus



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Introduction

by Claire Haigh



I am sure we are all pleased that the economy is on the mend. The challenge now is to make sure people, young and old, in all parts of the country, can share in the benefits of prosperity. Moreover, we must ensure that a growing economy doesn't come at a cost to our natural environment.



Buses can, and must, be part of the solution. Every day, they carry millions of people to work, to the shops and to education and training. Buses help older people to continue to be part of their communities, as volunteers or as carers. Furthermore, buses are a cost effective way to reduce road congestion and cut carbon emissions.

Over the life of the next Parliament, Britain has a valuable opportunity to harness the potential of the bus, to make the economy stronger, help the job market to work better and build a more inclusive society. In this paper, Greener Journeys sets out

solutions to promote investment in bus infrastructure, maintain free bus passes for older people, and encourage more people to commute by bus.

Our proposals all provide taxpayers with high value for money, and clear benefits for the wider economy. Every pound invested in buses is a sound investment in our communities, our environment and our future prosperity.

Claire Haigh

Chief Executive, Greener Journeys



Delivering a lasting prosperity, throughout Britain

Buses are the lifeblood of the UK economy. Every year, bus users make 1.4 billion shopping trips and spend an estimated £27 billion on retail goods¹.

Buses are the main mode of travel to city centres and are used even more than cars. Buses account for 29% of spending in cities.²

Buses have a vital part to play in reducing traffic congestion in urban areas, which costs the UK economy at least £11 billion per year.³ The best solution is to make better use of Britain's road capacity. That means investing more in local bus infrastructure and selective priority measures to make transport networks work better.

Detailed analysis for Greener Journeys by KPMG LLP shows that targeted investment in such measures would typically generate £3.32 of net economic benefit for each £1 of cost incurred.⁴

KPMG LLP found that better network performance would reduce the costs associated with delays. There would also be wider economic benefits: businesses could link up with suppliers; consumers would have better access to retailers; and local labour markets could work more efficiently. Bus users would have more reliable services, with fewer delays and shorter journey times. Congestion would be reduced, the local air would be cleaner and noise levels lower.

These benefits should be delivered in the most efficient way possible. From this year, the Department for Transport will devolve much of its capital funding to the Local Growth Fund, with Local Enterprise Partnerships making the decisions on spending. Transport initiatives will need to compete for capital investment with other growth proposals.

Greener Journeys believes that the next Government should issue a National Statement on Local Bus Infrastructure, to encourage local decision-makers to invest in bus infrastructure, as part of local transport plans.

The Statement would describe what the Government expects the bus sector to deliver in return for public funds. Growth Deal awards would be linked to the quality of the Strategic Economic Plans, and these would have a supporting Local Transport Plan.

The Statement would provide guidance on best practice, showing how bus-related infrastructure can improve network performance and help local economies to grow.



£27 billion



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Enabling everyone to take part in the life of Britain

Buses are a vital part of an inclusive society.

Concessionary travel schemes provide older and disabled people across Great Britain with unlimited free bus travel. The policy is very popular, with four out of five of those eligible taking up free bus passes, and has resulted in a big increase in demand for bus travel. In 2013, it delivered more than 1.2 billion trips to 12 million pass holders.⁵

Working with KPMG LLP, Greener Journeys has analysed the benefits of the Concessionary Travel Schemes in England, Scotland and Wales. (The study did not examine the administration of the schemes and their reimbursement arrangements).

We found that each £1 spent on concessionary bus travel generates at least £2.87 in benefits to bus pass users and to other bus passengers and other road users.⁶

Older and disabled people have easier access to shops and can access healthcare and other services and activities. Bus pass users are more able to visit family and friends.

Concessionary travel brings important benefits to bus passengers who do not use the scheme. Free passes encourage more people to use the bus, so operators need to provide additional services. Services are more frequent and waiting times at bus stops are shorter.

With better services, people use the bus instead of their cars. There is less road congestion, lower levels of air pollution and fewer traffic related accidents.

Free bus passes are good for the economy and society as a whole. With more freedom to travel, older people are more able to contribute as volunteers, as mentors, event organisers and fundraisers. They have new opportunities to look after children and to care for others.

Free bus passes encourage older people to be more active, and as a result they have better health and well being.

Buses are especially important to those on low and moderate incomes. 48% of the lowest income group and 36% of the second lowest group do not have access to a car.

However, these benefits have been placed at risk. As their budgets have been reduced, local authorities have had to make difficult choices.

There is a longer-term challenge. Between 2012 and 2037, the number of people in England aged over 60 is expected to grow from 12 million to 18 million.⁷ This will make the case for the scheme even stronger.

Greener Journeys is calling on the next Government, and its successors, to make a firm commitment to ensuring that the concessionary travel schemes remain in place, with secure and adequate funding.



+6 million

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Getting Britain's people to work



Every day, almost 2.5 million people all over Britain travel to work by bus, and a million more use the bus as a vital back up.⁸ Every year, those bus commuters create more than £64 billion worth of goods and services.⁹

Buses are especially important to commuters on low and moderate incomes. 48% of the lowest income group and 36% of the second lowest group do not have access to a car.¹⁰

Many people depend on buses to get to their place of education or training. More than half of all students are frequent bus users.¹¹ And buses are essential for job seekers, given that 77% have no access to a car.¹²

Transport costs are second only to housing and fuel in their share of total household spending¹³. The affordability of getting to work presents a genuine challenge to many households.

But bus passengers have been affected by reductions in revenue spending on transport. One result has been higher fares.

People should be encouraged to choose the bus – a low carbon, flexible mode of transport – to commute to work.

Greener Journeys proposes a new Bus Bonus, to make it easier and cheaper for people to travel to work by bus. The Bus Bonus would help more people to find jobs and encourage people to switch from car to bus, reducing traffic congestion and reducing harmful vehicle emissions.

The *Bus Bonus* would work in a similar way to the childcare voucher scheme currently in place.

Research for Greener Journeys by KPMG LLP shows that for each £1 of foregone tax, the Bus Bonus would generate £2.17 in benefits.¹⁴ Bus users would gain from lower fares and improved service quality. Employers would save in National Insurance contributions. The labour market would work better, which would be good for UK plc. And everyone would benefit from less noise pollution, better air quality, safer roads and lower vehicle emissions.



£2.17 in benefits

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Research for Greener Journeys by KPMG LLP shows that for each £1 of foregone tax, the Bus Bonus would generate £2.17 in benefits.

References

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Contact

Greener Journeys
3rd Floor Drury House
34-43 Russell Street
London WC2B 5HA

contact@greenerjourneys.com
www.greenerjourneys.com

About Greener Journeys

Greener Journeys is a campaign dedicated to encouraging people to make more sustainable travel choices.

It aims to increase the value of bus and coach travel in stimulating economic growth, reducing congestion and CO₂ emissions and enabling access to jobs, retail, leisure and vital services. Launched in 2009, Greener Journeys is a coalition of Britain's leading bus companies and other supporters including Transport for London, RAC Foundation, Passenger Focus, Confederation of Passenger Transport (CPT), Passenger Transport Executive Group (PTEG), and Campaign for Better Transport. Its primary funders are bus companies Arriva, FirstGroup, Go-Ahead and Stagecoach.

