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QUALITY BUS

SUPPORTING GENERATION BUS

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Leon Daniels Chair Advisory Board **Bus Centre of Excellence**

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Introducing

the

Bus Centre 
of Excellence



Funded by
UK Government




Agenda

- 04 **Bus Centre of Excellence Overview**
- 05 **Bus Centre of Excellence Mission**
- 06 **What Will BCoE Do?**
- 07 **The BCoE Journey So Far**
- 08 **BCoE In Numbers**
- 10 **What's Next**
- 11 **Contact**




Overview

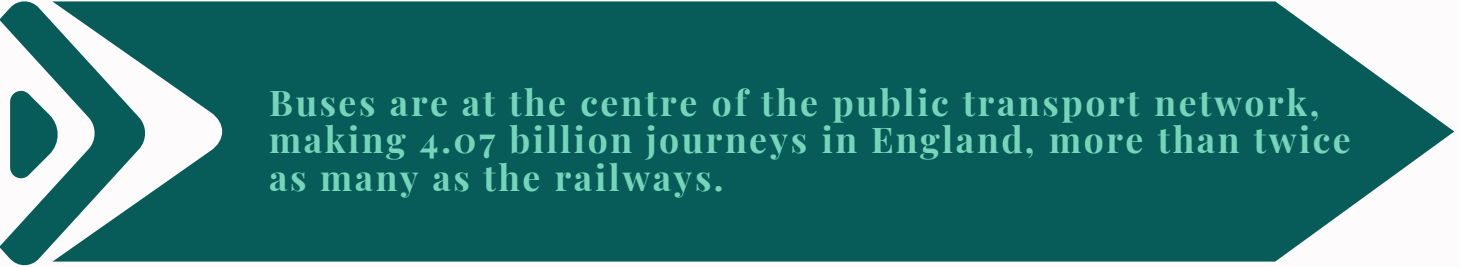
The Bus Centre of Excellence (BCoE) is a place for those working within the bus sector to come together to share best practices and develop skills to deliver better bus services across England.



The National Bus Strategy confirmed the creation of a new Bus Centre of Excellence (BCoE), to be funded and co-sponsored by the Department for Transport, enabling the delivery of a long-term programme of activities and support on buses.

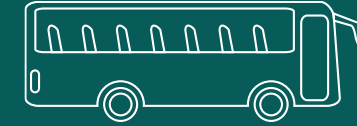


The Bus Centre of Excellence (BCoE) is a place for those working within the bus sector to come together to share best practice and develop skills to deliver better bus services across England.



Buses are at the centre of the public transport network, making 4.07 billion journeys in England, more than twice as many as the railways.

B CoE Mission



1

The Bus Centre of Excellence will raise capability and share best practices among all those involved in the delivery of better bus services and infrastructure.

2

We aim to help train a new generation of bus professionals ready to deliver excellence, seize opportunities and meet challenges now and in the future.

3

We will tell the world what buses have to offer: raising awareness amongst stakeholders and decision-makers of buses' role in a net zero transport system

What will BCoE do?

Run by the sector....

To be hosted and run by the Chartered Institution for Highways and Transportation (CIHT).

CIHT objective - 'to advance for the public benefit the science and art associated with highways and transportation in all their aspects and to promote education, training and research in and the development of the said science and art'.

Governance - a DfT/CIHT project board, an advisory group made up of key bus sector stakeholders, and a wider stakeholder group to offer support and test ideas.

.....for the sector

A virtual centre for the whole of the bus sector – LTAs, operators, passenger groups, manufacturers, consultants.

Developing 'Generation Bus'- a new networked group of professionals delivering bus sector partnership excellence.

Curating a programme of practical learning courses, events, seminars, and networking opportunities.

A dedicated website resource for learning and information.

Generating new ideas/guiding the sector towards responding to evolving customer and societal needs, and the opportunities (including new technology) to serve them.

.... to benefit passengers



BCoE Journey So Far

Capability Needs Research 2022

BCoE Partnering & BCoE Website Design
Spring 2023

BCoE Partnering & BCoE Website Design
Spring 2023

Establishing Governance & Stakeholder Testing
May 2023

BCoE Website Go-live June
2023

BCoE First Online Event
July 2023

BCoE 500 Members
August 2023

BCoE Quality Bus Conference
November 2023

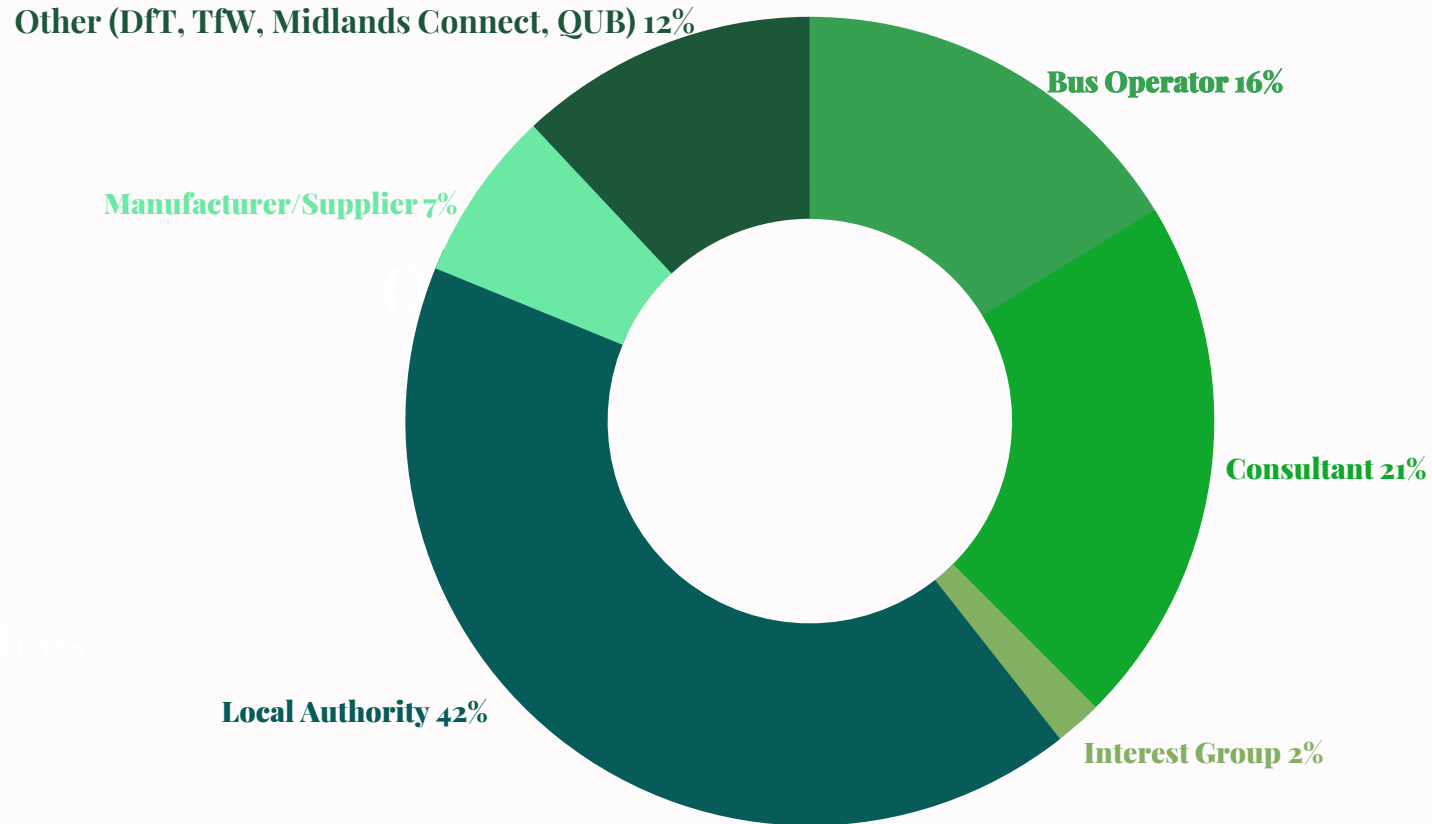
BCoE In Numbers

Over the past three months, the Bus Centre of Excellence has been a hub of engaging events, offering valuable insights into the evolving landscape of bus transportation. Our online webinars, in collaboration with esteemed partners, have addressed a wide spectrum of critical topics.



* As of October 2023

B CoE Membership Breakdown



Awards 2024



We are thrilled to announce that next year, CIHT Awards will be in full swing.

Over 100 categories
Over 100 categories
Two new categories have been established:

**Bus Person
of the
Year**



**Bus
Initiative
of the
Year**



Stay tuned!

Contact



www.buscentreofexcellence.org.uk



Email: BCoE@ciht.co.uk



Scan our QR Code

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Leon Daniels
Chair Advisory Board
Bus Centre of Excellence

Richard Holden MP
Parliamentary Under Secretary of State
Roads and Local Transport

David Leeder
Director and Managing Partner
Transport Investment Limited

Sir Peter Soulsby
Mayor
Leicester City

Louise Collins
Director
Transport Focus

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Richard Holden MP Parliamentary Under Secretary of State **Roads and Local Transport**

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Sir Peter Soulsby Mayor Leicester City

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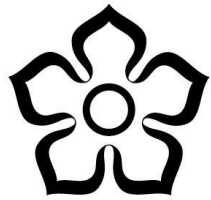
www.leicesterbuses.co.uk

Leicester Enhanced Bus Partnership

Sir Peter Soulsby
City Mayor
Leicester City Council

November 2023

Leicester Enhanced Bus Partnership members



Leicester
City Council



Roberts
TRAVEL GROUP



Kinchbus

Centrebus



Leicester

- **Low income and car ownership**
- **Rising costs**
- **Environmental issues**
- **Health issues**
- **Dense growing population**
- **Regeneration and housing growth**
- **Two universities, three hospitals**
- **Vibrant city centre, growing tourism**
- **Big sporting city**



Big Bus Plan 2022- 2030

Operator spectrum : Big 3 national operators, 3 others

Wide mixed travel needs

Electric **Frequent** **Reliable** **Easy**
Great Value

30 frequent integrated Bus Lines, £300m investment

Fully electric by 2030

40% trip increase from 2021/22



*High Quality Electric Bus Network -
quicker and cheaper than one tram line*

Partnership Scheme 2022-2025

- 100 projects committed
- £100m+ investment
- 75 projects in 18 months
- 100% by end 2024

- 50% electric network
- 25 frequent bus lines
- Best fare digital ticketing
- 8 bus priority schemes
- New bus station



Electric Buses



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- 92 now in operation
- 3 charging depots
- 152 operational Summer 2024
- 4 charging depots
- 50% network



Frequent Buses



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- 25 frequent bus lines, 15mins or better
- Co-ordinated network across operators
- New Hop! city centre orbital service
- Up to 2,000 trips per day

Commences operation 3 April 2023

Hop! one-way circular route and its bus stops.

FREE!
Monday to Saturday
8am to 6pm
Every 10 minutes

circular

HOP! Route
Other Roads
Pedestrian Roads

Produced by FWT London 15.2.2023 www.fwt-london.co.uk

Leicester City FC ↓ Leicester RUFC

University of Leicester and Attenborough Arts Centre

Reliable Buses

- 8 new bus lane schemes
- bus priority city centre
- CCTV enforcement
- Improved reliability and journey times



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Easy Buses

- New bus station
- 750 new real time displays
- 500 new bus shelters
- New website
- 83% use satisfaction



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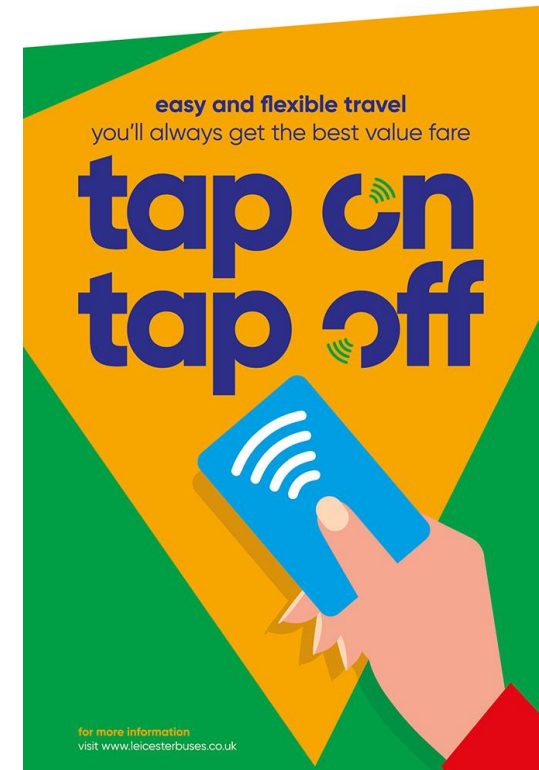


Great Value Buses

- Multi-operator 'best fare' contactless capping
- Tap-on and tap-off readers
- Targeted discounts
- Wide range all-operator tickets



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Where next?

- **Successful delivering partnership**
- **Keep momentum going**
- **Keep to the plan**
- **Sustained investment, up to £200m**
- **Revenue funding source, £4m pa**
- **Strengthen partnership further**
- **DfT Demonstration Partnership City?**



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David Leeder Director and Managing Partner **Transport Investment Limited**

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Transport Investment Limited

advisory
consulting
management

Quality Bus: Supporting Generation Bus – The economic perspective

6 November **2022**

David Leeder - Managing Partner

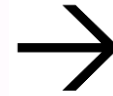


Founded in 2008 by industry executives who have held regional or main board level roles:

First Group plc
National Express Group
Arriva
Greyhound Lines
West Midlands Travel
TfL

International projects:

UK
Ireland
Belgium
Germany
Netherlands
Sweden
Denmark
Norway
Spain
Turkey
USA and Canada

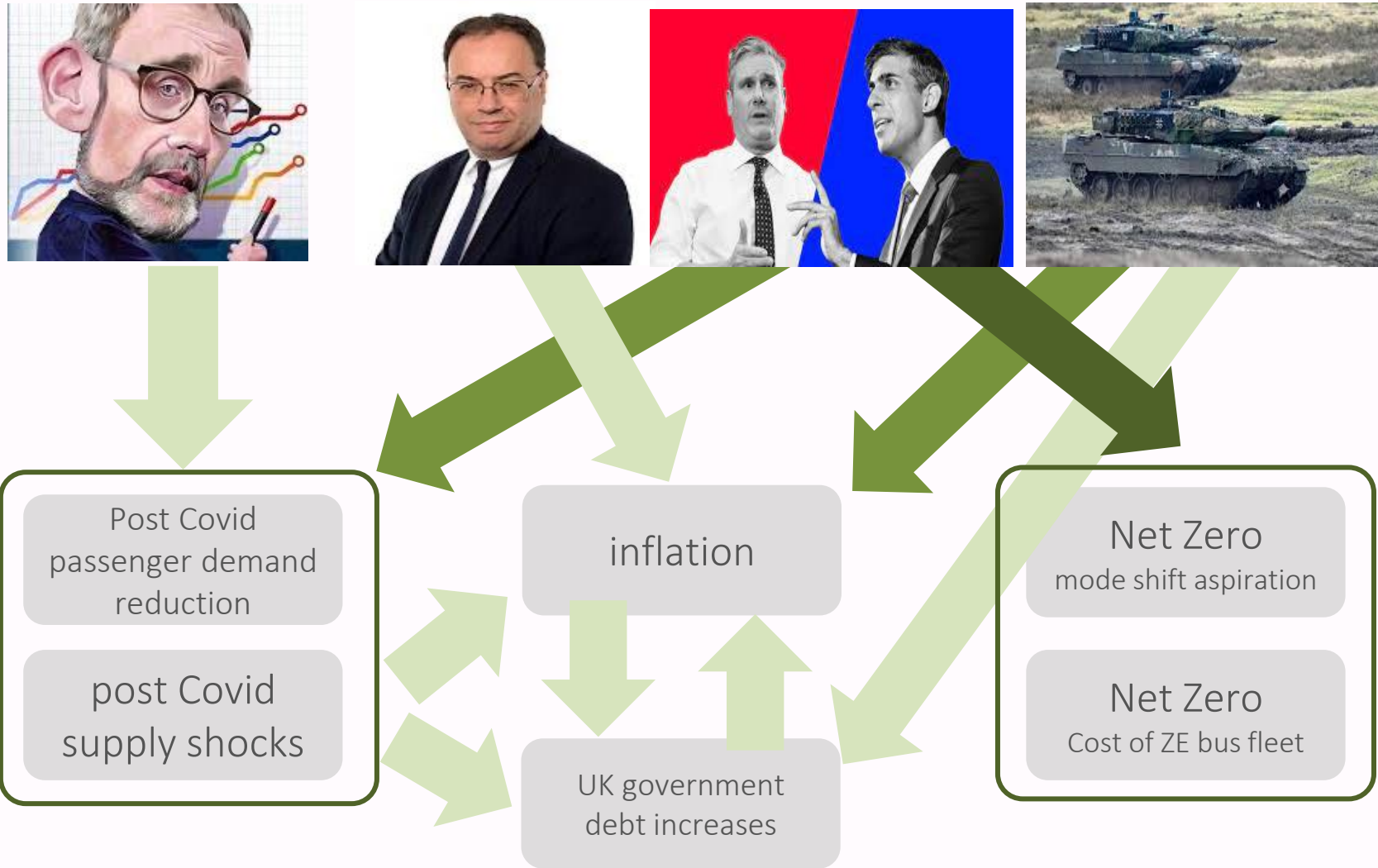


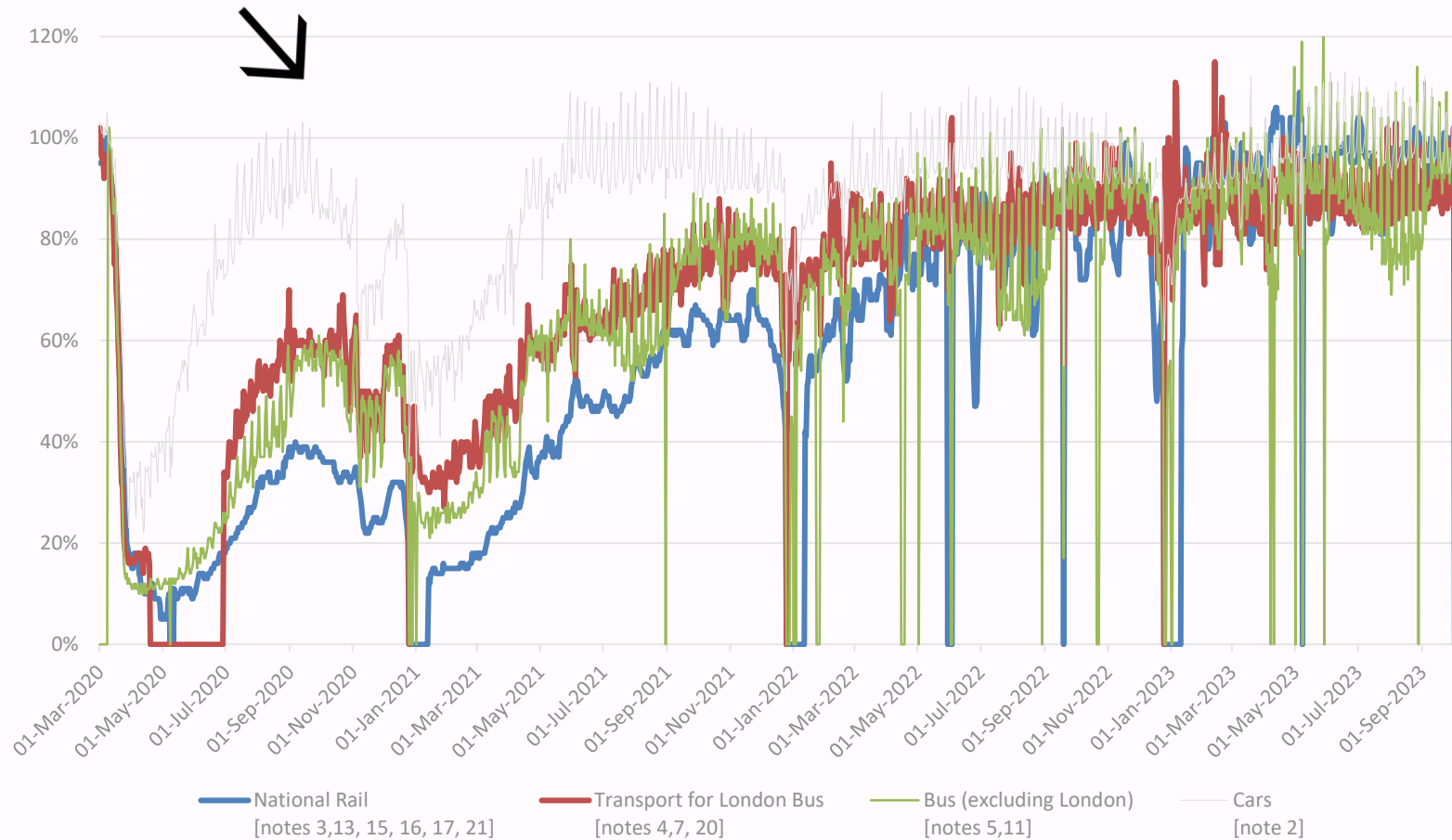
Our clients and partners have included investors, government, strategy consultants and transport operators:

Morgan Stanley Infrastructure
Goldman Sachs Infrastructure
DWS Deutsche Bank
Arcus Infrastructure
Basalt Infrastructure
KKR Infrastructure
HSBC
John Laing Infrastructure
Actera Fund
Government of Saudi Arabia
Government of Oman
Transdev
Keolis
FirstGroup
Go-Ahead
ComfortDelgro
Arriva
West England Combined Authority
Atkins Realis
Oliver Wyman
McKinsey & Co

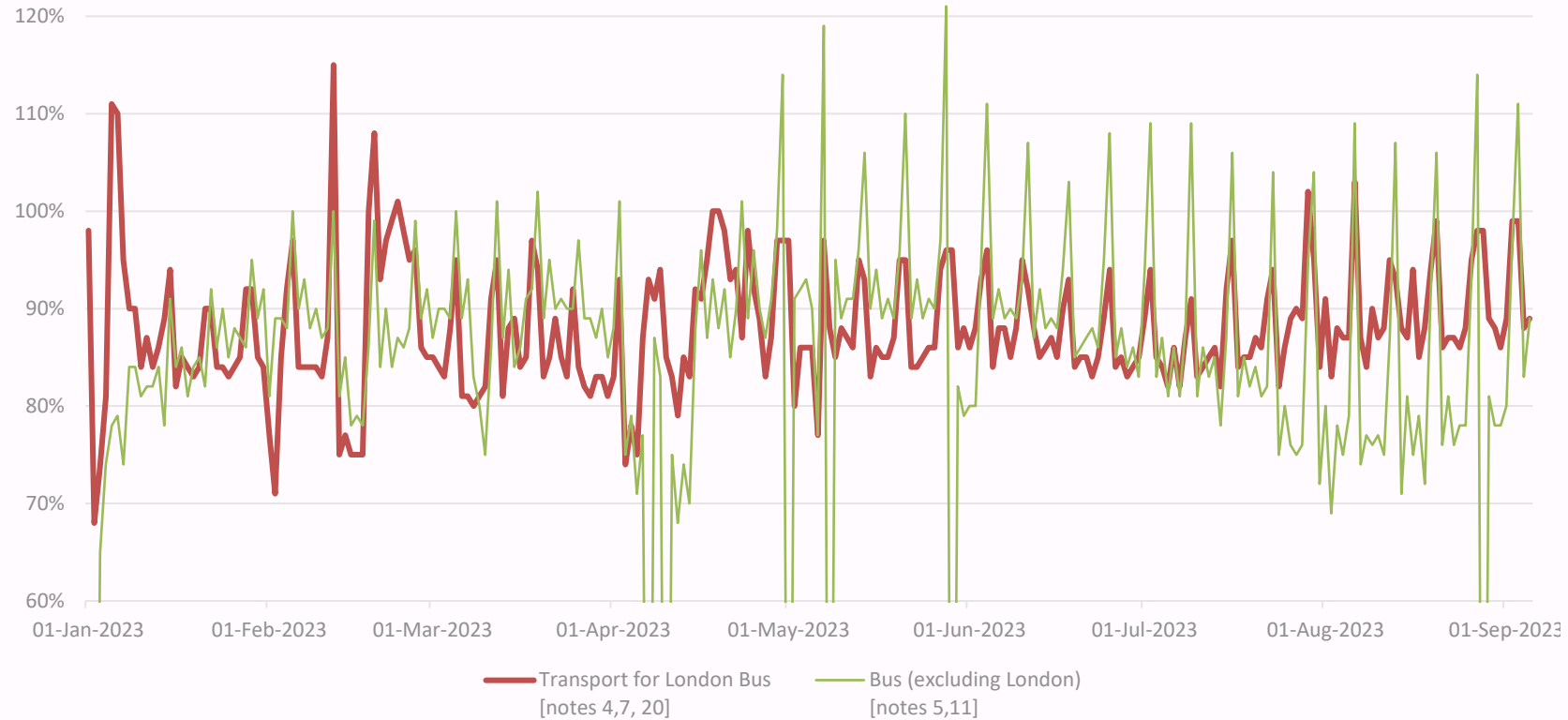


Sector trends 2023/24 →





- Industry solvency was only maintained by huge cash transfusions by DfT
- But permanent damage has occurred to demand and costs



- **But costs are far above pre-Covid levels**
- **Pay rises @ 10-15% in many areas**



Fewer work trips

Largest reduction
Doomsberg effect



Decline of city retail
More home deliveries
Loss of retail work trips



More 'leisure'



20-30% WFH

20-30% below

-

10-20% up



Listed and private bus and rail groups are being 'taken private',

and Infrastructure Funds are buying bus and rail operators

UK
Europe
North America

Sold by Cube Infrastructure Fund
To DWS Infra

De-listed
– sold to Basalt Infra

Sold by FirstGroup to
EQT Infra

De-listed
- Sold to DWS infra

De-listed
- Sold to Kinetic and
Globalvia Infra

Sold to HIG Infra

Bid from I-Squared



- Essentially 'pension funds' and long term investors looking for dividends
- Have a remit to invest in 'energy transition'



10 area contracts
First contract area started September 2023
5 year contracts
PTA takes demand and revenue risk



Model resembles Sweden / Netherlands more than London
Small number of depots
Too few contracts to create a portfolio within the region



All contracts are 5 years
No depot

200m to buy a

Annual losses
20-30m ?

depots and buses



will be met if routes are shortened to feed


financing is unclear
£30m pa

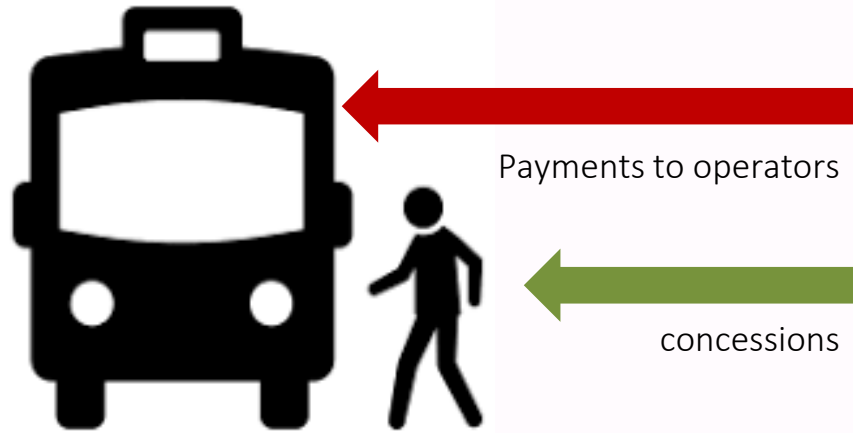


- Very high start up costs – £200m +
- Contractualised losses in perpetuity - £30m + pa – probably a lot more

Imagine if £200m had been spent on bus speed improvements ?



 Relative speed matters	Electrification will increase capital costs x2 – x3 with minimal incremental revenue	Desire for passenger growth and mode shift to support net zero and levelling up
Reduction of bus speeds in London arising from cycle schemes....	Huge hump of costs	‘growth’ schemes are being robbed to fund ‘prop up schemes’
Cancels out very favourable demographics	x2 – x3 replacement capex	Political challenge – traffic management
(that don’t apply in most other cities)	Will then fall over time	Project management challenge
Falling passenger revenue	Increased capital costs	Net Zero implies mode shift and large bus growth



the passenger

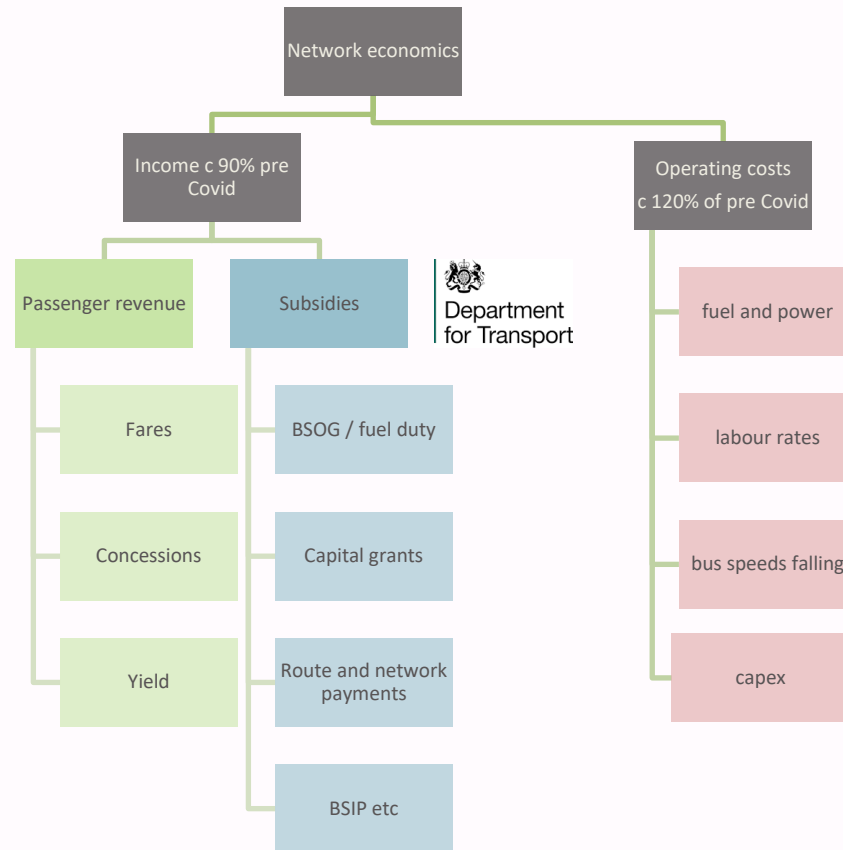
fares
per passenger subsidies and
concessions
etc

the tax-payer

capital grants – eg EVs
revenue grants - eg BSOG, BSIP
local taxes – eg CG, ULEZ
etc



Finance smooths the capital spend, but must be re-paid

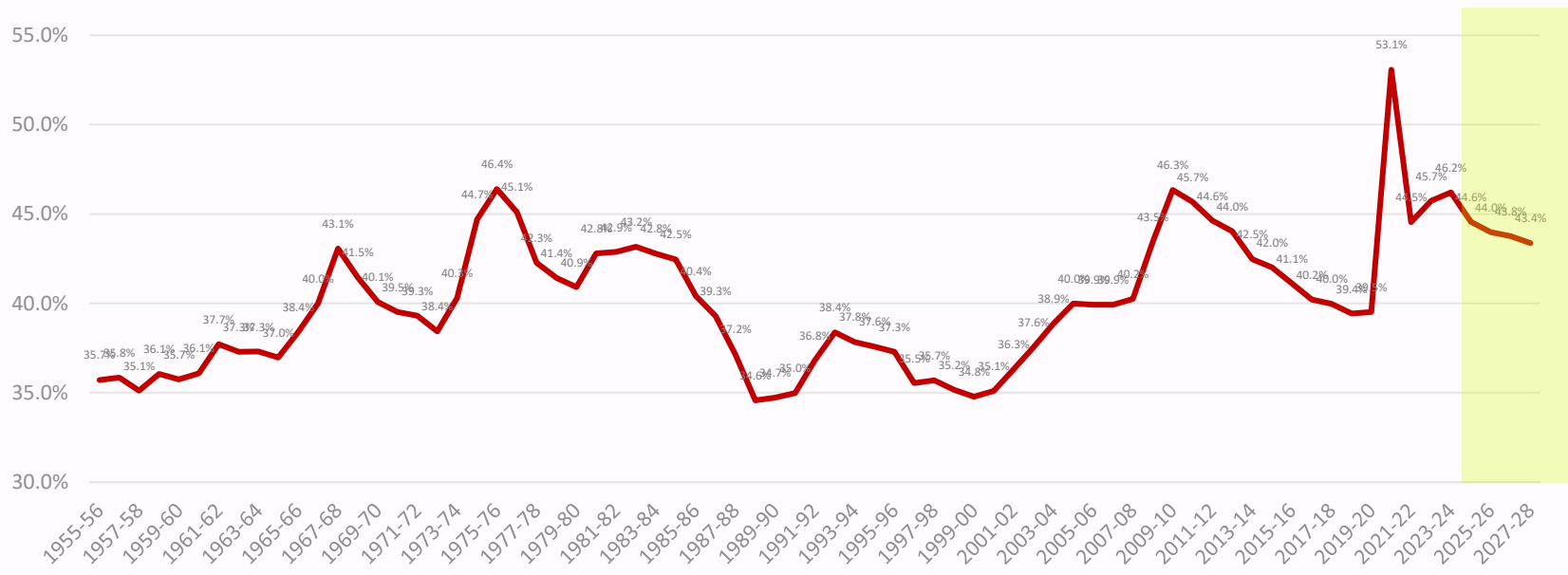


- **Return to 1970s**
- **BSIP funding being used to sustain core network size, not growth**
- **Assumption of national funding**

Public spending outlook

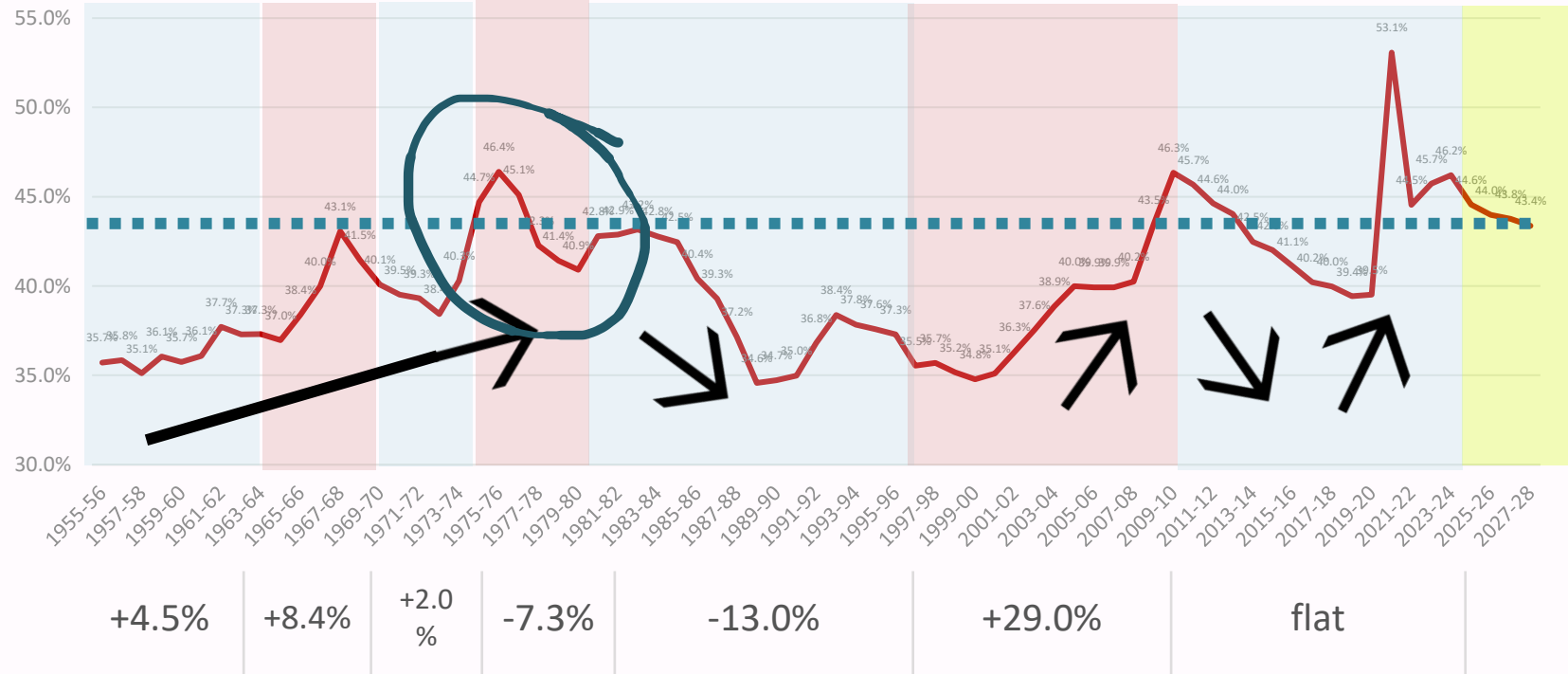
Boring economic slides →

Public spending as % of GDP since 1955 and forecast to 2028

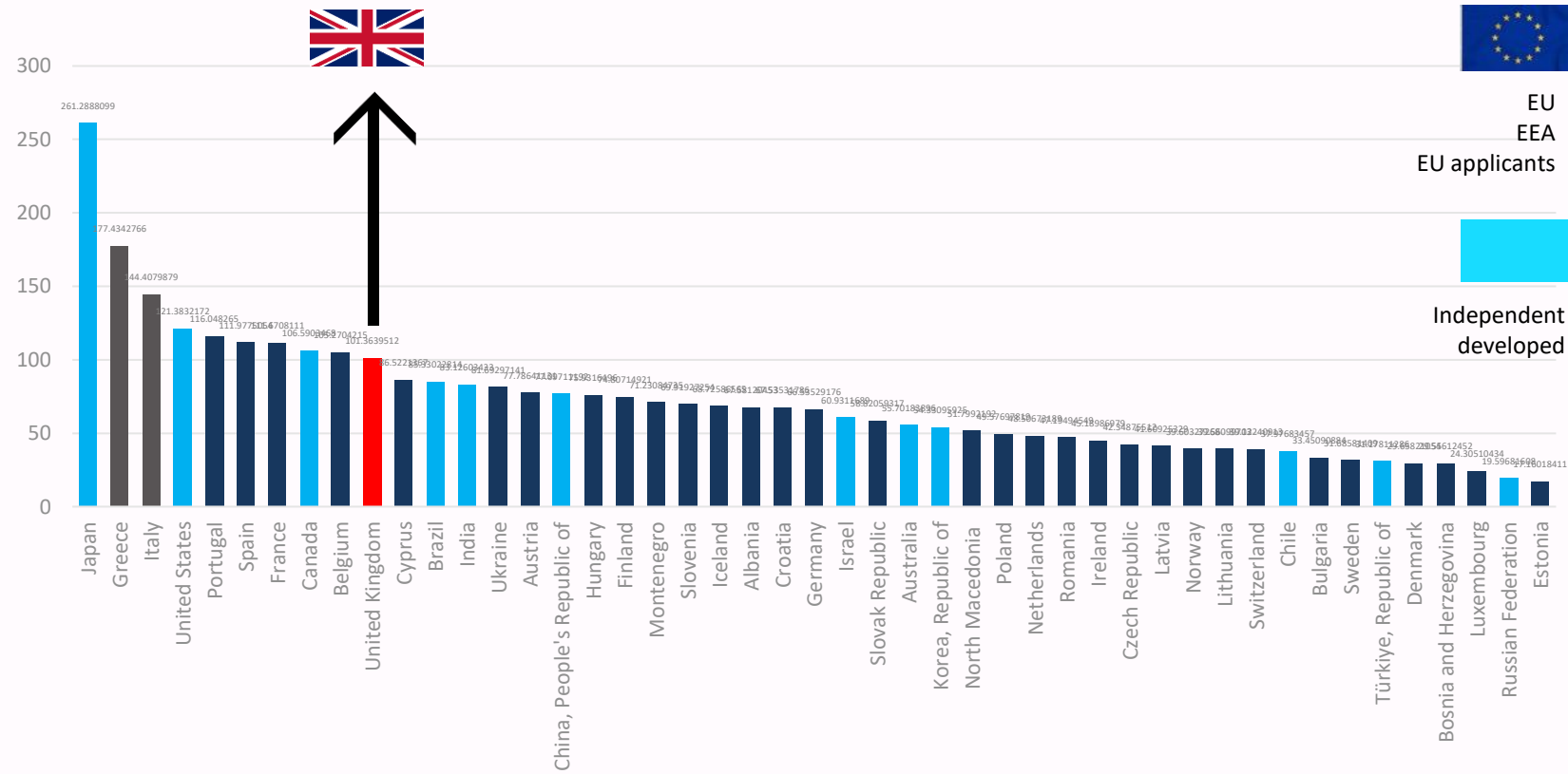


- Public spending is already at a 70 year high
- Tony Blair is the only person born after 1916 to have been elected Labour leader in a General Election

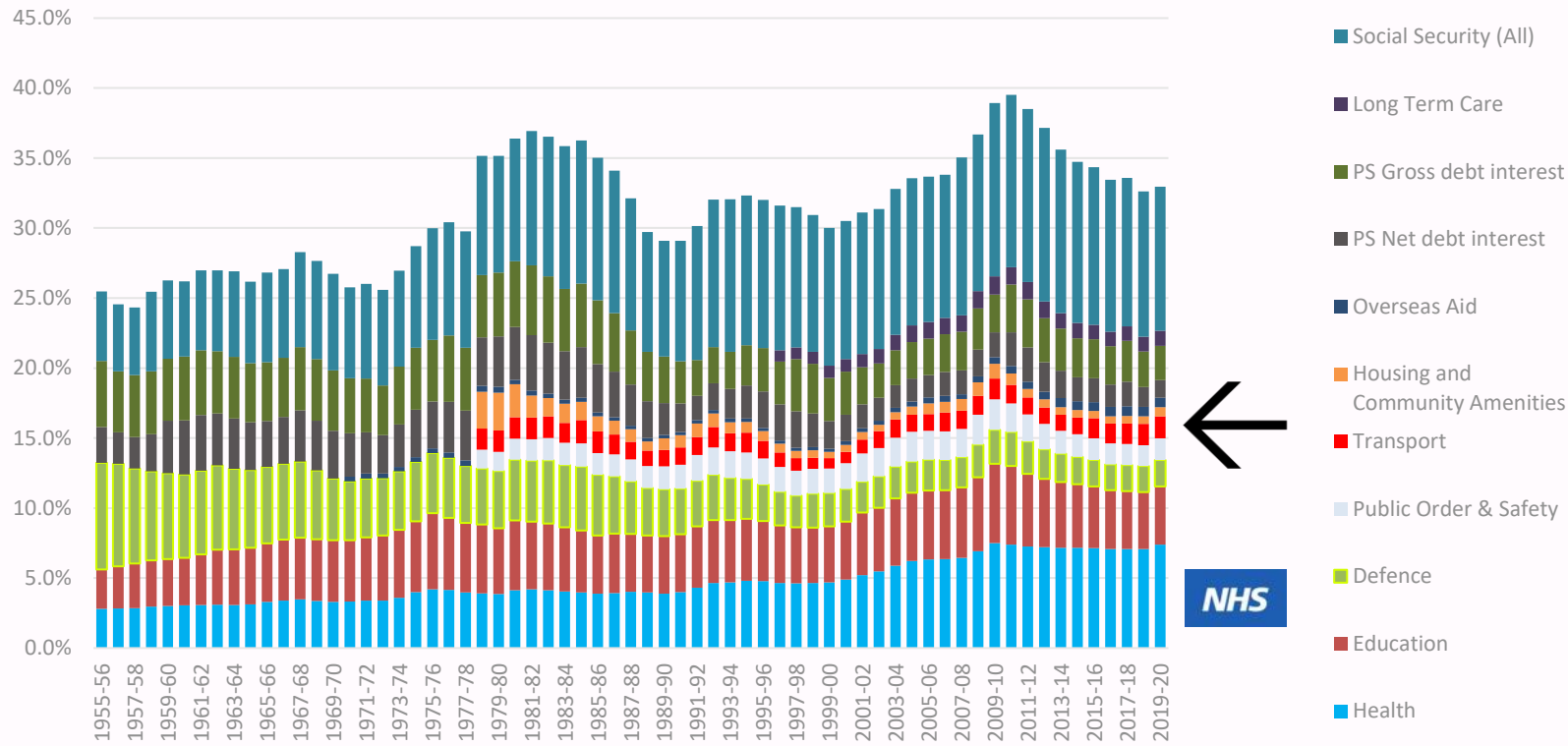
Change in spend by administration and spending as % of GDP by year



- Blue dotted line shows that public spending has rarely been higher than today



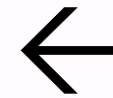
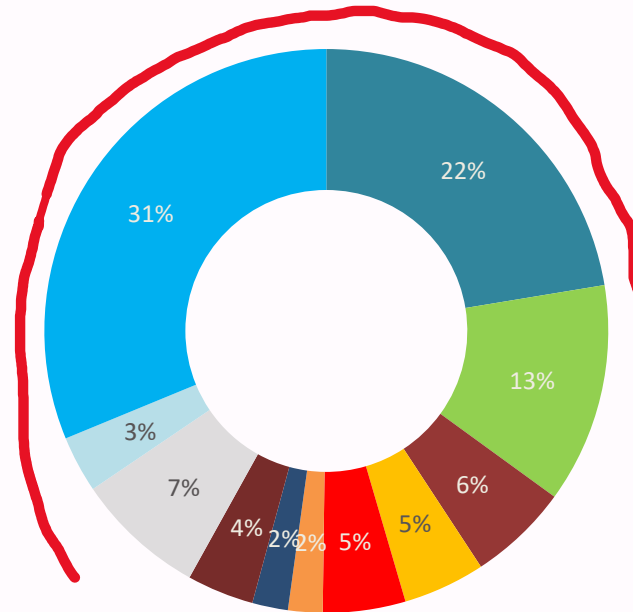
- UK debt levels have become quite high
- Will be hard to increase spending by selling more debt
- As Liz Truss, Harold Wilson and Jim Callaghan found out



- Slow but continuous growth in health and social spending
- Which will further increase due to the aging population
- Debt interest has risen quickly as interest rates have normalised after Covid

- Health
- Education
- Defence
- Public Order & Safety
- Transport
- Housing and Community Amenities
- Overseas Aid
- PS Net debt interest
- PS Gross debt interest
- Long Term Care
- Social Security (All)

Chart Title



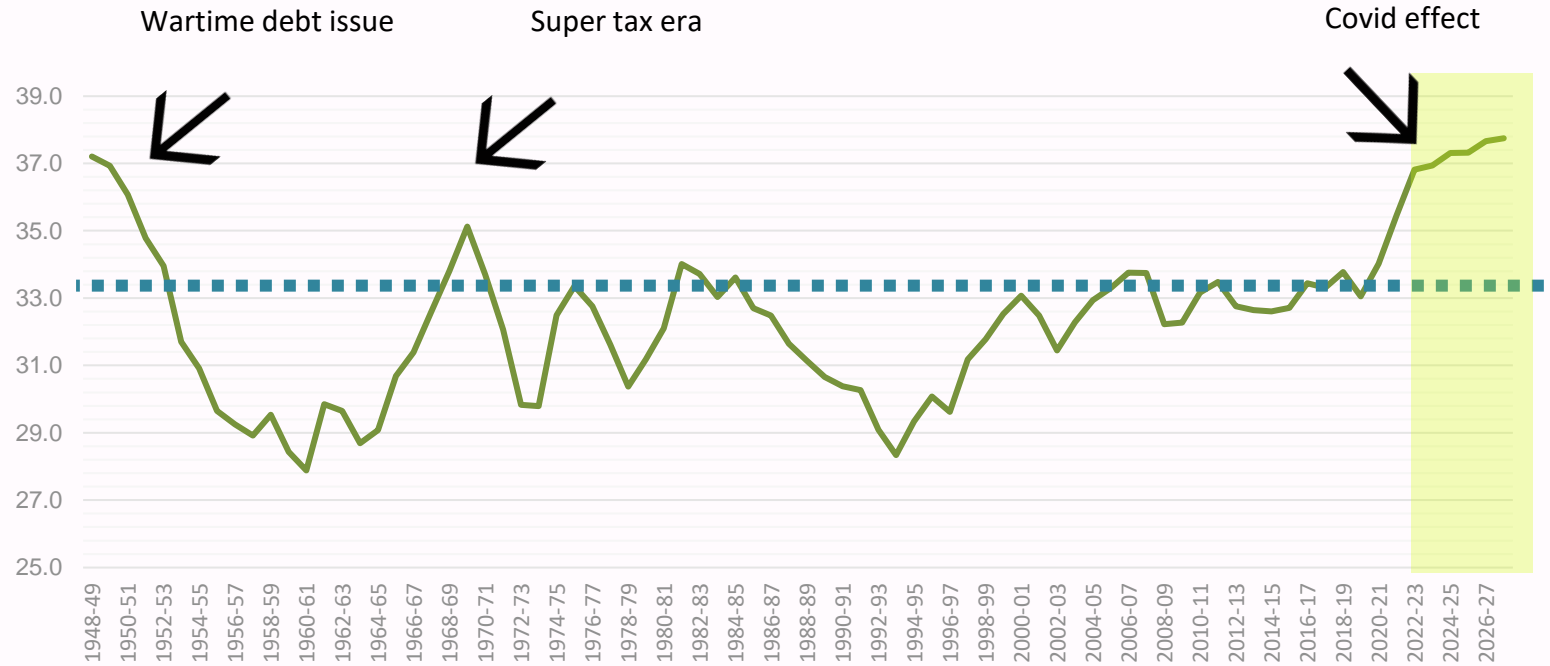
NHS
Social security
Long term care



- NHS and social spending is now so large that small increases could exceed transport budget

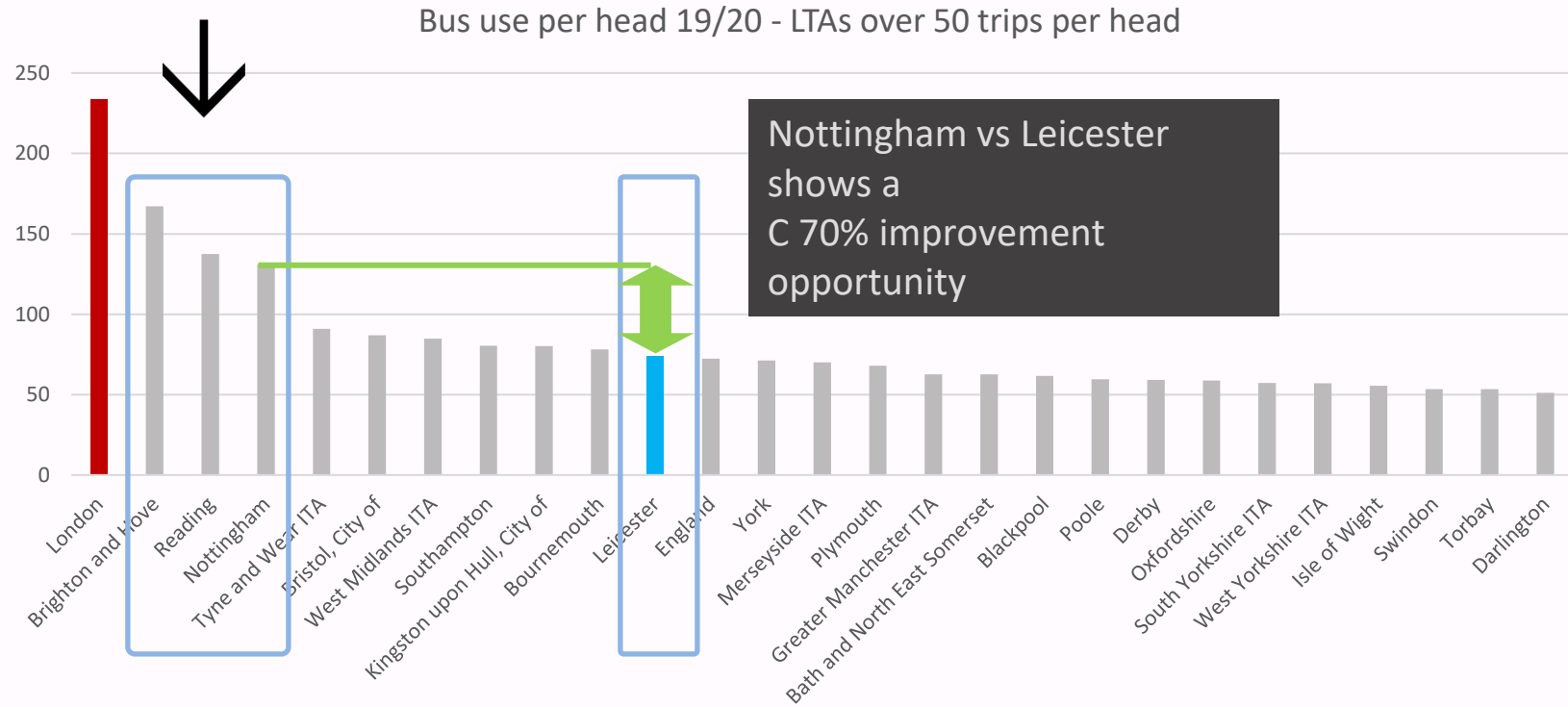
So, what about raising taxes ?

Tax revenues as a % of GDP by year

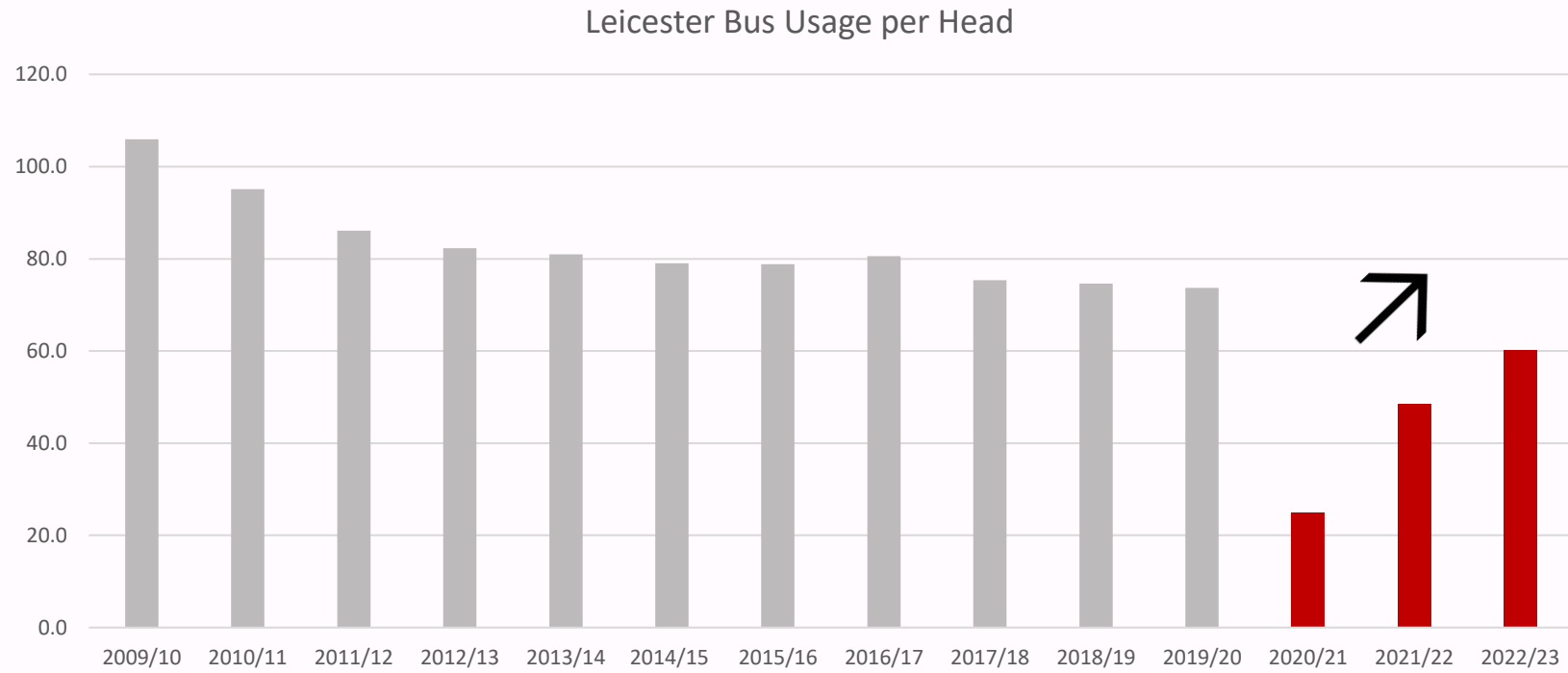


- Taxes only been higher during Wilson period
- And in post war – cost of WW2

Why is bus demand
falling in London,
and growing
in Brighton and Leicester ?



- London does not compare with any UK conurbation due to size and car restraint
- And London bus demand is in fact falling
- Group here is most interesting



	London	Leicester
Urban density and population	↑ ↑ ↑	↑ ↑
City centre attraction	↑ ↑ ↑	
Student density	↑ ↑	↑
Activity hubs on bus routes	↑	
Improving bus speeds		
Operator investment		↑ ↑
Close links between operators and local authorities		↑ ↑ ↑
Bus priority capex	← ←	↑ ↑ ↑
Funding for concessions	↑ ↑ ↑	↑ ↑ ↑
Route marketing		↑ ↑ ↑

London is now under performing its potential: lower demand higher costs higher subsidies

London has extremely low bus speeds in centre and inner suburbs

London is removing bus priority, month by month



- No credible plan to improve bus speeds

- Significant cuts to bus frequency have occurred - > 9% of bus miles and bus fleet in last two years

- (Bus fleet size capped by ability to recruit drivers)

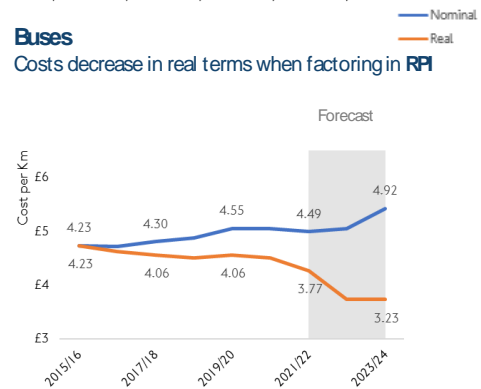
- Very limited network marketing

- No route or destination marketing

- Actively removing bus priorities to extend cycle lanes

- TfL appear to be prioritising high income cyclists over low income bus users

- Fall in bus speeds is increasing costs and reducing patronage



- Institutionalised losses > 500m pa
- Operators sliding into losses
- In city with highest patronage potential in Europe



Economically,
a return to 1974

High inflation
Public spending limitations



Passenger growth
potential is high

Leicester
Brighton
Nottingham
Reading

“trip rate gap”



London is now under
performing

High trip rate
Falling bus speeds
Limited efforts to rebuild demand




Severe constraints on
additional spending are
likely

More like 1974 than 1997



Infra funds are a
potential source of
growth capital

Concessions
Capex for energy transition
And renewable expansion



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Louise Collins Director Transport Focus

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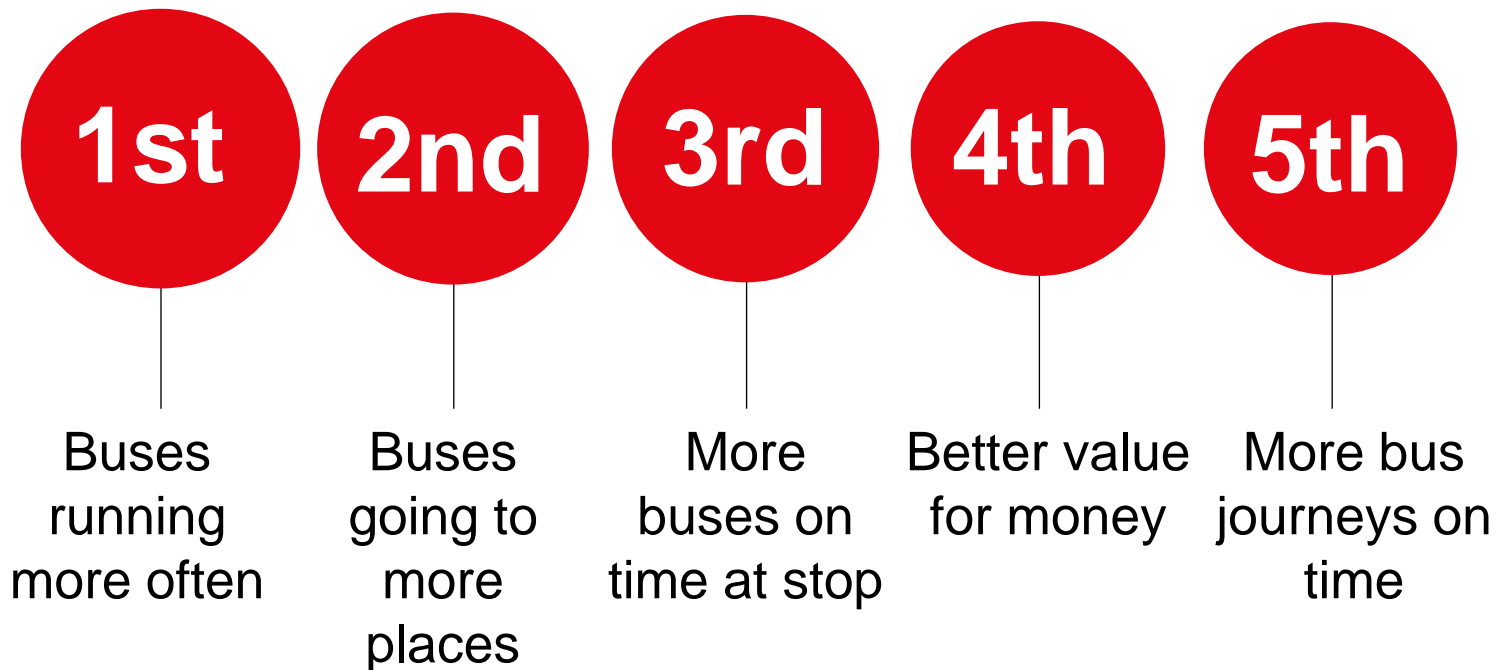


The bus passenger perspective

Louise Collins

Quality Bus: Next Generation Bus, Leicester, 7 November 2023

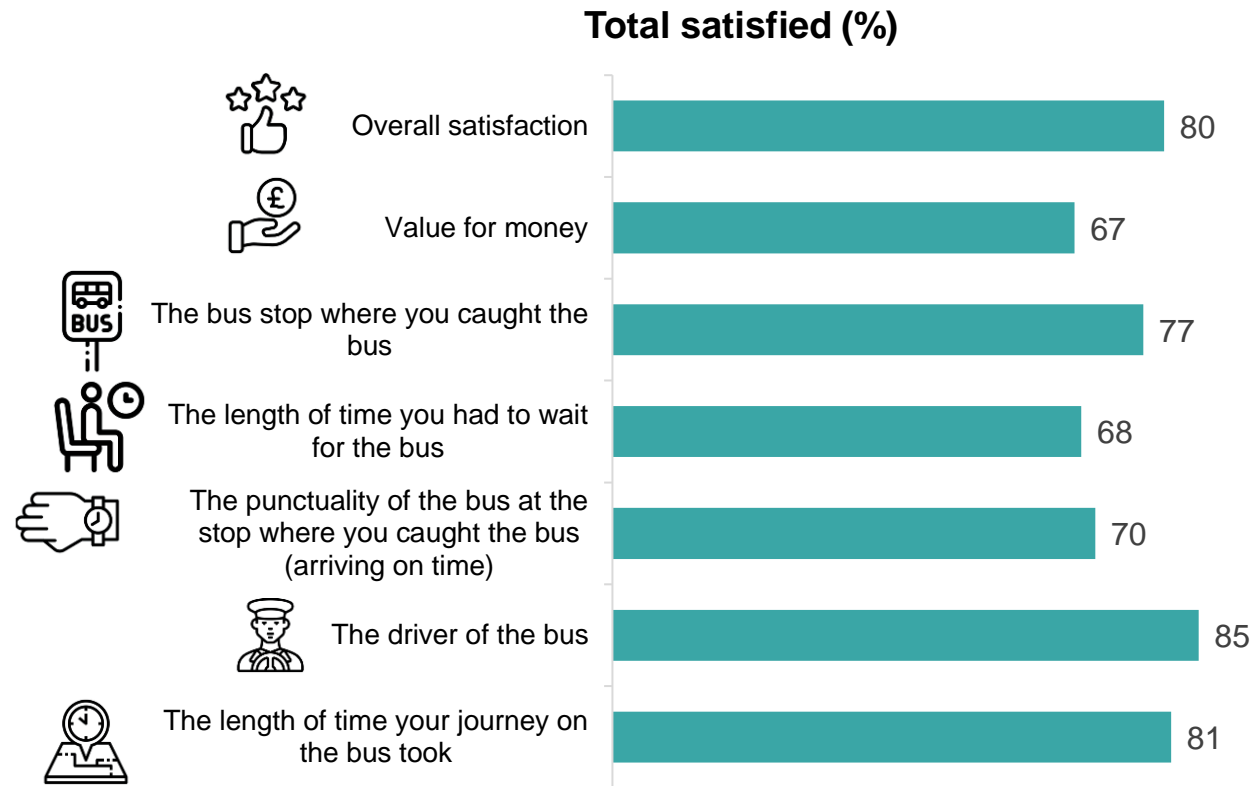
Bus passengers' priorities for improvement



Other priorities for improvement

6. More effort made to tackle any anti-social behaviour
7. Faster journey times
8. More bus stops with next bus displays
9. Better quality information at bus stops
10. More space for wheelchairs and buggies
11. Drivers allowing more time for passengers to get to their seats
12. Cleaner and better maintained buses
13. More bus stops having shelters/seats
14. Being told of delays whilst on board
15. More tickets which allow travel on all local buses

Bus passenger satisfaction with key metrics



Bus passenger comments

“

It was only £2 and because everything is £2 I didn't have to worry about what ticket to ask for or think about it that much at all

”

“

Think it is all to do with driver of bus, his manner and attitude. The one on today's journey is very pleasant. Interacts with passengers therefore makes journey better.

”

“

I find it easy to travel by public transport . Because I don't have to worry about parking. The tickets are a good price and drivers are helpful with disabled people. I enjoy travelling by bus.

”

“

A lot of the times there is an issue with timings of the buses being late or not even showing up at all which causes me to be late.

”

Motivations and barriers to bus usage

1

The barriers to using bus are clear

A preference for the car among non-users will be hard to overcome. Perceptions that the bus is inconvenient and takes too long also prohibit people from giving it a go.

2

There is some appetite for using the bus more

With this there are clear requirements around what is needed. A more comprehensive network and improved reliability of services would encourage users to use the bus more.

3

The capped fare scheme in England is providing value for money to users

Value for money is always important to bus users and this scheme has helped to tick that box. Half who have used the scheme have been encouraged to use the bus more because of it.

4

A lack of knowledge about services presents an opportunity for the industry.

Improving promotion of services - together with a value for money hook such as the capped fare scheme – could encourage lapsed and non-users.

Whether we're talking about what bus passengers want to see improved, what drives satisfaction or what would encourage more journeys by bus the themes are clear:

- **Network** – genuinely matched to journey demand, with buses going to the places people want to go at the times they want to go there
- **Reliability** – buses on time at the bus stop and on time during the journey, supported by clear, trusted information
- **Value for money** – the right price for the ticket and a high-quality service, with a friendly, helpful bus driver.

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Director
07525 818 252
Louise.collins@transportfocus.org.uk

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