

Strategic Transport Leadership Board

11 July 2025

Agenda Item 3 Better Buses

Recommendation:

It is recommended that the Strategic Transport Leadership Board:

- a) Notes the update on EEH Buses programme, including agreement to publish the Economic Impact of Local Bus Services report.**
- b) Notes the update on EEH integrated transport programme (Mobility Hubs), including agreement to publish EEH investable proposition prospectus and 'white paper' on public/private investment.**
- c) Notes a summary of the recent National Audit Office report on the value of money for local bus services in England outside London.**

1. Purpose of report

- 1.1. This paper and the accompanying presentation gives Board members outlines progress on the EEH bus and mobility hubs programme and also provides a summary of the National Audit Office report on local bus services.

2. Key points to note

- 2.1. EEH's work on bus following 2024 Bus Symposium and subsequent agreement by EEH Board of the five work areas has been progressing.
- 2.2. This includes work to estimate the economic and social value of bus for each local authority area; an investigation into the opportunities from Total Transport; and market research into the commercial viability of mobility hubs.
- 2.3. EEH has also been progressing the case for the Heartbeat regional bus network, and members will receive a presentation on this.
- 2.4. The National Audit Office has completed an examination into the performance of bus services in England (outside London) by the Department of Transport (DfT).

3. Context

- 3.1. Members of the Strategic Transport Leadership Board have consistently stated the importance they attach to achieving improved bus services within the England's Economic Heartland region.
- 3.2. Buses play a vital role in supporting the economy, connectivity, and sustainability of the region. As a predominantly polycentric area with a mix of relatively smaller cities, market towns, and large rural communities, an accessible bus network is key to connecting people to jobs, education, healthcare, and essential services. Buses help reduce congestion on key road corridors, lower carbon emissions, and provide a cost-effective alternative to private car use—especially in areas not served by rail. They are also crucial for social inclusion, ensuring that those without access to a car can still participate fully in economic and community life.

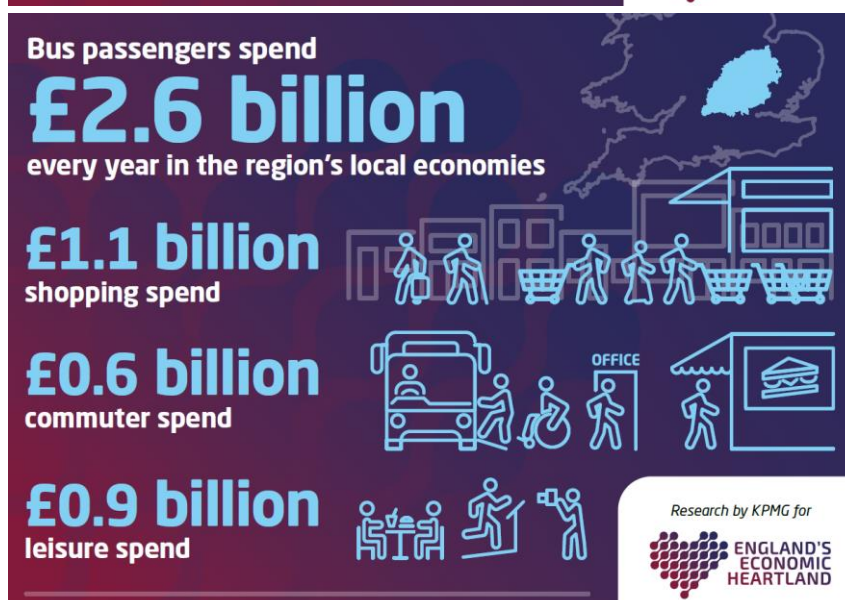
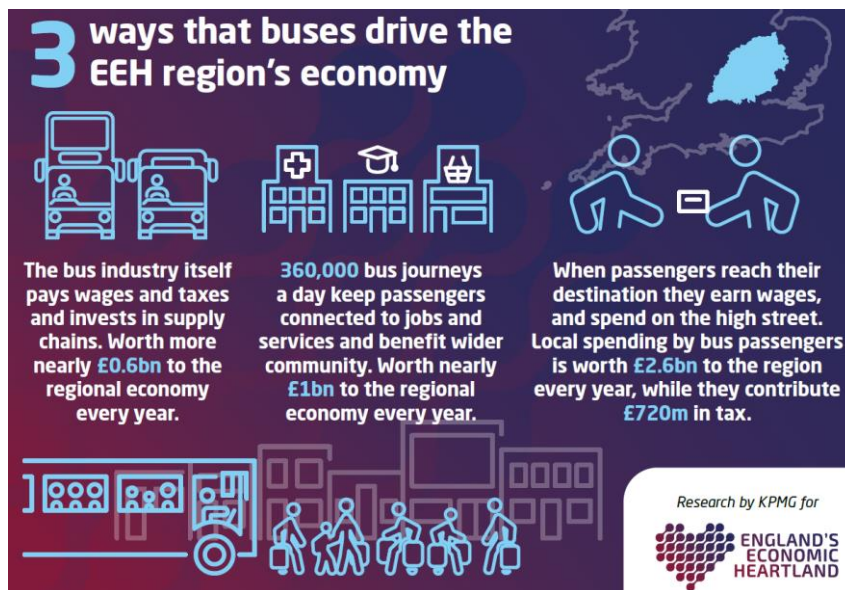
- 3.3. The arrival of East West Rail, alongside developments such as Universal Studios in Bedford, Puy du Fou in Bicester, and the expected expansion of Luton, Heathrow and Stansted airports, alongside housing growth and the potential of new towns, create both opportunities – and the necessity – to improve bus services across the region. Alongside this, the government has ambitious plans for bus franchising and the integrated transport strategy.
- 3.4. In November 2024 EEH held its 2024 Bus Symposium in Northampton. The discussions from this event informed EEH's subsequent five packages of work which we have since been progressing. Two of these areas of work are fully or partially complete and the associated report and slide pack are included as **Annexes A – B**. These include the report on the economic value of local bus services within the EEH region and an interim update into the Total Transport approach with West Northamptonshire Council, Cambridgeshire County Council and Swindon Borough Council.
- 3.5. In addition to the requirements focused on improving bus service delivery EEH has also been progressing with the work on mobility hubs and has now completed the actions to update the list of sites within EEH investable proposition prospectus (following previous member and officer feedback). A 'white paper' on public/private investment in mobility hubs has been produced. These reports are included as **Annexes C – D**.
- 3.6. In addition, last month, the National Audit Office completed an examination into the performance of bus services in England outside London and they have set out several recommendations for the Department of Transport (DfT) to follow to improve bus services going forward.
- 3.7. In sections 4 to 10, we have summarised the outcomes of this work, before considering next steps for our bus programme.

4. Economic Value of Buses in EEH and local authority areas

- 4.1. At the 2024 Bus Symposium members were impressed by a Confederation of Passenger Transport and KPMG report on the economic value of bus and coach services nationally. They were keen to understand if the figures could be produced for local authority areas.
- 4.2. The resulting work can be used to champion the value of buses to our places, and advocate for investment which is of an order of magnitude lower than those benefits. This includes in making the case for improvements to cross-boundary services as part of the 'Heartbeat' network (see section six).
- 4.3. EEH commissioned KPMG to undertake a further assessment of the annual value (in monetary terms) that local buses contribute to the EEH economy and by individual local authority level. The research highlights the scale and breadth of economic benefits delivered by local bus services from the EEH region to the UK economy and shows the value of public investment in local bus services and demonstrates that it offers excellent value-for-money.
- 4.4. The assessment considers benefits through three economic 'lenses': 1) those involved in the provision of bus services, 2) economic and social activities of bus passenger and 3) impact of bus passengers interacting with local economies.
- 4.5. The full report is attached as **Annex A**, in summary the headlines, include:
 - The bus sector within the region is valued at £580 million per year, employing 4,600 people, with a further 8,000 indirectly employed through the wider supply chain.
 - Improved outcomes for people, communities and the transport sector system is valued at £951 million per year.
 - 185,000 commuters in the EEH region rely on buses to get to work, earning £3.4 billion per year and generating tax revenue of £720 million per year.
 - Bus passengers spend over £2.6 billion per year on the 'high street' within the EEH region every year.
 - For every £1 of public funding spent on improving bus services within the region, this could generate £4.55 wider economic benefits.



- 4.6. Within the report the findings have been calculated and set out for each local authority area. Across EEH region these economic value impacts vary by the local authority areas depending on factors such as, the extent of local bus services; bus patronage; and bus employment. Higher bus service levels and higher patronage generate larger economic impacts from bus passengers interacting with local economies and the economic and social activities of bus passengers.
- 4.7. An initial draft of the report has been shared with your local authority bus and public transport officers. Their comments and suggestions have been incorporated into the attached report.
- 4.8. In addition, EEH is happy to work with officers to produce infographics based on the local authority figures (similar to the sample below), which can be used on social media feeds and within bid documents.



5. Total transport deep dive

- 5.1. Total Transport is a holistic approach to transport provision from multiple operators, including: local authority home to school transport, hospitals, and bus operators. Progressing towards 'total transport' could provide significant service improvements and cost savings by making the best possible use of resources. However, the complex nature of the services involved is often seen as a barrier to achieving this.
- 5.2. EEH's initial work helped to identify both challenges and opportunities for local authorities within the region at a high-level. With Board agreement following the symposium, further work was commissioned. This focused on exploring financial and budgetary information to identify 'actual' cost or service improvements to determine if Total Transport approach could be effective.
- 5.3. Working with West Northamptonshire Council, Cambridgeshire County Council and Swindon Borough Council as case studies, an interim update (slide pack) has now been produced. Available in **Annex B**, the main reflections from the interim work include:
 - Opportunities do still exist for efficiencies, savings and integration within differing transport services.
 - A re-thinking and re-imagining of transport is needed at all levels from holistic demand review to integrated decision making.
 - Robust and accessible data remains a challenge, through the differing departments and agencies.
 - Opportunities exist surrounding collaboration with the supplier market.
 - Key to embracing devolution opportunities, if multiple authorities and service providers work 'under the same roof'.
- 5.4. Collaborative working across EEH region and its local transport authorities would be beneficial.
- 5.5. EEH's work with the three authorities continues and a final report including considering lessons learnt, leadership and governance arrangements, better procurement and collaboration will be presented at the EEH Bus Symposium later this year.

6. Regional bus network: towards delivery

- 6.1. The Heartbeat regional bus network concept aims to connect transport hubs and key destinations within region, whilst also enhancing local journeys within the existing bus network.
- 6.2. Following last year's symposium, in December 2024 the EEH Board agreed actions to set out the viability and funding required to deliver 'The Heartbeat' network concept. This commissioned work (being undertaken by AtkinsRéalis) has focused on:
 - Developing further route options and identifying the high-level cost and revenues for operating vehicle requirements.
 - Assessing the potential catchment population for services and routes.
 - Route prioritisation and identifying 'quick wins' to help support better local bus services.
 - Setting out how the network would support more multi-modal and rail integration/EWR.
 - Creating a user-focused narrative to showcase the benefits of the proposed network to stakeholders and government.
- 6.3. A draft of this Stage 2 work/report has been shared with your local authority bus and public transport officers for comment.
- 6.4. Neil Davies, Senior Bus and Rail Planning Specialist from AtkinsRéalis will present an update on the commission to the Strategic Transport Leadership Board.



7. Journey planning/ ticketing

- 7.1. Removing information barriers to better inform residents when travelling on the transport networks within the region, is key to encourage more public transport use. To support this EEH has partnered with Bedford Borough Council's bus stop information pilot being delivered by [Journey Alerts](#).
- 7.2. This uses QR codes at bus stops to update passengers with journey details directly via WhatsApp or Messenger.
- 7.3. The QR codes have been deployed to 850 bus stops within the Bedfordshire area.
- 7.4. The outcomes of the pilot will be shared with all EEH LTAs once complete to determine the benefits and if the approach could be replicated elsewhere.

8. Scoping report into extension of Luton-Dunstable busway

- 8.1. In December 2024, this Board agreed an EEH contribution of up to £15,000 towards an EEH-commissioned study, match-funded by Central Bedfordshire and Luton councils.
- 8.2. The study is exploring options to extend busway services and routes, for example to Leighton Buzzard, Milton Keynes and Stevenage, to further enhance interurban and cross boundary bus services within the region.
- 8.3. Working jointly with these partner authorities, a robust procurement process was undertaken, in which five transport and engineering consultants were invited to bid, with AECOM being the preferred winning consultant.
- 8.4. We are now working with them to finalise the timing and the outcomes of commission.
- 8.5. An update on the project progress will be presented to the upcoming Bus and Integration Symposium planned for autumn/ winter 2025.

9. Mobility hubs programme 2024/25

- 9.1. In addition to the requirements focused on improving bus service delivery, EEH has also been progressing with its work to help our local authorities accelerate the deployment of mobility hub opportunities within the region, this has including exploring Mobility Hubs as an investable proposition.
- 9.2. To support this, a draft prospectus (which was presented at EEH Board in December) has been further developed to help authorities in the region and the private investment sector to understand the opportunities for mobility hubs and help shape and showcase investment examples within the region. An updated draft of the prospectus is included as **Annex C**.
- 9.3. SYSTRA (commissioned to help support the mobility hubs work stream) undertook a high-level review of 150 potential sites that were suggested both by authority partners and informed by EEH connectivity study programme and investment priority work. These sites were then further appraised against metrics within EEH's strategic hub locator tool, reflecting the suggested Hub typologies contained within EEH's Mobility Hub Business Case Guidance document.
- 9.4. An initial location list of possible sites was developed and presented to EEH Board in December, following Member and officer feedback, three new sites have now been added to a final set of possible locations (listed below) and included within the updated draft prospectus:
 - 1) Northampton Hospital, and
 - 2) St Andrews Hospital, Northampton
 - 3) Kettering Rail Station
 - 4) Riverside Shopping Centre, Hertfordshire
 - 5) Oxford Parkway Park and Ride
 - 6) Banbury Train Station
 - 7) Brackley, Northamptonshire
 - 8) Didcot Parkway, Oxfordshire



- 9) Butterfield Business Park, Luton
- 10) Buckingham Town – *this is not currently included in the prospectus as it is pending final approval*
- 11) High Wycombe Rail Station – *this is not currently included in the prospectus as it is pending final approval*
- 12) Wellingborough Rail Station (new)

- 9.5. For each of 12 sites, included with the prospectus, there is a supporting narrative covering the locations, including an overview of Mobility Hubs (what they are, benefits, why invest etc.), background information on each site, a range of key population indices (age, education, occupation, home ownership, mode share etc), indicative location map, listing of key transport assets, future development potential and opportunities to be included (EV points, car club bays, retail etc).
- 9.6. As and when new and emerging mobility hub locations (which meet EEH appraisal metrics for supporting connectivity and are of scale and significance) are agreed by authorities and transport providers, these sites can be added to the prospectus to grow the number of possible locations within the region.

EEH/KPMG Mobility Hub Investment 'White Paper'

- 9.7. To further support engagement with the private and public sector on mobility hubs, EEH facilitated a "triage investment" workshop on 6 February 2025 with KPMG to bring together both EEH authority partners, commercial mobility hub developers and private capital partners to explore opportunities to invest in hubs.
- 9.8. A key outcome of workshop included the drafting of a 'white paper', as currently, there is lack of understanding on what the opportunities and risks of mobility hubs are, particularly in terms of leveraging private investment into transport related infrastructure such as mobility hubs. The paper (is included as **Annex D**) is based the reflections, conversations and presentations from those who attended the workshop, the main themes included:
 - **Integration and Accessibility:** Mobility hubs aim to integrate various transport modes, reduce congestion, and improve accessibility, making them strategic solutions to mobility challenges.
 - **Private Sector Interest:** There is strong interest from the private sector due to the potential for financial returns and enhanced land values, making mobility hubs attractive investment opportunities.
 - **Challenges:** Key challenges to private sector investment include inconsistent governance, limited returns, difficulty in securing significant monetised returns, and differing governance arrangements and policy misalignment.
 - **Proposed Solutions:** Addressing these challenges involves aggregating projects to create a portfolio approach, using concession agreements for long-term revenue, and integrating mobility hubs into existing infrastructure projects to reduce risks and improve feasibility.
 - **Special Purpose Vehicle (SPV) Model:** An SPV model is proposed to manage governance, funding, and risk effectively, coordinating input from key stakeholders and overseeing the development and operation of mobility hubs.
- 9.9. A final version of the white paper will be circulated with central government (and its agencies) and the wider private sector investment community in order build technical and financial support for mobility hub delivery, within and beyond the EEH region.

10. National Audit Office report- Local bus services in England

- 10.1. The National Audit Office has recently published a report (<https://www.nao.org.uk/reports/local-bus-services-in-england/>) on the value of money for local bus services in England (outside London).
- 10.2. The report examines whether bus services have improved since 2020 and if DfT understands the effectiveness of its buses programme and if as a department they are set up to address the future challenges to improve bus services.
- 10.3. The headlines from the report include:
- DfT provided £5.9 billion of bus-specific funding across England between 2020/21 and 2024/25.
 - 50% of bus sector revenue came from public funding in 2023-24.
 - The bus sector is struggling with reduced revenues and rising costs, making it difficult for local transport authorities to fill the gaps in commercial services. As authorities are also under financial strain due to increased demands for essential services like adult social care and special educational needs transport.
 - There has been a 9% decline in passenger bus in England (outside London) journeys since 2019-20.
 - 46% of local transport authorities in 2023 rated their capacity to deliver local transport as very or fairly poor. With several gaps remaining in local authority capacity which are a critical risk as LTA take on more responsibility for bus services
 - Traffic congestion, which has returned to pre-pandemic levels, is reducing the viability and performance of bus services in urban areas.
 - DfT's funding for local bus services has generally been short term and provided through multiple funds (up to 13 separate grants), impacting how effectively it can be spent.
 - Franchised bus services require investment, including significant planning and commercial preparation, while introducing financial risks if costs increase more quickly than fare revenues. The likely costs for a fully franchised bus network (like that in Greater Manchester) in each area could cost between £13 million and £22 million, with net operating costs of £3 million to £39 million per year, depending on the size of the local transport authority.
 - Finally, successive governments have aimed to improve bus services for passengers and attract more people to use buses. However, despite significant investment from government, these outcomes are not yet being achieved.
 - The report concludes by recommending that DfT consolidates and devolves funds on a longer term's basis, provides clarity as to the long-term strategic ambitions for bus services, strengthen the help to LTAs with more professional delivery teams and measure performance on outcomes, rather than individual activities delivered.

11. Next Steps

- 11.1. EEH will continue to work with officers from our partner authorities to further progress the buses programme with further reports and project updates to be presented to the EEH Bus and Integration Symposium in autumn/ winter 2025.
- 11.2. Building on its role to further enhance interurban and cross boundary bus services within the region, EEH is keen to support Central Bedfordshire, Luton Borough and Bedford Councils with their ambition of improving and co-ordinating local bus services across the wider Bedfordshire area. EEH role will be helping the local authorities to develop a Bedfordshire wide bus plan, which will consider current and future demand for bus services to meet for example the needs of East West Rail stations, Universal Studios, London Luton Airport and expected local plan growth. A further update on the plan will be presented at the EEH Bus and Integration Symposium.



11.3. As referenced above, and in the previous meeting of this Board, EEH is proposing to hold a further Bus and Integration Symposium in autumn/ winter 2025, with a wider agenda to include integration with rail and other modes. Details on agenda, venue and exact date will be shared in due course.

Trevor Brennan

Project Lead, EEH (July 2025)