



Transport Committee

Oral evidence: [National Bus Strategy: one year on](#),
HC 161

Wednesday 8 June 2022

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[Watch the meeting](#)

Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Ruth Cadbury; Simon Jupp; Chris Loder; Karl McCartney; Grahame Morris; Greg Smith; Christian Wakeford.

Questions 159–268

Witnesses

I: Martin Dean, Managing Director for UK Regional Bus, Go-Ahead; Alistair Hands, Commercial and Marketing Director for UK Bus, Arriva; and Paul Turner, Commercial Director, Transdev Blazefield.

Written evidence from witnesses:

- [Go-Ahead](#)
- [Arriva](#)
- [Transdev Blazefield Ltd](#)



Examination of witnesses

Witnesses: Martin Dean, Alistair Hands and Paul Turner.

Q159 **Chair:** This is the Transport Select Committee's evidence session in our inquiry, National Bus Strategy: one year on. Today, in our first panel, we have representatives from the bus operators. I ask them to introduce themselves for the record, please.

Martin Dean: My name is Martin Dean. I am managing director of Go-Ahead's UK regional bus division.

Alistair Hands: I am Alistair Hands. I am commercial director of Arriva's UK bus division.

Paul Turner: I am Paul Turner from Transdev. I am commercial director for the north of England.

Q160 **Chair:** Good morning to you all. Thank you for being with us. We are really keen to get all the ideas and innovations that you are trialling right now, or would like to trial, perhaps with the use of the bus strategy. Please bring the session alive with your ideas.

I will open up and then hand over to other Members. Without taking too long on the first question, I would like to ask you how well you think the Department's implementation of the national bus strategy has gone so far.

Martin Dean: We are obviously delighted that the national bus strategy came into play. It is the first specific modal strategy for bus that has been around. There was a lot of expectation generated by that, and it has been a little bit slower in its implementation than we would have liked. We were hoping that by April 2022 we would have had the enhanced partnerships in place.

Having said that, it is good that there is money flowing into the industry. We need to make the most of what we have and target it to demonstrate some of the good things that we can do with bus. We welcome what is there. It will come in and, when it does, working with our local authority partners, we need to make the most of it to demonstrate what we can do.

Q161 **Chair:** Thank you. Mr Hands?

Alistair Hands: Arriva welcomes the national bus strategy and its intent. It provides a welcome framework for bus that is long overdue, to build buses back better and give the necessary focus for policymakers, and the funding that goes along with it goes a long way to helping support the provision of a sustainable network. We are really grateful for its introduction.



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I echo Martin's point around the timing. At times, the process has perhaps been slower than would have been ideal, but understandably the complexities need to be worked through.

Q162 **Chair:** Thank you. Mr Turner?

Paul Turner: I echo what the previous people have said. Transdev welcomes this. It is basically intended to do what we all want, which is local authorities wanting more involvement in bus networks, operators wanting better priority and customers wanting cheaper fares and better and reliable buses, and things like that.

The pace of it has perhaps been a bit too two-track. Things are being done at pace and then there is a bit of downtime while they are being reflected on. Then they suddenly get picked up again. The idea of the national bus strategy is excellent. It is what we all wanted. It has great potential and, hopefully, will deliver on that.

Q163 **Chair:** All three of you have talked about the timescales and pace, but if I were to ask you to pick one thing that has worked well with it and one thing that has not worked well, with one or two examples—maybe timing is the only issue that has not worked well—what would you come up with?

Martin Dean: From my point of view, the thing that is really positive is that it is getting us to work together with our local authority partners. The philosophy behind it is all about high levels of co-ordination and co-operation between operators and local authority partners. In developing the bus service improvement plans, which were part of the bus strategy, we have done that effectively.

If there was one thing that we would like to see more of, it is more lasting measures and schemes. There has been quite a lot of emphasis on shorter-term policies such as fares initiatives. I think they are good and important in terms of the cost-of-living issue that we have at the moment—don't get me wrong, they are really good—but what we want to see are things like bus priority measures. When you start mixing concrete and putting white lines on the road, those things are more lasting. By getting better reliability and better punctuality, that is the sort of thing that can give us lasting patronage increases. We want to push on that.

Q164 **Chair:** Mr Hands, one good thing and one negative.

Alistair Hands: Building on that point, the collaboration across the operators and the DfT and the local authorities has worked really well. The strategy itself has given a real focus, not just on the bus services themselves but the outcomes from the bus services: economic impact, environmental impact and social cohesion. I think that focus has been strongly welcomed.

If we were to look for something that we would want to see differently, it would be balance in focus on where the funding goes, and balance



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between things that will drive long-term modal shift and things that have more immediate and short-term impacts. At the stage we are in the process, there is time for that to evolve until we finalise the schemes themselves.

Q165 **Chair:** Mr Turner?

Paul Turner: The strength of it has been the dialogue between all parties. In fact, I think that is possibly a bit of a legacy from the pandemic. Operators have all been talking to each other a lot more, and with local authorities and with the Department as well. We are sharing more information. We are sharing ideas. We are sharing plans and working together, which cannot be a bad thing. It happened before, but perhaps not as comprehensively. Those relationships are the key to it.

Perhaps the one thing I have observed that has been a bit difficult in the process is expectations. Everybody is encouraged to be ambitious, bold and different. I think some organisations found that a little bit outside their comfort zone. Many of us are used to seeking big and then settling for something better than where you started. Expectations have been raised, but how do you deliver them over time? That has been a big part of the challenge. Not all organisations are in the mindset of dealing with those sorts of things.

Q166 **Chair:** Thank you. This is the last question from me. I will put this to just one of you, due to time. I am happy to see who is the most eager. There are some promised elements that have not yet materialised, such as reform of the bus service operators grant, and the concept of socially necessary parts of a route, which this Committee has called for previously, and there has been some talk about municipals potentially being freer.

Do you have any views about where you think those elements lie? I do not know who is the keenest. It is sometimes best to get the person who is least keen. Mr Dean?

Martin Dean: I think BSOG is going to be interesting. We have been waiting quite a long time for the proposed consultation on the future of BSOG. Obviously, that is important for the industry and for our customers. It will be interesting to see, when that comes out, what it says. We had the 22p per kilometre for zero-emission buses in April in advance of that. It is a key issue for the industry. What the Government might propose as part of that will be interesting to see in terms of the business case for zero-emission buses. We would welcome that coming as soon as it can. I totally understand why it has been delayed. We have all had a lot of things to think about with the pandemic, but it will be good to get that.

Chair: Thank you.

Q167 **Grahame Morris:** Good morning, witnesses. Mr Dean, I was very interested in what you said with regard to the bus service improvement



plans and how important bus priority measures are. How easy or difficult has it been to work with a number of different transport authorities at the same time in preparing these plans for the national bus strategy?

Martin Dean: Thank you, Mr Morris. I think the national bus strategy has been useful because of the way it emphasised the importance of bus priority and local authorities working together to deliver journey time reductions, and the expectation that journey times would be monitored. That has given the need for bus priority a focus.

People's travel-to-work area is not the same as a local authority or transport authority area. Sometimes that can be a challenge, if one transport authority that might be a highway authority as well has a different priority from another. Generally, certainly in the companies I am responsible for and the local authorities we have been working with, it has not been a huge issue.

Q168 **Grahame Morris:** It has not been straightforward to work with a number of LTAs simultaneously in formulating a view. Presumably the issues, problems and priorities are different in different parts of the country.

Martin Dean: That is true, but I think that is why the national bus strategy is a useful backdrop, because it is very clear what the Government are looking for. That gives it a central Government focus. It is very clear that if local authorities want funding and want to move forward, there is a very clear menu of requirements from the Government. That is extremely useful and has concentrated the mind.

Q169 **Grahame Morris:** I was rather disappointed, having seen the initial result of the bid of the northern authorities for the bus service improvement programme, that within a few days the principal operator, which is yours, announced the closure or reduction of 80 services. How does that come about when we have had extensive discussions with the local authorities in preparation for the bids? Just when there is a prospect of seeing some money for bus priority lanes, Oyster cards, through ticketing and real-time information, the bus companies pull the rug.

Martin Dean: Thank you for that, Mr Morris. I agree it is regrettable, but the issue we have had with the pandemic is that it has changed travel patterns. It has meant that there are some services that were previously commercial—in that we could take responsibility for operating them—that are just not commercial anymore.

The service changes that you refer to were subject to a big consultation exercise, which has just closed. We are talking to our local authority partners about the results and impacts of that. One of the things as part of the bus recovery grant funding for the second stage is that the terms and conditions require us to develop network plans in association with our local authority partners. We are hopeful that with anything we cannot do commercially anymore, the local authorities will be able to pick up a proportion, and that services will still be able to be run. Unfortunately, it is a consequence of the pandemic and the fact that our passenger



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numbers are at a certain level now. The Government funding runs out at the end of September, so we need to modify our networks.

Q170 Grahame Morris: I am not going to pursue that because it is a particular interest in a particular part of the country, but I take issue with some of your comments in respect of falling demand. With some of the services that are being removed, some cynics might suggest that it is a cynical attempt by the bus company to access the additional moneys that the Government are providing through the bus service improvement programme.

Mr Hands, how easy is it? Do you have common cause with other bus operators in developing the national bus strategy and your view on how to shape it?

Alistair Hands: I guess the straightforward answer to that is yes. Looking at that twofold, we are looking at some of the network decisions that you have referred to. The reduction in patronage during the pandemic inevitably needs the networks to be reimagined for growth. Working with local authorities across operators and facilitating conversations where we look at a network in its entirety is important and is something that we can and should be doing. More broadly, across the other elements of the strategy around prioritisation of initiatives, yes, close working between the operators through the CPT has been effective to date in the pandemic and needs to continue, in close collaboration with the Department.

Q171 Grahame Morris: Mr Turner, some local transport authorities have said that they have quite limited capacity in in-house skills for teams of bid writers, presumably in co-operation with the bus operators, to put forward robust bids. What is your overall experience in that regard?

Paul Turner: That is fair. We work with six local authorities on BSIPs across our operating area in the north of England. Two of them are combined authorities. Generally speaking, there is a broader resource base. Of the rest, two are shires and two are unitaries and, yes, they found it a challenge.

A couple of local authorities brought in external support. That was quite helpful. They seemed to work as part of the team in both cases. Sometimes with externals there can be a bit of a distance, but in both those areas they were part of the working groups that put bids together, with all the operators and local authorities. It worked well. Others managed to resource it. It is to the credit of some local authorities just how much they managed to do with the resource they have, with strong, committed people getting these things through. Certainly the feedback we had earlier on from local authorities was that they found it a bit daunting, resource-wise.

Q172 Grahame Morris: Mr Hands, is that your view on capacity as well? Do you have a particular view to give the Committee about how it might be improved as a centralised model—a better one—or is co-operation



between adjacent authorities the best way forward?

Alistair Hands: It is likely to be an element of both. The experience has been the same. There are some highly sophisticated authorities that have their own transport specialists, there are those that operate more on a procurement basis and there are those in the middle that employ consultants.

The point is important as we look at implementation. There are authorities that are now ready to plan and implement the schemes, and others that may not have been successful in receiving funding but will also face the challenge of responding to the pandemic at the end of funding. They will necessarily need support, not just from operators but to draw their own conclusions. Yes, collaboration between authorities could be really helpful, but I think central support and targeting in those areas, where perhaps they have a particular need, would really be helpful.

Grahame Morris: That is useful; thanks. I will hand back to the Chair as I am conscious of the time.

Chair: I will bring in our newest member. Welcome, Christian Wakeford.

Q173 **Christian Wakeford:** Thank you, Chair. I want to go a bit further into some of the information from Grahame. Martin, you mentioned commerciality with regard to routes. Obviously, you have been involved in local authorities before and the commerciality point is constantly raised.

With regard to the pandemic, at what point are you relying on these figures? Is it an annual figure? Are you saying that based on the last year the route is no longer commercial? When we look at what has happened in the last year, I can almost understand that, but is it a monthly figure or a weekly figure? Are we seeing those trends, or have you just conveniently taken a snapshot and said, "Actually, that is not going to work for us now so we are pulling out"?

Martin Dean: We love running buses, and we love running buses for people. Any time we revise a network and take buses out, it is something we regret. We monitor services on a regular basis. We have people looking at services on a weekly basis. There are some that we can clearly see are capable of growth, and others where that is just not the case. When it is not the case, unfortunately, we need to make a decision on that. We always make sure we talk to local authorities and our customers to see how we can move out of it.

I mentioned the requirement for network reviews. A requirement of the terms and conditions of the second phase of BRG funding is that we have to talk to our local authority partners about the optimal network, in association with other operators in the area and the amount of funding that local authorities have. An important point to make is that the BSIP funding that Mr Morris referred to is not available for network support for



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existing services. It is not a question of us just deregistering because we think we can get some funding for that. It is not permissible for that.

Unfortunately, there have been some changes to demand flows. Some of those are backing up things that were happening even before the pandemic. We have a very clear picture in our mind, and it is not incredibly short-term decision making. They will be decisions that are made over a long period of time.

Q174 Christian Wakeford: With that in mind, what sort of research or assessment have you done with regard to the cost of living and fewer people being able to put petrol in their cars, therefore driving them towards buses? Has there been any work on that aspect with regard to the viability of some routes being maintained, maybe not at the moment but in the near future?

Martin Dean: Absolutely. Whenever there is an issue with the cost of fuel, we tend to get a benefit from that. We are seeing on some routes a small benefit at the moment. On the routes that we need to change, it will be because there is a view taken by us when we looked at the long-term trends. Even if there is some growth as a result of other, wider, exogenous factors happening, it still would not be enough to get the service to where it needs to be for us to run it.

Chair: We would like to ask you about the bus service improvement plans and how they have come along. I will hand over to Chris Loder.

Q175 Chris Loder: Good morning, everybody. It is good to see you. First of all, can I build on some points made by my colleague just a moment ago? Would you be quite precise with us about the point when you deregister a route? What exactly are the conditions under which you choose to deregister a route? I will ask all of you, starting with Paul.

Paul Turner: It is a difficult one to answer because it depends on a number of things. We obviously have a portfolio of routes in each of our depots. Some are very strong, and some are weaker. Generally speaking, the stronger the strong ones are, the easier it is to sustain the weaker ones.

Q176 Chris Loder: All I am trying to understand is the exact point. Is it revenue? Is it the number of passengers? Is it the longer-term prospects?

Paul Turner: It is a combination of all of those.

Q177 Chris Loder: Could you tell us what they are in your business?

Paul Turner: As I say, it will depend on each local circumstance because the market is different. It may be that if we look around our patch, we see routes where the customer numbers are in the high 90s compared to before the pandemic. That is generally the fare-paying customers who have come back in full. Those routes are likely to be more sustainable than others. What we do is identify what the opportunities are to try to get new customers in.



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Q178 **Chris Loder:** Could you just tell us what they are? Am I right in saying that revenue is one condition that you put into the mix? Is that correct?

Paul Turner: Yes. It is customer numbers, revenue, cost of operation—all of those.

Q179 **Chris Loder:** Any others? I am just trying to get the straightforward points.

Paul Turner: There is also reliability of the service; if it is stuck in congestion, it is harder.

Q180 **Chris Loder:** What about anything in terms of the community it serves and factors within the community, if there is a high level of poverty or anything like that?

Paul Turner: Yes. There is a general correlation, in some networks at least, between areas of deprivation and bus services. That is certainly part of it.

Q181 **Chris Loder:** Alistair, can I ask you the same question? What are the key points? Is it broadly the same for you?

Alistair Hands: Drawing it together, we look at all those factors. We look at the long-term prospects of a given route. We base it on the contribution it makes to a depot's profitability. If it had no foreseeable prospect of being able to do that, we would be forced to take action. Building on some of the other questions you asked, that is only the start of the process. We would look at exhausting all other opportunities around the rest of the network, reducing frequency, and then, in discussion with the local authority, we might seek to change the nature of the route.

Q182 **Chris Loder:** When you say in discussion with the local authority, why would you seek to do that in terms of the definition—

Alistair Hands: Because typically, if they are low-volume routes, which they would tend to be if they cannot be resolved by frequency, they are likely to have an impact on communities. That is precisely why we have that conversation.

Q183 **Chris Loder:** Martin, could I ask you the same question?

Martin Dean: It is very similar. In very basic terms, it is the inability to make a margin. I echo what my colleagues said. Before we take the decision to take away a service, we always discuss with our local authority partners what the options are.

Q184 **Chris Loder:** I want to be really clear with you. The key points that are part of that decision are revenue, performance, passenger numbers—

Martin Dean: And cost.

Q185 **Chris Loder:** Great; thank you. Could all three of you tell us on how many occasions you have had to go to local authorities and say to them,



“Unless you give us money, this route is going to close”?

Paul Turner: We would not ask that because they would not just be able to give us money. They would have to go out to tender. In the four years that I have been in this role, I have had two routes where I have gone to talk to a local authority to say, “Look, these routes are causing us difficulty.” With one we managed to—

Q186 **Chris Loder:** I am sorry to interrupt, but I am conscious of time. It is just a straightforward number. Alistair, in terms of your business how many times have you gone to a local authority to say, “This route is really likely to close unless you contribute to it”?

Alistair Hands: I cannot give you a specific number. I am happy to come back and answer that. Those discussions are happening regularly with local authorities at the moment, but in the context of looking at the sustainability of the network as a whole and looking at options and choices.

Q187 **Chris Loder:** Martin?

Martin Dean: A very similar thing. We are having lots and lots of conversations up and down the country. It is a requirement of the terms and conditions of BRG, BSIP and the national bus strategy that we should plan networks in a co-ordinated manner with local authorities.

Q188 **Chris Loder:** Indeed. In terms of your commercial leverability, shall we say, have you as an organisation positioned yourself in a strong place in order to lever commercially through various commercial negotiations, whether through the BSIP or others?

Martin Dean: I do not think we look at it that way. We are businesses, but we understand the responsibility that we have to provide a level of service. We look to do that with our local authority partners. Our local authority partners have levels of funding to step in and support services. Some have more than others, but, as I said, we always talk to our local authority partners. We do not look at it as commercial leverage. We look at it as how we can provide a comprehensive network with them.

Q189 **Chris Loder:** Alistair, I will ask you the question and then come to Paul in a minute.

Alistair Hands: It is very much a partnership approach with the local authorities.

Q190 **Chris Loder:** Commercial operations are partnership approaches for you?

Alistair Hands: The network review that we are undertaking at the moment as part of the national bus strategy is fundamentally that we have to do it collectively. On the commercial operations themselves, if we look across networks, there are areas of the network that will sustain themselves and there are areas that will not. It is that debate that we are having in partnership.



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Q191 **Chris Loder:** Paul, can I ask you the same question?

Paul Turner: It is worth saying that commercial operations are only a part of what we do. Around 40% of our business is contracted to local authorities, whether through local bus services or schools. We try to get the right mix in order, effectively, to defray the overhead of the business. That is how we do it.

Q192 **Chris Loder:** Coming on to BSIPs, of the announcements that have been made so far, could you respectively tell us how many successful BSIP bids you have been involved with for each organisation?

Paul Turner: Five successes out of six.

Alistair Hands: I do not have the exact number to hand, but it is circa 12.

Martin Dean: We have had six.

Q193 **Chris Loder:** Out of?

Martin Dean: Out of 10 to 11, I would say.

Q194 **Chris Loder:** What do you think are the reasons for that, specifically? I am thinking about your operating model and how you work compared with others. It is a shame that FirstGroup is not here because I would have delighted in asking it the same question. Do you think the operating model is a contributory factor? If so, can you very briefly tell us the key points of your operating model?

Martin Dean: I do not think it is the operating model. One of the items of feedback that we have given to the DFT is the need to feed back to local authorities that did not get any funding, or that got a lot less funding than they were expecting, why that was the case. In some cases we worked with local authorities and we felt there were some pretty good plans put together, but they did not get any funding. As we stand at the moment, feedback has not been given. I understand why. The DFT has had a lot of work to do with the local authorities that have got funding as to what they are going to spend the money on. That is the primary objective, but I think there is a need for those that do not have the funding to understand why they do not have the funding. I do not think it is to do with our operating model. It is probably due to other reasons.

Q195 **Chris Loder:** I take the point that it may not be related to your operating model. I was just interested in terms of your operating model. Is it typically more centralised or is it very—

Martin Dean: Oh, I see what you mean. In Go-Ahead, we have a very devolved operating model. We have most of the strength of our businesses in the local operating companies. We have teams of directors, including a managing director, in all our local operating companies, and not very many bus people at the head office level.

Q196 **Chris Loder:** Alistair?



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Alistair Hands: The operating model is very much devolved to those responsible locally across the patch. We have seen some really strong schemes that have been successful in funding, but also some that were not successful. I think the follow-up point around understanding why that was is important. In some areas, where we are operating strongly in partnership and where there has not been success in funding, there are still opportunities that funding could push forward further. Making this a long-lasting strategy and looking at how it develops over the future is important.

Q197 **Chris Loder:** Paul?

Paul Turner: When the national bus strategy came out, we were quite pleased with the vision it had for locally branded, owned and controlled networks because that is basically what we do. Although we are an organisation over six local authorities, we actually have seven or eight local brands in each town, locally managed.

Q198 **Chris Loder:** You have a foothold. It is devolved.

Paul Turner: Absolutely, yes.

Q199 **Chris Loder:** What I am hearing from the three of you is that you are all quite devolved, but more regionally based, rather than in a centralised organisation. Do you think that mattered? There are obviously competitors of yours that are very centralised. Do you think having that more local base compared to a centralised model has been beneficial in this exercise?

Paul Turner: To be honest, it would be speculating as to whether that influenced the decisions for or against a scheme. Certainly, from what a customer sees, we are a series of local bus companies or local brands, locally managed. They do not see much of the centre in that respect in our business. We think that was certainly what the strategy saw. I think that helped, but I cannot say for certain whether that—

Q200 **Chris Loder:** In terms of the priorities that you will have looked to include in the BSIPs you have been involved with, submitted and were successful in, could you just give us some insights into those priorities in the most generic terms possible?

Paul Turner: At a very high level, as I alluded to at the start, the strategy is quite simple. We as bus operators say we want more bus priority. Local authorities say they want more influence. Customers say that they want cheaper fares and more reliable buses. This is a strategy that is saying, "Okay, bus operators will fund more bus priority; local authorities can work with the bus operator under an EP and get influence and control; and customers get lower fares." It is all quite simple.

We have known all that. This is not something that is particularly new and different. If you look at a lot of schemes in the areas we are involved



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in, they have been able to bring back things they have been trying to do over time.

Q201 **Chris Loder:** I am going to stop you there because we have to crack on. Alistair, can I ask you about priorities that you put into your BSIPs?

Alistair Hands: Fundamentally, bus priority is probably the crucial one for us. When we listen to what our customers tell us, punctuality, frequency, reliability and journey time are the things that drive their decision to choose public transport. They have been a real emphasis in the schemes for us.

Q202 **Chris Loder:** They are your priorities in the BSIP submissions that you have put forward, but in the areas where you operate and where you wanted to put in a BSIP but were not successful, are those priorities the same for you when, in effect, you now have to rely on a commercial operation or maybe a subsidised operation?

Alistair Hands: I hope they are the same for the customer, so they remain priorities for us.

Q203 **Chris Loder:** I am asking whether they are the same for you—the organisation.

Alistair Hands: By definition, the customers are the lifeblood of the business, and they remain our priority.

Q204 **Chris Loder:** What do you think will happen with those areas that have not been successful with the BSIP in terms of your relationship with the local authority to provide services, where there was a hope to have considerable improvement in some way, shape or form for those that have not been successful? What is going to happen now?

Alistair Hands: Inevitably, what is able to be done with those will be dependent on the level of funding that is available from other sources. It is likely to lead to those things taking place more slowly.

Q205 **Chris Loder:** You would be reliant on funding from other sources rather than your own commercial opportunities.

Alistair Hands: If the commercial opportunity is there, that is why we exist. That is what we would pursue.

Q206 **Chris Loder:** Are there commercial opportunities that could have been explored previously, before you get to that stage?

Alistair Hands: As we go through the review process, they will all be on the table and explored, yes.

Q207 **Chris Loder:** Thank you very much. Martin?

Martin Dean: One of the things to keep local authorities interested that did not get an initial round of funding, as Alistair said, is a continuum. We would like to see the possibility of future funding to keep authorities that did not have funding still interested. That is really important.



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I agree that bus priority is important. The other interesting thing is that the national bus strategy talked about up to five new BRT—bus rapid transit—projects. Where bus rapid transit has been introduced in England, it has been really successful, with things like the Fareham busway.

Q208 **Chris Loder:** Are you of the view that there are still commercial opportunities out there, or do you believe that you have exhausted the commercial opportunities that you see across the UK for buses?

Martin Dean: No, not at all. There are lots of opportunities.

Q209 **Chris Loder:** If there is lots of commercial opportunity, why hasn't your business already seized that opportunity?

Martin Dean: I think we do. We are doing it all the time. I would contest that we do not look for commercial opportunity.

Q210 **Chris Loder:** If there are potential bus routes or improvements to bus routes that have commercial opportunity attached to them—I used to work in commercial for a transport operator a little while ago—is there a reason why you have not seized that opportunity?

Martin Dean: We are seizing that opportunity. For example, if you look at how the recovery from the pandemic is emerging, we are increasing our service frequencies in response to that. Where there is commercial opportunity, we are taking that opportunity.

Chris Loder: Very quickly—

Chair: Very, very quickly because I have already had one Member tell me that he wants some time as well.

Q211 **Chris Loder:** Very briefly, on allocation of funding, do you have any view or opinion that you would like to share with the Committee about how funding has been allocated so far in the BSIP process?

Martin Dean: The CPT, which is our trade body—Confederation of Passenger Transport—did some research that suggested that the amount of bidding through the BSIP process was around £7 billion, and that around £1 billion was allocated. Quite clearly, there is disappointment that there is not quite enough to do all the things that we want to do.

Q212 **Chris Loder:** With the greatest respect, I am asking for your opinion rather than others'.

Martin Dean: We want more funding. The point I was going to make is that what we need to do with the funding that we have is demonstrate its usefulness in helping to improve bus services so that we can get more.

Q213 **Chris Loder:** Thank you very much. Alistair?

Alistair Hands: I recognise the point around oversubscription. The funding that is there is hugely welcome. I think the challenge in front of



us and the authorities now is focusing that funding to do the maximum good.

Q214 **Chris Loder:** Paul?

Paul Turner: There are a number of local authorities doing good things with other funding avenues as well, such as the levelling-up fund and the transforming cities fund. It is about continuing to work with partners, particularly in areas where we did not get a settlement, to find out how best we can work to something.

Chris Loder: Thank you very much.

Q215 **Chair:** Can I draw in the enhanced partnership process, which is going on at the moment, building on what you have said about the BSIPs and into enhanced partnerships? Are you seeing progress in your areas? Is there a point of enhanced partnerships, as far as you are aware? If so, perhaps you can explain what you think it is.

Alistair Hands: Are we seeing progress? Yes, across broadly the 50 areas that we touch operations with. Some are more significant to us than others. In all those areas, the enhanced partnership process is progressing. In some areas the partnerships have been made. In other areas they have been paused. There is definitely progress.

At the moment, given that funding is yet to be finally confirmed and the schemes put in place, those partnerships themselves do not contain very much. They are not currently governing things because there is nothing for them to govern. What they provide is a framework through which the authority can engage with the operators more formally. At that level, I think there is a point to them.

Q216 **Chair:** Where an authority is not getting any BSIP money, but they are still putting in an enhanced partnership agreement together, actually it is not doing much because they do not have the funds to deliver more than they are delivering currently. Is that a fair point?

Alistair Hands: Yes, they will be relatively benign instruments.

Martin Dean: But the DFT has made it clear that to get BSOG funding and any other funding that might emerge, the expectation is that the enhanced partnerships will be in place. I think there is a point to them.

Q217 **Chair:** But what are you seeing for authorities that do not have the additional funding? What extra innovation, ideas or positive developments are you seeing in the enhanced partnership draft?

Martin Dean: What should come out of it are things like co-ordinated network planning. Another thing that we need to push for as operators is that just because you do not have funding, there is no reason why you could not tell us what you think the network reliability is of the highway network and what your expectations are with that, for example.

Q218 **Chair:** It has been said that Brighton and Hove City Council near me has



a very good local authority lead in buses. It sees that it is the owner of it and does not just expect the operator to do it. Do you think that sort of model will become more the norm as a result of the enhanced partnership process?

Martin Dean: Yes, I think so. As I said right at the beginning, the good thing about the national bus strategy was that it set out a blueprint for the way it expected operators and local authorities to behave. If local authorities want to see funding flowing into their area, it is very clear that they need to develop BSIPs and enhanced partnerships. I think that message has got through.

Q219 **Chair:** Mr Hands, perhaps you can come back on this one. Everything just seems to come down to money, but there must be innovative ideas out there. I have read through your evidence, Mr Turner, and I can see what you have been doing. Those ideas can spread from one authority to another. Are you seeing ideas generation, or is it all just about, "Well, there is no money so we can't do anything more"?

Alistair Hands: I think that is the really important point—bridging between Paul and Martin. The enhanced partnership is one thing. It is the intent of the bus service improvement plans in all those areas that is important. That will then unlock opportunities for the local authority to do further things, and across areas, to look at initiatives that might be able to be taken from one area—be it a fare scheme, DRT or tap-on, tap-off—so that they can then be ported across and implemented in other areas.

Q220 **Chair:** Mr Turner, perhaps you could give Committee members some of the ideas that you have seen.

Paul Turner: These are some of the things we have been doing in the north. We have put in a flat evening fare of £1 anywhere across the network. We started it about this time last year, as the evening economy was trying to be rebuilt after the pandemic. It has been one of the most popular things that we have done with colleagues, customers and stakeholders. It is purely there to try to get bums on seats—pardon the vernacular. That is the purpose of it. It is also to help people to talk about the bus in good language. People go out there telling us how they travel.

We have done free tickets. We sent a free ticket to all customers on our mobile app, either as a "Thank you for sticking with us through the pandemic," or as a "Hello, we are still here if you have not travelled." Again, we had great feedback from that. People were tagging us into tweets where they had gone with their kids for a day at the coast on a day ticket from us. It is all about trying to build back the customer base and trying to engage. Commercial opportunities are out there all the time. We are constantly trying to attract new business and react to changes in the marketplace.

EPs in areas that do not have a BSIP will have a different focus from others. The EP and the BSIP processes are not coterminous. In North Yorkshire, for example, which did not get BSIP, the EP there is focusing



on a ZEBRA grant. It has a challenge to try to get next-phase BSIP money. It has a stack of plans that it wants to develop and try to fund. It has a devolution deal in negotiation. The EP will give the authority and the bus operators a framework to work together to get the best for the customer, with the accountability and transparency that the modern world demands. That is all good, as far as I can see.

Chair: You have touched there on some of the innovation. That neatly takes us into the subject matter that Greg will lead us on.

Q221 **Greg Smith:** Good morning. You raised DRT, smart ticketing and so on. Beyond those very obvious innovations, which a lot of us have seen on bus routes around our own patches and around the country, what is in the pipeline for the next, big innovation to offer bus service users—bus passengers—on your routes?

Martin Dean: One of the things we can grab hold of and use more is data. We have started to do that. We did it during the pandemic with things like passenger loading data. There is so much more information that we now have available that we can translate to customers in real time. When there was concern about occupancy on buses, for example, and how busy a bus was going to be, we started to give out that sort of information. We were not unique in the sector; others were doing it. We need to build on that now and think about how much more data we can give the customer. A lot of people have mobile devices with them, where they can tap in to understand things like when the bus is going to arrive and how busy it is going to be.

There could be all sorts of other things that we could do. The whole issue around fares and retailing to make that more bespoke to the individual's requirements is another key area. The datapoint will help with that.

Q222 **Greg Smith:** Mr Hands?

Alistair Hands: I echo the point around data. It is important to us in being able to adapt our ticketing products to the emerging needs of customers. It is something we are already responding to with different products, similar to the ones that Paul mentioned. I think they are important to build confidence for customers. It is some of those basic building blocks right at this stage of recovery that are really important.

Q223 **Greg Smith:** Mr Turner?

Paul Turner: I think the next big thing is getting the personalised aspect of the whole travel planning process locked down. On the previous points about data, we work with various system providers to try to build that in and share our data between them, so that we can feed things direct to customers. We can personalise their travel experience far better than we are able to do at the moment. We can tie it into destinations and leisure or commuter-based information. We can tie it into disruptions, and basically give them the information they need. That alludes to the whole last-mile, first-mile aspect, making sure you co-operate with, for



example, cycling facilities so that people can cycle to a bus route and all that sort of thing. It is the mobility as a service concept, but tying it into a whole customer prospect by using data better and personalising it.

Q224 Greg Smith: That is really helpful. You are talking about data personalisation and making services more bespoke to the individual user. I get that. Playing devil's advocate for a minute, in some of the written evidence that we received as part of this inquiry, CPRE—the countryside charity—spoke of demand-responsive transport. The more you use data and the more you personalise—unless you tell me I am wrong—the more that seems to be a direction of travel, potentially for rural routes in particular. They talked about the need for—I hesitate to use the word—basic, reliable, frequent, knowing-when-they-come services in rural communities. While DRT can be a safety net, they say that failing to deliver conventional bus services would be an abdication of responsibility. Do you accept that, particularly for rural bus routes, or is the direction of travel just to buses that operate a bit more like taxis?

Martin Dean: It is a great point and a really important one. There has been almost a trend to think that DRT is the panacea to cover all problems in rural transportation. I don't think that is right. DRT has a role. We run something called JustGo in north Lincolnshire on behalf of the local authority. It is a very successful DRT scheme, but it does not mean you should put in DRT everywhere.

If you have a reasonably strong corridor, where you have some very defined fixed points, a fixed bus route in a rural area is still the most appropriate way forward. If you can get it to something like an hourly frequency, you are delivering a really good level of service. There are some instances where DRT works well, but it definitely should not be seen as the panacea to serve all rural isolation issues. I agree with that point.

Q225 Greg Smith: Do you operate any DRT services?

Martin Dean: Yes. We run the one called JustGo in north Lincolnshire. We have just secured a contract to run one in the Wycombe area as part of the Government's rural mobility fund. We ran a service called PickMeUp in Oxford between 2018 and 2020, so we have some good experience, as others have.

Q226 Greg Smith: I want to hear from the others as well. You ran one in Oxford next-door to my constituency between 2018 and 2020. Why did you stop it?

Martin Dean: That was one that we ran at our risk. The problem with it—going back to Mr Loder's point about when you decide not to run a service anymore—was that it just was not profitable enough. One of the issues, which is interesting, is that it comes back to congestion. We could not pick up enough people in an hour to earn enough revenue per hour to cover the costs. It was at its most profitable during school holidays, when we could do 14 or 15 pick-ups in an hour. When traffic congestion was at



its worst, we could only do about seven or eight pick-ups an hour. We just could not get enough revenue. That was in a very urban context, but that was one of the key issues with it.

Q227 **Greg Smith:** Mr Hands?

Alistair Hands: You made a really important point around the value to customers of reliability and frequency of journeys. I agree that DRT is not a panacea. It has to be part of an innovative network design that links it in, if you are going to make rural services work.

Similarly, to make a DRT service work you need to consider more than one demand stream. It is a challenge, stand-alone, to make it work commercially, but if you consider education and non-emergency transport, and merging some of those things, there is a way for it to be cost-effective in some areas.

Q228 **Greg Smith:** Do you run any DRT services?

Alistair Hands: We run several, yes. We run one in Buckinghamshire. We just won a tender there. We operate in Northfleet and in a number of other areas.

Q229 **Greg Smith:** Where in Bucks are you operating?

Alistair Hands: We have recently won a tender that is due to operate.

Q230 **Greg Smith:** I am trying to get to the detail of how these DRT services are going to work in practice and where the innovation sits underneath them. How many people are going to use them? Buckinghamshire is obviously important to me. I represent the northern half of the county, essentially. Talk me through how that model is going to operate.

Alistair Hands: At the moment, it is a model that can flex in size. The local authority has contracted a variable number of vehicles, so we can start with a smaller number and then potentially grow upwards. We will serve the area, monitor the demand and then potentially extend it. At the moment, it will be separate from the existing bus services, so it will not integrate directly. Going forward, I think we could get through-ticketing opportunities.

Q231 **Greg Smith:** Thank you. Mr Turner?

Paul Turner: I don't think I would fall out too much with what the submission said. On the point about personalisation, you can personalise a low-frequency bus service, particularly if you design it around what the community wants. Two or three buses a day from a village may work perfectly if they get you to the town so that you can have a couple of hours shopping, or maybe three or four hours at an appointment. If it does not work for the people who need to use it, it is not fit for purpose. They can be well designed and well run.

There is a slight fundamental issue with DRT. Ironically, the more demand there is for it, the less responsive it becomes. If you are picking



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up two or three people on a journey, it is no longer personalised to the second or the third person. It is most responsive when you have fewer people travelling.

My personal view on where it works best is when it feeds into the core bus network. Lincolnshire is a good example with the Connect scheme, where you have feeder buses into frequent bus routes on inter-urban flows. It is dealing with the last mile. With technology and communication now between buses, we can show train and travel times in Manchester city centre or our next stop information. We can communicate and say that your onward bus is now available in the centre to take you on.

Certainly, in North Yorkshire we are looking at that sort of approach. The authority has done it, to a degree, with its pilot in Ripon, where it can connect into our service from Harrogate. There is no point in taking people all the way from a village to the town, when you can take them to the nearest bus route. As long as you get the connection right, and there is communication, that is a sustainable model.

Q232 Greg Smith: A demand-responsive service, which from your definition just then is responsive to a passenger as opposed to multiple passengers, is called a taxi in my world. We all know how much taxis cost. What is the cost to the user of a service like that, where it is really personalised to getting an individual or a couple from their cottage in a village to a main bus route?

Paul Turner: Taxis have performed a role in that for many years, either through a formal taxi-bus arrangement or, in some cases, subsidised taxi schemes to get people to hospital appointments from rural areas. It can fulfil that point, but you are fundamentally right. If you are simply taking one person on every journey, you are providing a very expensive bus to provide a very low-priced taxi. I am not sure that is economical. It needs to find the happy medium between being able to pick up a load factor of maybe three or four, but not to the detriment of any of those individuals.

If it picks them up on a line of route, that is quite reasonable, but not if you are heading off in completely the wrong direction, or you have to wait an hour for your bus and cannot have the journey you want because somebody else has already booked that bus in half an hour's time and it has to go to them first. It is down to the design and a degree of fortune that you have a set of demands that will respond to that; otherwise, finding a way of making the taxi cheaper is probably the most effective thing.

Q233 Greg Smith: What is the cost to the end user of a demand-responsive bus service that picks up an individual from a village and gets them to the nearest main bus route into town?

Paul Turner: It depends. The one I know most about in North Yorkshire charges a fare of £1.50 for a single journey, which is far cheaper than a taxi would be.



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Greg Smith: It is far cheaper than a taxi.

Paul Turner: But it is about par for the course for bus fares in the surrounding villages where there are conventional buses. They have effectively tried to do that, as far as I am aware.

Chair: Thank you. Simon and Ben will take us through our final two sections. They are on recovery from the pandemic—which a number of Members have covered a little bit, but Simon will do further—and decarbonisation, which Ben will do.

Q234 **Simon Jupp:** Good morning, witnesses, and thanks very much for coming along today. We have already covered the fact that obviously during the pandemic passenger numbers dropped off significantly due to the Government's rhetoric regarding not using public transport, the fact it was unsafe and all that kind of stuff. It has undoubtedly led to a car-led recovery, which is less than helpful for your sector. Of course, you also face the end of the recovery funding for public transport and buses. How will that affect the services you run?

Martin Dean: It could affect them. The issue we have, as you quite rightly said, is that the funding runs out at the end of September. The funding has played an important role in allowing us to keep networks pretty much intact compared to pre-Covid levels, while the demand has not recovered. When we get to the end of September, if the funding runs out and the demand has not recovered to the level that it was pre-Covid, inevitably there will need to be some adjustments made.

Q235 **Simon Jupp:** Do you think it will have recovered to the level that you knew it to be?

Martin Dean: At the moment, we are seeing a very gradual increase in demand. We have not plateaued yet. We are monitoring it on a week-to-week basis to see where it gets to. We are still hopeful that it will get pretty close, but there are certain discrete groups that are stubbornly difficult to revive.

Q236 **Simon Jupp:** Are we looking at older-aged demographics here?

Martin Dean: Definitely. The level of recovery for the free passholders—older or disabled people who qualify for a free pass—has been a lot lower. There are some other groups such as park and ride, for example. Park and ride has not revived in the way that farepayers have. That is dragging down the overall result. If you look at farepayers, the level of recovery there is pretty high, but those other two groups, for example, are lower.

Q237 **Simon Jupp:** I will put the same question to Alistair.

Alistair Hands: It is very similar in the demand pattern. We are seeing probably in the mid-80s for commercial patronage, brought down by concessionary recovery in the mid-60s, bringing us to the low-80s overall. We anticipate seeing that increase over the period of the year but



would not anticipate it getting to pre-pandemic levels by the end of the period, having talked to customers who are uncertain about a return to transport.

As we run through, a reshaping of the network against that demand is inevitable. Some of that has already happened, and we are going through the final stages of that in the sustainability reviews.

Q238 **Simon Jupp:** Is reshaping another word for cutting services?

Alistair Hands: It is a combination of the two. There are some that need to and others that are growing. It is fundamentally reshaping. The reason I mention that is that the service level now is lower than pre-pandemic. It is more likely to be reshaped than dramatically adjusted, I would expect.

Q239 **Simon Jupp:** Paul, do you have anything to add? I imagine it is a similar picture for you.

Paul Turner: It is an interesting one. We have some diverse areas of recovery. East Lancashire's farepaying customers in the last couple of weeks were 1% up on the same weeks in 2019. It is the first time we have done that. Concession customers were about 70%. Interestingly, about 95% of the passes were the same, so 95% of people were only making 70% of trips. That suggests that people are travelling once a week maybe rather than twice a week, which we think must be having a bit of an effect on town centres. People are not going out for a coffee or for socialising. We are working on a bit of a fun campaign at the moment to try to encourage that during the summer and get people out travelling again.

Generally speaking, the shire towns, as we call them, tend to be recovering better, which reflects a lot of education travel. Post-16s are doing really well in terms of recovery. Industry is not a work-from-home sector, nor are factories, healthcare and retail. The cities, where there are probably more roles you can do from home, are recovering more slowly. We are not the main operator in any big cities, but we run to both Manchester and Leeds. They are recovering at a slower rate than the likes of Blackburn, Burnley and Keighley.

Q240 **Simon Jupp:** Aside from, obviously, a mixed picture of recovery and people returning to use the bus, I know that you have a multitude of other issues. At my local bus company, recruitment is a major problem. They were 70 drivers short recently, which meant services were less frequent. Constituents frequently complain to me. It is very difficult to recruit people and start to train them up. Often they get a better job offer somewhere else, with a starting bonus of £5,000. Aside from the funding, which will obviously come to an end, how much is staffing an issue, and the increase in fuel costs as well?

Martin Dean: Staffing is an issue. We are not immune to the sorts of pressures that you are seeing in a lot of other industries. It is a bit patchy. In most instances we are still able to recruit, but not at the same



level as people are leaving. Recruitment is possible, but the net effect is that we have people leaving and going to do other jobs.

Q241 **Simon Jupp:** Is that because of salaries? I will use a local example, if I may. If you go and work for a major delivery firm—I am not going to name them—you will get paid considerably more than working for a local bus company. That has caused significant problems with our bus services in Devon. Is that the same problem as you face?

Martin Dean: I think that is an issue. Looking at the employment market generally, there was a statistic at the weekend that there are more vacancies now than there are people available to fill them. The sort of issue that you are characterising is not unique to bus. People have more choices now, inevitably, but we are working very hard on retention.

I do not think it is just the financial element. We are all aware of this thing called the great resignation. There is no doubt that the pandemic has made a lot of people think about what they want from life and what they want to do. We are not immune from that. People have been on furlough in the bus industry and when they come back, they think it is not something they want to do anymore. As I say, it is not unique to the bus; it is something that we are seeing in a lot of other industries as well.

Q242 **Simon Jupp:** I am sure you are also facing that, Alistair. If I may, I will focus on fuel with you. How is that impacting on your business?

Alistair Hands: Clearly, it is a challenge. There is an element to which some of those costs are hedged for a period of time, but inflation is proving a real challenge. As a result, we need to look at the fares that are charged in order to be able to recover some of those costs. The extent to which we do that is a balance, along with the recovery of patronage itself. That is increasingly the nature of running commercial operations.

Q243 **Simon Jupp:** Is it the same for you, Paul, when you are looking at staffing and the rising cost of fuel? I think I saw this morning that there are petrol stations charging over £2 a litre in some places now. It is obviously different for you guys. It is going up across the country. This is at a time of high costs for everything and staff salaries having to be adjusted because people obviously want more money. It is quite a crunch point for the industry, isn't it?

Paul Turner: It is an issue, and it is one that is worrying us in some respects because we see opportunities in the post-BRG era, particularly where we have picked up a couple of services over the pandemic that others have withdrawn from. We see some opportunity there, providing we can resource it. The last thing we want to do is take on something without being able to staff it.

Things are a lot better than they have been. We have done a lot of work on wage rates, particularly. We took over a couple of lower-rate businesses and we have been working to push those rates up a bit higher to ensure we can recruit to them.



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There is one market where we have an unusual impact from fuel. We are quite above the average wage rate, but it is an area that draws in a lot of employees from neighbouring areas. It probably has more jobs than people, and therefore people have to drive a long way to their work. We are finding it harder to recruit now if people have to drive because the price of fuel puts them off their commute. That is almost a double whammy because you can work for less somewhere, but it is on your doorstep and you do not have to—

Q244 **Simon Jupp:** I am acutely aware of time. This is, hopefully, a yes or no question to all of you. Do you think that we have come to the point now where it is worth looking at adding bus drivers to the shortage occupation list?

Martin Dean: It would help.

Q245 **Simon Jupp:** Alistair?

Alistair Hands: Yes, I believe it would help.

Q246 **Simon Jupp:** Paul?

Paul Turner: I do not know much about that one, but I cannot see why it would not help.

Q247 **Mr Bradshaw:** As a percentage, how many drivers have you lost post Brexit, if that is part of the answer?

Martin Dean: I could not give you a figure on that. I can follow up with a figure.

Q248 **Mr Bradshaw:** But it is not insignificant.

Martin Dean: In some areas it is not insignificant, where we would have had bus drivers from central and eastern Europe who are not here anymore. Absolutely.

Q249 **Mr Bradshaw:** As Simon has already indicated, the bus service in my constituency of Exeter, part of which Simon has in his patch, has been absolutely appalling for most of this year because of driver shortages. Martin, you said this was a patchy problem. What makes it a problem in some areas but not in others?

Martin Dean: It is all about what people can go and do. We have some locations where there are a lot of warehousing jobs nearby. It is the sort of thing that really boomed during the pandemic. The warehouses need people to drive vans to take goods to people's houses and residences. You see pressure there. If you have a big warehouse just on the doorstep, where there are incentives for signing on, bonuses and all that sort of thing, you see pressure.

Q250 **Mr Bradshaw:** Am I right in thinking that you run the services in Norwich?

Martin Dean: Some services in Norwich, yes, but not all of them.



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Q251 **Mr Bradshaw:** Do you have the kind of problem in Norwich that Stagecoach has in Exeter?

Martin Dean: Yes, there is some pressure. We do not actually have a depot in Norwich; we have a depot in a place called Dereham between Norwich and King's Lynn. There is pressure at the moment. Funnily enough, I was talking to the managing director of that business just this week. We are okay, but it is quite tight.

Q252 **Mr Bradshaw:** Pressures on staffing in cities with strong economies, which is what you seem to be indicating, is the issue. That is happening everywhere. It is not something that is unique to my constituency.

Martin Dean: Absolutely. The interesting thing is that historically it was an issue in a place like London, where the economy is really strong, but we are also seeing it in places like the north-east, where you would not expect there to be big problems.

Q253 **Mr Bradshaw:** Shouldn't the bus companies be paying the staff more in those areas, in order to even that out? It does not seem to be good policy for the bus services to be fine in some areas and appalling, particularly in areas like Exeter, where they are in theory profitable and well used, with a strong economy. You need to be paying drivers more, don't you?

Martin Dean: We always look at it. It is a strong point. It is just a constant balance. It goes back to what Mr Loder was saying earlier. We have to balance our costs against revenues. The other thing that our customers do not like is a big increase in fares. Driver costs in a bus company are typically between 40% and 45% of overall costs. Total staff costs are up to 70% of overall costs. We need to get the balance right.

You are right. We need to pay a rate that attracts people to come and work for us and to stay with us, but we cannot do it in a way that destroys the commerciality of the business in one go. It is a tricky balance.

Q254 **Mr Bradshaw:** Zero-emission vehicles are only 2% at the moment. When do you expect each of your companies to have introduced them across the piece?

Paul Turner: With ZEBRA, we have eight at the moment. We will be up to 80 out of about 400. I cannot put an end date on that, but by the end of 2024 we will be at about 20% of the fleet. We expect it to continue to transition. We have some quite long services which, at the moment, do not have a vehicle on the market. Up in North Yorkshire we are working with suppliers to create an inter-urban electric bus that will have the speed and range we need. Hopefully, that will unlock a bit more in the market to give us confidence that we can invest in those for the future.

Q255 **Mr Bradshaw:** Alistair?

Alistair Hands: We are actively participating in four projects in the regions at the moment. We operate a number of electric routes in



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London. As yet, we do not have a definitive end date, but we are certainly on the start of that journey.

Q256 **Mr Bradshaw:** Martin?

Martin Dean: We have a target of not running any diesel buses by 2035. We have 18 out of 3,300 at the moment, so we have quite a long way to go. We have ZEBRA funding. As you know, the Government funding has come in in Oxford. We are hoping to get 100 buses in for that. That is a good start. We have 20 hydrogen buses going into Brighton and Crawley by the end of this calendar year. We are making progress, but, quite clearly, we need to do more in association with central Government funding for this.

Q257 **Mr Bradshaw:** What more could central Government do, in your view?

Martin Dean: We need more release of the ZEBRA-type funding so that we can have more projects. The ZEBRA funding that came in this year in terms of the announcement should lead to around about 1,000 new ZEBs across the piece, not just in Go-Ahead. The English bus fleet is about 40,000 buses, so clearly we need more funding.

The Government have announced another round that is likely to result in about £250 million-worth of funding. That will generate even more. They have a commitment to 4,000 buses by the end of this Government. If we want to reach that, we need to accelerate the funding.

Q258 **Mr Bradshaw:** Don't add anything unless there is anything that Martin did not mention. Is there anything he didn't mention that you want Government to do, or that you would like to see from Government on zero emissions?

Alistair Hands: I think the point around diesel parity and stimulating the market is crucial.

Paul Turner: We fed back about making sure that the actual power infrastructure is there. Getting your depot plugged into the grid can be quite challenging in some areas. We fed that into consultation recently.

Q259 **Mr Bradshaw:** Finally, wouldn't it be a more efficient use of time and resources in terms of achieving carbon reductions to achieve modal shift rather than the quite tortuous journey that you are making towards zero-emission vehicles?

Martin Dean: We need both. An electric bus or a hydrogen vehicle costs about double the cost of a diesel. If we could get significant modal shift, we could create our own business case to fund them ourselves. We definitely need both. It is absolutely what we need. What we do not want to do is give the impression that just by electrifying the bus fleet we have done our job, or that everybody has done their job. What we need to do is to get people travelling on these expensive pieces of kit.



We have talked about enhanced partnerships, BSIPs and all that sort of stuff, but what we need as part of that is zero-emission buses plus bus priorities, to give reliability and punctuality improvements so that we get a lot more people travelling. Of course, the great benefit is that, because the modal split at the moment is so heavily weighted in favour of the private vehicle, you only need a very tiny shift towards bus to get a significant increase in patronage for us. The prize is really significant.

Q260 Mr Bradshaw: What is the major blockage to far more bus priority zones and routes?

Martin Dean: We would like to see more demand-management type measures in city centres. Where city centres, for example, have air-quality issues, if there were measures taken by local authorities to encourage people to switch to public transport, that would be something that we feel would be a good measure to introduce in association with ZEBs.

Q261 Mr Bradshaw: Don't the Government need to instruct them to do that? If it is just voluntary, the political pressure that local authorities come under from the motoring lobby is often too strong to resist.

Martin Dean: That is a political decision. We make our case and we say, "Look, we want to get there." The national bus strategy has a blueprint that says, "This is what the Government aspires to." It is a political decision, but we lobby very strongly for the sorts of things you are saying, Mr Bradshaw.

Q262 Mr Bradshaw: Good. Alistair and Paul, do you have anything to add to that?

Alistair Hands: I support what Martin was saying. I think creating that virtuous circle with modal shift is really important and we need direct measures to stimulate it.

Mr Bradshaw: Thank you very much, gentlemen.

Chair: Karl McCartney has been incredibly patient. I am sorry to the two witnesses waiting at the back. I have totally lost control of the timing. We will be taking that up with Members afterwards.

Q263 Karl McCartney: Obviously, we will have to make sure that that Member is here when it is raised.

I am going back to some things that happened previously, but they are probably yes or no answers. Have any of the routes that you removed been removed because there were alternatives, either because of competition or alternatives for your passengers who were no longer going to get on your buses?

Martin Dean: If we take buses off it is because we cannot see a future on the model that we have, which is—

Q264 Karl McCartney: There are other panel members and we do not have



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much time, so is it a yes or a no? Have you removed any of your services because of competition or alternatives for passengers to get to where they need to get to? It is not necessarily buses; it could be trains.

Martin Dean: No. We make individual decisions.

Alistair Hands: No, not specifically, I don't believe.

Paul Turner: We have an example of doing the opposite, where we have changed one to fill the gap where someone else has taken it out. We have not taken anything off in the last three years.

Q265 **Karl McCartney:** I just wanted to ask the question and find out the answer. My colleague Ben asked you a little bit about electric buses. Martin, how many electric buses are you actually running and on what sort of routes? What is the length or duration of the routes that you are running those electric buses on, and how many electric buses are you running?

Martin Dean: As I mentioned, we have 18 electric buses in our fleet at the moment. They are relatively short-distance routes because at the moment the battery technology suggests that you should have them on shorter routes. Typically, the maximum you can get from a charge is about 250 km in a day.

Q266 **Karl McCartney:** We work on imperial here, or I certainly do, so we can convert that to miles. It is not that many but carry on.

Martin Dean: Divide by 1.6. It is probably about 170 miles. We have some in Gateshead that run on a short-distance route. We have some in Oxford that run on a sightseeing service. We have some in Salisbury that run on a park and ride service. They are all quite short distance.

Q267 **Karl McCartney:** Alistair, is that the same for yours?

Alistair Hands: If we put London to one side, where we operate on one route from Brixton, we are participating in four ZEBRA schemes, leading to somewhere around 100 vehicles, but at the moment we are not operating them. They are in—

Q268 **Karl McCartney:** You have not actually got them yet. You are not operating them, so you cannot give me any figures on what those routes would be.

Paul, I am missing you out here because I do not think you are running any. Let me go back to Martin. On those electric buses, do you have any mobile diesel generators that you have to take out to recharge the buses elsewhere? Or do you not have that sort of issue because you do not take them out?

Martin Dean: No; they are all electrified at the depot.

Chair: Martin, Alistair and Paul, thank you ever so much indeed. You have given us a heck of a lot of evidence. I do not have enough time to



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ask you this, so can I ask you to write to us and put a number on how much it would cost to replace your entire fleet in today's prices, if they were all to go electric or hydrogen?

You have given us some evidence, but we would like a little bit more on what things are holding back the numbers of zero-emission buses. Is it funding or innovation and infrastructure in terms of charging? We are going to touch on that next, but it would be great to get a bit more of your evidence for our recommendations. That would be really helpful. Thank you very much indeed.