



TECHNICAL NOTE

DATE:	10 June 2021	CONFIDENTIALITY:	Restricted
SUBJECT:	Bus Back Better - National Policy Context for BSIPs		
PROJECT:	70085190	AUTHOR:	Tim Reynolds
CHECKED:	Martin Gallagher	APPROVED:	Mike Holmes

BUS BACK BETTER – NATIONAL POLICY CONTEXT FOR BUS SERVICE IMPROVEMENT PLANS

Purpose of Note

The purpose of this Technical Note is to set out the national policy context for bus services in England within which Bus Service Improvement Plans (BSIPs) will have to be developed. The note covers key policy from the National Bus Strategy itself, wider government policy around the Future of Mobility and Net Zero and specific policy regarding Zero Emission Buses.

This Technical Note can be used as part of the baseline report for each area when developing a BSIP, supplemented by local and regional policy context as appropriate.

Overview

The national policy context for BSIPs can be summarised as covering three broad themes:

- 1 Bus reform:** the requirements of the National Bus Strategy itself, namely the move to Enhanced Partnerships or franchising and development of Bus Service Improvement Plans;
- 2 Future of Mobility:** how bus services will fit within Government's wider future of mobility strategy through developments such as Mobility-as-a-Service, digital demand-responsive transport and autonomous vehicles; and
- 3 Net Zero:** the need to decarbonise the transport sector, including buses, through the adoption of new technologies and increased modal shift.

Key national strategies, policy documents and recent government consultations covering each of these three themes are detailed over the following pages.

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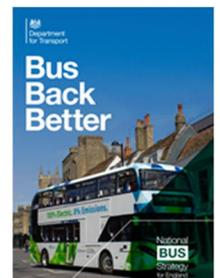
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Theme 1: Bus Reform

There are two specific strategy and policy documents linked to the subject of Bus Reform. The most recent National Bus Strategy builds in the earlier Bus Services Act (2017) and both are outlined below.

NATIONAL BUS STRATEGY

On 15 March 2021 Government launched Bus Back Better, a new national bus strategy for England outside London. Bus Back Better provides much greater emphasis on partnership working, where LTAs and bus operators form statutory partnerships to define bus networks, service levels and fare strategies. In order to meet the requirements of the national bus strategy, Government expects all LTAs to develop Bus Service Improvement Plans (BSIPs) and set up Enhanced Partnerships (EPs), as defined in the Bus Services Act 2017. Alternatively, LTAs can choose to start developing a fully franchised network, if they prefer, alongside their EP, or later dependent on the success of initial EPs.



ENHANCED PARTNERSHIPS

An EP is an agreement between a local authority and the majority of their local bus operators to work together to improve local bus services. It requires an agreed 'vision' of improvements that the EP is aiming to achieve and corresponding actions to achieve them. EPs are intended to be flexible in their scope and scale. It is possible for an EP to be formed of more than one local authority, and this is encouraged by the national bus strategy where the local bus market significantly overlaps with a neighbouring authority, for example a small unitary authority surrounded by a larger county. LTAs must consult with affected operators and secure a majority agreement.

There is no requirement for LTAs to provide infrastructure or some other enhancement requiring capital investment, but LTAs are expected to work collaboratively with bus operators through the partnership to bring about improvements for passengers. There are five main aspects which an EP can cover. These are: the vehicles used to operate bus services, including their appearance (livery); provision of bus service information to the public; the dates on which timetables may be changed; ticketing; and arrangements to facilitate the scheme.

Once established, an EP covers **all** registered local bus services with at least one stop in the area. Exempt services not covered by an EP are: subsidised bus services operating on a gross cost basis (where the LTA retains the revenue); community bus services operating under Section 22 permits; services where 10% or less of the overall distance is registered as a local bus service (such as scheduled coach services); and services classed as excursions and tours. However, operators of these services may choose to participate in an EP voluntarily.



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As EPs are intended to be flexible, it is up to the LTA and operators to agree what should be included. This includes the overall vision, objectives, vehicle standards, ticketing arrangements, and any aspects which are to remain under the sole commercial control of the operators, such as their own tickets and products. Once established, operators run services and can enter or exit the local bus market in much the same way as at present, with ongoing monitoring and evaluation overseen by a partnership board.

With the flexibility of an EP comes an expectation that results will be achieved through shared goals, collaboration, genuine partnership and good faith. Enforcement of the EP is through service registration mechanisms available to the Traffic Commissioner (or the LTA where devolved) which could include cancelling registrations or fines, and; a passenger charter to ensure standards are met, operators and the LTA are accountable through a bus advisory board, and redress is available to passengers at a local level. Operators wishing to take action against an LTA for failing to uphold their side of the agreement can do so through the courts and ultimately an operator could choose to withdraw from an EP, although this would no longer entitle them to any discretionary funding such as the Coronavirus Bus Services Support Grant.

The national bus strategy is very ambitious and potentially radical. Enhanced Partnerships are identified as the preferred mechanism within which to work towards these ambitions, and Government's expectation is that EPs should be developed with a wide scope, pushing at the limits of the level of LTA influence and operator cooperation permitted under the Bus Services Act 2017 and competition law. If new EPs meet the ambitions of the national strategy, they will go far beyond the examples in the DfT EP guidance.

FRANCHISING

Franchising is a secondary approach through the strategy enabling LTAs to specify all aspects of bus services running in their area including routes, timetables, fares, ticketing and vehicles ensuring on-street competition between operators is not permitted and no commercial services run within the franchised area.

Where an EP may not be able to deliver an LTA's bus strategy in full, franchising may be considered. In each case the reduced delivery seen through the EP would need to be weighed up relative to improved delivery but increased costs and risk under a franchise as an LTA would be required to take some (or all) revenue risk, whereas operators would retain most (or all) revenue risk under an EP.

LTAs should note the following aspects of the franchising process:

- Franchising powers are automatically available to Mayoral Combined Authorities (MCAs); other authorities wishing to establish franchising must seek approval from the Secretary of State;
- Franchising involves less prescriptive bureaucracy than the previous Quality Contracts powers, including an improved process for accounting for cross-boundary services;
- As franchising gives local authorities the most control, and consequently strips bus operators of most of their commercial freedoms, it is still the most complicated option available under the Bus Services Act;
- Under a franchise the treatment of TUPE and pension liabilities, potential 'stranded assets', and the potential for transitional risks should be considered; and
- The area to be covered by a franchise can be drawn up to meet local requirements, ranging from multiple LTA areas, through a single area, to a single corridor.



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Bus Services Act (2017): DfT Guidance on planning improvements to bus services

DfT guidance¹ for local authorities to complement the Bus Services Act 2017 covers providing inclusive services, improving environmental outcomes, maximising social value, improving the safety of bus services, tackling congestion and meeting the needs of rural communities. The guidance includes general suggestions and recommendations to make improvements in these aspects of bus service delivery.

The guidance refers to other legislation that local authorities should have regard for when procuring and specifying bus services, including:

- Equality Act 2010; and
- Public Services (Social Value) Act 2012.

On meeting the needs of rural communities, local authorities are strongly recommended to undertake a 'rural proofing' exercise to consider the impacts of transport policies and programmes on rural areas and where necessary, adjust those plans to achieve equally effective and successful outcomes for individuals and businesses in rural areas. It is strongly recommended by DfT that rural proofing² is done for any review of transport provision.

The guidance makes several references to and suggestions for the application of DRT. It notes that DRT can be a way of increasing ridership by providing a more flexible and responsive public transport solution. Community transport operators are highlighted as being particularly suitable to run DRT services. The guidance suggests deploying publicly funded DRT services to transport passengers from isolated villages to bus stops and transport hubs where they can connect to commercial bus services and complete their journeys, which keeps costs down both for the DRT service and the commercial bus operator. On community transport, the guidance recommends that local authorities consider how best to encourage and integrate community transport services into the wider public transport network. It should be noted that non-commercial community transport services are not covered by the franchising powers of the Act.

Taking a 'Total Transport' approach in rural areas is recommended by the guidance to bring together various public sector transport services such as patient transport, social care services, education transport, community transport and subsidised bus services to pool resources and reduce duplication of resources. This follows a trial of the concept in different areas of England in 2015 which involved the creation of a 'one-stop shop' for transport services and information.

¹ Bus Services Act 2017: *New powers and opportunities* <https://www.gov.uk/government/publications/bus-services-act-2017-new-powers-and-opportunities>

² UK Government (2017) *Rural Proofing Policy Paper* <https://www.gov.uk/government/publications/rural-proofing>

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Theme 2: Future of Mobility

The second theme feeding into the national policy context surrounding the Bus Back Better Strategy is that of Future of Mobility. The section below summarises national strategies first published in 2019 for urban areas and then expanded to include rural areas in 2020.

Future of Mobility Urban Strategy

The UK Government's Future of Mobility Urban Strategy, published in March 2019, sets out the 'grand challenge' for mobility in urban settings and summarises the rapid changes underway in the transport and mobility sector. It makes clear that public transport must remain fundamental to an efficient transport system, with walking and cycling becoming the preferred option for short journeys. The demographic challenges of a growing and aging population but travelling less due to increased working from home and online service delivery are noted, with the trend of rural areas having a greater proportion of older residents than urban areas expected to continue. The trend of fewer young people holding a driving licence is also noted, which presents opportunities for urban areas but challenges for rural areas.

The Future of Mobility Urban Strategy notes the following key changes in transport:

- Data and connectivity are transforming journeys;
- Transport is becoming increasingly automated;
- Transport is becoming cleaner (in reference to vehicle emissions);
- New transport modes are emerging;
- Travel demand is rising overall, but falling at an individual level;
- The population is aging, and travel choices show clear generational differences;
- Consumer attitudes are changing;
- New digitally enabled business models are emerging; and
- Shared mobility is becoming more prevalent.

The strategy lays out nine guiding principles for the government's approach to the future of mobility:

- 1 New modes of transport and new mobility services must be safe and secure by design
- 2 The benefits of innovation in mobility must be available to all parts of the UK and all segments of society
- 3 Walking, cycling and active travel must remain the best options for short urban journeys
- 4 Mass transit must remain fundamental to an efficient transport system
- 5 New mobility services must lead the transition to zero emissions
- 6 Mobility innovation must help to reduce congestion through more efficient use of limited road space, for example through sharing rides, increasing occupancy or consolidating freight
- 7 The marketplace for mobility must be open to stimulate innovation and give the best deal to consumers
- 8 New mobility services must be designed to operate as part of an integrated transport system combining public, private and multiple modes for transport users
- 9 Data from new mobility services must be shared where appropriate to improve choice and the operation of the transport system

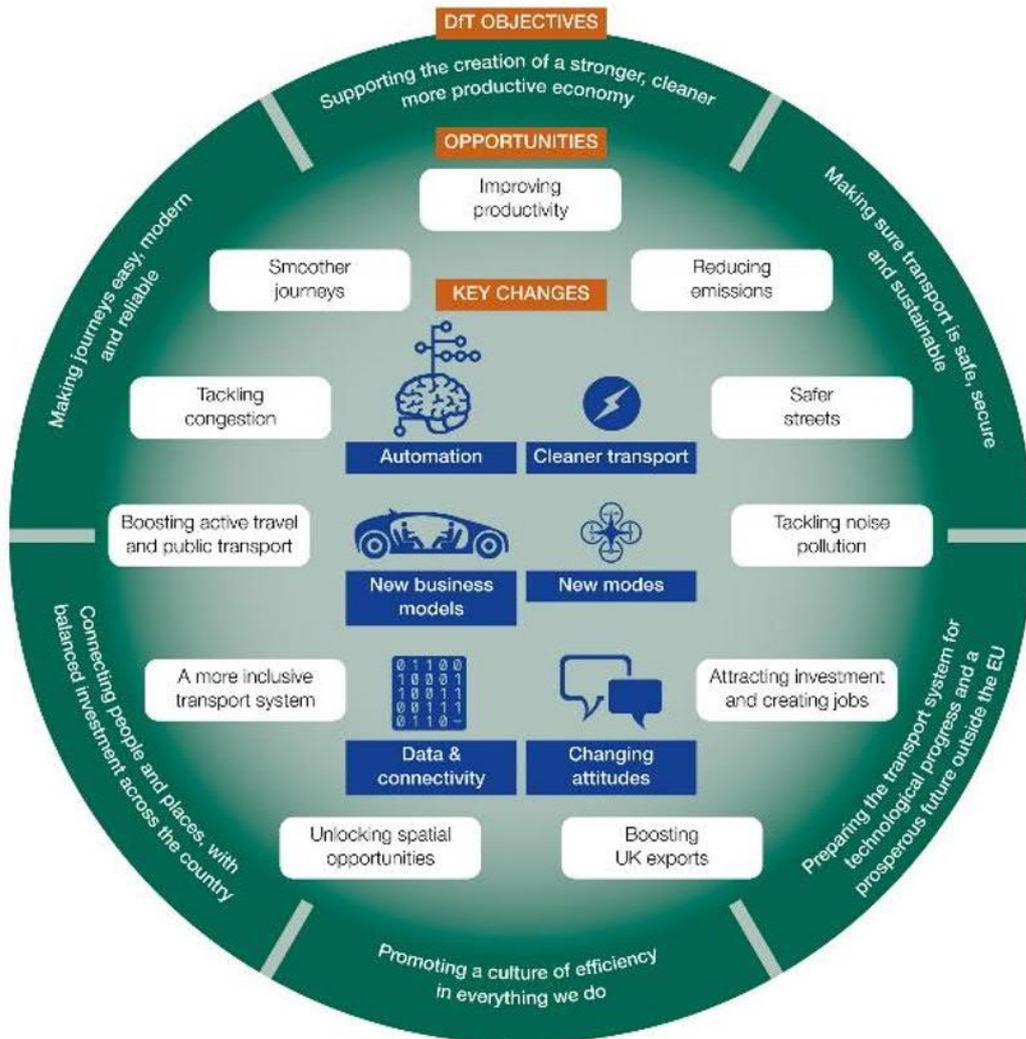
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Key risks in the future of mobility identified by the strategy are around safety of new transport modes, ensuring that bus services remain viable, inclusion for people who do not (or cannot because of disability) use the internet and smartphones, and ensuring security of personal data used in mobility services.

Governments vision for the Future of Mobility is summarised in below in Figure 1. This outlines the DfT’s objectives, the opportunities available to LTAs and the transport sector and the key changes required in policy and delivery to achieve Future of Mobility objectives.

Figure 1 – DfT’s Future of Mobility Key Changes



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Future of Mobility Rural Strategy Consultation

In November 2020, Government opened a call for evidence consultation on the development of a Future of Mobility Rural Strategy, building on the Future of Mobility Urban Strategy published in 2019.

The consultation gave an overview of the emerging trends that Government has identified around rural mobility and the Strategy, once developed, will set out how Government will seize the opportunities and manage the risks around the future development of rural mobility. The consultation noted that technology will drive radical changes in transport over the next decade, with major changes for both users and operators. It noted that innovation in transport has particular potential in rural areas where lack of access to a car has often excluded people from fully participating in employment, education and leisure opportunities, however the challenge of ensuring that such innovations are inclusive for all is acknowledged.

The consultation noted the following challenges around rural mobility:

- Rural populations are older on average than urban areas (43 years old v 38 years old);
- The population aged 65 and over is expected to grow by 50% between 2016 and 2039 and will be experienced most in rural areas, where virtually no growth in younger populations is expected;
- In rural areas, cars are used more often and for longer trips than in urban areas;
- There is less opportunity for active travel in rural areas due to a combination of the longer distances involved in making many trips and a lack of suitable infrastructure to facilitate active travel journeys; and
- Geographical aspects such as terrain can limit the route and transport opportunities in rural areas.

The consultation acknowledged the risk that innovations in transport are not inclusive and do not take account of the needs of people living in rural areas.

Infrequent public transport can make it difficult for elderly residents to travel even short distances to access basic services, it was noted, with impacts on health and wellbeing.

The consultation pointed out that travelling by public transport in rural areas is more likely to involve a change of mode than in urban areas due to less extensive and lower frequency services. Integration between different modes is therefore important, as well as having the infrastructure to support interchange, such as mobility hubs which co-locate several services together (transport and non-transport) to reduce the need to travel.

The consultation specifically highlights the emerging new applications for DRT through digital platforms and the potential to use 'feeder services' of shared taxis and DRT. The benefits of this type of service to employers and for serving suburban areas were noted, as was the greater potential for shared journeys in rural areas. Good quality data and digital connectivity is needed to fully realise the benefits of DRT, the consultation noted.



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The consultation referred to the Future of Urban Mobility Strategy guiding principles (given in the previous section) and asked if these are appropriate for rural areas. The consultation acknowledged that some of them may require adjustment to take account of the different markets in rural areas.

The consultation closed in February 2021 and the strategy is expected to be published later in 2021.

Future of Transport Regulatory Review

Government recently reported on the findings of its Future of Transport Regulatory Review, following a consultation which ran between March and July 2020. The review covered regulation of buses, taxis, private hire and micro-mobility services.

The review highlighted support for relaxing registration requirements around DRT and for changes to Bus Services Operator Grant. A dominant view indicated that the area of operation for a DRT should be a geographical area that is determined by demand. Several respondents believed the operational area should be associated with a local transport hub so the services can interconnect with other transport services, so not to overlap or present unfair competition with other transport modes, particularly taxis. This would complement existing transport services. Some respondents suggested that DRT services require to levy a surcharge for trips that could be undertaken on existing public transport.

A consistent theme was that DRT operators and local authorities need to work together to determine an operational area that benefits the local area and contributes positively to the area's transport network.

Following the review, Government has committed to engage with DRT service operators and collate findings from the Rural Mobility Fund schemes and services deployed in response to COVID-19, to inform the forthcoming National Bus Strategy.

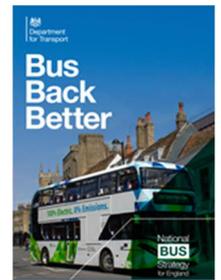
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Theme 3: Net Zero

National Bus Strategy

The National Bus Strategy for England, *Bus Back Better*³, published in March 2021, reaffirms an announcement made by the Prime Minister in February 2020⁴ committing the Government to fund up to 4,000 ZEBs over the next few years. The National Bus Strategy places Zero Emission Buses (ZEBs) at the heart of the Government’s vision for the transformation of the bus offering in England.



OVERALL ZEB PRINCIPLES

The strategy sets out the Government’s five key principals for a ZEB fleet: These are:

- To consider all technologies fairly, assessing their cost, contribution to decarbonisation and utility;
- Provide financial support and incentives needed for the market to scale up quickly;
- Take a place-based approach to investment wherever possible;
- Both operators and local authorities will be expected to play their part; and
- Ensure plans lead to overall carbon reductions.

TECHNOLOGY

The strategy states that “zero emission” means buses which run on electric batteries or hydrogen and notes that battery electric has dominated ZEB deployment so far, but that both technologies have strengths in different scenarios.

The strategy states that battery electric is a more efficient use of energy than hydrogen on current technologies, but that hydrogen lends itself well to longer distance routes and rural operations. For a ZEB deployment to qualify for government funding, it must use ‘green’ fuel or have a roadmap towards obtaining fuel from green sources. It is acknowledged that hybrids and biofuels may feature in local decarbonisation plans as the technology continues to develop to enable full ZEB operation. Zero emission is preferred to low or ultra-low emission, and these should only be purchased where full ZEB is not a viable option.

FUNDING

The strategy acknowledges the barriers to ZEB deployment presented by the high up-front capital costs for vehicles and infrastructure. The Government commits to playing a role in the short term as technologies continue to mature which is expected to see ZEB costs come down and achieve parity with conventionally

³ UK Government (2021) *Bus back better* <https://www.gov.uk/government/publications/bus-back-better>

⁴UK Government (2020) *Major boost for bus services as PM outlines new vision for local transport* <https://www.gov.uk/government/news/major-boost-for-bus-services-as-pm-outlines-new-vision-for-local-transport>



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fuelled fleets through sustained orders for ZEBs allowing unit costs to fall as production is increased, enabling manufacturers to achieve economies of scale.

The strategy also states that the Government will support new funding and financial models to lower the costs of ZEB for operators, including new leasing and maintenance arrangements which are a significant departure from traditional fleet ownership and maintenance.

Government financial support also includes the launch of the Zero Emission Bus Regional Area (ZEBRA) scheme and All Electric Bus Towns (see following sections).

Linked to ZEB, and as part of wider reforms to bus funding, the Bus Service Operators Grant (BSOG) is expected to be overhauled to incentivise ZEBs through higher rates paid per kilometre on routes operated by ZEB vehicles, moving away from the current system of payments linked to fuel consumed. This system is already used in Scotland and has been credited with attracting investment in electric passenger vehicles to the country⁵.

PLACED BASED APPROACHES

In terms of regional strategy, a place-based approach to ZEB deployment is required given the need for supporting infrastructure (electrical supply or hydrogen fuelling). ZEB deployments should therefore consider allowing for more effective land use, addressing local air quality issues, and use the right technologies that work for the topography of the area. This approach is needed to allow a more strategic plan for energy networks in order to provide longer-term savings.

Decisions on the transition to ZEB should be taken collaboratively through local bus partnerships, the strategy states:

- Local authorities need to define the outcomes they want to see and when; work with energy providers to integrate the needs of buses into wider network infrastructure plans; and play a central role in funding and financing arrangements;
- Bus operators should take the lead in specifying the technical requirements for vehicles; develop an understanding of the energy requirements for their fleets; and take the lead on the investment required; and,
- Local standards for zero emissions should be set through bus partnerships or franchises.

⁵ RouteOne (2020) *Ember: A watershed moment for the UK coach industry* <https://www.routeone.net/operators/ember-a-watershed-moment-for-the-uk-coach-industry/>

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Zero Emission Buses Regional Areas (zebra)

In March 2021, the Government launched the Zero Emission Buses Regional Area fund (ZEBRA), making up to £120million available in 2021/2022⁶. The scheme is intended to help local transport authorities introduce ZEB, reduce emissions, improve local air quality, and ensure stability of orders for the British bus manufacturing sector. The fund will deliver up to 500 ZEBs, supporting the Government's wider commitment to introduce 4,000 ZEBs detailed earlier under the National Bus Strategy. ZEBRA is a place-based scheme allowing areas led by local authorities to bid for funding for the purchase of ZEBs and supporting infrastructure. The scheme is also intended to help the Government understand the challenges to introducing ZEB and supporting infrastructure in order to inform future policy. The scheme is intended to help test, trial and evaluate innovative ideas for ZEB schemes.

Through ZEBRA, the Department for Transport (DfT) will contribute up to 75% of the **cost difference** between ZEB and a standard equivalent diesel bus. For infrastructure, the DfT will contribute up to 75% of **the cost from purchase and installation**. Bids can be for vehicles, infrastructure, or both.

Buses eligible for the scheme are zero emission single deck and double deck vehicles. Minibuses and coaches are not eligible. Buses must be certified as ultra-low emission or zero emission by the Zemo Partnership (formerly the Low Carbon Vehicle Partnership) to qualify. Buses which are zero emission capable, such as diesel-electric hybrids, are not eligible. Buses powered by biogas or biofuel are also not eligible. 'Green' energy is favoured (electricity from low carbon sources) but is not a mandatory requirement. Areas that intend to use blue hydrogen (hydrogen derived from fossil fuels) should set out a roadmap for sourcing the fuel from green hydrogen.

Support for infrastructure costs includes civil engineering works, hardware, charging units and upgrades to the energy grid. This includes upgrades necessary to the grid to cater for increased energy demand. Bidders are encouraged to consider innovative solutions to keep costs down, such as smart charging, opportunity charging and energy storage. Bidders need to show evidence of engagement with an energy company.

There is no limit or threshold on an area size, but the scheme is intended to support several areas within a value of £25million-£35million. Private finance and leasing are encouraged as part of the scheme, since this can reduce up-front costs. This could include finance or leasing companies forming part of the consortia. The scheme is to provide capital funding only, i.e. it will not cover any ongoing costs associated with the operation of ZEBs once introduced.

The local air quality challenge should be set out and how the proposal will address the problem.

⁶ UK Government (2021) *Multi-million pound scheme for zero-emission buses across England launched*
<https://www.gov.uk/government/news/multi-million-pound-scheme-for-zero-emission-buses-across-england-launched>



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All Hydrogen Bus Town

Following the popularity of the All Electric Bus Town scheme (2020/21), the Secretary of State for Transport indicated in June 2020⁷ that the Government will launch a similar 'All Hydrogen Bus Town' scheme to accelerate development of fuel cell electric buses and support the UK bus manufacturing sector. While no further details are available the proposal has the support of industry including the bus manufacturing sector.

Diesel Bus Sales Ban Consultation

To accompany the release of the National Bus Strategy, the Government consulted on specifying an end to the sale of new diesel buses in England⁸. The consultation did not suggest a specific year or time period but highlighted the 2030 ban for sales of new petrol and diesel cars and light vehicles. It also noted that several bus operators have pledged to cease the purchase of new diesel buses within the next few years and transition to full zero emission fleets between 2030-2037. The consultation sought to understand the impacts on the industry from a sales ban, the barriers to introducing such a ban and potential mitigation measures, as well as what bus types should be included in a ban.

The industry body CPT⁹ noted in their response that a ban from 2030, if paralleling that already specified for cars and vans, would require significant government support to ensure other bus policy aims outlined in the National Bus Strategy are not undermined. Otherwise, there is a risk that investment is diverted away from other initiatives such as integrated ticketing and frequency enhancements. Too rapid a transition to ZEB could result in heavy costs for operators, CPT noted.

The consultation closed on 11 April 2021 and responses are currently being analysed.

⁷ Passenger Transport (2020) *Shapps reveals hydrogen bus town plan*

<http://www.passengertransport.co.uk/2020/06/shapps-to-announce-plans-for-a-hydrogen-bus-town/>

⁸ UK Government (2021) *Ending the sale of new diesel buses* <https://www.gov.uk/government/consultations/ending-the-sale-of-new-diesel-buses>

⁹ Route One (2021) *End of new diesel bus sales proposal 'needs enabling support'* <https://www.route-one.net/politics/end-of-new-diesel-bus-sales-proposal-needs-enabling-support>

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Ten Point Plan for a Green Industrial Revolution

*The Ten Point Plan for a Green Industrial Revolution*¹⁰, published in November 2020, sets out the Government’s vision for accelerating the UK’s transition to a net zero carbon economy. It details how public and private sector investment will be targeted to green the economy, creating new jobs and achieving the Government’s dual policy goals of Net Zero and Levelling Up. The Ten Point Plan includes the goals of *Driving the Growth of a Low Carbon Economy* (Point 2) and *Green Public Transport, Cycling and Walking* (Point 5).



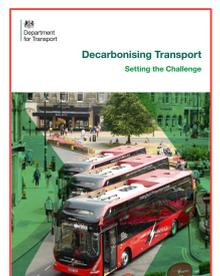
On hydrogen, it is stated that the Government will publish a Hydrogen Strategy in 2021 detailing how it will establish hydrogen ‘SuperPlaces’ establishing up to 5GW of hydrogen capacity by 2030. This was confirmed in March 2021 with an announcement of funding to establish the UK’s first ever ‘hydrogen transport hub’¹¹ in Tees Valley to enable different modes of transport in different sectors to be powered by hydrogen.

The Tees Valley hydrogen hub is expected to be fully operational by 2025 and will focus on trials, testing and research, enabling the Government to better understand the potential role of hydrogen in meeting net zero 2050 targets.

On Green Public Transport, Cycling and Walking, existing commitments to fund up to 4,000 zero emission buses and introduce a National Bus Strategy are reiterated.

Transport Decarbonisation Plan

In March 2020, the Government published the policy paper *Decarbonising Transport: Setting the Challenge*¹², detailing how the Government intends to work with industry key stakeholders to develop a transport decarbonisation plan. The plan, due to published in 2021, will detail the government’s vision for how all road vehicles will become zero emission, and how public transport will be the natural mode of choice for daily journeys. It will detail what Government, business and society needs to do in order to make this change and deliver the required emissions reductions from transport in order to meet the UK’s legally binding 2050 net zero emissions and climate change targets.



¹⁰ UK Government (2020) *The ten point plan for a green industrial revolution*
<https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution>

¹¹ UK Government (2021) *UK’s first ever hydrogen transport hub kick-started by £3 million government investment*
<https://www.gov.uk/government/news/uks-first-ever-hydrogen-transport-hub-kick-started-by-3-million-government-investment>

¹² UK Government (2020) *Creating the transport decarbonisation plan*
<https://www.gov.uk/government/publications/creating-the-transport-decarbonisation-plan>

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The plan will, when published, represent the UK's first holistic strategy for decarbonising transport, rather than focussing on specific modes as has typically been the approach used in government policy until now. The document acknowledges that transport operators will need to embrace new technology and innovation at a scale and pace not seen before.

The document details six strategic priorities for achieving transport decarbonisation:

- Accelerating modal shift to public transport and active travel;
- Decarbonisation of road vehicles;
- Decarbonising how we get our goods;
- Place based solutions;
- UK as a hub for green transport technology and innovation; and
- Reducing carbon in the global economy.

Modal shift to public transport, decarbonisation of road vehicles and place-based solutions are likely to be of particular importance for the bus sector.

The document notes that transport is now the largest sector by emissions and that emissions have stayed broadly unchanged on 1990 levels while other sectors such as energy, agriculture, and manufacturing have significantly decarbonised, hence the need to tackle transport emissions with a sector-specific plan.

Buses accounted for 3% of UK transport emissions in 2018. It is also noted that emissions from buses have fallen by 40% on 1990 levels as at 2018, compared to only a 5% reduction for cars. However, this may be explained partially by the fall in bus use during that time, with less bus mileage being operated compared to 1990, in addition to the introduction of cleaner and more environmentally friendly buses lowering emissions.

Sixth Carbon Budget

*The Sixth Carbon Budget*¹³, published in 2020, is required by the Climate Change Act and provides advice to ministers on how the UK can meet its 2050 net zero targets by specifying an emissions budget for each sector and key milestones for when significant or full decarbonisation will need to be achieved. The report details a path to net zero for a range of sectors in the economy, including surface transport.

The report states that new buses will need to be zero emission by 2035 in order to meet the 'balanced pathway' proposed towards net zero. The report notes the target by CPT members to buy only ultra-low or zero emission buses from 2025. It is assumed that 96% of new bus and coach sales will be zero emission by 2035. It is noted that biodiesel could play a transitional role for buses but is not considered a permanent solution for surface transport.



¹³ Climate Change Committee (2020) *Sixth Carbon Budget* <https://www.theccc.org.uk/publication/sixth-carbon-budget/>

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PROJECT:	70085190	AUTHOR:	Tim Reynolds
CHECKED:	Martin Gallagher	APPROVED:	Mike Holmes

Summary

The National Bus Strategy is one of several Government policy and strategy documents focused on improving public transport, in terms of both its design and delivery.

The National Bus Strategy draws parallels with the documents outlined above regarding Bus Reform, Future of Mobility, and Net Zero and Bus Service Improvement Plans (BSIPs) should not only draw on references from the National Bus Strategy but also these additional Government policies and strategies.

LTA should address the areas of interest raised consistently through these documents and ensure that their BSIPs repeat these and relate them to local level policies and strategies such as land use planning, parking policies, Local Transport Plans, and decarbonisation strategies. With modal shift to public transport, decarbonisation of road vehicles and place-based solutions of particular importance to the bus sector and success of each LTA BSIP the areas of interest raised consistently are:

- The need for a holistic planning approach to be taken by the LTA that clearly shows buses as fundamental to an efficient transport system with: walking and cycling becoming integrated options for short journeys; provision of inclusive services and innovative modes; improvements to environmental outcomes; maximisation of social value; improvements to the safety of bus services; congestion tackled systematically; operators from the commercial and community sectors engaged in partnership approaches; and, the needs of rural communities being assessed and met consistently.
- Acknowledgement that innovation in bus delivery has real potential in rural areas where a lack of access to a car has often excluded people from fully participating in health, employment, education and leisure opportunities. Therefore, rural transport planning is critical to the wider network's success and should include; a 'rural proofing' exercise to consider the impacts of transport policies and programmes on rural areas; a 'Total Transport' approach that pools all transport resources to reduce duplication; and, methods to find ways to more flexibly and responsively resolve impacts on health, wellbeing, social isolation and access issues in rural areas through the increased use of DRT schemes and joint approaches with Taxi, Private Hire, and Community Transport providers.
- The requirement for a place-based approach to bus service planning and an understanding that integration between different modes is important alongside infrastructure to support interchange. BSIPs should use a place-based approach to; channel approaches to emerging new applications for DRT through digital platforms; maximise the potential to develop 'feeder services' using shared taxis and DRT to higher frequency corridors; and, focus ZEB deployment given the need for supporting infrastructure (electrical supply or hydrogen fuelling) to allow a more strategic plan for energy networks.
- A need to set out the LTA's local air quality challenge and show how buses will play an important role in greening the environment and achieving Net Zero policy goals while ensuring investment is not diverted away from other initiatives such as integrated ticketing and frequency enhancements. BSIPs should set out a transport decarbonisation plan that details how buses will become zero emission and be the natural mode of choice for daily journeys; acknowledge plans to 51993999-504buses; and, include opportunities to bid for ZEBs and supporting infrastructure through the Government ZEBRA scheme.

A summary of each of the main policy and strategy documents and instruments is given in **Table 1**.

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Table 1 – Summary of key national policy

Document Title	Date Published	Document Type	Key Messages	Key Themes
Bus Back Better: National Bus Strategy for England	March 2021	Government Strategy	Uncoordinated nature of deregulated bus network must end. Enhanced Partnerships or Franchising required by LTAs. Ambitious targets to be set through local Bus Service Improvement Plans.	Bus Reform Future of Mobility Net Zero
Bus Services Act 2017: New powers and opportunities	November 2017	DfT guidance paper	The need to consider Equality Act requirements when planning bus services. The potential for DRT feeders to bus hubs and interchanges, particularly in rural areas.	Bus Reform
Future of Mobility Urban Strategy	March 2019	Government Strategy	Data, connectivity and automation are transforming journeys and new modes are emerging. Travel demand is rising overall but falling at an individual level.	Future of Mobility Net Zero
Future of Mobility Rural Strategy consultation	November 2020	Government consultation	Innovations in transport must be inclusive for the aging populations more typically found in rural areas. Integration is important in rural areas where a change of mode is more likely to be necessary than in urban areas.	Future of Mobility Net Zero



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Document Title	Date Published	Document Type	Key Messages	Key Themes
Future of Transport Regulatory Review	March 2020	Government consultation	Government committed to engage with DRT service operators and collate findings from the Rural Mobility Fund schemes.	Bus Reform Future of Mobility
All Electric Bus Towns	February 2020	Government fund	The emphasis on a place-based approach to Zero Emission Bus deployment, with a specific reason needed for intervention e.g. air quality.	Net Zero
Zero Emission Bus Regional Area	March 2021	Government fund	The emphasis on a place-based approach that seeks to upgrade the majority of buses to zero emission in a given geographical area.	Net Zero
Ending the sale of new diesel buses	March 2021	Government consultation	Specific date for ending the sale of diesel buses not suggested in consultation, but 2030 ban on sales of new petrol and diesel cars and light vehicles highlighted prominently.	Net Zero
Ten Point Plan for a Green Industrial Revolution	November 2020	Government Strategy	Government is committed to ensuring that hydrogen plays a role in the decarbonisation of transport and will published a Hydrogen Strategy.	Net Zero



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Document Title	Date Published	Document Type	Key Messages	Key Themes
Transport Decarbonisation Plan	March 2020	Government white paper	Government will pursue a holistic strategy for decarbonising transport, rather than focussing on specific modes as has been the approach. Modal shift to public transport, decarbonisation of road vehicles and place-based solutions are likely to be of particular importance for the bus sector.	Net Zero
Sixth Carbon Budget	December 2020	Statutory, independent report to Government	Only ultra-low or zero emission buses should be purchased from 2025. All new buses will need to be zero emission by 2035.	Net Zero