Transport for the South East

Devolution and Bus Governance

Final Report

25 September 2025

Contents

Executive Summary

Devolution and bus governance in the South East

Background

This piece of work is positioned to provide information and insight to TfSE and Local Authority transport officers in the South East on the potential implications of the Government's Devolution White Paper and the forthcoming Bus Bill (No.2) on the management and funding of public bus services and bus infrastructure in the South East.

Bus Governance implications of Devolution

For areas which form a Strategic Authority the Devolution Framework sets out a standard set of responsibilities and functions.

Strategic Authorities will be:

- The Local Transport Authority for the area with responsibilities including local transport planning and preparing a Local Transport Plan
- Responsible for preparing a bus strategy to carry out their bus functions
- Responsible for managing travel concessions
- Legally responsible for securing public passenger transport services where necessary
- Able to decide whether to franchise the bus network or enter into partnerships with operators (Bus Bill No.2)
- Able to decide whether to set up a local authority bus company (Bus Bill No.2)
- Able to make decisions on giving bus grants to service operators (Bus Bill No.2)

Funding implications of Devolution

One of the aims of devolution is to provide more funding flexibility to allow local government to invest strategically and in alignment with local priorities.

Funding for Mayoral Strategic Authorities will consolidate several functions into one spending pot, including: local growth, place, housing, and regeneration; non-apprenticeship adult skills; and transport. Funding for Foundation Strategic Authorities will provide dedicated local growth allocations, decided by formulae, and with lighter-touch investment sign-off. Established Strategic authorities will receive Integrated Settlements; these will consolidate funding across housing, regeneration, local growth, local transport, skills, retrofit, and employment support into a single flexible pot of funding.

Initial plans for devolution in the South East involve the formation of Mayoral Combined Authorities, and therefore in these areas transport funding will become subsumed within the consolidated funding pot as mentioned above.

Executive Summary
continued

Devolution and bus governance in the South East

Bus Services and Bus Travel across authority boundaries

Currently, cross-LA boundary bus services make up a large proportion of total services – typically around 40% or more of all services. This illustrates that bus travel is mainly related to regional travel and land use patterns and the locations of key generator and attractions, rather than LA boundaries.

In the event of larger strategic transport authorities being implemented, the proportion of buses that travel into different authority areas would fall significantly to around 15% or less i.e. each combined authority would essentially include the whole route for virtually all bus services. This suggests that under devolution plans the larger geography will be more aligned with bus travel, and that bus governance through BSIPs or franchising is likely to be better matched with operational planning.

Bus Services and areas of multiple deprivation

It is noted that adjacent LAs have a relatively wide variation in bus coverage of areas characterised by multiple deprivation – and hence the potential for bus planning at a regional / combined level could provide a basis for a more equalised coverage across whole regions.

It should be noted however that bus services serving areas characterised as having multiple deprivation are often commercial – as car ownership is typically lower than other areas. Hence, high levels of bus coverage of these areas does not in many cases result from local authority funding – as the services are often financially viable without additional funding (although concession fare reimbursement will often represent a significant proportion of the commercial service revenues).

Bus trips per capita and Total Central and Local Government Support per Capita

There is significant variability in the range of total financial support when considering on a per capita basis. The main urban areas such as Reading, Southampton, and Brighton and Hove have very successful bus networks with a high number of bus trips per capita per year. Most other local authorities in the region have much lower levels of use – on average less than one trip per capita per week.

In general, the scale of total financial support per capita has a relatively direct relationship with the number of bus trips taken per capita per year, such that local authorities with higher support per capita see more bus journeys per capita; this reflects the ECNTS reimbursement approach which ‘follows the trip”; that is, the more concession trips taken the more financial support is provided. This means that the larger urban areas, with denser land use, more frequent/convenient bus services and in-commuting from neighbouring areas), accrue a much higher level of government financial support via the reimbursement for free fares for concession pass holders.

Executive Summary
continued

Devolution and bus governance in the South East

Current state and future opportunities for bus funding and cross-subsidy bus planning

Currently financial support for bus services and bus travel varies considerably across the TfSE area. As areas combine to form Strategic Authorities there will be opportunities which arise from regionalising funding and governance of bus services. In particular there may be opportunities to focus funding in different areas or spread funding differently across the authority areas according to regional policy priorities.

Introduction of the Transport Levy (which involves each local authority contributing funding to their combined authority) may have an impact on the relative level of funding provided by each local authority – as the funding will be proportionate to population; this contrasts with funding for concession fare reimbursement which tends to favour the busy bus networks in urban areas.

The 'combined' Transport Levy approach would be likely to provide opportunities for effective cross-subsidy between areas – on the basis that bus travel in any case often involves cross-authority border travel.

Additionally, if strategic authorities adopt bus franchising there may be opportunities for more targeted use of the concessionary reimbursement funds – since the reimbursement will accrue to the franchise authority rather than to operators. The exact arrangement for allocation and use of concession fare reimbursement by franchising authorities is presently not clear – but is likely that there will be opportunities to consolidate all concession reimbursement funding into a central 'pot', which can then be used to help to fund the franchises bus operations via contracts with operators. This could potentially allow for greater opportunities for efficient cross-subsidisation across the combined authority area.

Current state and future opportunities for cross-boundary bus infrastructure

As devolution progresses and bus governance becomes consolidated at a more regional level there will be greater opportunities to plan and support network initiatives, ticket offers, and whole-route infrastructure - since many bus services are cross-boundary (for current LAs). This will bring potential economies of scale and efficiencies, for example in the managing infrastructure on a consistent basis across a wider area which better reflects the 'travel-to-work'.

It is noted that other combined authorities are now implementing and managing bus infrastructure improvements, bus stop management, and initiatives involving ticketing and information – which provides passengers with a more consistent and coherent bus offer across their local wider area.

ARUP

1. Introduction

1.1 This report

1. Introduction
1.1 This report

Purpose of this report

This study is positioned to provide information and insight to TfSE and Local Authority transport officers in the South East on the potential implications of the Government's Devolution White Paper and subsequent English Devolution and Community Empowerment Bill on the management and funding of public bus services and bus infrastructure in the South East. This project looks at three areas which have been raised by TfSE members as particular areas of interest:

Devolution and Bus Governance: To inform Local Transport Authority officers within the TfSE region on the impacts of devolution for buses in light of the government's English Devolution White Paper. This piece should also acknowledge how devolution affects infrastructure and cross-subsidy decisions.

Cross subsidy planning: To ensure Local Transport Authority officers within the TfSE region understand cross-subsidy planning in light of the government's English Devolution White Paper.

Cross boundary infrastructure: To facilitate a discussion with Local Transport Authority officers in the TfSE region around cross boundary infrastructure in light of the government's English Devolution White Paper. This discussion will focus on managing and funding bus related infrastructure that crosses authority boundaries, particularly in light of higher costs.

Structure of the report

Section 2: Devolution and bus governance in the South East

Section 2 sets out the likely implications of the government's devolution plans for bus governance in the South East. The Devolution White Paper and Bus Services Bill 2025 are summarised, outlining the likely impacts on funding, powers and responsibilities regarding transport and bus governance.

The section also includes an overview of the plans for Local Government Re-organisation (LGR) and devolution across the South East and therefore the governance bodies which will oversee transport investment in the near future. This includes a high-level summary of each of the BSIPs in the South East to review their approach to network improvement, infrastructure measures, and partnership working in each area.

Section 3: Current state and future opportunities for bus funding and cross-subsidy bus planning

Section 3 sets out the sources of funding for bus services in England and puts in context the quantity of financial support by each LTA with regards to the local bus market. In most cases the support from local and central government contributes a significant proportion of the total cost of operating services in the area – although there are key differences between the main urban areas and the less densely populated council areas. Looking at the funding allocations in each LTA provides a basis to consider the potential impact of 'regionalisation' of funding towards larger strategic transport authorities.

This section also highlights some case studies for existing Combined Authorities utilising Transport Levies to pool funds from Unitary Authorities, enabling cross-boundary subsidy and regional efficiencies.

4. Current state and future opportunities for cross-boundary bus infrastructure

Section 4 explores the provision of bus infrastructure in the South East, with regard to the current levels of spending on bus infrastructure, consistencies and inconsistencies in cross-boundary infrastructure and opportunities likely to arise as a result of devolution.

This section highlights potential opportunities likely to arise from devolution, particularly with regards to providing consistent fare offers, tickets, travel information and a trusted unified bus brand.

Note: The data in this report is predominantly from DfT Bus Statistics and hence the allocation of quantities (for example, bus trips and OPEX values) to each LTA reflects the interpolation / extrapolation and demographic analysis techniques utilised by the DfT.

1.2 Bus context in South East England

1. Introduction
1.2 Bus context in South East England

Bus patronage

In 2024 there were 252 million bus journeys taken in the South-East region (TfSE region), on average 32 bus journeys per capita across the year. Bus passengers in the region are served by over 1500 bus services.

Figure 1.1.1 shows the trend in passenger numbers since 2010. During the Covid-19 pandemic passenger numbers declined significantly across the UK. Since 2021 post-Covid recovery of bus travel has been a primary objective of central and local government investment into bus services. Figure 1 shows that passenger numbers are recovering across English regions – and shows that, in the TfSE region, bus trips have recovered to 88% of 2019 levels (based on 2024 local bus trips).

Figure 1.1.2 shows the variance between the local authorities in the level of bus patronage and post-Covid recovery. For example, Portsmouth has achieved full recovery of 2019 patronage whereas most other local authorities are still striving to reach pre-covid trip numbers.

In the context of devolution and the formation of combined authorities the different position and priorities of the local bus markets across TfSE will need to be accounted for when regionalising bus governance.

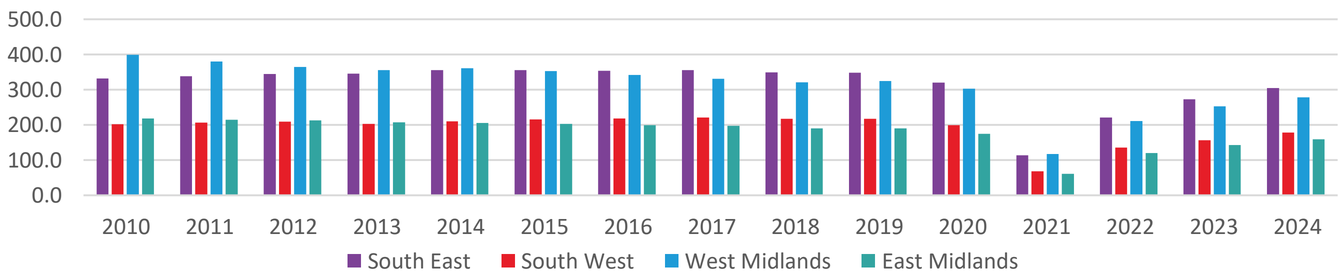


Figure 1.1.1: Passenger trips (2010-2024) for South-East region and a sample of other English regions (Data source: Annual bus statistics: year ending March 2024 (revised) - GOV.UK)

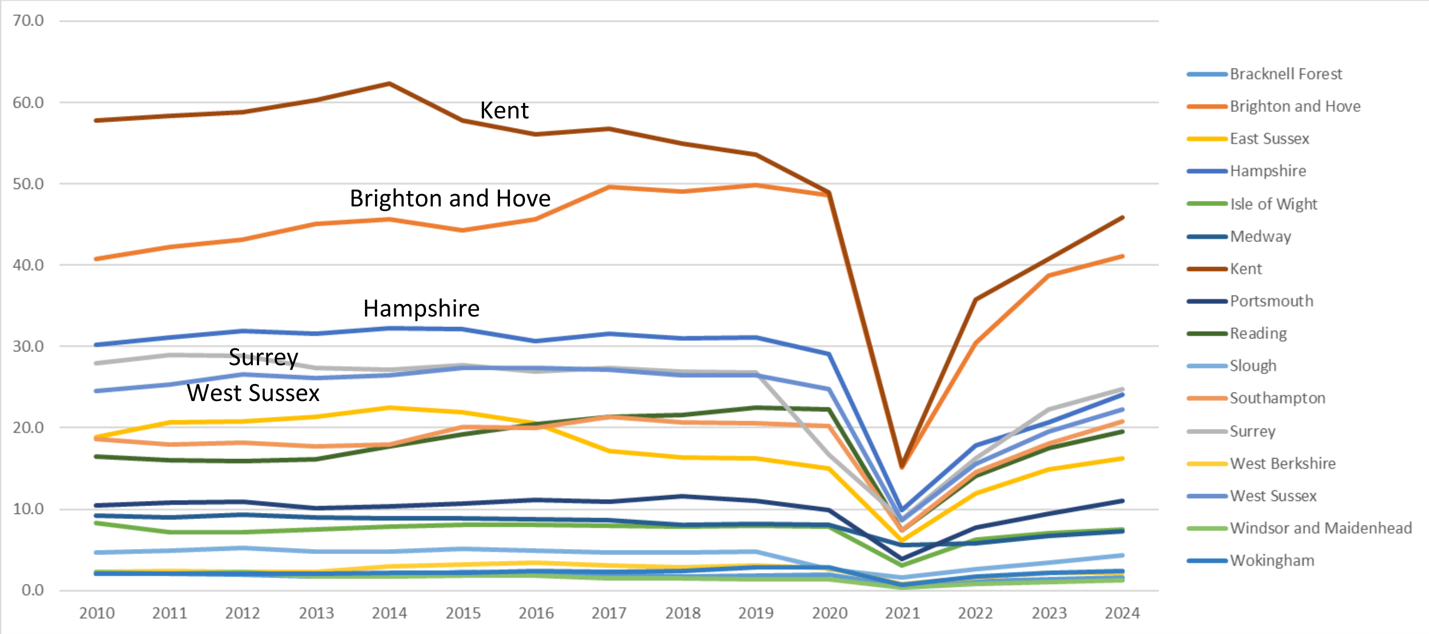


Figure 1.1.2: Passenger trips (2010-2024) for each of the TfSE Local Authorities (Data source: Bus Stats 2024 Annual bus statistics: year ending March 2024 (revised) - GOV.UK)

1. Introduction

1.2 Bus context in South East England

Bus Vehicle Kilometers vs Trips

Figure 1.1.3 shows the annual bus.km and bus trips between 2010-2024, for each LTA, and provides a means to compare pre-2020 figures with current figures. It is noted that pre-2019, Reading and Brighton showed passenger usage rising at a rate higher than the rise in bus.km – which shows that careful network optimisation has positive results.

Selected findings for pre and post 2020 are as follows:

- In some areas bus trips closely track the trends in bus km, such as in **West Berkshire**, **Bracknell Forest** and **Hampshire**.
- In **Brighton and Hove** the bus.kms and bus trips have reduced by around 20% trips – although pre 2019 bus usage increased at a higher rate than bus.km.
- In **Reading** the bus trips have fallen by around 10% while the bus.km has recovered to previous levels
- In **Southampton** and **Portsmouth** the bus trips have recovered to 100%, while the bus.kms have increased marginally beyond pre-COVID figures.
- **Kent** shows a trend where numbers of bus trips have increased, whilst bus.kms have reduced by around 30%
- **East Sussex** and **Surrey** have very similar bus.km to pre-2020, and passenger numbers are almost recovered, whereas **West Sussex** has bus.km around 20% down, but passenger numbers are only around 10% down.

Overall conclusions are that usage of buses tracks Bus.km relatively closely – especially in the most dense urban areas, and that careful optimisation of bus.km can lead to a maintaining or improving ridership.

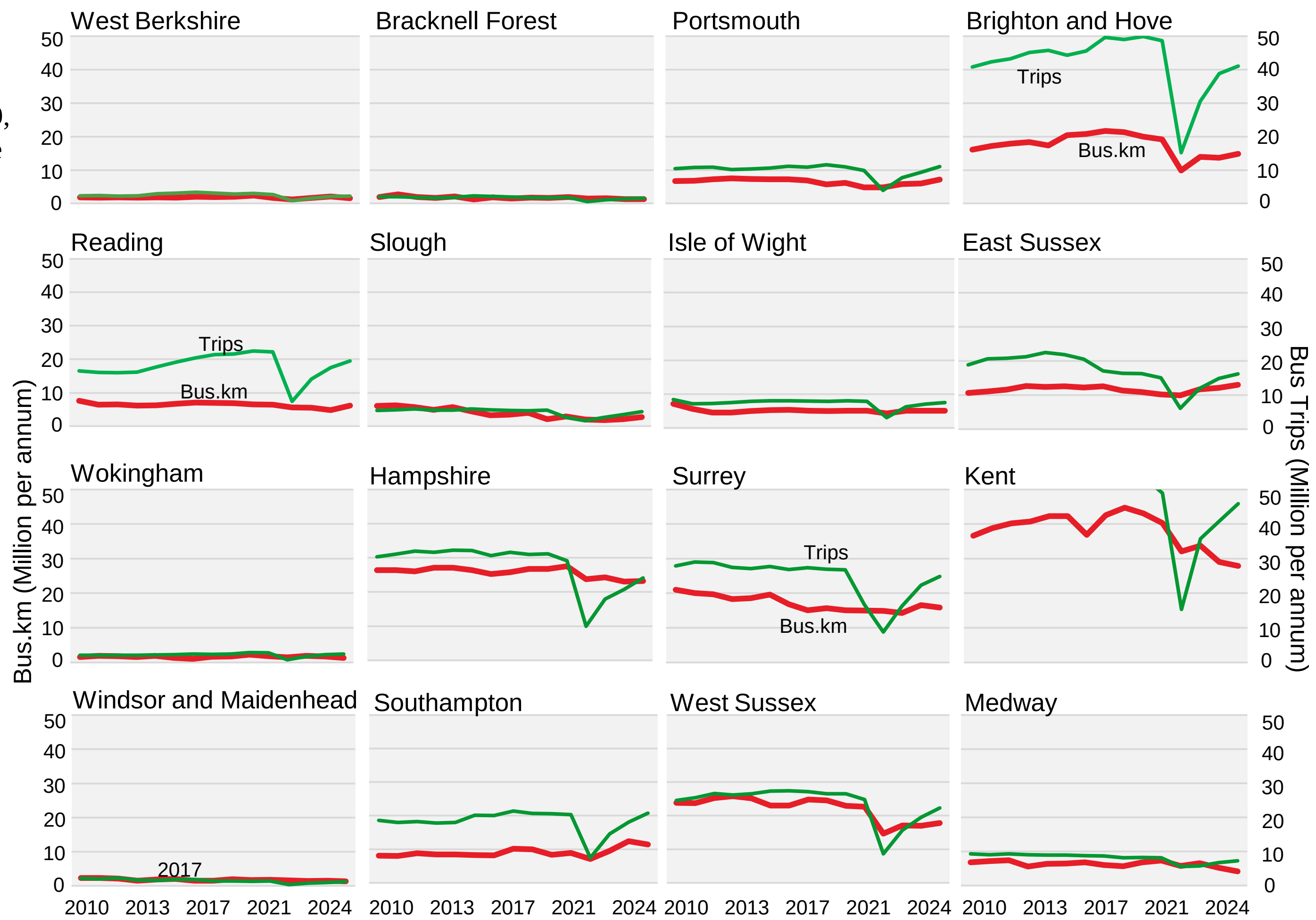


Figure 1.1.3: Difference in Bus Vehicle Kilometres to 2019 (Red) (2010-2024) for each of the TfSE Local Authorities and bus trips (Green) (Data source: Bus Stats 2024 Annual bus statistics: year ending March 2024 (revised) - GOV.UK)

1. Introduction
1.2 Bus context in South East England

Bus Trips per Head

In 2024 there were on average 32 bus journeys per capita across the South East of England (including Oxfordshire and Buckinghamshire). Figure 1.1.4 shows the trend for trips per capita for each authority area in the TfSE region. As can be seen:

- Brighton and Hove has by far the highest rate of trip-making by bus (at nearly 150 per year), followed by Reading at just over 110 trips per year).
- Southampton has around just over 80 trips per capita per year, whereas Portsmouth and Isle of Wight have just over 50 trips per capita per year.
- All other areas have less than 30 trips / capita / year.
- Only Portsmouth, Southampton and Surrey have recovered their trips per capita back to 2019 levels.

These trips per capita characteristics show that there is a very wide variation across the region – as would be expected for area that areas that comprise of a single urban area (such as Brighton and Reading) and areas which are more polycentric with multiple smaller urban areas within rural surroundings.

Notional targets based on best performing areas could be:

- 150 trips per capita for the main cities, and
- 100 trips per capita for other large urban areas
- 50 trips per capita for all other areas

However, it should be noted that the presence of rail, and in particular the availability of routes to London, will have a significant effect on overall public transport usage in the TfSE area.

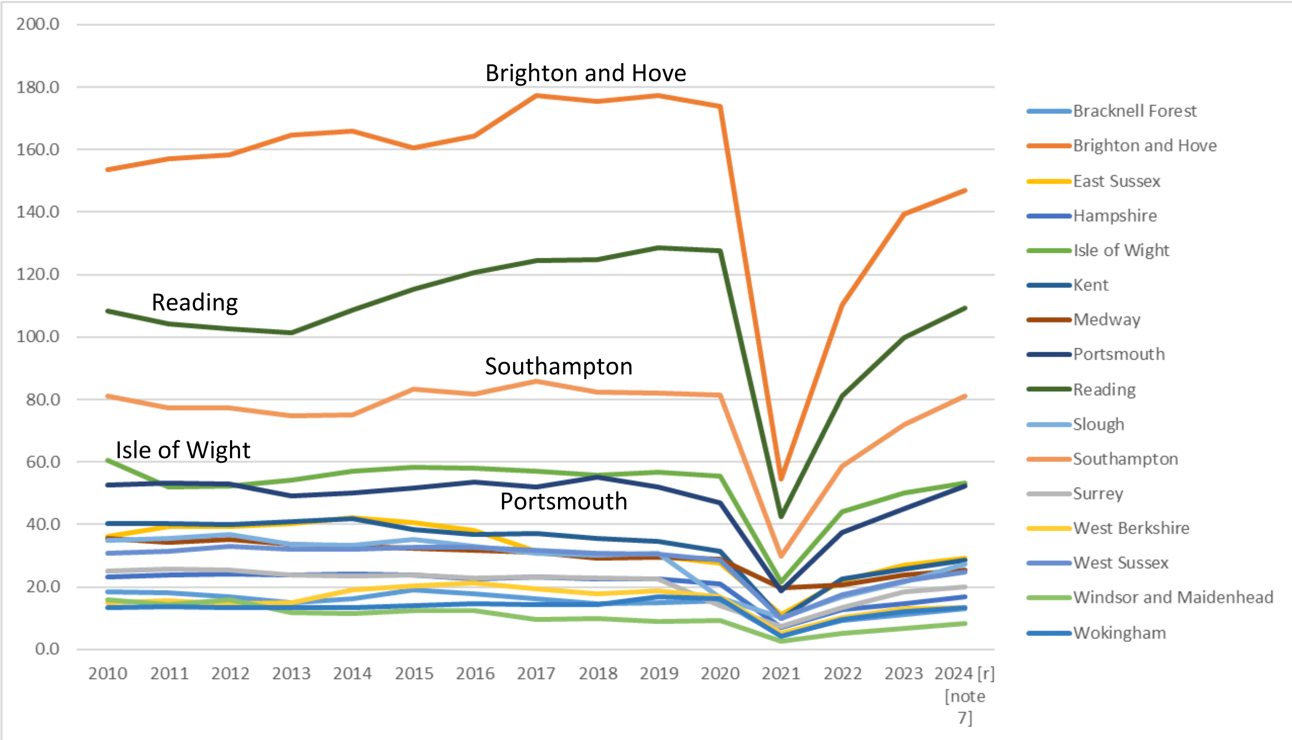


Figure 1.1.4: Passenger trips per Head (2010-2024) for each of the TfSE Local Authorities (Data source: DfT Bus Statistics Annual bus statistics: year ending March 2024 (revised) - GOV.UK)

1. Introduction
1.2 Bus context in South East England

Cross-border services

Currently, cross-boundary bus services make up a large proportion of total services; these routes are mapped in red in Figure 1.1.5. Table 1.2.1 shows that a significant proportion of buses services operate across LA borders – typically around 40% or more of all services. This illustrates that bus travel is mainly related to regional land use patterns and the locations of key generators and attractions, rather than LA boundaries.

In the event of larger combined authorities being implemented, Table 1.2.1 shows that the proportion of buses that travel into different authority areas would fall significantly to around 15% of less. This suggests that under devolution plans the larger geography will be more aligned with bus travel, and that bus governance through BSIPs or franchising is likely to be better matched with operational planning.

As devolution progresses and bus governance becomes consolidated at a more regional level there will be greater opportunities to plan and support network initiatives, ticket offers, and whole-route infrastructure - for services which are presently cross-boundary. This will also bring potential economies of scale and efficiencies, for example in the management of bus contracts, managing financial support, ticket offers and infrastructure roll-out.

Authority	Currently Planned Combined Authority	No. of Bus Routes (per authority)	No. of Routes (combined authority)	Number of cross border routes (current)	Number of Cross border routes (comb.)	% of Cross border routes (current)	% of Cross border routes (comb.)
East Sussex	Sussex, and Brighton and Hove	88	181	22	23	25%	13%
West Sussex		65		26		40%	
Brighton & H		28		20		71%	
Hampshire	Hampshire, Portsmouth, Southampton and Isle of Wight	118	170	41	19	35%	11%
Portsmouth		9		5		56%	
Southampton		16		8		50%	
Isle of Wight		27		0		0%	
Bracknell F.	-	9	9	6	6	67%	67%
Kent	-	373	373	18	18	5%	5%
Medway	-	36	36	12	12	33%	33%
Reading	-	45	45	29	29	64%	64%
Slough	-	7	7	7	7	100%	100%
Surrey	Surrey	113	113	54	54	48%	48%
West Berks.	-	39	39	17	17	44%	44%
Windsor & M	-	13	13	9	9	69%	69%
Wokingham	-	22	22	22	22	100%	100%
Adjacent non TfSE Auth's	Adjacent non TfSE Auth's	80	80	80	80	100%	100%
Total		**1,088**	**1,088**	**376**	**296**		

Table 1.2.1: Number of bus services and cross boundary bus services currently and in the future with planned Strategic Authorities.

Note: To avoid double-counting, each service has been allocated to a Local Authority area on the basis of where the majority of the bus route is operated. For example, in Bracknell Forest, there are 20 bus routes operating within the authority area; however, only 9 services operate with the majority of the route within Bracknell Forest, and of these, 6 operate across boundaries into neighbouring authorities.

1. Introduction
1.2 Bus context in South East England

Cross-border services

Figure 1.1.5 shows maps or all bus services in the TfSE area – showing:

- Bus services which travel across internal LA boundaries in TfSE area
- Bus services which travel across the external TfSE boundary

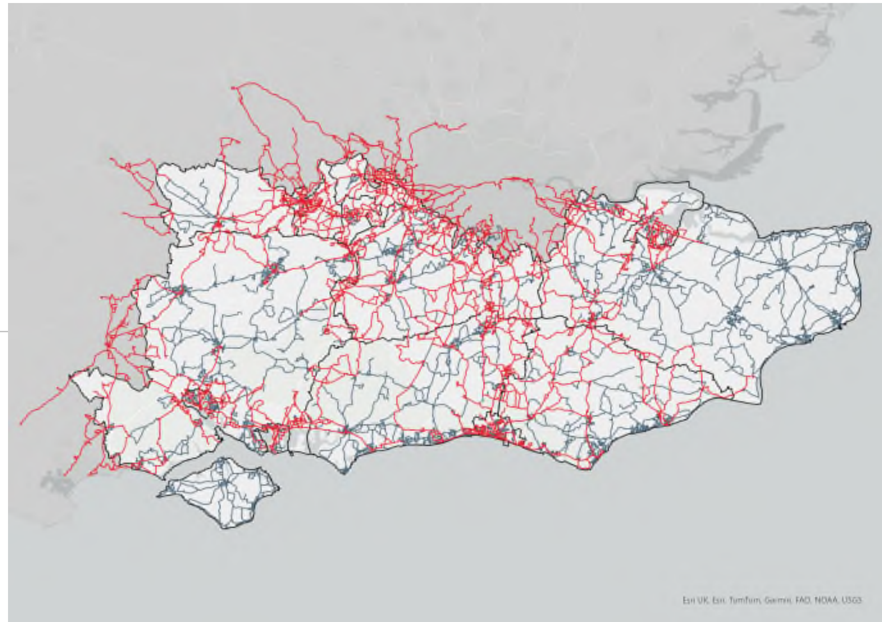
Bus services and demographic analysis

One of the key roles of buses is to provide transport a opportunities for people who live in areas of multiple deprivation – to ensure access to services, education, and health destinations. In order to compare and contrast the coverage of bus services in each local authority area, and analysis has been carried out of the frequency of bus services in areas categorised as having the characteristic of multiple deprivation. From this analysis, the potential role of 'regionalisation' of bus governance and funding can be identified.

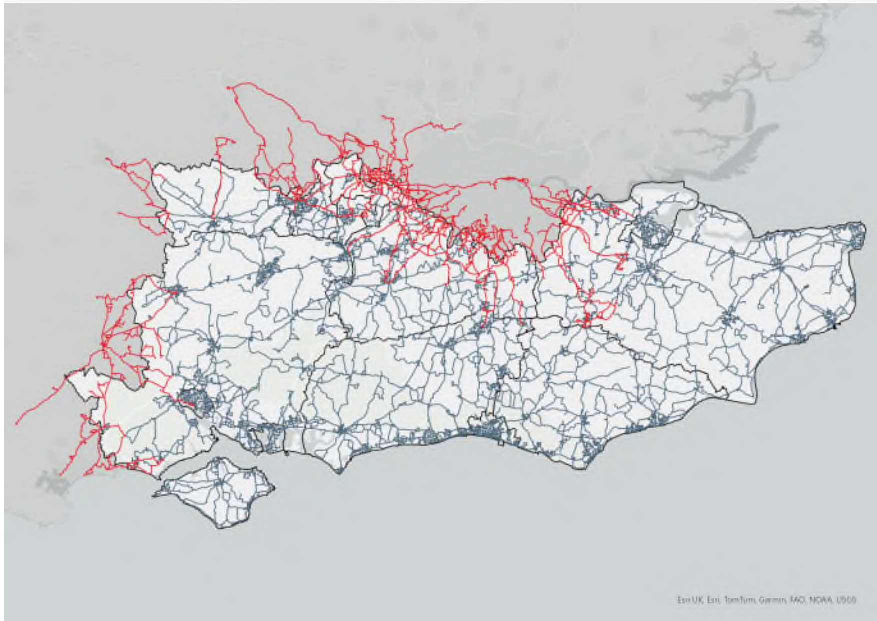
The pages overleaf show an analysis of how bus services serve areas with multiple deprivation characteristics – as defined by the Government's Index of Multiple Deprivation [1] (IMD). The analysis shows the frequency of bus services serving bus stops within neighbourhoods within the Decile 1-4 category of the IMD data, which represents the 40% most deprived neighbourhoods in England.

Appendix B shows detailed maps for each area / region.

1.https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/853811/IoD2019_FAQ_v4.pdf



Cross-Boundary Services
(showing bus services which travel across internal LA boundaries in TfSE area)



Services serving outside TfSE Region
(showing bus services which travel across the external TfSE boundary)

Figure 1.1.5: Cross-boundary services in TfSE region

1. Introduction
1.2 Bus context in South East England

Bus services and demographic analysis: Kent and Medway

Medway has fairly strong bus provision for deprived communities, with over 90% of the population in deprived areas being served by at least 1 bus per hour in the workday morning. Medway sits above the TfSE region average for levels of service in deprived areas.

Overall levels of services in Kent are slightly poorer than the TfSE average, as less than 80% of people in deprived areas are served by at least one bus per hour. Though areas such as Chatham benefit from relatively strong urban bus networks, with 25% of residents in deprived areas served by more than 6 buses per hour at 8am. However, 1 in 5 still have no weekday morning service.

Service availability drops significantly in less deprived areas, over 40% of the population in IMD 7-10 Decile areas lacking a bus at 8am. This highlights the patchy coverage outside urban centres.

Canterbury functions as a regional hub, offering frequent links to Margate, Ramsgate, Dover and Folkestone. Gravesend is well connected to Dartford area. However, southern part of Kent remains sparsely served, limiting broader network coverage.

Further maps are provided in Appendix B1, showing levels of bus services at different times of day, days of the week.

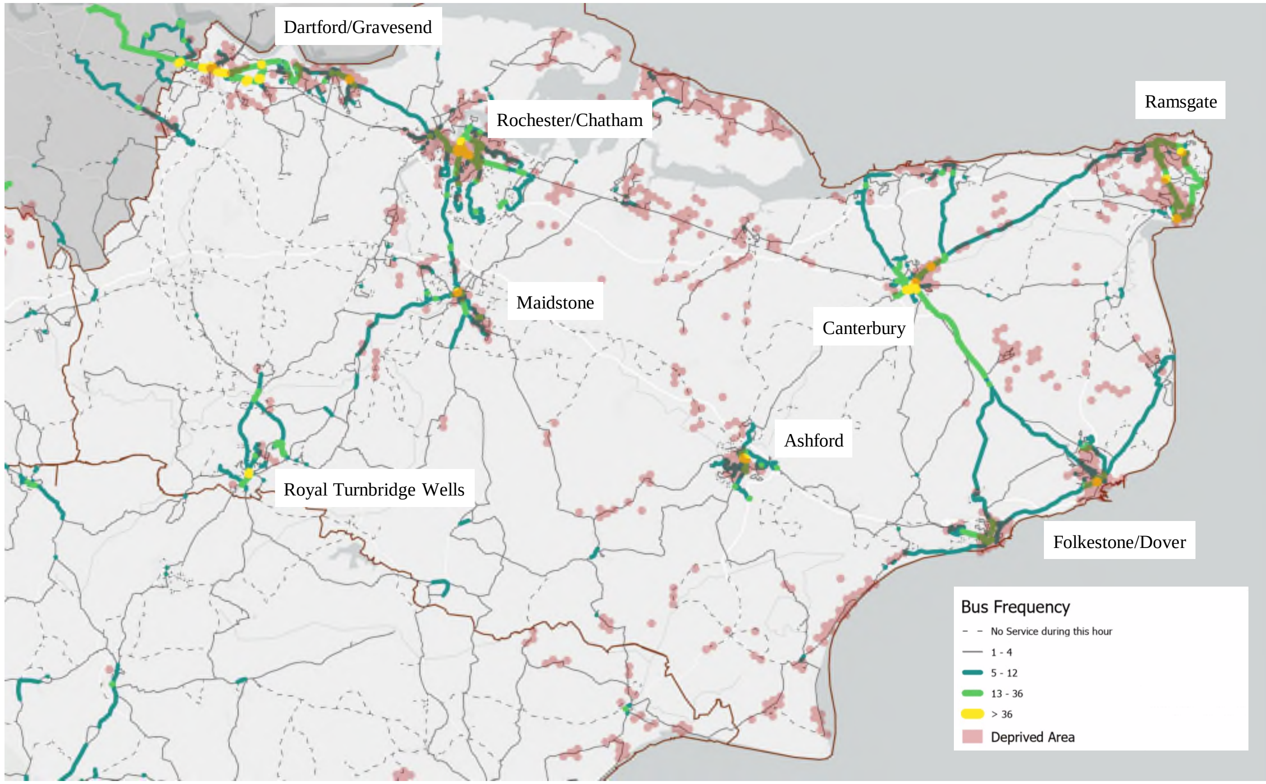


Figure 1.1.6: Bus service frequency (8AM weekday) based on GTFS data (Source: ITO World, April 2025). Deprived Areas shown in red denote areas in deciles 1-4 of the Index of Multiple Deprivation (IMD) data (Source: MHCLG 2019 Census).

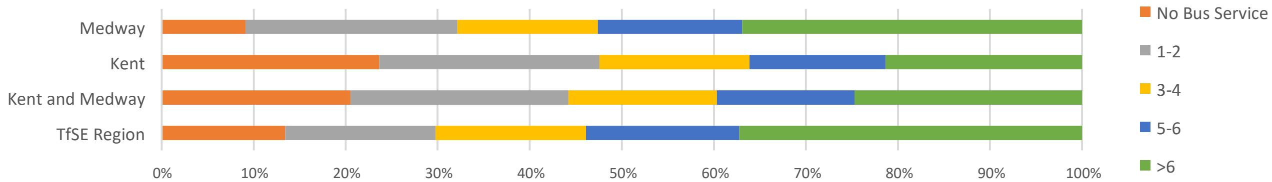


Figure 1.1.7: Percentage of population in deprived areas (deciles 1-4 IMD) served by different levels of bus frequency in Kent and Medway

1. Introduction
1.2 Bus context in South East England

Bus services and demographic analysis: Surrey

Deprived areas (IMD decile 1-4) make up a small share of the population but benefit from relatively good coverage with 25% receiving 6 or more buses per hour at weekday 8am, better than the TfSE average. Though coverage is an issue for some deprived communities, as more than 1 in 10 have no services in the weekday morning.

Bus service drops significantly in less deprived, rural areas. 31% of the residents in IMD 9-10 decile have no weekday morning service and few have access to frequent service. This is likely to be due to more affluent communities living in rural areas with fewer bus services.

There are strong urban corridors link between Woking and Guildford as well as Staines and Slough, Crawley and Redhill area. Much of Surrey remains rural with sparse coverage, limiting access across the wider area.

Further maps are provided in Appendix B2, showing levels of bus services at different times of day, days of the week.

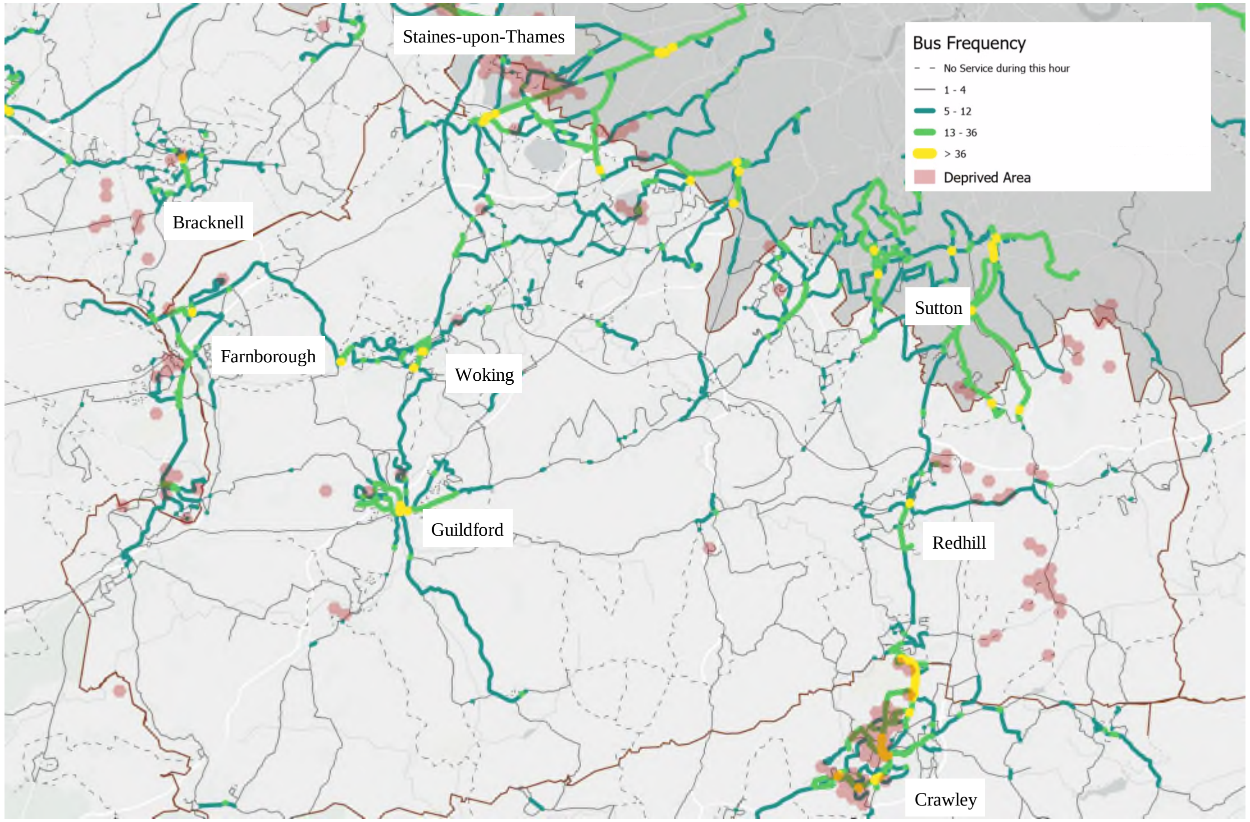


Figure 1.1.8: Bus service frequency (8AM weekday) based on GTFS data (Source: ITO World, April 2025). Deprived Areas shown in red denote areas in deciles 1-4 of the Index of Multiple Deprivation (IMD) data (Source: MHCLG 2019 Census).

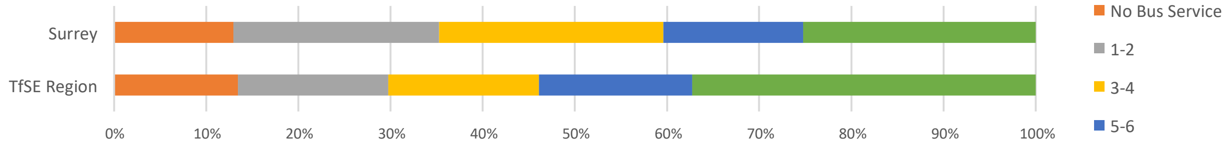


Figure 1.1.9: Percentage of population in deprived areas (deciles 1-4 IMD) served by different levels of bus frequency in Surrey

1. Introduction
1.2 Bus context in South East England

Bus services and demographic analysis: Sussex, Brighton & Hove

Sussex, Brighton and Hove have higher levels of bus frequency in deprived areas than the TfSE average. Almost 8 out of 10 people in deprived areas is served by at least 3 buses per hour in the weekday mornings.

The wider area benefits from a strong urban spine along the Brighton, Worthing, Portsmouth corridor and a frequent Crawley, Surrey network. Hastings is connected to Eastbourne, supporting access across the coastal area.

Brighton and Hove has particularly good levels of services compared to East and West Sussex, with almost all (>95%) people in deprived areas served by at least one bus per hour and more than 40% of residents have access to more than 6 buses per hour at 8am. East and West Sussex also provide good levels of service considering their relative rurality compared with Brighton and Hove.

Overall around 25% of people in less deprived areas (IMD 7-10) decile have no weekday morning service, with many limited to just 1-2 buses per hour. Again, rurality is likely to play a role in the lower level of accessibility in more affluent areas.

Further maps are provided in Appendix B3, showing levels of bus services at different times of day, days of the week.

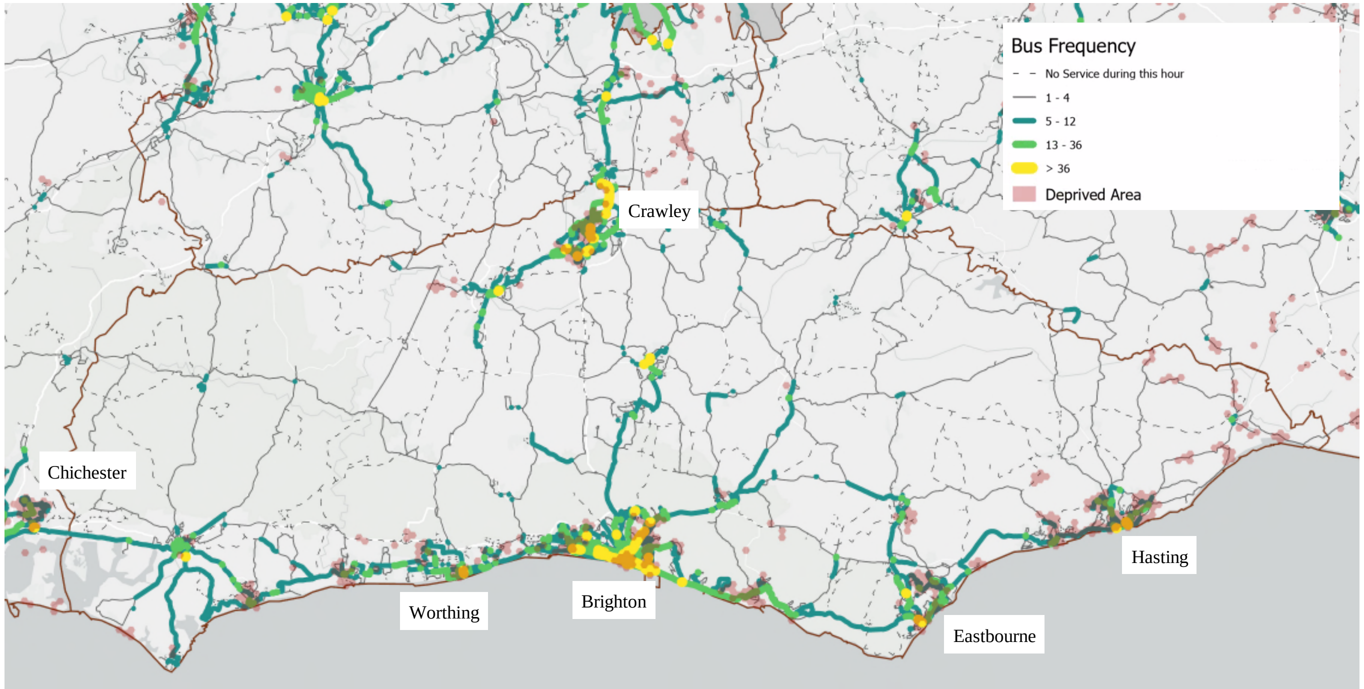


Figure 1.1.10: Bus service frequency (8AM weekday) based on GTFS data (Source: ITO World, April 2025). Deprived Areas shown in red denote areas in deciles 1-4 of the Index of Multiple Deprivation (IMD) data (Source: MHCLG 2019 Census).

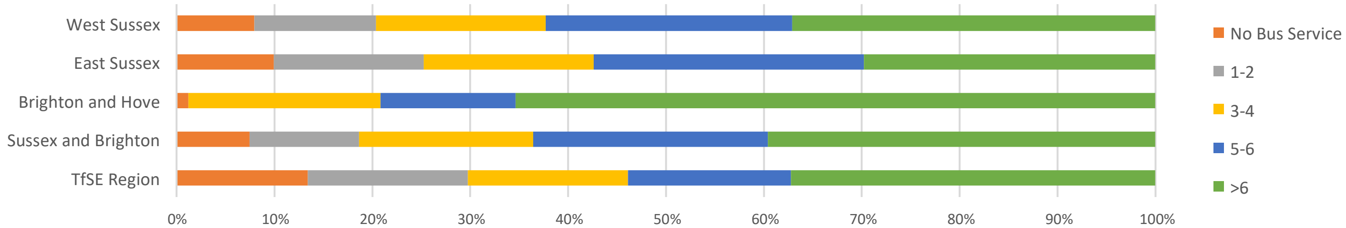


Figure 1.1.11: Percentage of population in deprived areas (deciles 1-4 IMD) served by different levels of bus frequency in Sussex, Brighton and Hove

1. Introduction
1.2 Bus context in South East England

Bus services and demographic analysis: Hampshire and Solent

Deprived areas (IMD decile 1-4) concentrated around Portsmouth and Southampton, show strong bus access. Nearly half (48%) of the population are served by more than 6 buses per hour at 8am. Only 11% have no access to services within 400m. In contrast, over 40% of the residents in less deprived areas (IMD decile 7-10) have no bus service at 8am. This reflects a highly urban-focused network, with suburban and rural areas underserved.

The bar graph in Fig. 1.1.13 shows that Portsmouth and Southampton have good bus provision for deprived communities (>80% served by at least 3 buses an hour), however Hampshire and Isle of Wight have comparatively poorer bus access for deprived communities.

Aside from a frequency link to Chichester (West Sussex), there is a limited inter-regional connectivity. Low frequency services connect the northern towns (Basingstoke, Farnborough) with the south coast.

Further maps are provided in Appendix B4, showing levels of bus services at different times of day, days of the week.

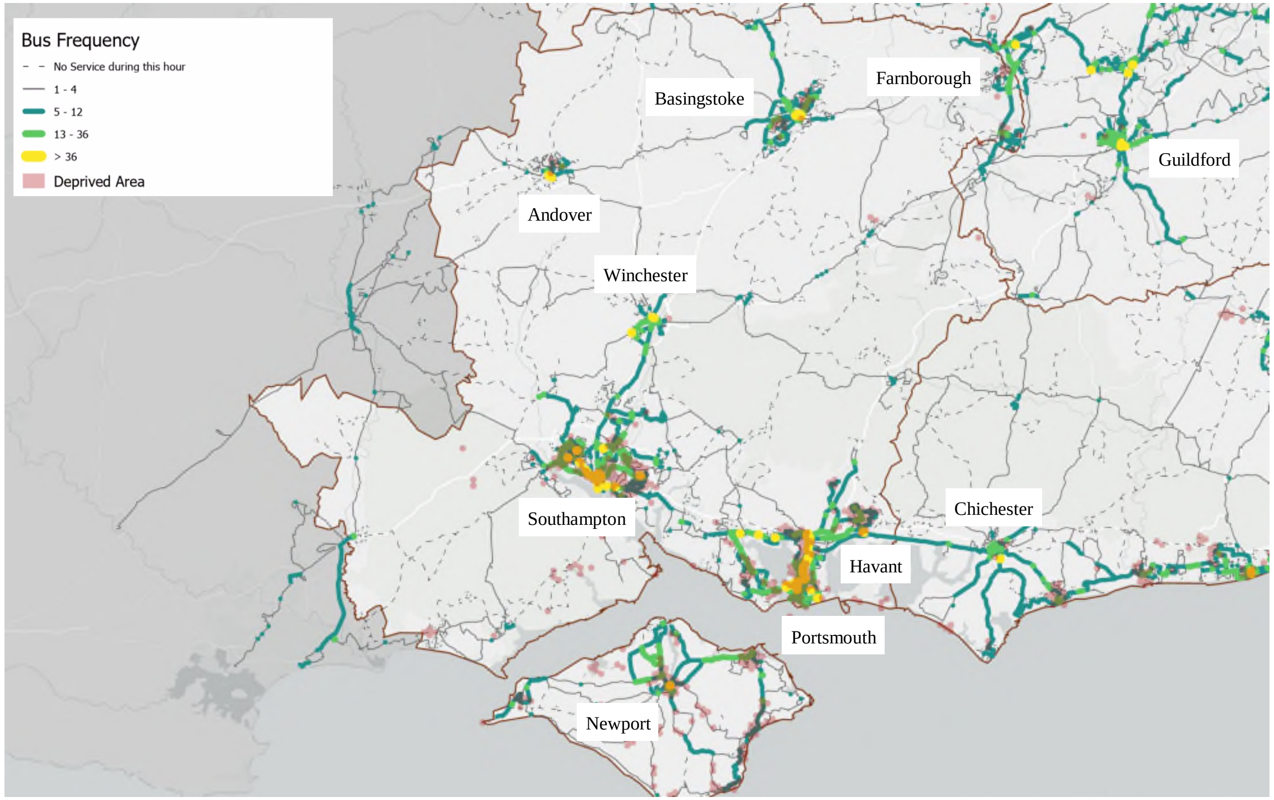


Figure 1.1.12: Bus service frequency (8AM weekday) based on GTFS data (Source: ITO World, April 2025). Deprived Areas shown in red denote areas in deciles 1-4 of the Index of Multiple Deprivation (IMD) data (Source: MHCLG 2019 Census).

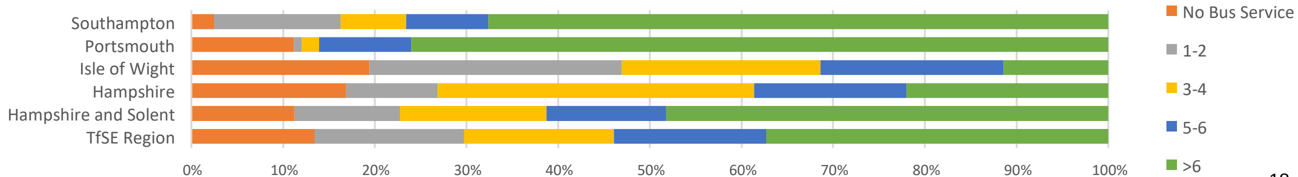


Figure 1.1.13: Percentage of population in deprived areas (deciles 1-4 IMD) served by different levels of bus frequency in Hampshire and Solent

1. Introduction
1.2 Bus context in South East England

Bus services and demographic analysis: Berkshire local authorities

Deprived areas (IMD Decile 1-4) particularly in South Reading are well served, with over half (51%) have access to more than 6 buses per hour at 8am. Only 5% have no access to bus service. By contrast, Wokingham, Windsor and Maidenhead and West Berkshire have rather poor bus access in the most deprived areas. In particular, in Wokingham over half of people in deprived areas have no bus services during the weekday morning, the other half have only 1-2 services per hours.

Access declines in less deprived and more rural areas. With over 30% of the population in IMD 9-10 decile having no bus service. Especially in West Berkshire, where services are sparse. See Table in Appendix C.

Reading acts as a key regional hub, with frequent links to Newbury and Bracknell, while Slough provides connections into London. However, cross-boundary coverage to remains limited outside core corridors.

Further maps are provided in Appendix B5, showing levels of bus services at different times of day and days of the week.

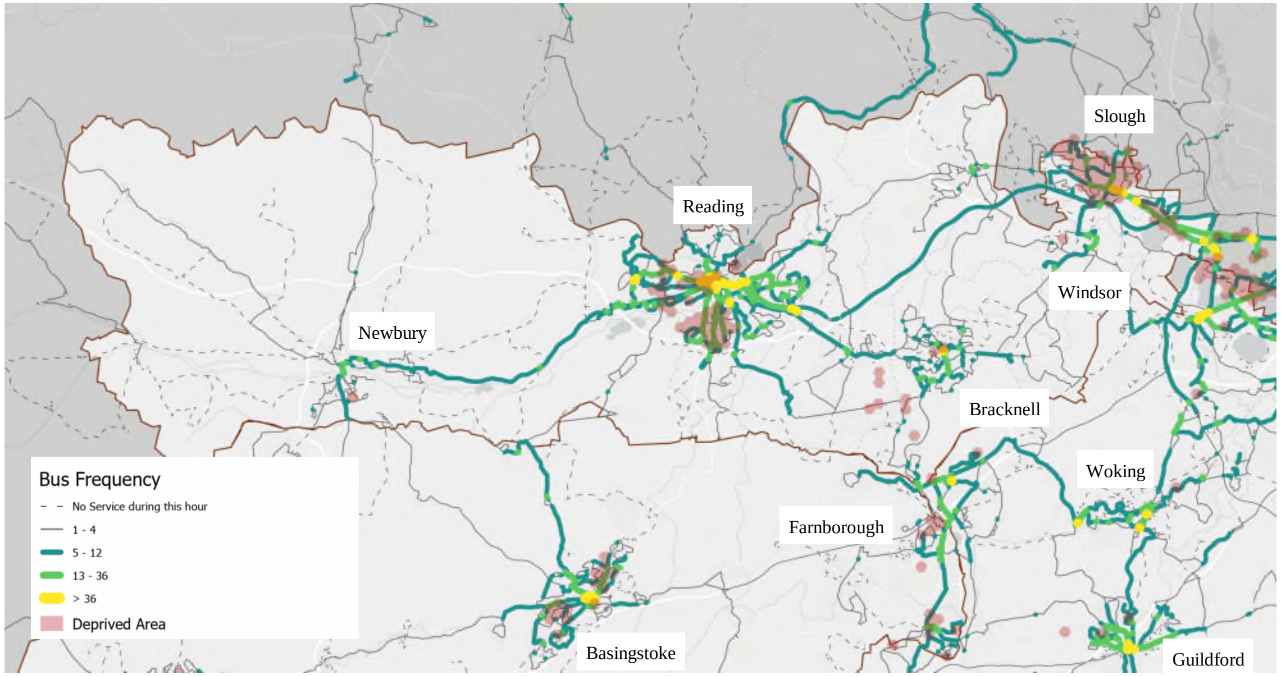


Figure 1.1.14: Bus service frequency (8AM weekday) based on GTFS data (Source: ITO World, April 2025). Deprived Areas shown in red denote areas in deciles 1-4 of the Index of Multiple Deprivation (IMD) data (Source: MHCLG 2019 Census).

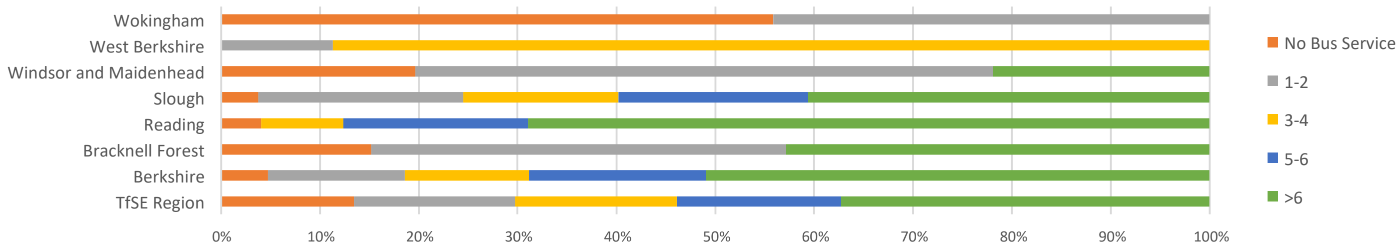


Figure 1.1.15: Percentage of population in deprived areas (deciles 1-4 IMD) served by different levels of bus frequency in the Berkshire local authorities

1. Introduction
1.2 Bus context in South East England

Bus services and demographic analysis

Figure 1.1.16 provides a summary of bus coverage of areas of multiple deprivation (according to government definition). Some findings are:

- The Kent / Medway area has up to 20% of the most deprived areas without bus services, compared to around 12% for the whole TfSE area.
- The main urban areas of Reading , Brighton Southampton and Portsmouth have good bus coverage such that less than 10% of deprived areas would not have a bus service.
- It is noted that adjacent LAs have a relatively wide variation in bus coverage – and hence the potential for bus planning at a regional / combined level could provide a basis for a more equalised coverage across whole regions.

It should be noted however that bus services serving areas characterised as having multiple deprivation are often commercial – as car ownership is typically lower than other areas. Hence, high levels of bus coverage of these areas does not in many cases result from local authority funding – as the services are often financially viable without additional funding (although concession fare reimbursement will often represent a significant proportion of the commercial service revenues).

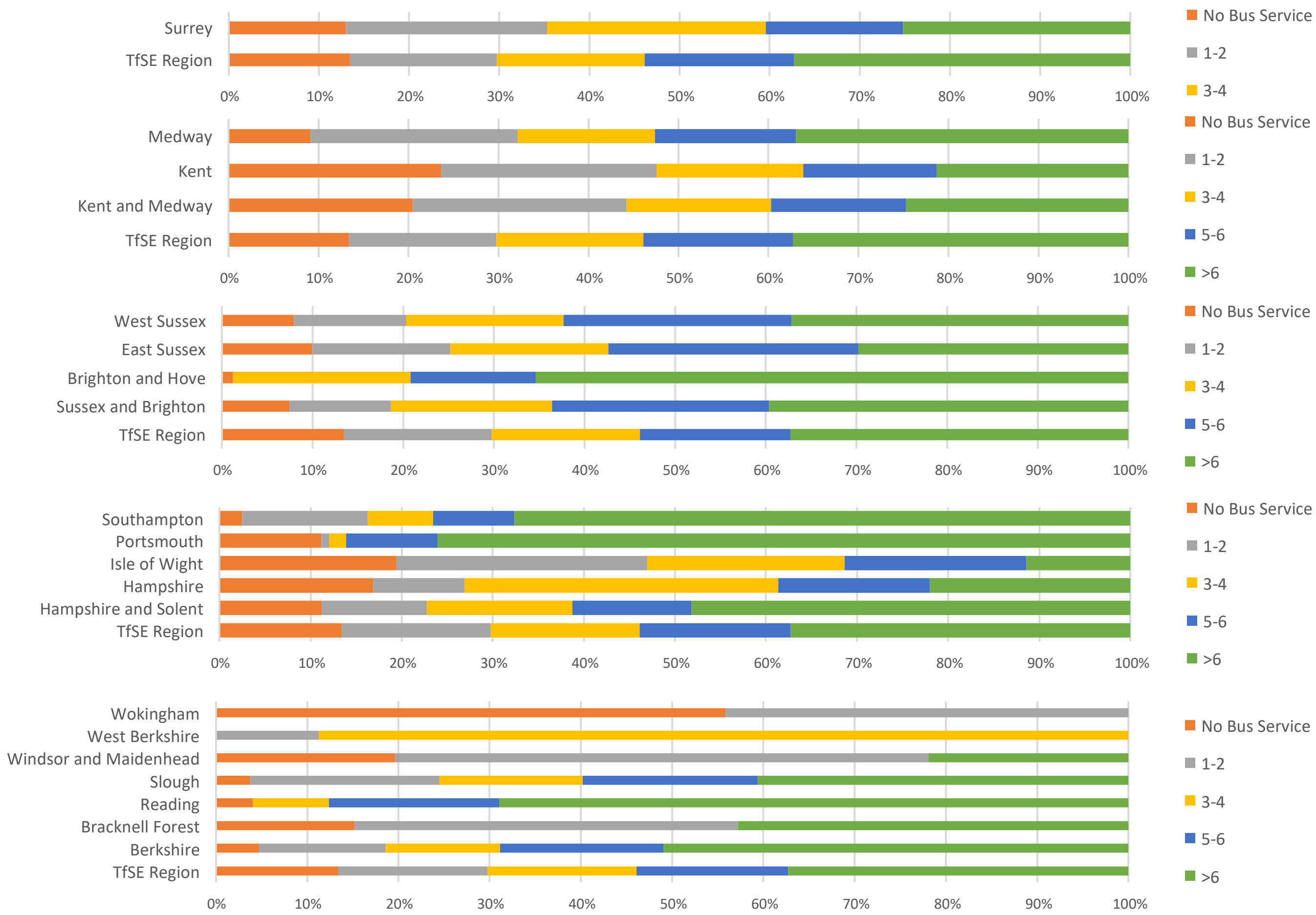


Figure 1.1.16: Percentage of population in deprived areas (deciles 1-4 IMD) served by different levels of bus frequency - across all LAs

2. Devolution and bus governance in the South East

2.1 The Devolution White Paper

2. Devolution and bus governance in the South East
2.1 The Devolution White Paper

Overview

The English Devolution White Paper, titled *Power and Partnership: Foundations for Growth*, was published in December 2024 and outlines the Government's vision for a major shift of power and influence over regional issues from central Government to Strategic Authorities. Since then, the *English Devolution and Community Empowerment Bill* has been published to deliver the ambition set out in the White Paper.

The White Paper set out several priorities for devolution, including:

- A consistent, England-wide and system approach to devolution, rather than the current patchwork of different deals
- More directly elected Mayors to create visible leadership and greater accountability; Mayors can deliver on local priorities and bring these priorities to central government. Areas which agree to take on a Mayor will also be prioritised for devolution.
- Power needs to be attributed at the right level, for example, local authorities should control frontline services, and strategic decisions should sit at a combined authority level

Strategic Authorities

To deliver devolution the White Paper introduces Strategic Authorities which will carry out the strategic level governance required by devolution. All Strategic Authorities will belong to one of the following levels:

Foundation Strategic Authorities: these include non-mayoral Combined Authorities and Combined County Authorities automatically, and any Local Authority designated as a Strategic Authority without a Mayor.

Mayoral Strategic Authorities: the Greater London Authority, all Mayoral Combined Authorities and all Mayoral Combined County Authorities will automatically begin as Mayoral Strategic Authorities.

Established Mayoral Strategic Authorities: Mayoral Strategic Authorities which meet specific criteria. This unlocks further devolution, most notably an Integrated Settlement.

As shown in Figure 2.2.1, the Government also asks that all areas with two-tier local governance are reorganised into unitary authorities.

Key principles

The government's strong preference is for partnerships that bring more than one Local Authority together over a large geography and with a minimum of 1.5 million residents.

Strategic Authorities will have powers over areas including Transport and infrastructure, skills and employment, housing and strategic planning, economic development and regeneration.

A statutory Devolution Framework will ensure that each level of Strategic Authorities automatically receive the same functions, instead of the current deal-based approach.

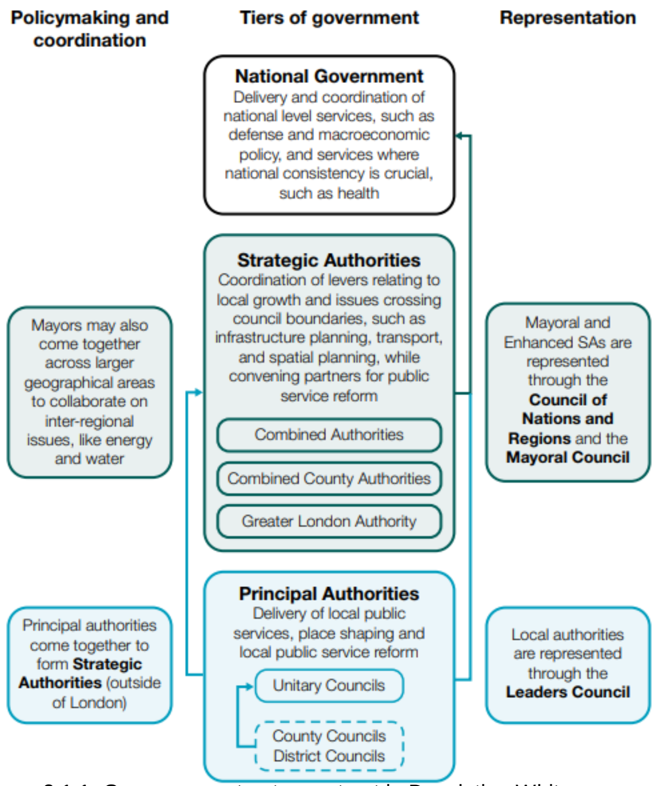


Figure 2.1.1: Governance structure set out in Devolution White Paper (English Devolution White Paper)

2. Devolution and bus governance in the South East
2.1 The Devolution White Paper

Changing local governance structures

Current local authority structures

Many parts of England have 2 tiers of local government made up of county councils and district, borough or city councils.

In some parts of the country, there is just 1 (unitary) tier of local government providing all the local services. In the south east the local authorities are organised as follows:

Unitary Authorities: Brighton and Hove, Isle of Wight, Portsmouth, Southampton, Reading, West Berkshire, Wokingham, Bracknell Forest, Windsor and Maidenhead, Slough and Medway. These local authorities are responsible for all of the services covered by County and District councils in other parts of England.

Two-tier authorities: West Sussex, East Sussex, Surrey, Kent and Hampshire. These County Councils have District Councils who are responsible for services including rubbish collection, recycling, Council Tax collections and housing.

Local government re-organisation

The White Paper announces that the Government will facilitate reorganisation of two-tier areas and some UAs (only in circumstances of failure or reorganisation of boundaries would be beneficial).

New unitary councils should have a population of 500,000 or more to ensure efficiencies and resilience.

Devolution Priority Programme

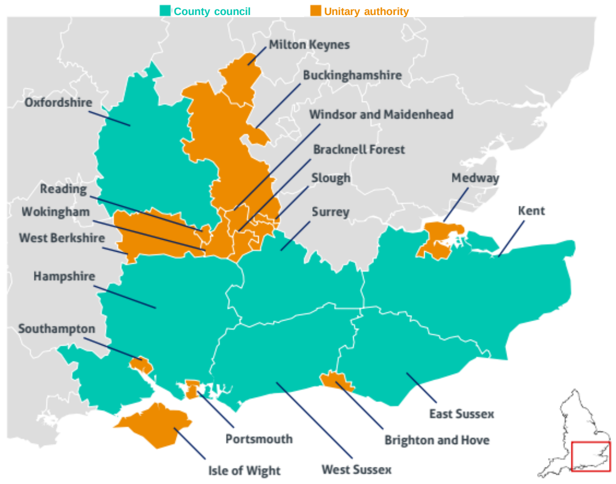
In December 2024 the Minister of State for Local Government and English Devolution wrote to all councils in remaining two-tier areas and neighbouring small unitary authorities to set out plans for a joint programme of devolution and local government reorganisation[1].

In the south east, ‘Hampshire / Southampton / Portsmouth / Isle of Wight’, and ‘Brighton and Hove / West Sussex / East Sussex’ were selected for the priority programme, the ambition is for these areas to have mayoral elections in May 2026.

Principles of devolution

Alongside re-organisation form new unitary councils, the Strategic Authorities should be formed according to the following principles:

- **Scale:** Strategic Authorities should be of comparable size to existing institutions – where possible a combined population of >1.5 million
- **Economies:** Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets.
- **Contiguity:** Any proposed geography must be contiguous across its constituent councils
- **No ‘devolution islands’:** Geographies must not create devolution ‘islands’
- **Delivery:** Geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.
- **Alignment**: The government will seek to promote alignment between devolution boundaries and other public sector boundaries.
- **Identity:** Consistent identity across the Strategic Authority will encourage engagement from local residents.



Paper(Source: Institute for Government[Completing the map: How the government can extend devolution to the whole of England])

2.2 Governance, funding and responsibilities under devolution

2. Devolution and bus governance in the South East
2.2 Governance, funding and responsibilities under devolution

Transport governance

According to the White Paper, local governance in England should be covered by three types of Strategic Authority:

- Foundation Strategic Authorities
- Mayoral Strategic Authorities
- Established Mayoral Strategic Authorities

As the Government's preference is for Mayors, the deepest powers will only be available at the Mayoral level and higher.

Strategic Authorities will have a defined set of areas of competence, including transport and local infrastructure. Combined Authorities will take on the role of Local Transport Authority from the constituent Unitary Authorities, this confers a number of responsibilities (see overleaf).

Role and powers of the Mayor

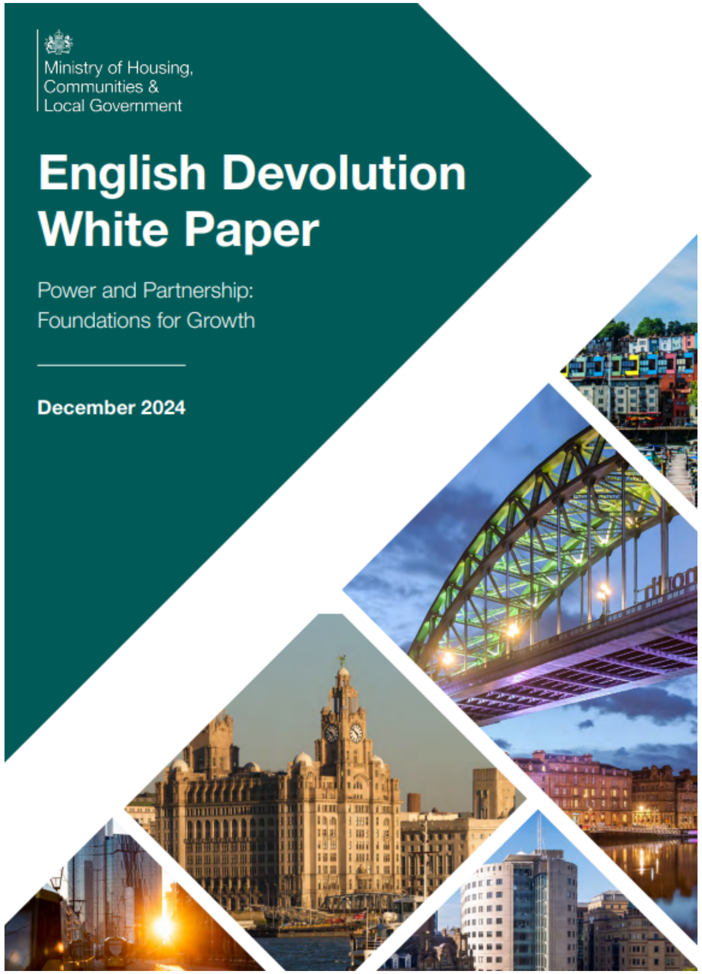
Mayors should be focused on delivering the devolved powers, including transport and local infrastructure, whereas council leaders should continue to focus on delivering vital local services.

In Mayoral Strategic Authorities, a majority vote which includes the Mayor will be required to approve decisions on the use of most functions.

National-level engagement

Mayors of Strategic authorities will engage with politicians and other local and regional leaders at several engagement platforms, including:

- The Council of the Nations and Regions – brings together leaders from devolved governments and Mayors of the Strategic Authorities
- The Mayoral Council – brings together England's Mayors, chaired by the Deputy Prime Minister
- The Leaders Council – brings together local authority leaders with the Deputy Prime Minister to co-design policy solutions.



2. Devolution and bus governance in the South East

2.2 Governance, funding and responsibilities under devolution

Powers and responsibilities

Statutory Devolution Framework

The Devolution Framework will be a standard set of powers, functions and funding for Strategic Authorities intended to replace the patchwork deal-based approach to devolution in place currently.

A summary of the Devolution Framework is provided in Appendix A.

Transport Functions

According to the Devolution White Paper, Strategic Authorities would take on a number of transport functions (although some are reserved only for Established Strategic Authorities), these include:

- Local Transport Authority functions (including bus franchising, management of micromobility schemes, and responsibility for Local Transport Plans).
- All Local Transport Authorities will be empowered to decide whether to pursue bus franchising, a strengthened Enhanced Partnership, or publicly owned bus companies
- a strategic role in the decarbonisation of local bus fleets
- allocation of local transport funding
- powers to coordinate local road networks in partnership with constituent authorities and with less oversight from national government
- a role in the delivery of multi-modal ticketing. The government will work closely with Strategic Authorities as it looks to reform the rail ticketing system and extend the use of integrated, multi-modal ticketing.

The full list of transport and local infrastructure functions awarded to Strategic Authorities is shown in Figure 2.2.1.

(**) refers to functions for which funding will be included in Integrated Settlements for Established Mayoral Strategic Authorities

(^) refers to functions which apply to Combined and Combined County Authorities only

Detail	Foundation	Mayoral	Established
Transport and local infrastructure			
Local Transport Authority and public transport functions, including bus franchising and responsibility for an area-wide Local Transport Plan	X	X	X
Simplification and consolidation of local transport funding**	X	X	X
Removal of certain Secretary of State consents, e.g. on lane rental schemes		X	X
Duty to establish a Key Route Network on the most important local roads^		X	X
Mayoral Power of Direction over use of constituent authority powers on the Key Route Network^		X	X
Priority for strategic rail engagement (including mayoral partnerships) with Great British Railways	X	X	X
Statutory role in governing, managing, planning, and developing the rail network		X	X
An option for greater control over local rail stations		X	X
A 'right to request' further rail devolution			X
Priority for support to deliver multi-modal ticketing			X
A clear, strategic role in the decarbonisation of the local bus fleet	X	X	X
Active Travel England support for constituent authority capability^	X	X	X
Formal partnership with National Highways		X	X

Figure 2.2.1 Governance structure set out in Devolution White Paper (Source: English Devolution White Paper - GOV.UK)

2. Devolution and bus governance in the South East
2.2 Governance, funding and responsibilities under devolution

Powers and responsibilities (cont'd)

Combined authorities as Local Transport Authorities

A Combined Authority will take on the role of Local Transport Authority from the constituent Unitary Authorities. According to the Local Transport Act 2008[1] and Transport Act 1985[2], the functions and responsibilities of LTAs include:

- Preparing a Local Transport Plan
- To secure the provision of bus services to meet needs which would not otherwise be met
- Develop policies to cover all modes of transport
- Administer statutory and discretionary travel concessions, including ENCTS
- Arrange reimbursement of concessionary fares to operators
- Ensuring information on public transport information to be available to the public

In addition, LTAs may utilise the right to form Enhanced Partnerships or adopt bus franchising to improve bus services in the area. The Devolution White Paper proposes that CAs should be able to decide to franchise their bus networks without the consent of the Secretary of State.

The National Bus Strategy: 2024 Bus Service Improvement Plans

National Bus Strategy guidance on Bus Service Improvement Plans (2024) states that every LTA should produce a Bus Service Improvement Plan to secure the release of its BSIP funding. The expectation is that new combined authorities produce a single BSIP across their geography[3].

1 Local Transport Act 2008
2 Transport Act 1985
3 bus-service-improvement-plans-guidance-to-local-authorities-and-bus-operators-2024.pdf

2. Devolution and bus governance in the South East
2.2 Governance, funding and responsibilities under devolution

Powers and responsibilities: Bus Services Bill

The Bus Services (No.2) Bill, also known as the "Better Buses Bill", is making its way through parliament and is currently in the Committee stage of the regulatory process.

The Bill contains 21 individual measures, aimed at delivering the government's five-point plan for improving the bus network. The measures in the bill are grouped into eight categories:

- **Franchising:** Making it easier for local authorities to adopt a franchising model, LTAs will be able to franchise their bus services without the consent of the Secretary of State.
- **Local authority bus companies:** Removal of the ban to local authorities setting up and running their own bus companies
- **Funding:** The Bill devolves funding powers undersection 154 of the Transport 2000 Act to LTAs. LTAs will be able to make decisions on making bus grants to service operators and give LTAs further fare enforcement powers so that they have the same powers as operators to enforce payment of bus fares.
- **Accessible and Inclusive Travel:** The Bill includes measures which aim to improve accessibility and safety on buses, giving greater powers to tackle anti-social behaviour, mandating training for relevant staff on violence against women and girls and to develop statutory guidance on the accessibility of bus stops and stations.
- **Ticketing: T**he Bill amends section 25 of the Public Passengers Vehicles Act 1981 to give the LTA more powers to enforce fare and other requirements
- **Socially necessary local services and Bus Registration:** This measure seeks to ensure that essential bus services cannot be removed or changed without LTAs reviewing their ability to serve communities.
- **Enhanced Partnerships:** Amendments to Enhanced Partnerships means that if authorities choose not to franchise, they will have a greater ability to strengthen and improve current processes through a partnership approach with local bus operators. The bill requires EPs to identify socially necessary services and take steps to protect them. Operators must provide advanced notice of changes or withdrawal of such services and LTAs will have new powers to intervene[1].
- **Environment:** The Bill includes a measure which seeks to deliver significant environmental and air quality benefits by introducing restrictions on the use of non-zero emission buses on registered local bus services

[1]What the Bus Services (No.2) Bill 2024 means for authorities and operators - Backhouse Jones

2. Devolution and bus governance in the South East
2.2 Governance, funding and responsibilities under devolution

Bus powers and responsibilities: Summary

The Devolution and Community Empowerment Bill ("the Bill") sets out the specific powers and functions of Strategic Authorities, for each of the different categories of Strategic Authority, which are:

- Single Local Authority Foundation Strategic Authority
- Mayoral Strategic Authorities
- Non-Mayoral Strategic Authorities
- Established Mayoral Strategic Authorities

Mayoral Strategic Authorities, Non-Mayoral Strategic Authorities and Established Mayoral Strategic Authorities are all given the same statutory transport functions within the Bill[1,2,3], though there are some differences in voting requirements for Non-Mayoral Strategic Authorities. The statutory powers and functions of these three types of Strategic Authority are shown opposite.

Single Local Authority Foundation Strategic Authorities are afforded no additional statutory transport functions by the Bill[4].

Powers and responsibilities over buses – Mayoral, Non-Mayoral and Established Strategic Authorities will be:	The Local Transport Authority for the area with responsibilities including local transport planning and preparing a Local Transport Plan
	Responsible for preparing a bus strategy to carry out their bus functions
	Responsible for managing travel concessions
	Legally responsible for securing public passenger transport services where necessary
	Able to decide whether to franchise the bus network or enter into partnerships with operators (Bus Bill No.2)
	Able to decide whether to set up a local authority bus company (Bus Bill No.2)
	Able to make decisions on giving bus grants to service operators (Bus Bill No.2)

1 Devolution Framework Explainer - Mayoral Strategic Authorities
2 Devolution Framework Explainer - Non-Mayoral Foundation Strategic Authorities
3 Devolution Framework Explainer - Established Mayoral Strategic Authorities
4 Devolution Framework Explainer - Single Local Authority Foundation Strategic Authorities

2. Devolution and bus governance in the South East
2.2 Governance, funding and responsibilities under devolution

Strategic Authority Funding

The English Devolution and Community Empowerment Bill sets out the funding sources which will be available to Strategic Authorities. This page discusses the various sources of funding available.

Local funding

Transport Levy

The Bill allows Strategic Authorities charge a transport levy to their constituent councils to fund their transport functions. A transport levy is a compulsory financial charge paid by the constituent councils of a Strategic Authority. The Strategic Authority will also be able to pay grants to constituent councils when needed to help with the delivery of transport activities, for example where a constituent council delivers improvements to a road (e.g. adding bus or cycle lanes)[1]. The contribution of each constituent council is subject to the Transport Levy Bodies Regulations 1992.

Mayoral Precept

A mayoral council tax precept is an optional levy that the Mayor of a Strategic Authority can add to council tax in their area. This revenue can be used to fund mayoral priorities, such as projects to create growth, or funding fire and rescue services.

Previously, Mayors could not raise money to spend on all their functions, including for some areas vital to growth like adult skills provision. The Bill is changing the scope of the precept so it can be used for all Strategic Authority functions.

Central government funding

In addition to funds raised locally via transport levies and mayoral precepts, central government currently provides funding, via capital grants, to combined authorities for strategic investments into local transport systems. The Devolution White Paper states that the Government will aim to provide simplified funding to Strategic Authorities, with Integrated Settlements available for Established Strategic Authorities and consolidated funding pots for Mayoral Strategic Authorities.

Current capital grants

Currently capital grant funding from Central Government (Department for Transport) is awarded to combined authorities to invest in local transport networks. For example, the City Region Sustainable Transport Settlement (CRSTS).

Capital grants are typically set over a medium-term period and require combined authorities to apply for funding with a business cases. Once awarded the funds are attached to specific aims and timelines for spending and delivery with reporting requirements.

Funding consolidation

Funding for Mayoral Strategic Authorities will consolidate several functions into one spending pot, including: local growth, place, housing, and regeneration; non-apprenticeship adult skills; and transport.

For Foundation Strategic Authorities the Government will provide dedicated local growth allocations, decided by formulae, and with lighter-touch investment sign-off.

Integrated settlements

Established Mayoral Authorities will be able to access Integrated Settlements which will include local transport funding streams, including City Region Sustainable Transport Settlement funding for eligible authorities from the start of City Region Sustainable Transport Settlements 2 in 2027/28. Integrated Settlements will consolidate budgets across housing, regeneration, local growth, local transport, skills, retrofit, and employment support into a "single flexible pot of funding with a single outcomes framework". This will enable Strategic Authorities to move funding between policy areas. It is expected to lead to better value for money and outcomes for citizens, because in practice these programmes should not operate in departmental silos.

[1] English Devolution and Community Empowerment Bill: Guidance - GOV.UK
2 Transport for City Regions funding allocations - GOV.UK
3 West welcomes record transport funding - West of England Combined Authority

2.3 Devolution in the South-East

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Current situation in the South East

Several areas in the South East are actively pursuing devolution. Figure 2.3.2 shows the following areas with confirmed plans for devolution, these are:

- **Sussex and Brighton and Hove** (Devolution Priority Programme)
- **Hampshire and Solent** (Devolution Priority Programme)
- **Surrey** (Plan for Devolution submitted, awaiting government decision following consultation in September 2025)

The map also shows West Berkshire, Reading, Wokingham, Slough, Bracknell forest and Windsor and Maidenhead as well as Kent and Medway. These are neighbouring local authorities which do not have devolution agreements but nonetheless will need to continue to work collaboratively.

Devolution Priority Programme

The Government has identified six areas for the Devolution Priority Programme which will have Mayors elected by 2026 and four new devolved institutions. The Devolution Priority Programme launched consultations in February 2024, including two areas in the South East.

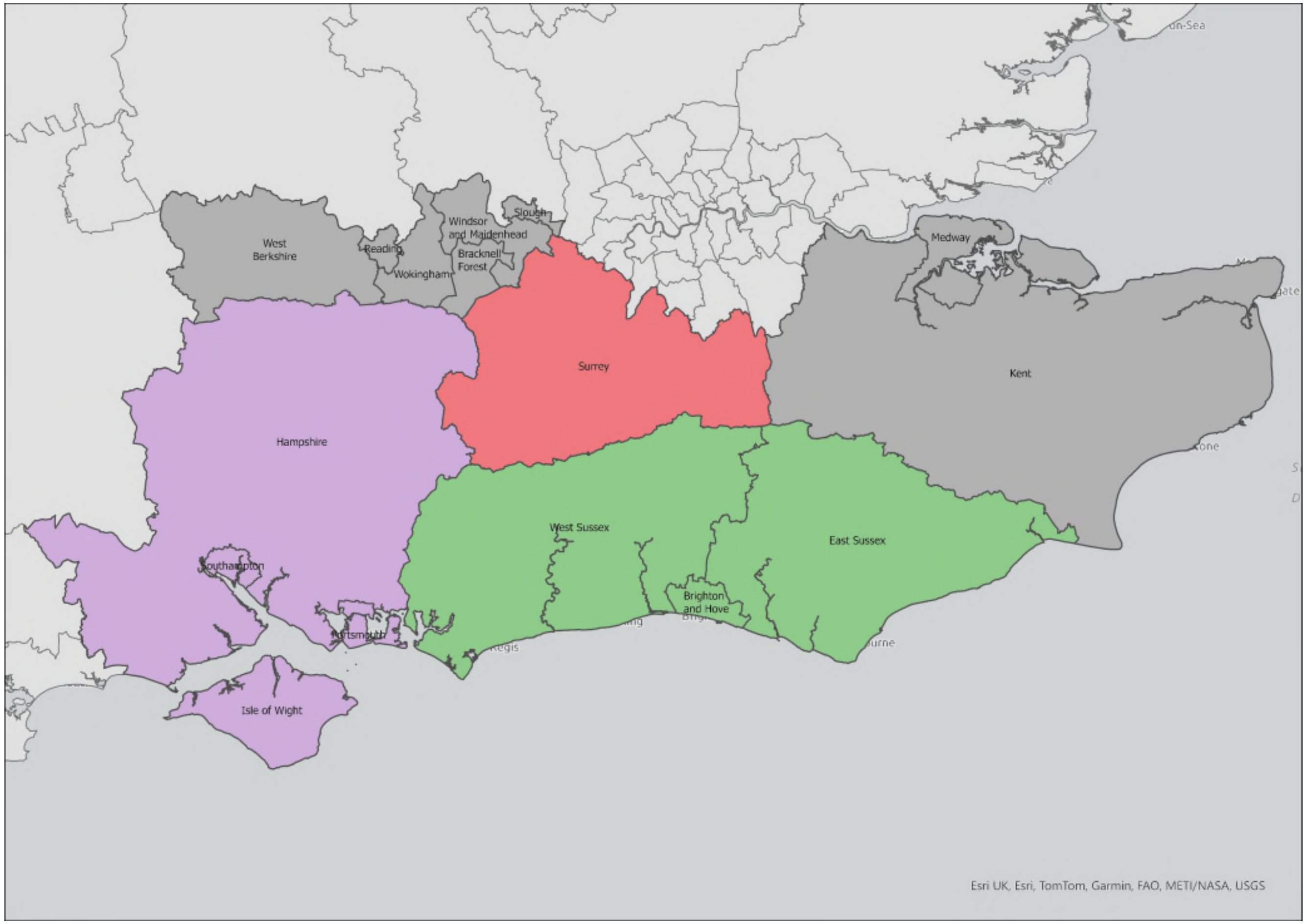


Figure 2.3.2: Future Strategic Authorities (purple, green, red) and current local authorities in TfSE area

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Hampshire and Solent

Local Government Reorganisation (LGR)

Currently Hampshire County Council has two-tier local governance and Southampton, Portsmouth and Isle of Wight are Unitary Authorities (UAs). However, Portsmouth and Southampton are considered not too small (fewer than 500,000 people) and therefore should be reorganised to cover larger populations.

The White Paper proposes reorganisation of two-tier areas and those UAs which don't meet the recommended standards UAs (such as the minimum 500,000 population). Therefore, in Hampshire and Solent local government reorganisation is underway alongside the formation of a combined authority. The Isle of Wight will remain as a separate UA.

The councils are working together on LGR, and they are currently engaging with public, staff and stakeholders on draft proposals for the new unitary authorities. Figure 2.3.4 presents the options proposed by Hampshire County Council, however other proposals may be brought forward by Southampton, Portsmouth and the Isle of Wight.

Devolution

As Hampshire and Solent are part of the Devolution Priority Programme the new UAs will likely form a Mayoral Combined Authority, with plans for Mayoral elections in May 2026.

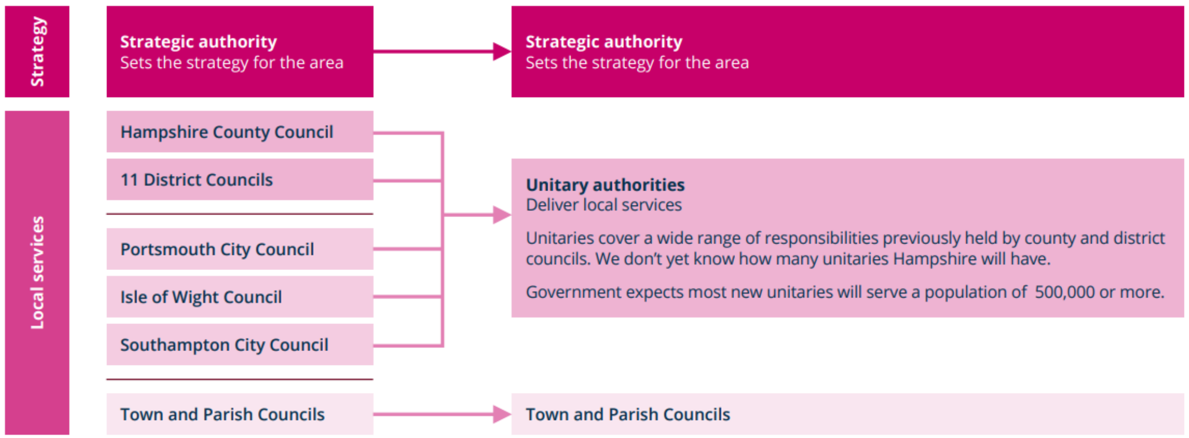


Figure 2.3.3: Hampshire CC's proposals for Local Government Reorganisation and Devolution (Source: Hampshire County Council lgr-briefing-members-june-2025.pdf

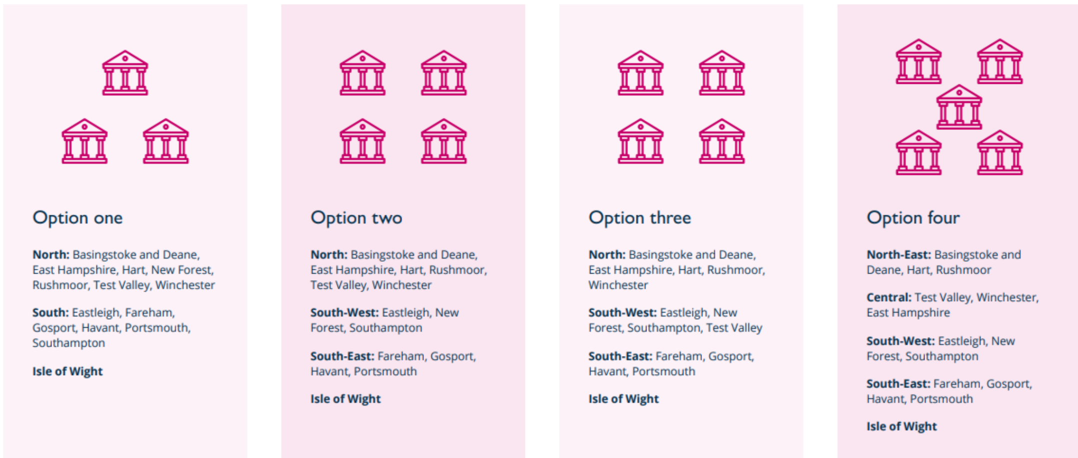


Figure 2.3.4: Hampshire CC's Local government re-organisation options under consideration (Source: Hampshire County Council lgr-briefing-members-june-2025.pdf)

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Hampshire and Solent

Combined working

The new Hampshire and Solent Mayoral Combined Authority will take on the responsibilities and functions of the Local Transport Authority and therefore be responsible for supporting and improving public bus services across the area. Working at this scale will offer opportunities for improving bus travel as well as challenges with reconciling the legacy differences between the UA areas. A key area for unification will be the bus service improvement plans (BSIPs) which currently cover the local authority areas. A high-level summary of each existing BSIP is provided in Table 2.3.1 for reference.

Current partnership

The Local Authorities in this area already work closely together and consider working in a partnership to be business as usual.

There are multiple examples of cross-boundary partnership on bus service support and infrastructure delivery, including the pump prime subsidy provided to the X4/X5 services between Portsmouth and Southampton which are jointly supported. These arrangements to share the financial support are not generally formalised but based on long-standing partnership working to share resources across areas of need and opportunity. The A3 bus priority corridor between Hampshire and Surrey as another example of joint investment and delivery across the region.

Local Authorities	Bus Service Overview	Vision and targets	Bus Service / Journey Measures	Infrastructure Measures	Partnership
Hampshire (County Council)	▪ Strong core bus network of frequent and direct services connecting town centres, mix with interurban services ▪ Congestion at peak times on key road corridors ▪ Inaccessibility to some rural areas	▪ To double bus passenger journeys by 2035 to 42 million journeys ▪ Targeted investment in bus priority measures, bus stations and interchanges ▪ Commitment to cross-boundary integration	▪ Develop a high-quality BRT and MRT for high frequency urban and inter-urban routes in Hampshire and across adjacent LTA areas	▪ Ongoing delivery of bus priority on key corridors from Transforming Cities Fund(TCF) ▪ New electric bus fleet and depot upgrade	▪ Solent Transport: formal partnership with Southampton, Portsmouth and Isle of Wight ▪ Collaborative bids and delivery for TCF, ZEBRA ▪ Close relationship with Surrey for cross-boundary network planning
Southampton (Unitary Authority)	▪ 32 bus routes, 4 service currently supported by SCC ▪ 9 major bus corridors	▪ Increase bus patronage through partnership, priority, inclusivity, integration and affordability ▪ Make buses an attractive and accessible choice for people	▪ Southampton Mass Transit System	▪ Bus priority infrastructure ▪ New multi-modal interchange at Southampton Central Station	▪ Solent Transport ▪ Partnership with Hampshire for joint improvement programme ▪ Working closely with TfSE to develop and integrate BSIP ambitions at regional level
Portsmouth (Unitary Authority)	▪ 22 bus routes – 8 cross-boundary connecting Portsmouth with its wider travel to work area in Hampshire and West Sussex. ▪ High frequency services (up to 6 an hour) on core routes into the city	▪ Grow ridership to 115% of 2024 levels by 2030. ▪ Improve service reliability (97% on-time) ▪ Reduced journey times to be competitive with car	▪ Frequency enhancements ▪ Improve awareness of Solent Go card ▪ Bus stop information upgrades (flags, timetables QR codes etc)	▪ Bus priority ▪ Develop a design standard for the city's bus stops	▪ Partnership with FirstBus and Stagecoach on applications for ZEBRA2 funding bids. ▪ Strong relationships with operators ▪ Significant collaboration with other LAs, especially Hampshire
Isle of Wight (Unitary Authority)	▪ Radial network of bus routes, mostly terminating in Newport or Ryde as the main hubs. ▪ 6 ferry connections to the mainland ▪ Sole commercial operator is Southern-Vectis (Go Ahead)	▪ Increase bus priority ▪ Lower and simpler fares ▪ Intensive services and investments on key corridors ▪ Integration with other modes ▪ More DRT services	▪ additional frequency and/or evening services on several commercial services. ▪ RTPI roll-out ▪ Traffic signal priority	▪ New electric buses (ZEBRA2 fund) ▪ Upgrades to bus shelters and accessible facilities	▪ Good history of effective voluntary partnership with Southern Vectis and community bus operators ▪ Plans to work in partnership to integrate buses with cross-Solent ferries.

Table 2.3.1 BSIP overview: Hampshire and Solent

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Kent County Council and Medway Council

In January 2025 Kent County Council and Medway Council requested to be included in the Government's Devolution Priority Programme, however, they were not included in the programme. Since then, new political leadership at Kent County Council have changed the direction of travel on devolution and local government reorganisation. At present there is no official proposal for devolution in Kent and Medway.

Partnership working

Given that it is not currently anticipated Kent and Medway will form a Combined Authority, continuing to work collaboratively together will be crucial to improving public bus services of the area. Operating as individual Local Authorities will not afford the regions the power to decided whether to franchise local bus services. Working collaboratively will support delivery of their respective BSIP ambitions and also prepare for a future devolution agreement should this be supported. A high-level summary of Kent and Medway's BSIPs are provided in Tables 2.3.2 and 2.3.3 for reference.

Local Authority	Bus Service Overview	Vision and Ambition	Bus Service / Journey Measures	Infrastructure Measures	Partnership
Kent County Council	• 426 services provided by 23 operators • Commercial services operate 6-7 days a week. • KCC supported services operate mainly on weekdays only and focused on school services	• Improve scheduled miles to 99.5% from 97.1% • Project existing bus services and develop a sustainable, fast and frequent, reliable core network • Connecting rural communities to essential services • High quality infrastructures and cleaner bus	• Freeze student travel pass • Enhanced fare offers and integrated information systems	• BRT Scheme – Fastrack expansion, introduce zero-emission buses • Canterbury, Ashford, Tunbridge bus priority infrastructure	• 3 EP Scheme areas to promote close partnership to set out strategic approach and ambition • Collaboration with East Sussex, London, Medway and Surrey • Initiatives(e.g. free weekend travel promotion) with Medway

Table 2.3.2: BSIP overview: Kent

Local Authority	Bus Service Overview	Vision and Ambition	Bus Service / Journey Measures	Infrastructure Measures	Partnership
Medway Council	• Most commercial services are operated by Arriva • Medway Council support evening services and Sunday services	**2028/2029 targets** • Increase journey time reliability to 80% • 9 million annual passengers • Reliable, accessible, affordable and carbon-free bus network • Tackle congestion causing daily delays • Fully integrated public transport network	• Continue support socially necessary contracts and additional evening and Sunday services on key routes	• Improvement to bus shelters and bus stations • Decarbonising bus fleet and depot investment for fleet electrification	• Working closely with Kent County Council, cross-boundary services are managed by Medway and Kent • Each authority contributing funds proportionate to service mileage. Co-produced Bus Passenger Charter with Kent

Table 2.3.3: BSIP overview: Medway

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Surrey

"The process of LGR should, as a priority, unlock devolution for the county, enabling the transition of significant powers and funding from central government to the local level to deliver more effectively in line with local priorities"[1]

Local government reorganisation (LGR)

Surrey is currently governed by two-tier local governance, including Surrey County Council and 11 district and borough councils. Following the Devolution White Paper

Surrey's LGR and Devolution Plan has been submitted to the Government, it includes proposals for the creation of two new UAs (Figure 2.3.3) which would replace the 12 councils currently in place.

The plan suggests that the new UAs could be in place by mid-2027.

Devolution

The plan also details Surrey's ambitions for forming a Mayoral Combined Authority for Surrey, comprised of the two new UAs mentioned above. Work to develop the combined authority will start on a similar timeline to LGR, with initial plans for Mayoral elections to take place by May 2027.

Figure 2.3.3 Surrey's proposed unitary authorities (Source: Devolution and Local Government Reorganisation (LGR) - Surrey County Council)

1 Final Plan - Devolution and Local Government Reorganisation -

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Surrey

The proposed Surrey Combined Authority, formed of East Surrey and West Surrey UAs, will cover the same geography as Surrey County Council there will be few changes needed in the governance of bus services in the area.

The BSIP should be updated on the usual timescale according to the National Bus Strategy.

Working with new Unitary Authorities

They key area of change within Surrey will be how the combined authority (formerly the county council) works with two UAs (rather than the existing 11 District Councils) on delivering bus services and infrastructure schemes.

Local Authorities	Bus Network Overview	Vision and Ambition	Bus Service / Journey Measures	Infrastructure Measures	Partnership
Surrey County Council	22 operators running 205 services 24 cross-boundary services to Greater London run by TfL 5 DDRT schemes Levels of use vary greatly depending on the location. Many frequent routes in the north of the county serving areas such as Staines-upon-Thams, Redhill, Woking and Guildford. The more rural south of the county generally has fewer routes running at less than hourly frequency.	Bus to be the first choice of transport for people in Surrey To be a leader in investing in bus services and infrastructure Use new technology and new delivery models so that public transport in Surrey meets the needs of residents and businesses **2030-2040 ambitions** Bus priority along all key routes New developments and rail stations supported by bus routes and enhancements Improved bus passengers experience All buses to be ZEBs Explore other operating models incl. franchising	**2024/25** Real Time Information roll-out Bus Service Support Surrey LINK Card Acorn Multi-operator ticketing scheme Accessibility and inclusion schemes Standardising timetable changes	**2024/25** Bus priority programmes ZEBRA 2 – electrifying 2 depots and purchasing 19 battery electric buses Zero emission minibuses for DDRT and Community Transport Sector Develop bus stop design standard	Neighbouring LTAs: Transport for London, West Sussex, East Sussex, Hampshire, Slough, Windsor and Maidenhead and Bracknell. Strong partnerships and frequent liaison between the council and all operators.

Table 2.3.4: BSIP overview: Surrey

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Sussex & Brighton and Hove

Local government reorganisation (LGR)

Currently East and West Sussex have two-tier local governance and Brighton and Hove is a Unitary Authority. The councils are currently developing plans for LGR, these can be summarised as:

- East Sussex is likely to form a single UA. East Sussex has a population of 550,000 and therefore fits the Governments criteria for a unitary authority, however, the six existing councils in East Sussex have agreed that other options for LGR may emerge through consultation[1].
- West Sussex may form either a single large UA or two smaller UAs. West Sussex has a population of 900,000, well exceeding the White Paper guideline of 500,000. The Interim Plan for West Sussex acknowledges that any requirement for Brighton and Hove to expand (noting that it is currently a small UA with a population of c.280,000) will impact on the outcomes of LGR for East and West Sussex. West Sussex is also in conversation with Crawley Borough Council about their potential inclusion in a new UA[2].
- Brighton and Hove submitted an Interim Plan for LGR in March 2025 which included initial public consultation on LGR options. Their emerging position is to stay unchanged or with only minor change to the UA boundary[3].

Therefore, the likely outcomes for the area are either:

- Three UAs broadly on the current local authority footprints
- Four UAs – Brighton and Hove and East Sussex unchanged or similar and 2 UAs in West Sussex.

Devolution

Brighton & Hove unitary and East and West Sussex County councils have agreed to support devolution in Sussex, with a strategic authority and elected mayor [4].

Brighton & Hove is part of the government’s Devolution Priority Programme (DPP), which means that elections for a Mayor for Sussex & Brighton are due to take place in May 2026.

1 Reorganisation and devolution, East Sussex | East Sussex County Council
2 West Sussex local government reorganisation interim submission.pdf
3 Devolution and Local Government Reorganisation APX. n 2.pdf
4 Devolution in Sussex

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Sussex & Brighton and Hove

Combined working

A future Sussex and Brighton and Hove Combined Authority will take on the responsibilities and functions of the Local Transport Authority and therefore be responsible for supporting and improving public bus services across the area. Working at this scale will offer opportunities for improving bus travel as well as challenges with reconciling the legacy differences between the UA areas. A key area for unification will be the BSIPs which currently cover the local authority areas. The Kent and Medway combined authority will need to produce a single BSIP covering the whole area. They will also have the power to decide whether or not to franchise local bus services or establish an Enhanced Partnership for the whole area.

A high-level summary of each existing BSIP is provided in Table 2.3.5 for reference.

benefits for rural residents.

Current partnership

There is significant daily travel between the local authorities, especially to and from Brighton and Hove where a largen umber of jobs are located. The local authorities currently work closely together to delivery bus services throughout the area, including sharing funding of cross-boundary supported services as well as collaboration on the multi-operator Discovery bus ticket.

Local Authorities	Bus Service Overview	Vision and Ambition	Bus Service / Journey Measures	Infrastructure Measures	Partnership
East Sussex	5 main bus operators	**2028 targets:** 2% reduction in journey times Reduce journey time variability 95% punctuality 99.5% reliability 15% increase in passenger numbers (on 2019/20) 95% passenger satisfaction	Real Time Information roll-out, QR codes for RTI at bus stops, multi-operator ticket, Young person's fare reduction, bus priority schemes, Gatwick Airport connectivity	Gatwick Airport connectivity, improve walking and wheeling routes to bus stops, Support operators to secure funding for ZEBs and charging / fuelling infrastructure	
West Sussex	9 bus operators + nine community bus operators Bus passenger numbers have not yet returned to pre-Covid levels	**2030 Targets:** • Increasing frequencies on all commercial services to the next clockface frequency • Adding evening services • Adding Sunday services	16-20 YP bus saver New 500 bus route DDRT Promotion campaigns Improved service level and network coverage, Lower and simple fares, ticketing, Waiting and interchanges, bus information and network identity, accessibility and inclusion.	Bus priority	Working with Lower Tier Authorities on delivering 500 new bus stops Fastway BRT– an example of effective partnership in West Sussex
Brighton and Hove	Major bus operator is Brighton and Hove Buses. Long distance services are operated by Stagecoach and Metrobus. 9 bus services are supported by the council plus school special services Council provides financial support to bus routes to communities not served by the commercial network, including parks of Saltdean, Ovingdean, East Brighton, Hangleton and Portslade as well as South Downs National Park.	**2030 Targets:** 10% reduction in journey times At least 80% satisfaction 7 million more passenger trips (15% increase on pre-covid patronage) Improved reliability	Discounted and free travel for young people, Making it easier to get the cheapest ticket, More frequent supported bus services, Better integration between bus operators, rail and bike, More limited-stop services, Review bus stop locations, Better information at stops, Applying accessibility standards across all buses	Bus priority, Zero emission buses by 2030, Better quality bus shelters, More accessible kerbs at stops, USB chargers on more buses	Close partnership with West and East Sussex CCs. Two bus services cross into Kent and Hampshire Enhanced Partnership:

Table 2.3.5: BSIP overview: Sussex & Brighton and Hove

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Berkshire Local Authorities

Local Government Reorganisation (LGR)

Wokingham Borough Council is considering options for LGR, and councillors have raised concerns about the loss of focus on smaller towns and rural areas if a larger UA were to be formed[1]. No plans for LGR have been set out at this stage

Reading Borough Council is considering plans for creating a "Greater Reading" UA, since the current geography only covers c.200,000 residents and excludes include areas considered to be part of Reading. Proposals for a Greater Reading include merging with parts of West Berkshire which already feel closer to Reading in identity. Reading BC has written to the Government to set out the case for a Greater Reading UA, should proposals to include West Berkshire in Oxfordshire's LGR be accepted.

Proposals for a new "Ridgeway Council" include West Berkshire, South Oxfordshire and Vale of White Horse.

Bracknell Forest is a small UA (population c.100,000) and therefore will likely need to merge with another authority prior to devolution. Similar concerns have been raised by councillors around the loss of focus on local issues with the creation of larger UAs. No plans for LGR have been submitted at this stage.

Windsor and Maidenhead is also a small UA, which under the Government's guidance will need to merge with a neighbouring authority to create a larger UA. However, the council have voiced opposition[2] to a potential merger and no plans have yet been set out.

As Slough is a small unitary authority (population c.200,000) it is expected that it will need to merge with another local authority. At this stage no plans have been set out.

Devolution

The Institute for Government has outlined the options for devolution in the Berkshire Local Authorities area, these are:

- Agree a non-mayoral county deal for Oxfordshire, a CA deal for Berkshire and implementation of the non-mayoral devolution framework agreement for Buckinghamshire in 2024
- A more ambitious Berkshire Local Authorities combined county authority (with or without mayor)

The IfG's recommendation is to create Berkshire Local Authorities combined authority encompassing Oxfordshire, Berkshire and Buckinghamshire, with or without mayor[3].

A Berkshire Local Authorities Combined Authority would have a population of 2.3 million and a significant economy of £101 bn.

However, the IfG report does note that the leader of Oxfordshire CC has expressed reservations about any deal which would combine Oxfordshire into a larger combined authority.

Proposals for devolution in this area are still emerging and several options remain on the table. However, whichever option is chosen, it is likely that the small UAs within Berkshire will need collaborate and work jointly either at the UA or CA level .

1 FROM THE OPPOSITION: Keep democracy local – Wokingham.Today
2 Windsor and Maidenhead council says merger 'not a solution' | Slough Observer
3 Completing the map: How the government can extend devolution to the whole of England

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Berkshire Local Authorities

Collaborative working

Though there are no confirmed plans for devolution in this area the Berkshire local authorities will still need to work in partnership with one another to deliver joint infrastructure and manage bus service support amongst other schemes.

A high-level summary of each existing BSIP is provided in Table 2.3.6 for reference.

Local Authorities	Bus Service Overview	Vision and Ambition	Bus Service / Journey Measures	Infrastructure Measures	Partnership
Reading	Turn-up-and-go services on 8 corridors The council supports 5 socially necessary bus services.	Deliver a comprehensive bus network in Reading which means travel by bus is the natural choice for both residents and visitors, contributing towards the creation of a vibrant, green and more equal town with net zero carbon emissions by 2030.	East Reading Bus Rapid Transit Scheme Multi-operator ticket Young persons concessions Tap-on-tap-off ticketing	East Reading Bus Rapid Transit Scheme Bus priority measures	Partnership with North Wokingham to introduce supported bus services.
West Berkshire	• 4 bus operators • 8 commercial services make up majority of the journeys and passenger trips • Challenges with dispersed rural population	• Improve service frequency and evening and weekends service • Better bus-rail integration and rural accessibility • Improve passenger experience • Net Zero by 2030	• Review fare structure and zonal fares	• Bus priority infrastructure schemes to improve reliability and reducing congestion at hotspots • Improve bus shelters to address low satisfaction of waiting environment	• Partners with bus operators and neighbouring local authorities with Reading, Wokingham, Swindon and Oxfordshire • Joint planning of bus services and fare integration
Wokingham	Several corridors have turn-up-and-go frequency bus services. 11 services are funded by the council 3 bus services are enhanced with De Minimis subsidy 55% of bus services have destination in Reading 4 Park and Ride Site	Grow patronage to pre-pandemic levels Return bus services to pre-pandemic levels Improve accessibility of transport services in rural and low density areas Improve bus journey times, punctuality and reliability. Simpler and more affordable fares.	South Reading Fast Track Public Transport Corridor M4 J11 bus priority and Park and Ride Winnersh Park and Ride expansion Coppid Beech and Mereoak Park and Ride	New EV buses South Reading Fast Track Public Transport Corridor M4 J11 bus priority and Park and Ride Winnersh Park and Ride expansion Coppid Beech and Mereoak Park and Ride	Bus infrastructure project co-funded with Reading borough council Bus priority schemes developed in Reading supported Wokingham bus services Potential for joint DRT service with Windsor and Maidenhead, West Berkshire and Bracknell Forest to serve low density areas

Table 2.3.6: BSIP overview: Berkshire local authorities

1 - FROM THE OPPOSITION: Keep democracy local – Wokingham.Today

2. Devolution and bus governance in the South East
2.3 Devolution in the South East

Berkshire Local Authorities

Local Authorit ies	Bus Service Overview	Vision and Ambition	Bus Service / Journey Measures	Infrastructure Measures	Partnership
Windsor and Maidenh ead	33 public bus routes operating around the Borough (excluding school buses, specialist dial-a-ride and private business park shuttles). 14 bus services are financially supported by the council. 5 cross-boarder services are funded by neighbouring authorities 14 services are fully commercial, some are in operated in partnership with Heathrow Airport.	An affordable, accessible, safe, convenient, environmentally friendly and integrated bus network, that grows bus patronage and the modal share of buses'	Enhance supported services Bus Passenger Charter Bus Information Multi-operator ticket Network map Service enhancements (night shoulder services)	Bus stop upgrades Maidenhead Interchange upgrades	Partnership with operators and Buckinghamshire council to keep bus information up to date. BSIP targets developed in collaboration with neighbouring authorities.
Slough	• First Beeline is the largest operator, mixed with Transport for London services, Thames Valley Buses and others to serve neighbouring areas • Most services start and finish in neighbouring areas • Slough town centre is the key hub and served by most bus services • Heathrow Airport	• Cleaner, greener, safer and more reliable bus network • 9% reduction in AM peak bus journey time, 87% operating on time, 20% increase in passenger by 2030 • 7 days per week, 14 hours a day integrated bus service • All buses to be zero emission ahead of 2040 deadline	• Single bus network in Slough, single ticket for multi-operators • Safety, accessibility and information improvements at bus stop	• Expansion bus priority schemes on A4 corridor towards Heathrow and Hounslow • Improve waiting facilities and wayfinding at interchange • Appy for ZEBRA to fund bus fleet upgrade	• Coordinate with neighbouring authorities to develop cross-boundary bus services and other highway improvement schemes that benefit bus services • Liaise with Transport for London, rail operators and Heathrow Airport on timetable coordination and bus/rail ticketing
Bracknel l Forest	• 4 bus operators • Most of the network and all Bracknell council supported service run by Thames Valley Buses • Southern parts of Bracknell town centre operate commercially while northern residential areas are almost on financial support • 2 cross-boundary services are supported with other authorities	• Grow patronage, improve reliability and journey time, better value for money **2029 ambition** • Increase frequencies and operating hours for commercial services **2037 ambition** • Zero emission for all buses • 4 buses per hour (commercial), 3 buses per hour (supported routes)	• Introduced new buses on key commercial services • Real time information improvements	• Bus stop upgrades • Expansion of bus priority on A329 corridor	• Formal agreement with local bus operators • Liaison with neighbouring authorities to ensure cross-boundary service and explore join initiatives

Table 2.3.6: BSIP overview: Berkshire local authorities (cont'd)

ARUP

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.1 Overview

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.1 Overview

Section overview

Overview

This section provides data and analysis on the current level of financial support provided by each local authority to bus services in their area in addition to metrics such as trips per capita and financial a picture of the potential Transport Levies which could be raised by the confirmed Strategic Authorities.

Confirmed future Strategic Authorities

This high-level analysis is intended to provide an overview of the current state of bus funding in the confirmed devolution areas and provide an understanding of the current level of service across the Strategic Authorities and the potential for cross-subsidy funding via a transport levy.

Neighbouring LAs / potential devolution areas

Analysis is also provided for the TfSE local authorities which do not have confirmed devolution agreements in place..

Current state of bus funding

This section provides details of the current state of spending on bus services across the TfSE local authorities. This includes a regional overview of bus financial support levels, population and patronage as well as the proportion of bus services which are subsidised and analysis of financial support per capita and bus trips per capita. This analysis provides context to the current role played by government financial support on the local bus markets in the South East. Section 3.2 to 3.6 also provide a comparison between the local authorities which will form Strategic Authorities to indicate what impact the regionalisation of bus governance might have on revenue funding of services.

Potential future bus funding arrangements

This section also discusses the possible funding arrangements for the future Strategic Authorities - - and refers to the role of the Transport Levy (paid by constituent authorities) to fund bus services and infrastructure across combined authorities.

3.2 Current state of bus funding

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.2 Current state of bus funding

Local Transport Authorities bus spending

Overview

This section sets out the sources of funding for bus services in England and puts in context the quantity trips by bus, and financial support by each LTA:

- Per capita
- Per operating costs

In most cases the sum of spending from different sources in the LTA contributes a significant proportion of the total cost of operating services in the area. This data per LTA provides an indicative view of how total spending would look in the context of regionalisation of funding.

As local authorities combine to form Strategic Authorities and bus funding becomes regionalised there will be opportunities for cross-boundary bus support, economies of scale and adopting a consistent approach to supporting bus services and passengers across the Strategic Authority Area.

This is further be explored through the Transport Levy case studies in Section 3.7.

Financial support for buses

There are several forms of financial support for bus services in England.. Currently funding includes the following schemes and allocations:

- Bus Grant (Revenue, Capital and Capacity and Capability)
- Local Authority BSOG allocations
- Zero Emission Bus Regional Areas (ZEBRA) scheme
- National £3 bus fare cap
- English National Concessionary Travel Scheme (ENCTS) [This is not technically a form of financial subsidy to services as it is managed under "no worse no better off" approach. However, it does constitute bus support funding, and generally forms a significant proportion of overall government spending on buses]
- Bus Operators are also able to apply for Bus Service Operators Grant (BSOG), but this is administrated by the Department for Transport.

BSIP/Bus Grant

The National Bus Strategy was published in 2021 (and will effectively be superseded by the forthcoming Bus Bill (No.2) in 2025). . It sets out an ambitious vision and a comprehensive strategy to transform the quality of bus services in England outside London, making them more attractive, convenient, good value and popular for all to use.

Since 2021 when LTAs in England published their Bus Service Improvement Plans (BSIP) the government has allocated three phases of Bus Service Improvement Plan funding to LTAs.

The most recent round of BSIP funding, now called Bus Grant, has been allocated and includes funds for capital, resource and capacity and capability spending to improve and support bus services. This funding is intended to provide ongoing support to enhance bus services and fund schemes including bus infrastructure and fares and ticketing initiatives with the aim of increasing bus patronage.

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.2 Current state of bus funding

Bus spend, population and patronage

Local Authority	Popul'n (million)	Total Trips (M/yr)	Trips per capita (M/yr)	Total support (£M)	Support per capita (£/popln)	Support (£M) Excl. ENCTS	Support per capita excl. ENCTS
West Berkshire	0.2	2.2	13.5	1.2	7.1	0.7	4.4
Reading	0.2	19.5	109.4	7.1	40.1	2.7	15.4
Wokingham	0.2	2.4	13.3	1.8	9.6	0.9	4.7
Bracknell Forest	0.1	1.7	12.9	1.5	12.0	0.7	5.8
Windsor & Maidenhead	0.2	1.3	8.4	2.0	12.6	0.9	5.5
Slough	0.2	4.4	27.3	2.1	13.2	1.0	5.9
Hampshire	1.4	24.1	16.9	19.8	13.9	9.1	6.4
Southampton	0.3	20.8	81.2	6.7	26.3	3.4	13.3
Portsmouth	0.2	11.0	52.5	5.5	25.9	1.7	7.9
Isle of Wight	0.11	7.5	53.3	6.1	43.4	1.5	10.5
Surrey	1.2	24.8	20.2	14.2	11.6	8.4	6.8
West Sussex	0.9	22.3	24.7	17.6	19.5	7.5	8.3
East Sussex	0.6	16.2	29.2	10.7	19.3	3.5	6.4
Brighton and Hove	0.3	41.1	146.8	18.0	64.5	6.2	22.3
Kent	1.6	45.9	28.5	33.0	20.5	14.3	8.9
Medway	0.3	7.3	25.3	6.6	23.0	2.0	6.9

Table 3.2.1 presents a summary of bus spend, population and patronage for all Local Authorities in this study. This includes the total support provided as well as differences in support when concessionary funding is removed. The outputs from the table are further visualised in Figures 3.2.1 and 3.2.2 on the following slides, with commentary provided.

Figure 3.2.1 shows the trends and relationships with population, financial support for bus services and bus patronage.

Figure 3.2.2 shows the population, net central and local government support (excluding ENCT/ concessionary reimbursement) and passenger trips in each local authority area.

£M / year

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.2 Current state of bus funding

Bus spend, population and patronage

Figure 3.2.1 shows the total local and central government financial support for bus services (including ENCTS reimbursement), population and bus patronage. The size of the bubbles denotes the bus patronage. The colours of the bubbles relates either to confirmed or potential combined authority groupings.

Sussex and Brighton and Hove: West Sussex and Brighton and Hove have more total financial support than East Sussex. Though East and West Sussex have higher populations than Brighton and Hove the level of patronage in Brighton and Hove is higher. The combined authority could take advantage of this and seek to cross-subsidise services in East and West Sussex utilising the success of the bus market in B&H.

Kent and Medway: Kent and Medway have very different bus markets, owing to their different geographical and population sizes. Despite this Kent and Medway have a very similar number of bus trips per capita (28 and 23 respectively), so the level of bus use in each is comparable.

Hampshire and Solent: Portsmouth, Southampton and Isle of Wight have comparable levels of bus use (52, 81 and 53 bus trips per capita per year), however in Hampshire bus travel is much less prevalent, with only 17 trips per capita. The bus market in Hampshire also receives round 4 times the financial support of the other three authorities.

Berkshires: The Berkshire local authorities have similar bus markets, though Reading has higher bus patronage.

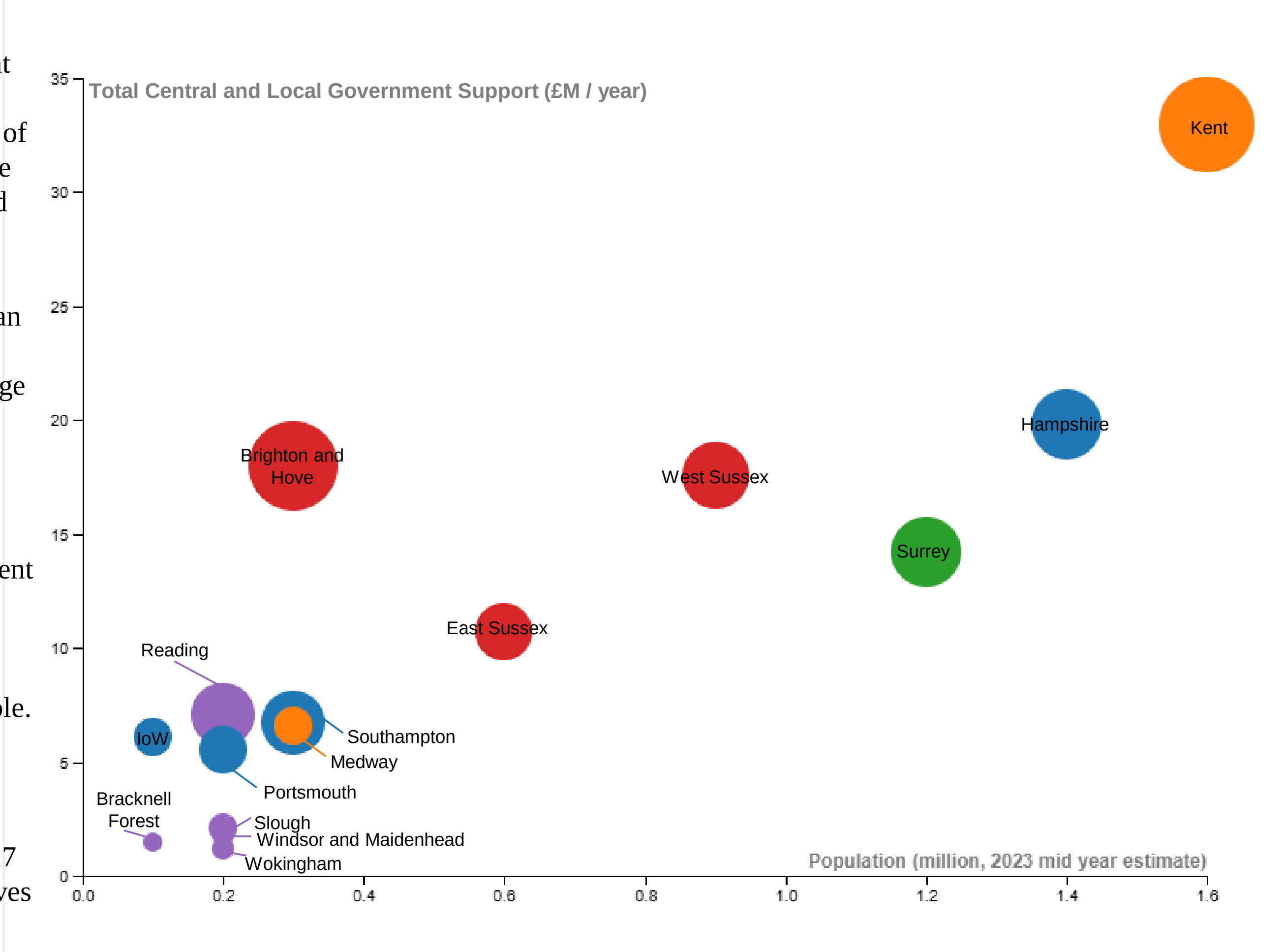


Figure 3.2.1: Total local and central government financial support for bus services (including ENCTS reimbursement), population and bus patronage. The size of the bubbles denotes the bus patronage. The colours of the bubbles relates either to confirmed or potential combined authority groupings. (Data source: Patronage Annual bus statistics: year ending March 2024 (revised) - GOV.UK, Bus financial support Annual bus statistics: year ending March 2024 (revised) - GOV.UK and Bus Grant Data, Population Population estimates for England and Wales: mid-2023 - ONS.GOV.UK)

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.2 Current state of bus funding

Population, trips per capita and bus support per capita

Figure 3.2.3 shows the population, trips per capita and bus support per capita for each of the 16 local authorities.

Sussex and Brighton and Hove: Brighton and Hove has the highest level of financial support per capita (£65 pp) – due to relatively high ENCTS support. Levels of support per capita are lower in East and West Sussex at around £20 per person.

Kent and Medway: Kent and Medway have very similar levels of bus use, 29 and 25 trips per person per year respectively, and provide around £20 of financial support into the bus market per capita.

Hampshire and Solent: There is significant variance in the level of financial support (per person) provided to the bus market, the lowest being in Hampshire which spends roughly £14 pp.

Berkshire Local Authorities: Except for Reading, the Berkshire Local Authorities are fairly similar in their bus market characteristics, with low levels of financial support per capita (£5-15 pp). Conversely Reading has a higher level of bus use and has a higher level of spending per capita (£40 pp) – die to a high level of ENCTS support.

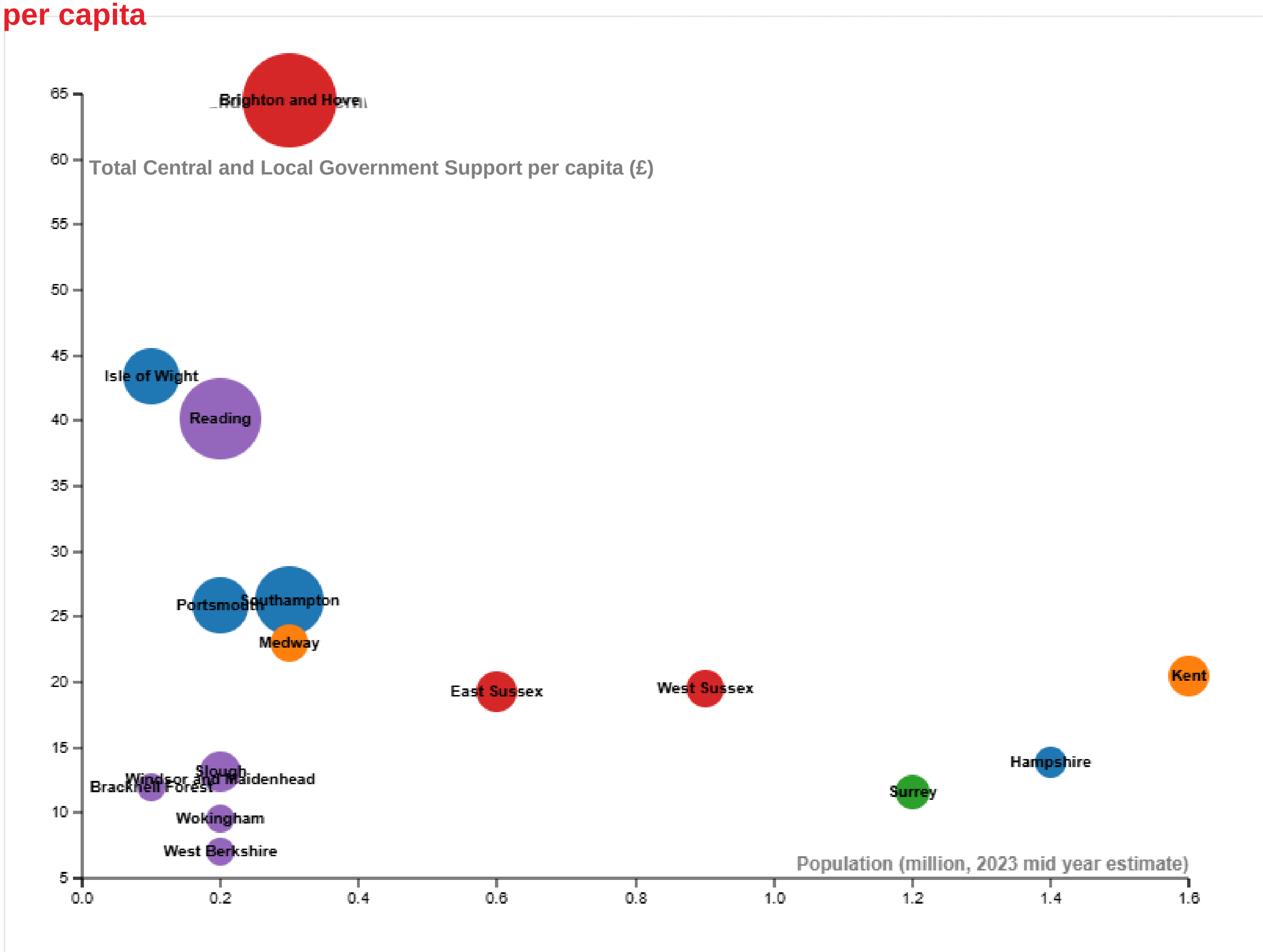


Figure 3.2.3: Total local and central government financial support for bus services (including ENCTS reimbursement), population and bus patronage per capita. The size of the bubbles denotes the bus trips per capita. The colours of the bubbles relates to the confirmed or potential combined authority groupings.

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.2 Current state of bus funding

Population, trips per capita and financial bus support per capita (excluding ENCTS)

Figure 3.2.4 shows the population, trips per capita and financial bus support per capita (excluding ENCTS) for each of the 16 local authorities.

Overall generally similar patterns are seen in the level of financial support provided to bus markets in the South East. However when spending on ENCTS reimbursement is removed some local authorities show significantly lower levels of spending, and different patterns emerge.

For example, East Sussex, Isle of Wight, Portsmouth and Medway see a larger reduction in financial support per capita than neighbouring areas when ENCTS is removed from the data. This reveals that these areas allocate larger proportions of their overall spending on concessionary fares and less on direct support for bus services.

More detail on the breakdown of local authority spending on bus services is shown in Section 3.3.

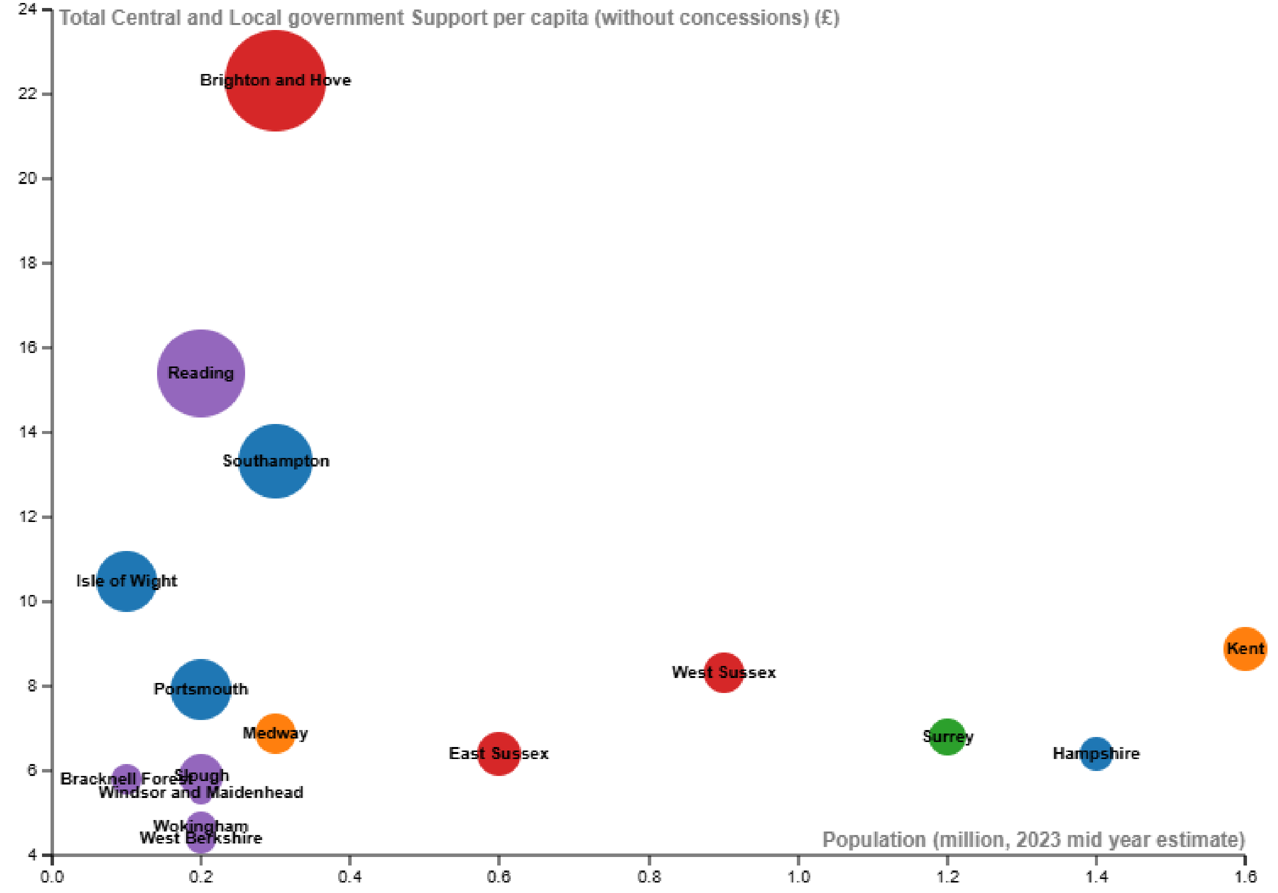


Figure 3.2.4: Total local and central government financial support for bus services (excluding ENCTS), population and bus patronage per capita. Financial support excludes concessionary fare reimbursement. The size of the bubbles denotes the bus trips per capita. The colours of the bubbles relates to the confirmed or potential combined authority groupings.

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.2 Current state of bus funding

Subsidised and commercial services

Figure 3.2.5 demonstrates the balance of commercial and local authority supported services in the TfSE region.

As would be expected, the larger authority areas (with more spread out settlements) have the highest percentage of directly subsidised bus services.

In terms of proportion of bus service kms, West Berkshire, Wokingham, Windsor and Maidenhead, Bracknell Forest and Surrey each have high levels of financial support from the local authority. Some local authorities don't provide any supported services, including Southampton and the Isle of Wight.

In the future Hampshire and Solent combined authority area, Portsmouth, Southampton and the Isle of Wight provide limited or no funding to directly support bus services, whereas 15% of bus services kms in Hampshire are subsidised.

As the planned combined authorities are formed and take on responsibility for supported bus contracts, it will become important to understand and manage these regional disparities in the need for financial support.

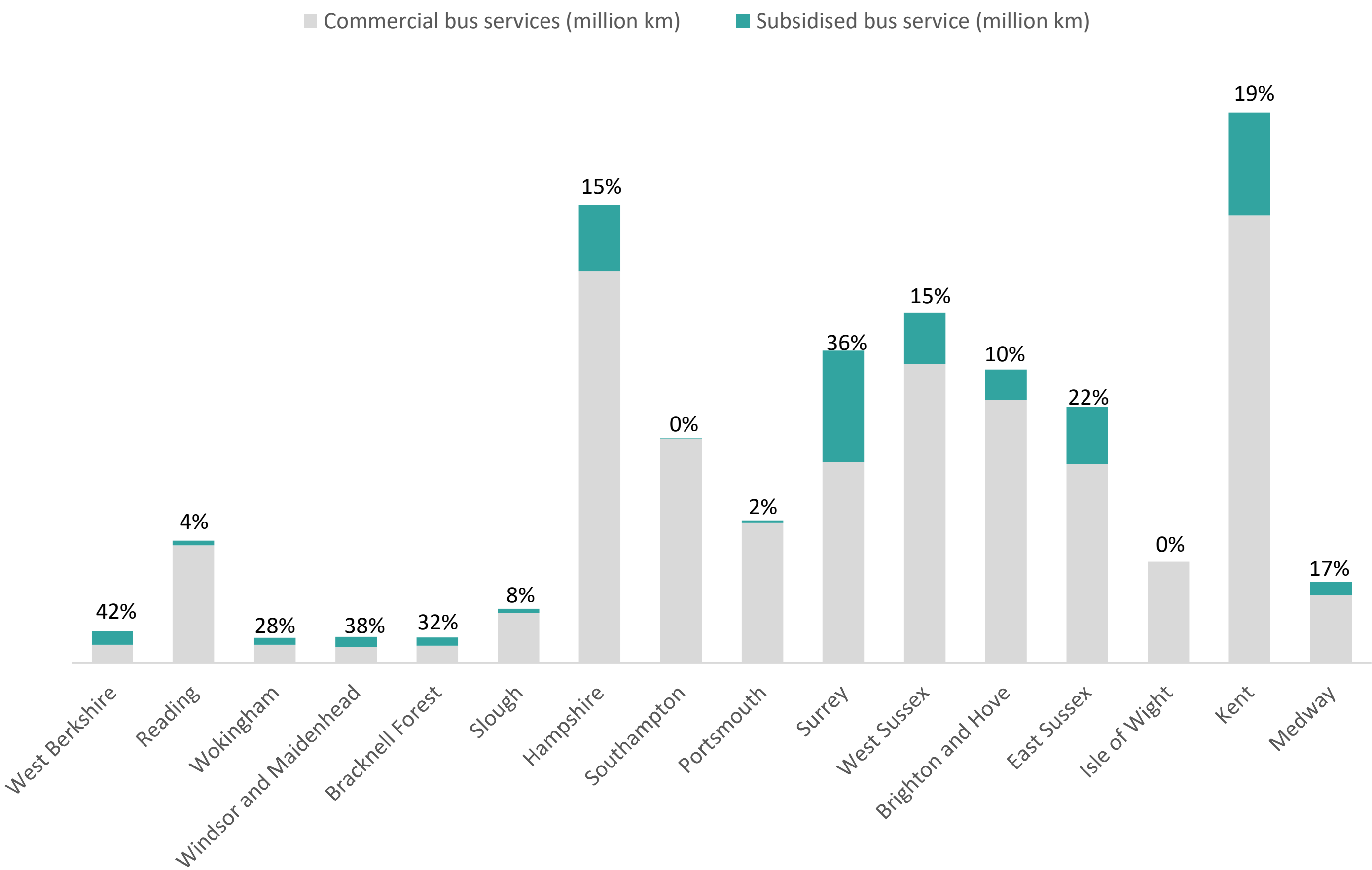


Figure 3.2.5: Commercial vs Local Authority supported bus service kms. Data is sourced from DfT Bus stats. Supported kms only includes kms on services fully funded by Local Authorities, it excludes De Minimus funding for commercial services. (Data Source: Annual bus statistics: year ending March 2024 (revised) - GOV.UK)

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.2 Current state of bus funding

Bus trips per capita and Total Central and Local Government Support per Capita

Figure 3.2.6 shows that there is significant variability in the bus market across the South-East region, owing to the different characteristics across the urban centres and rural areas in the area.

In particular, Reading, Southampton, and Brighton and Hove have very successful bus networks with a high number of bus trips per capital per year. Most other local authorities in the region have much lower levels of use – on average less than one trip per capita per week.

In general, the scale of total financial support per capita has relatively direct relationship with the number of bus trips taken per capita per year, such that local authorities with higher spending per capita see more bus journeys per capita; this reflects the ECNTS reimbursement approach which is based on concession trips taken. The larger urban areas have the highest overall financial support – mainly due to the ECNTS reimbursements (as these areas have much greater numbers of bus trips due to factors denser land use, more frequent/convenient bus services and in-commuting from neighbouring areas).

On average the central and local government bus financial support per capita sits between £10-20 per capita, however some areas stand out from this range – for example in Brighton and Hove around £60 per capita is spent per year. See pg 30-35 for a breakdown of spending on buses by local authority.

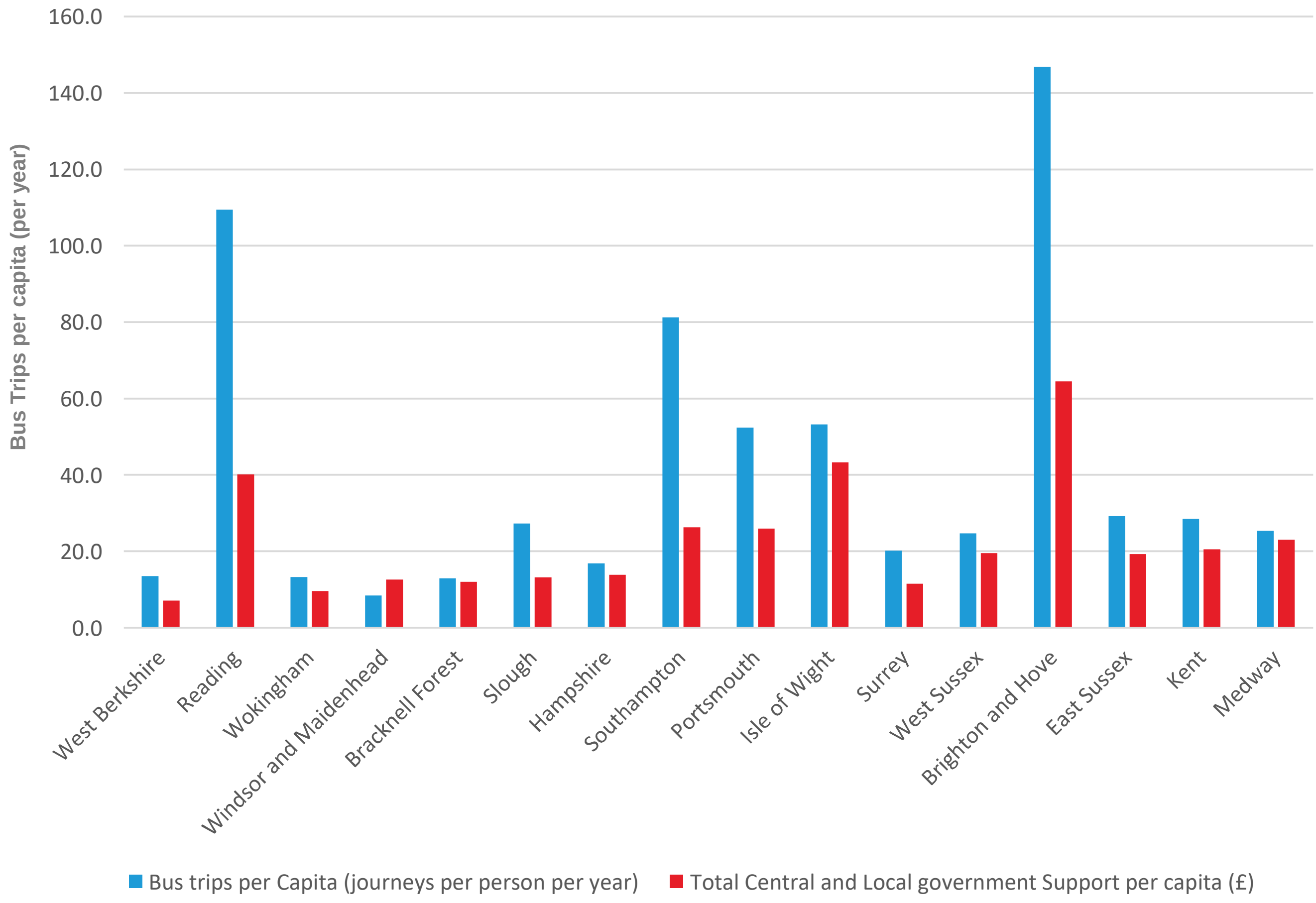


Figure 3.2.6: Bus trips per capita in 2024 (Blue) and Total Central and Local Government Support per Capita (Red). (Data source: Trips and financial support Annual bus statistics: year ending March 2024 (revised) - GOV.UK, Population Population estimates for England and Wales: mid-2023 - ONS.GOV.UK)

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.2 Current state of bus funding

Bus Grant and Local Government Support per Capita

To understand the funding landscape in each of the potential devolution areas, Figure 3.2.7 shows the direct support provided by LAs by funding contracted bus services per capita (Bus Grant) and the total spend on bus support from central and local government per capita (shown both including and excluding concessionary fare reimbursement figures).

Considering the future potential Combined Authority areas, the following analysis is relevant:

- In the Berkshire local authorities, Reading has a much higher total support per capita on bus service support at around £40 per head, compared to roughly £7-14 per head in the other areas.
- In the Hampshire and Solent authorities The Isle of Wight has the highest support per capita (c. £40 per head), however this looks to be mostly due to a high level of concessionary fare reimbursement. Southampton and Portsmouth have similar levels of per capita support.
- In the Sussex and Brighton and Hove area, Brighton and Hove has the highest total support on buses, including a higher per capita level of concessionary fare reimbursement which reflects the high bus patronage in the area.
- Kent and Medway have similar levels of per capita bus support.

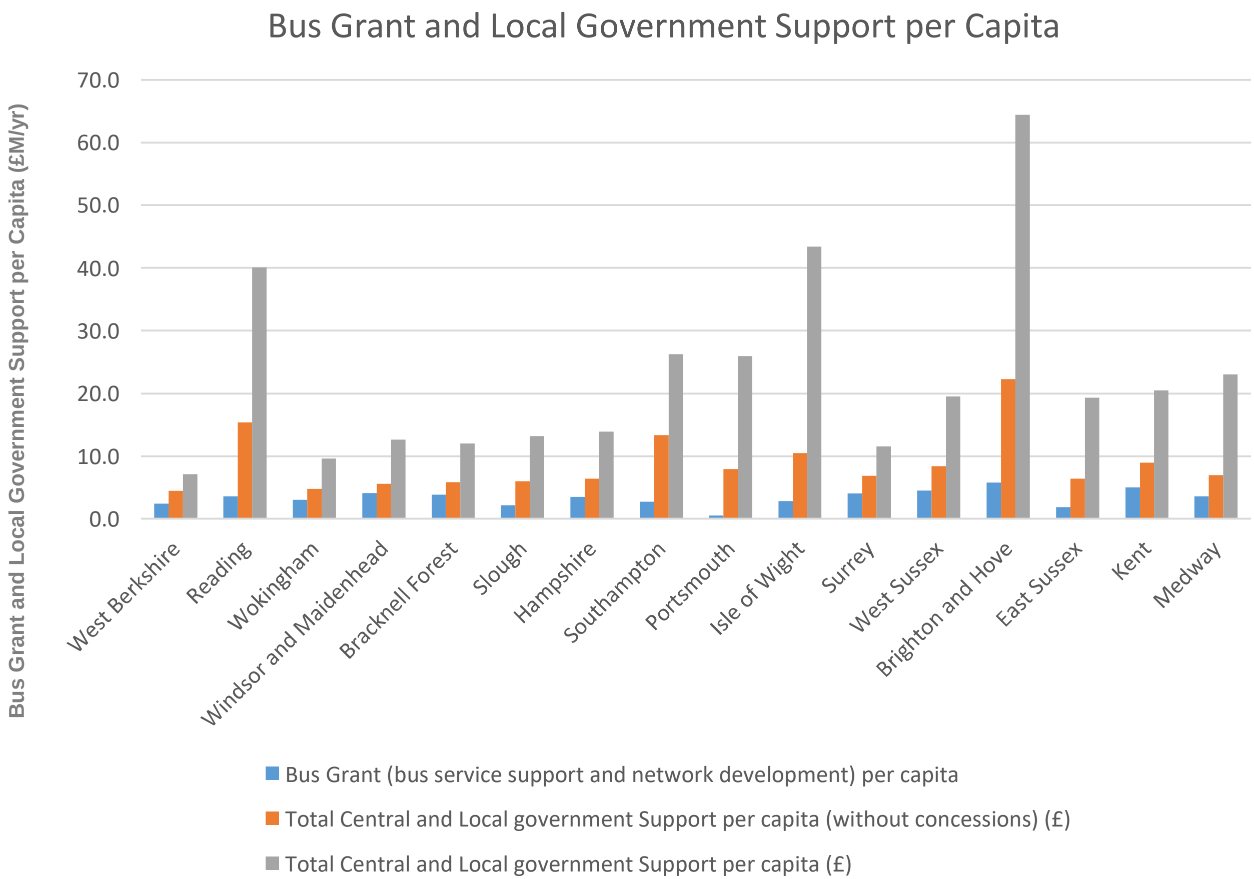


Figure 3.2.7: Spending on buses per capita in TfSE region. The Blue bars indicate the level of bus grant per capita; the Red bars show the level of financial support on bus services from local and central government, including BSOG, Fare Cap, Bus Grant (excl. Concessionary reimbursement); the Green bars show the same as the Red bars but with Concessionary reimbursement added. (Data source: Central and local government support Annual bus statistics: year ending March 2024 (revised) - GOV.UK & Bus Grant allocation dataset)

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.2 Current state of bus funding

Bus Funding for Operations Vs OPEX

It is useful to understand the proportion of support funding compared to operating cost in each area. Figure 3.2.8 and 3.2.9 show the % for Funding/OPEX for each Authority (for £Ms and as a % respectively) – based on DfT Bus Statistics. Bus funding is shown for ‘with’ and ‘without’ concession reimbursement.

Conclusions drawn are as follows:

- Medway, Kent, Surrey, Bracknell Forest, Windsor and Maidenhead, and Wokingham all have funding (excluding concession fare reimbursement) at around 20% of OPEX. A higher level of public funding in these areas would be expected – as these areas have relatively low density land use and do not have many ‘urban/frequent’ bus services – and hence have low bus use per capita.
- The same areas also have around 40% Funding (includes concession fare) / OPEX. In addition, Reading, Brighton, and the Isle of Wight also have overall Funding / OPEX proportions of around 40% - which indicates that these areas have high concession travel.
- In absolute terms – Kent and Hampshire have overall support per annum at greater than £20M (including concession fares), with Brighton, West Sussex, Surrey and Hampshire all having overall support at >£15M per annum.

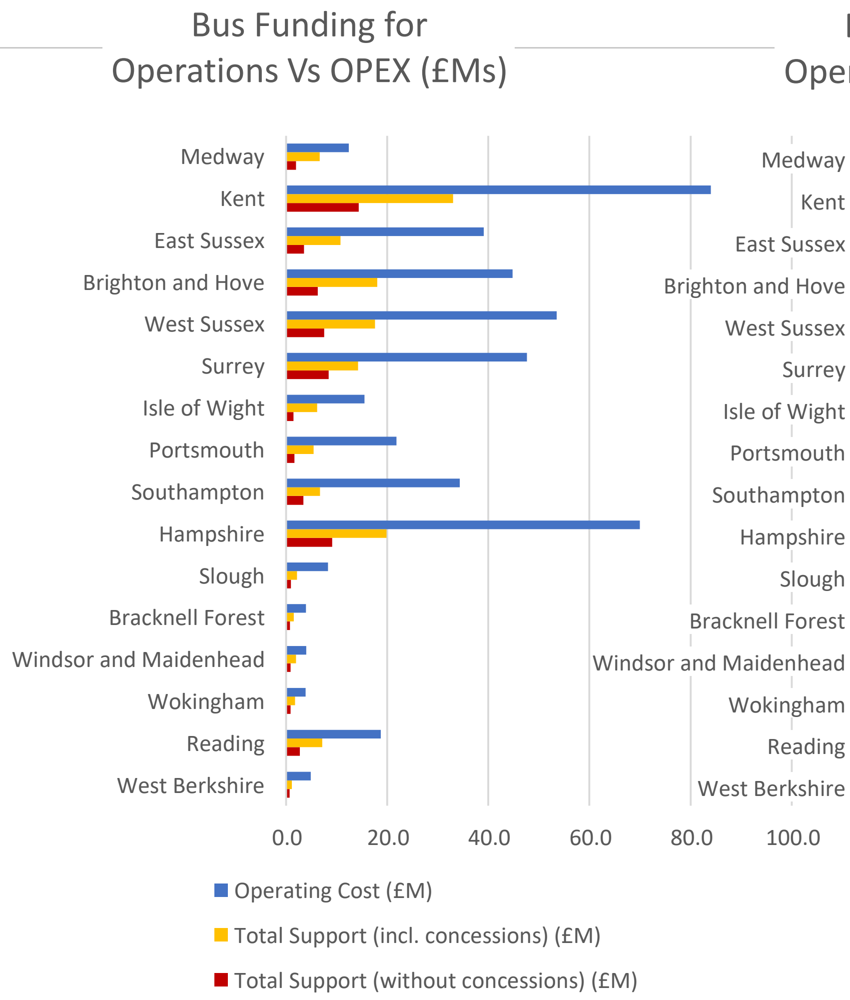


Figure 3.2.8: Operating Cost Vs Support Funding in TfSE region (£Ms per Annum 2024)
(Data source: Central and local government support Annual bus statistics: year ending March 2024 (revised) - GOV.UK & Bus Grant allocation dataset)

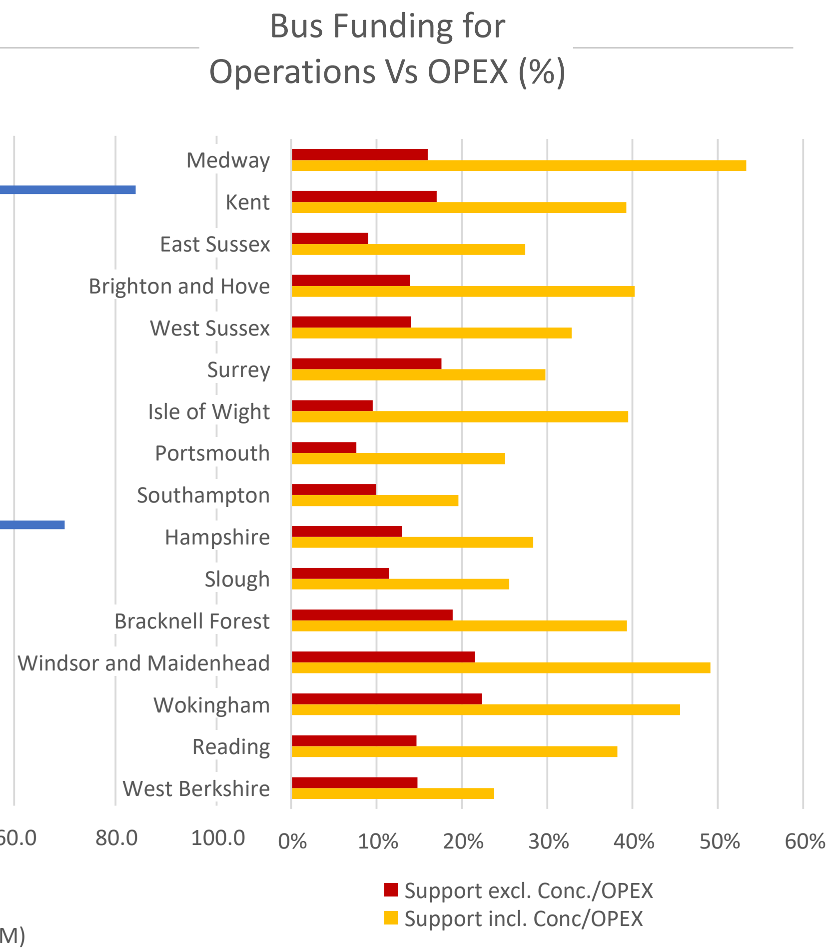


Figure 3.2.9: Operating Cost Vs Support Funding in TfSE region (%; 2024)
(Data source: Central and local government support Annual bus statistics: year ending March 2024 (revised) - GOV.UK & Bus Grant allocation dataset)

3.3 Current and future bus revenue funding: Hampshire and Solent

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.3 Current and future bus revenue funding: Hampshire and Solent

Current bus funding landscape

In the Hampshire and Solent area LAs are spending approximately £35 million directly supporting bus operators, with a further £4.6 from BSOG. In the future the Combined Authority will manage this financial support funding and there may be opportunities for efficiencies and cross-subsidy between areas based on strategic objectives.

Hampshire: The estimated cost of operating Hampshire's bus network (£70 million) is significantly higher than the other areas, and HCC provide significant (approx. £5 million) support to services through Bus Grant funding. The sum of financial support from central and local government is approximately £20 million per year.

Southampton: The estimated cost of operating the bus network is significantly lower than in Hampshire; and the majority of local government support is provided via concessionary fares and fare cap reimbursement. The total sum of financial support is approximately £6.8 million per year.

Portsmouth: Unlike the other 3 LAs Portsmouth is investing £1.6million into simple and affordable fares to support passengers.

Isle of Wight: The IoW bus network receives significant financial input mostly through the reimbursement of concessionary fares which alone makes up 30% of the total operation cost of the network. The total financial support contributes around 39% of the cost of the network.

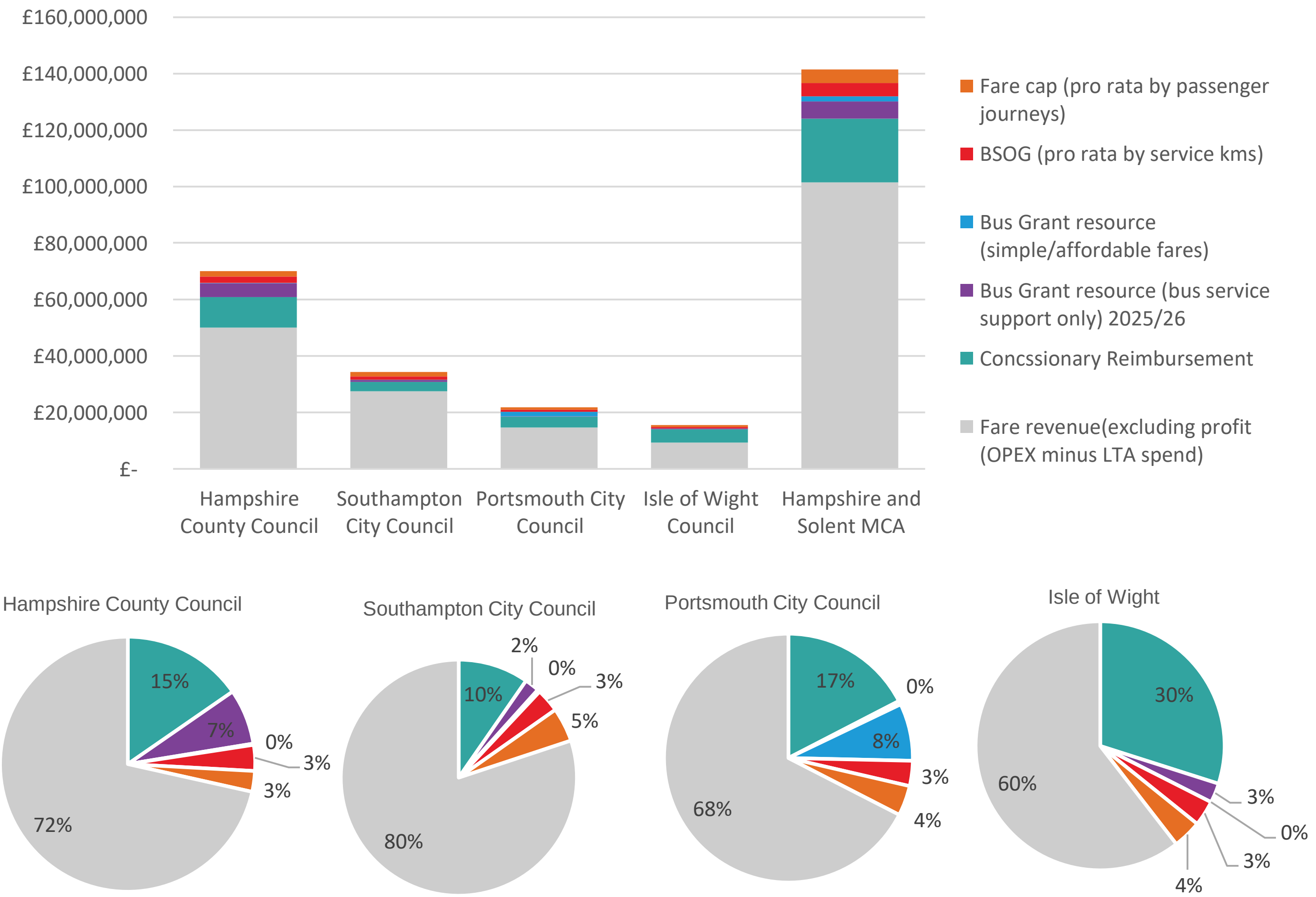


Figure 3.2.1: Breakdown of financial contributions to bus network costs. Note: The total bar/pie represents the operational costs of each bus network (source: DfT Bus Stats). Concessionary reimbursement, Fare Cap and BSOG data is sourced from DfT Bus Stats (2024). Bus Grant funding (2025/26) is sourced from DfT data on the breakdown of Bus Grant funding to LAs. Fare revenue (excluding profit) is calculated as the difference between financial support and total operating costs.

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.3 Current and future bus revenue funding: Hampshire and Solent

Potential Levy

According to the Local Government Financing Act Combined Authorities are levying bodies. As such a CA is able to levy to fund its transport functions as the Local Transport Authority (LTA) and the level and contributions of the levy are decided by the CA. Other CAs including West of England and West Midlands use a proportional approach by the population of each local authority.

Figures 3.3.2 and 3.3.3 consider the current financial support provided to bus services across the Hampshire and Solent area. These figures take into account the Bus Grant spend on bus service support, BSOG contributions to operators and concessionary fares reimbursements (Fig. 3.3.2 only). This excludes more temporary support such as the fare cap.

Figure 3.3.4 shows the split of the population across the Hampshire and Solent area. If a proportional levy approach were to be applied in Hampshire and Solent then the contributions by each local authority would reflect the proportions shown in Figure 3.3.3.

This levying approach would likely result in a degree of cross-subsidy between the UAs via the Combined Authority as the financial support on bus services and other bus-related spending would likely not be split in these proportions. The level of potential cross-subsidy can be seen when comparing the current proportion of financial support and the proportion of population.

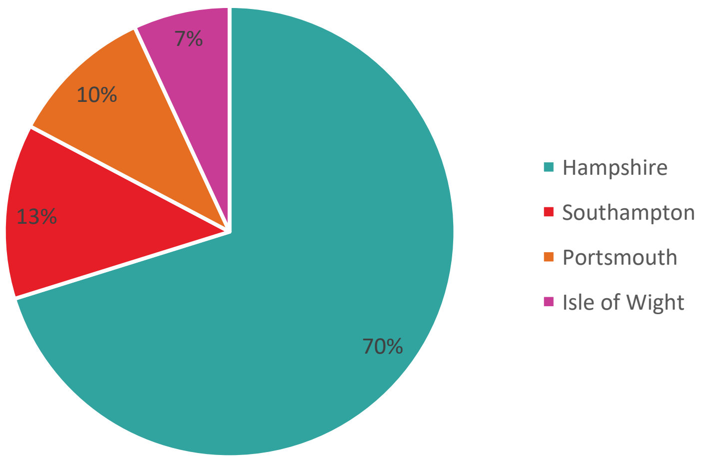


Figure 3.3.4 Population proportions across the combined authority.

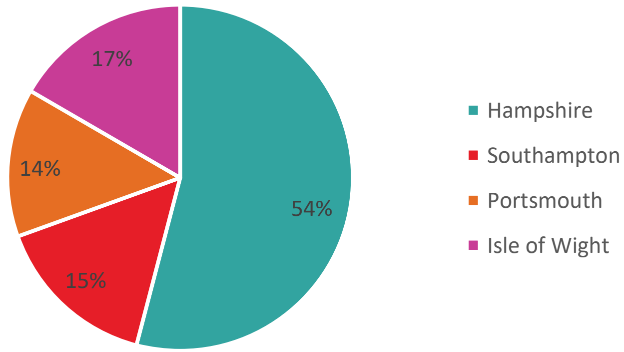


Figure 3.3.2: Current proportional split of bus financial support for Hampshire and Solent area (incl. concessionary fares reimbursement)

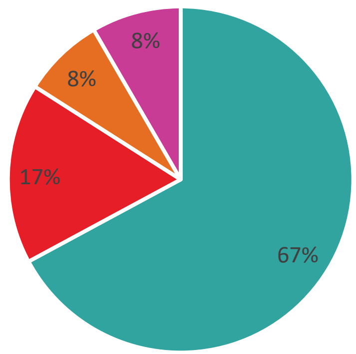


Figure 3.3.3: Current proportional split of bus financial support for Hampshire and Solent area (excl. concessionary fares reimbursement)

3.4 Current bus revenue funding: Kent and Medway

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.4 Current bus revenue funding: Kent and Medway

Current bus funding landscape

Though the cost of operating bus services in Kent is much greater than in Medway (reflecting the much larger area), the proportion of the operational cost of the network provided by local and government funding is at a similar level.

Kent

Bus services in Kent have a much higher total operational cost thank in Medway, reflecting the larger area and number of services in the local authority area. The level of financial support provided to bus operators is approximately 43% of the total cost of the network. Kent is also investing Bus Grant funding into more simple and affordable fares to support bus passengers in Kent.

Medway

The bus network in Medway has a much lower total operational cost compared to Kent. The level of financial support provided to operators in Medway is however proportionally quite large, contributing 53% of the total cost of the network. The total financial support to bus operators is around £6.5million per year in Medway.

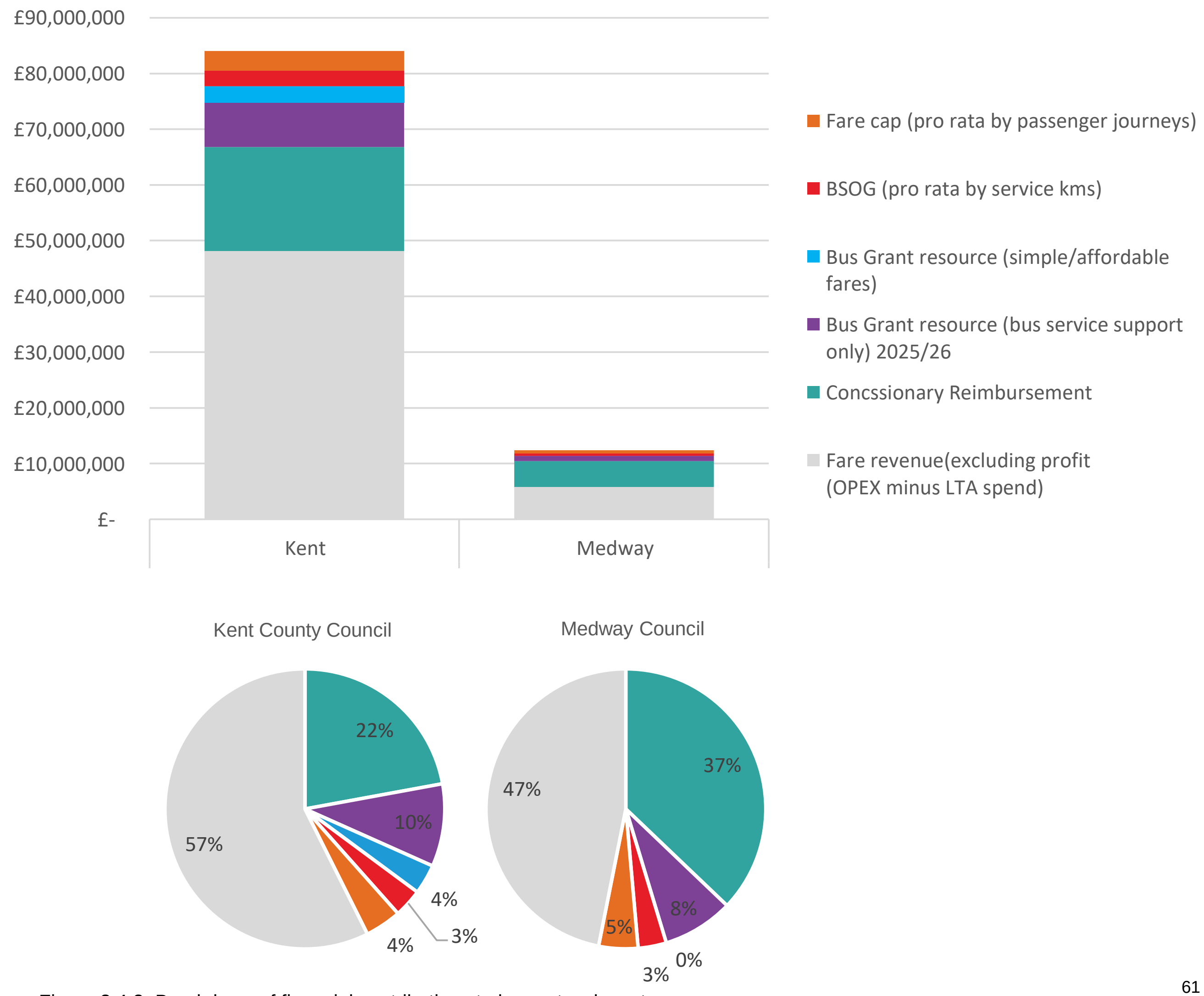


Figure 3.4.2: Breakdown of financial contributions to bus network costs

3.5 Current bus revenue funding: Berkshire Local Authorities

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.5 Current bus revenue funding: Berkshire Local Authorities

Current bus funding landscape

Across the Berkshire Local Authorities the total bus network is estimated to cost £43.7 million to run each year, local and central government provides approximately £16.1 million in financial support, which equates to 37% of the cost of operating the network.

Opportunities

With the exclusion of Reading and Slough, the individual bus markets in the Berkshire local authorities are relatively small, generally costing less than £5 million to operate each year. As bus support and partnership with operators is currently managed at the local authority level there will likely be significant opportunities to make efficiencies if bus governance were shifted to the regional scale, though no devolution agreements are in place currently. For example, Bus Grant funding spent on providing fare offers or developing multi-operator tickets can be regionalised, not only providing a better offer to passengers but reducing duplication of work.

Additionally, under devolution more commercially successful parts of the network might be enabled to cross-subsidise less-commercial areas. This would be best delivered under a franchising deal where profits from successful services can be re-invested.

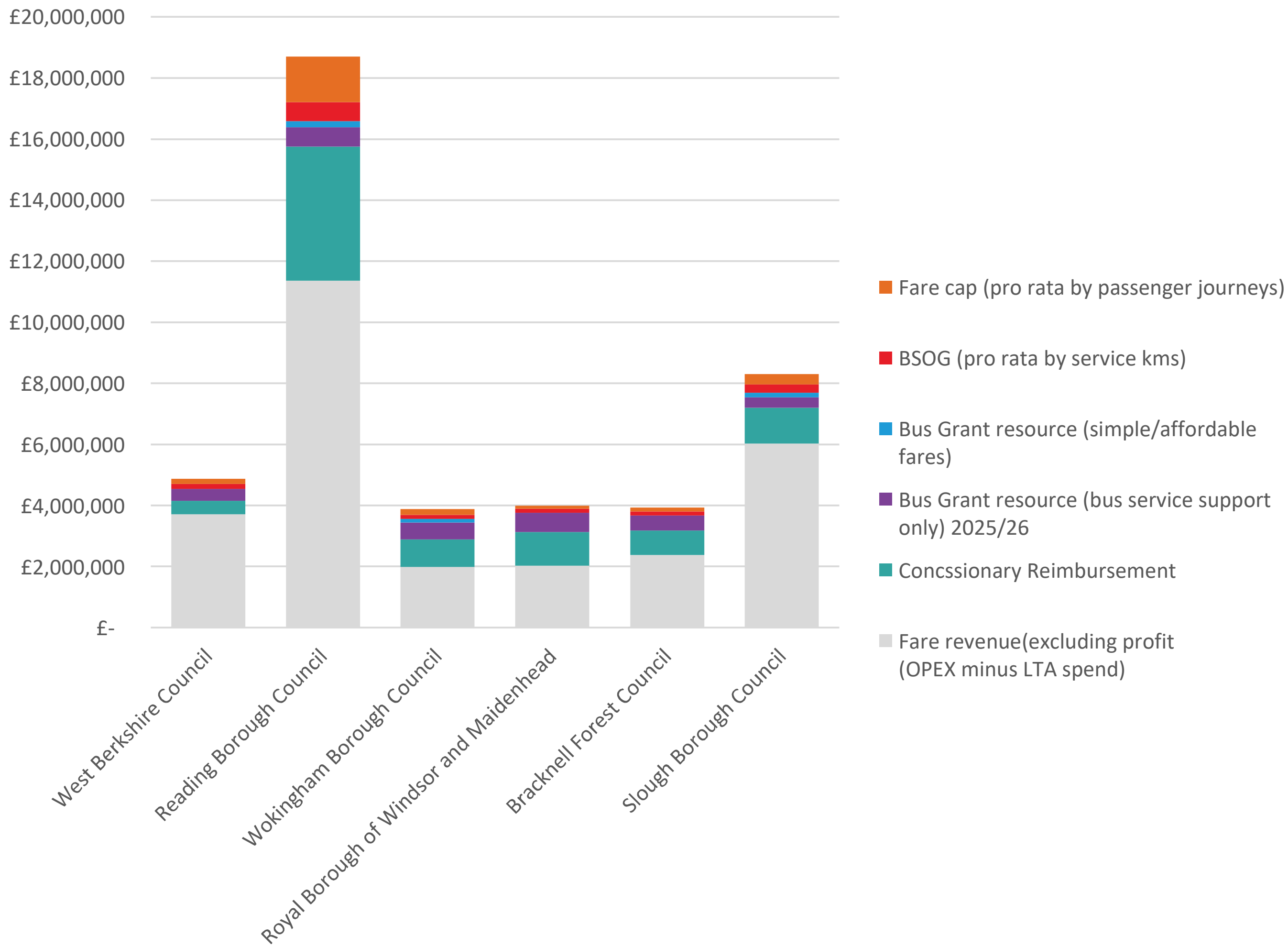


Figure 3.5.1: Breakdown of financial contributions to bus network costs

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.5 Current bus revenue funding: Berkshire Local Authorities

Current bus funding landscape (cont'd)

The bus network in **West Berkshire** is estimated to cost less than £5 million per year to operate. Currently central and local government provide around £1.1 million each year through direct support and concessionary reimbursement.

The bus network in **Reading** is the most expensive to operate of the Berkshire local authorities, owing to the greater number of bus service kms in operation. The network costs an estimated £18.7 million to operate and government provides around £7.3 million in total support.

Bus services in **Wokingham** receives a significant level of support from local and government spending (£1.9 million); the support is equal to roughly half of the estimated cost of operating the network (£3.9 million).

Bus services in **Windsor and Maidenhead** also receive a significant amount of financial support (£2 million) compared to the estimated cost of the network (£4 million).

Bus services in **Bracknell Forest** receive £1.5 million in financial support and the bus network is estimated to cost £4 million to operate.

The bus network in **Slough** is predominantly commercial with a relatively low level of financial support (£2.3 million) for a network which costs an estimated £8.3 million to operated annually.

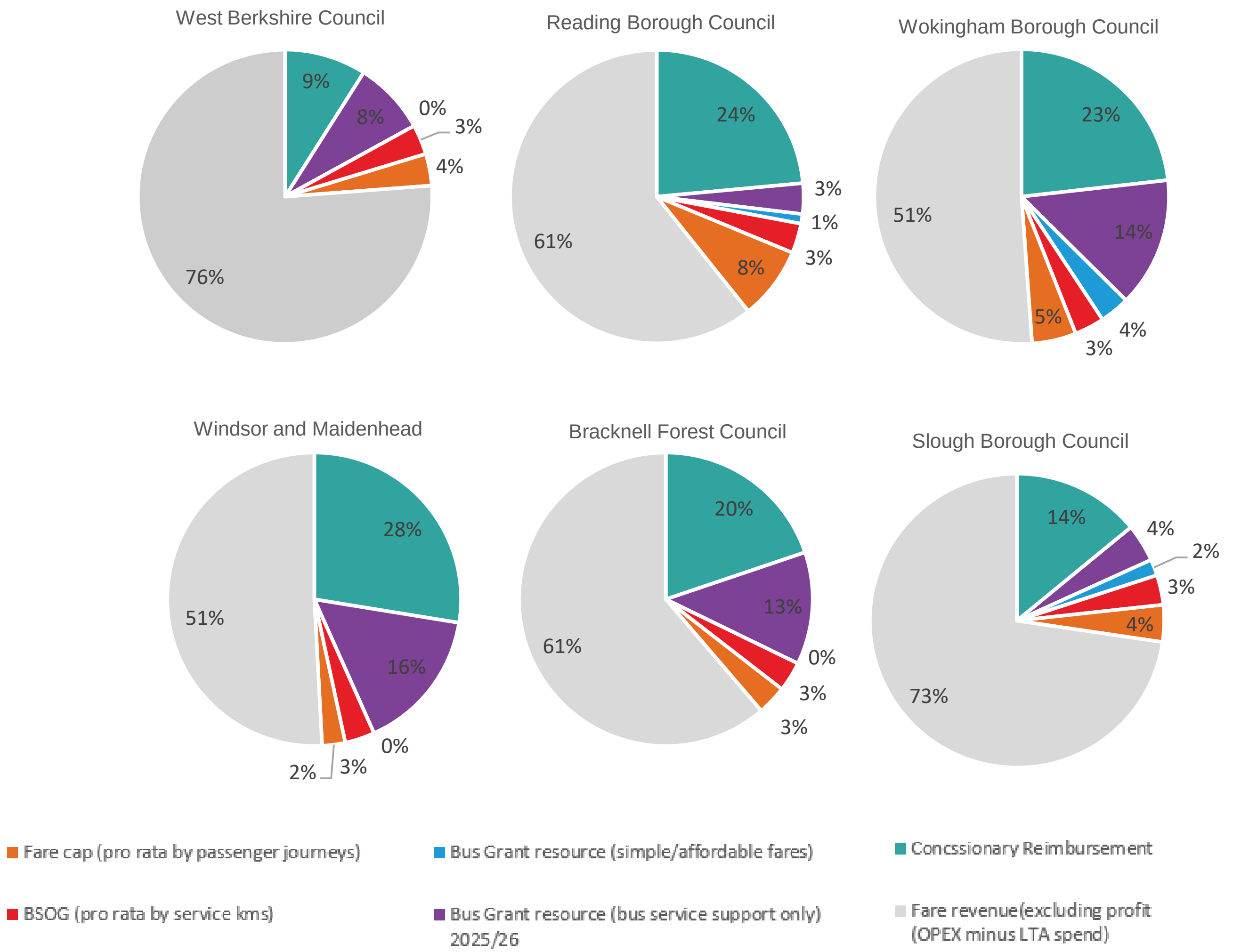


Figure 3.5.2: Breakdown of financial contributions to bus network costs

3.6 Current and future bus revenue funding: Sussex & Brighton and Hove

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.6 Current and future bus revenue funding: Sussex & Brighton and Hove

Current bus funding landscape

In Sussex and Brighton and Hove area the total bus network is estimated to cost £137 million to run each year, local and central government provides approximately £54.3 million in financial support, which equates to 40% of the cost of operating the network.

Overall, the three authorities contribute similar financial support as a proportion of the operating costs of bus services in each area. In **West Sussex** most financial support is spent on reimbursing concessionary fares (£10 million) and on bus service support through the Bus Grant (£4 million). In **Brighton and Hove** the majority of financial support is spent on concessionary fares reimbursement (£11,8 million), simple/affordable fares schemes (£3.7 million) and the £3 fare cap (£3.2 million). In East Sussex a total of £14.5 million is spent in support of the bus network each year, and like Brighton and Hove most of this is spent on concessionary fares reimbursement and affordable fares schemes, only a small proportion is spent on directly supporting bus services.

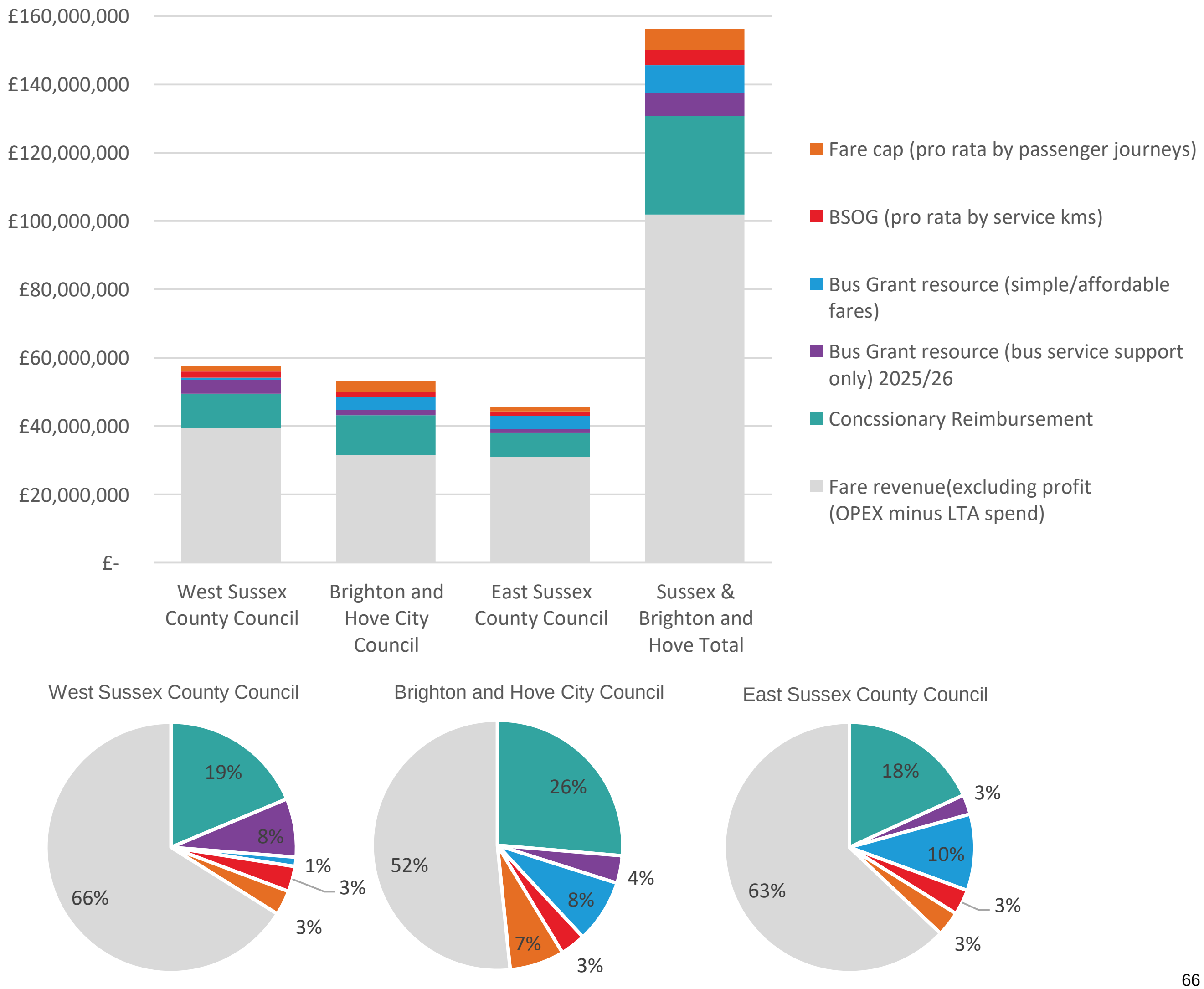


Figure 3.6.1: Breakdown of financial contributions to bus network costs

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.6 Current and future bus revenue funding: Sussex & Brighton and Hove

Potential Levy

According to the Local Government Financing Act Combined Authorities are levying bodies. As such a CA is able to levy to fund its transport functions as the Local Transport Authority (LTA) and the level and contributions of the levy are decided by the CA. Other CAs including West of England and West Midlands use a proportional approach by the population of each local authority.

Figures 3.6.2 and 3.6.3 consider the current financial support provided to bus services across East Sussex, West Sussex and Brighton and Hove. These figures take into account the Bus Grant spend on bus service support, BSOG contributions to operators and concessionary fares reimbursements (Fig. 3.6.2 only). This excludes more temporary support such as the fare cap.

Figure 3.6.4 shows the split of the population across the Sussex and Brighton and Hove area. If a proportional levy approach were to be applied to then the contributions by each UA would reflect the proportions shown.

This levying approach would likely result in a degree of cross-subsidy between the UAs via the Combined Authority as the financial support on bus services and other bus-related spending would likely not be split in these proportions. The level of potential cross-subsidy can be seen when comparing the current proportion of financial support and the proportion of population.

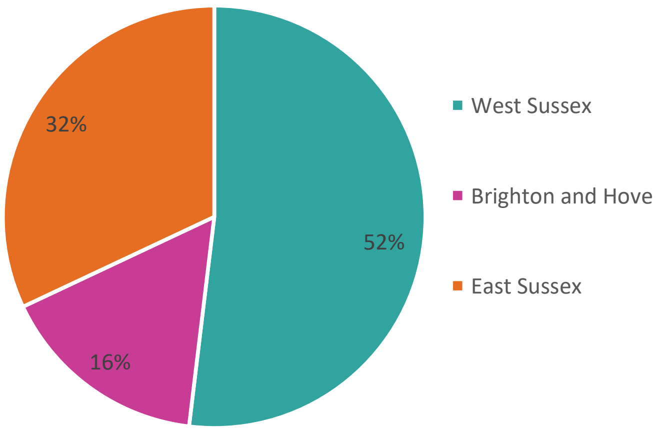


Figure 3.6.4: Population proportions across the combined authority.

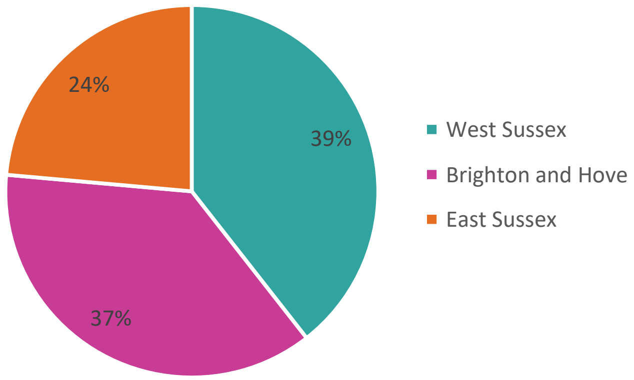


Figure 3.6.2: Current proportion of financial support (incl. Concessionary fares)

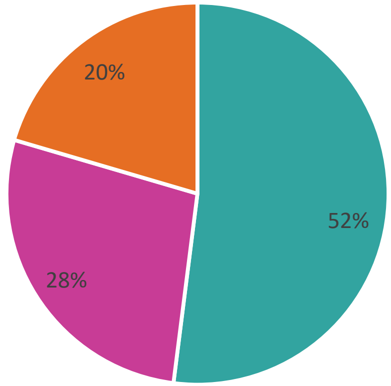


Figure 3.6.3: Current proportion of financial support (excl. Concessionary fares)

3.7 Current and future bus financial support: Surrey

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.7 Current and future bus financial support: Surrey

Bus funding landscape: Surrey

The total financial support on buses by central and local government in Surrey is £14.5 million, equal to approximately 30% of the cost of operating bus services in the area.

The spending on bus services is split across concessionary fare reimbursement, Bus Grant (bus service support), Bus Grant (simple and affordable fares), BSOG and Fare Cap.

Potential Transport Levy

To fund transport services Surrey Combined Authority could agree a Transport Levy with the Unitary Authorities. As shown in the case studies in Section 3.7 other Combined Authorities formulate levy contributions by population size, with a per capita contribution from each UA.

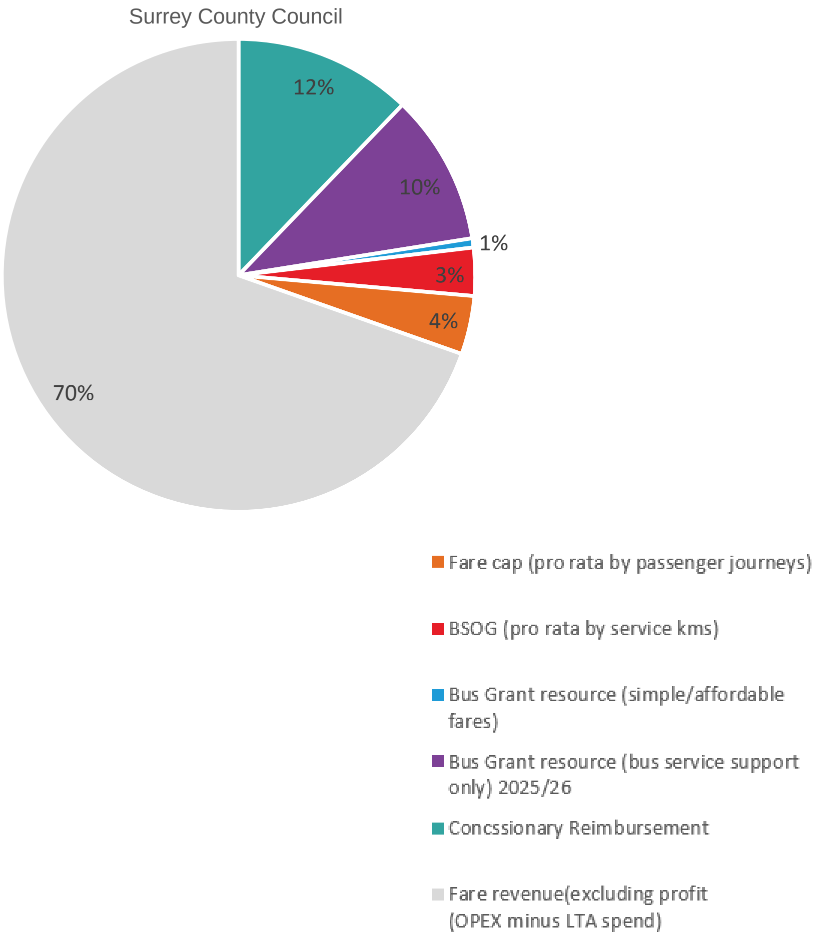


Figure 3.7.1: Breakdown of financial contributions to bus network costs

3.8 Transport Levies

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.8 Transport Levies

Overview

A Transport Levy can be used to pool funds from the Unitary Authorities to fund the key transport functions assumed by the Strategic Authority from the Unitary Authorities. Transport Levies are currently used by many existing Strategic Authorities to fund transport functions such as supported bus services and concessionary fares reimbursement.

A summary of the historical context, governance issues and powers and functions relating to Transport Levies are provided opposite.

Case studies

This section also provides case studies of West of England, West Yorkshire and West Midland Combined Authorities and how they currently apportion and use their Transport Levy powers.

Historical Context

Transport Levying Bodies Regulations 1992: Enabled certain PTEs and later MCAs to raise funds through a levy on constituent local councils

Purpose: Financial mechanism to fund public transport services such as buses, light rail, and infrastructure maintenance

Legislative amendments: In 2016 and 2017 allowed newer MCAs to issue levies and enabled increased localised control over transport funding and planning

Governance

Decision making authority: MCA committee or board decides the total levy amount; this is informed by the transport budget outlining Opex and Capex needs

Apportionment formula: Contributions from each UA are usually based on a formula agreed locally

Common apportionment factors: Population size, Council tax base, Geographic area, Transport usage patterns

Negotiation and agreement: Formula and levy amount are typically negotiated annually, UAs may challenge or renegotiate their share if circumstances change

Transparency: Levy details are published in budget reports and public consultations, ensuring local accountability

Powers and Functions

Discretionary setting: The level of levy is determined by the MCA itself, based on the estimated cost of delivering transport functions[1]

Functions

- **Subsidising public transport:** Supporting bus services, especially those not commercially viable but socially necessary
- **Infrastructure Maintenance:** Funding the upkeep of bus stations, interchanges, and other transport infrastructure
- **Capital Projects:** Financing new transport infrastructure such as tram systems or park-and-ride facilities
- **Operational Costs:** Covering administrative and operational expenses of transport authorities
- **Strategic Planning:** Supporting long-term transport planning and integration across regions

1 The Transport Levying Bodies (Amendment) Regulations 2017

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.8 Transport Levies

Case study: West of England Combined Authority

The West of England Mayoral Combined Authority is made up of Bristol City Council, South Gloucestershire Council, Bath and North East Somerset (BANES) Council. They are closely partnered with North Somerset Council, with whom they share a BSIP and EP.

Bus Network Overview

- 13 operators operating routes within and across the West of England boundary
- A total of 127 active services, providing c.1.03 million kilometres of services a week. Services are in operation a total 54,218 hours per week.
- WESTLink DRT services operate across the MCA
- First Bristol, Bath & the West is the largest operator in the area and operates 563 vehicles from 5 depots, providing services for 81% of weekly revenue kilometres. Stagecoach West are the second largest operator.
- The remaining 11 operators provide over 4.7 million kilometres of service across 36 services, operating from 18 depots across the West of England Mayoral Combined Authority and in adjacent authority areas.

Information

Bus travel information for the area can be found on the WEST branded website. The site includes a journey planner tool, updates on service changes and disruptions, a multimodal transport map, interactive travel map, bus timetables and information on fares and ticket offers.

Branding

The “WEST” brand has been adopted as the brand for buses in the combined authority. It can currently be seen on the DRT mini-bus vehicles, the travel information website ,including the multi-modal map and all fares and ticket offers by the MCA.

Fares & Ticketing

The MCA has several fare and ticket offers available and is developing the WESTapp and collaborating on Project Coral to deliver integrated ticketing across buses in the area.

- £6 daily fare cap for Bristol and Bath zones and £7 for the wider region.
- £1 fares for U16s
- MCA-wide “Birthday Bus” initiative offers passengers free bus travel in their birthday month.
- Travelwest (a pre-loaded multi-operator travel card for the MCA area)
- Freedom Travel Pass – unlimited bus and rail travel across Bristol, BANES, North Somerset and south Gloucestershire

Figure 3.8.1: WECA “WEST” brand

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.7 Transport Levies

Case study: West of England Combined Authority

The West of England BSIP covers the West of England Mayoral Combined Authority (MCA) and North Somerset Council. Highway powers are held by the constituent Unitary Authorities.

Spending on buses

The MCA (via the transport levy provided by the highways authorities in the area) supports 32 bus services and NSC supports 13 non-commercial bus services. The Transport Levy contributions are linked to population and therefore the pooling of funds centrally leads to effective cross-subsidy between the local authorities

BSIP funding has been used to fund the WESTLink Demand Responsive Transport service across the combined authority as well as funding “enhanced” services – frequency or operating hours upgrades to commercial services.

BSIP funding

The West of England area was awarded £105.4 million in BSIP funding to be spent across a three-year period between 2022/23 to 2024/25.

This funding was divided between two streams, £57.5 million in revenue and £48 million in capital funding.

Transport Levy

The Transport Levy is a mechanism to pool funds centrally for transport expenditure by the combined authority. For bus spending this effectively works as a form of cross-subsidy based on following distribution of inputs and outputs of the Levy:

- Bristol contributes 48% of the total Levy as the largest population centre in the West of England. The city is mostly served by commercial services, with 6 supported services funded by the Transport Levy.
- BANES contributes 24% of the Transport Levy funding and receives 14 supported bus services.
- South Gloucestershire contributes 19% of the Transport Levy and receives 6 supported bus services.
- North somerset contributes 9% of the Transport Levy and receives 8 supported bus services.

Though the contributions from each member are based on population, the spending from the Levy on supported services reflects the differing needs across the area, with Bristol having fewer supported services than the more rural surrounding areas.

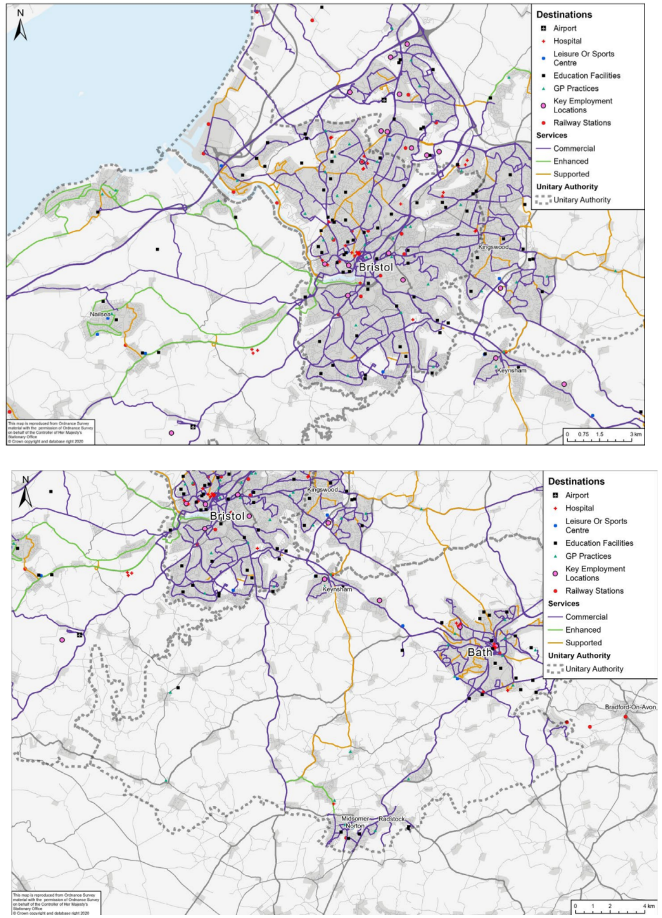


Figure 3.8.2: Commercial, supported and enhanced services. Bristol city (top) and Bath and North East Somerset (bottom).

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.7 Transport Levies

Case study: West of England Combined Authority

Transport Levy (cont'd)

Supported services

All bus service contracts were novated to the Combined Authority in April 2020 and subsequently reviewed and extended where necessary to align expiry dates and enable a collective and consistent approach to be taken to the procurement of the next set of contracts. This has enabled the Combined Authority to improve value for money as operators have been able to optimise the utilisation of their vehicles, saving on operational costs[1].

The other advantage of bringing together the management of bus services is providing greater consistency across the Local Transport Authority. This includes in the evaluation of contract tender prices, for example to ensure as far as possible, services supported do not have wildly different costs per passenger journey.

Other Levy schemes

Besides funding supported bus services the Transport Levy also funds a number of other bus-related schemes in the MCA, including community transport grants, concessionary fares and provision of real Time Information (RTI). The full list of functions is shown in Figure 3.8.4.

Function	2023/24 Budget (£,000's)	2023/24 Forecast (£,000's)	2024/25 Budget (£,000's)	2025/26 Budget (£,000's)	2026/27 Budget (£,000's)	2027/28 Budget (£,000's)	Total Budget (£,000's)
Team and Operational costs	1,367	1,491	1,625	1,707	1,776	1,848	8,323
Contribution from the Combined Authority*	(511)	(389)	(511)	(511)	(511)	(511)	(2,555)
BSIP Contribtution		(240)	(247)	-	-	-	(247)
Community Transport grants	1,653	1,556	1,653	1,653	1,653	1,653	8,265
Concessionary Fares	13,018	11,442	12,183	13,641	14,323	15,039	68,204
Real Time Information (RTI)	402	403	403	423	444	467	2,139
Supported Bus Services	3,059	6,327	6,458	6,593	6,730	6,871	29,711
Metrobus	73	114	107	112	118	124	534
Updating Bus Stop Information	177	178	182	191	200	211	961
Travelwest	14	13	14	14	15	16	73
Integrated Ticketing	216	205	215	226	237	249	1,143
Total Levy Expenditure	19,468	21,100	22,082	24,049	24,985	25,967	116,551
Total Levy Income	(19,468)	(19,468)	(19,468)	(19,468)	(19,468)	(19,468)	(97,340)
Additional Income							
S106 Funding		(370)	(331)	(331)	(331)	(331)	(1,324)
BSOG	-	(1,148)	(1,148)	(1,148)	(1,148)	(1,148)	(4,592)
Recharge moving operators net to gross cost		(389)					-
Transfer to / (from reserves)	1,147	275	(1,134)	(543)	-	-	(530)
Total Additional Income	1,147	(1,632)	(2,613)	(2,022)	(1,479)	(1,479)	(6,446)
Net Position	-	-	0	2,559	4,038	5,020	11,617

Figure 3.8.4: WECA Transport Levy Expenditure and Income (Source: WECA Budget 2024/25 (Item 16 - Budget and Financial Strategy.pdf)

1 Transport Levy.pdf

3. Current state and future opportunities for bus funding and cross-subsidy bus planning
3.8 Transport Levies

Case study: West of England Combined Authority

Developing a comprehensive regional bus network

AssessWEST

To rebalance the regional bus network and develop a comprehensive and connected public transport offer across the West of England, we have embarked on a programme of work – AssessWEST.

AssessWEST, is a long-term piece of work which spells out an ambition for a more comprehensive and more connected transport offer.

Though WECA do not currently have control of the planning and delivery of bus services, the work of AssessWEST will allow operators and other partners to align their investment and delivery with WECA's long term vision for the network.

A sample of WECA's short-term proposals to **Bus service standards**

The MCA is developing a set of service standards (Fig. 3.8.3) based on an area classification by population and 4 different route types.

In the long-term the MCA aims to develop options for the local bus network, using AssessWEST, which are aligned to the area's JLTP and CRSTS programme. The aim is to begin to guide the planning of the bus network at a regional level through the EP.

Population	Radial Route	Orbital Route	Inter-Urban	Inner-Circular
Conurbations Over 70,000	6-12 buses / hour (single or coordinated) 0500-2359 Daily		4-6 buses / hour 0600-2300 Daily	6-12 buses / hour 0500-2359 Daily
Urban areas Over 70,000	6 buses / hour 0500-2359 Daily	6 buses / hour 0500-2359 Daily	4 buses / hour 0600-2300 Daily	4 buses / hour 0700-2200 Daily
Urban areas 20,001 – 70,000	4 buses / hour 0600-2300 Daily	4 buses / hour 0600-2300 Daily	4 buses / hour 0600-2200 Daily	3 buses / hour 0700-2100 Mon-Sat*
Urban areas 10,001 – 20,000	3-4 buses / hour 0700-2230 Daily	N/A	3-4 buses / hour 0600-2100 Daily	N/A
Rural areas 3,001 – 10,000	2-3 buses / hour 0700-2230 Mon-Sat*	N/A	2-3 buses / hour 0600-2100 Mon-Sat*	N/A
Rural areas 501 – 3,000	1-2 buses / hour 0700-2230 Mon-Sat*	N/A	1-2 buses / hour 0600-2100 Mon-Sat*	N/A
Less than 500	Provision of DRT to Transport Hubs for small rural areas with less than 500 people			

Figure 3.8.3: WECA Outline service standards

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.8 Transport Levies

Case study: West Midlands Mayoral Combined Authority

Transport for West Midlands (TfWM) as part of West Midlands Combined Authority (WMCA) is funded in the main by the Authority's Transport Levy (which was, for example, £117m in 2022-23). Each of the seven Metropolitan Councils of the West Midlands pay their levy based on their published population figures.

When the councils set their council tax levels, they must take into consideration the levy after they have allowed for any grants that they receive towards the cost. More than half the levy funds the National Concessionary Travel Scheme for free or half-priced bus, train and tram travel for those who qualify, as well as funding subsidised bus services as set out in the West Midlands Bus Service Improvement Plan.

An example of the contribution from each council is shown in Figure 3.8.5 opposite. The Levy contribution from each authority is equal to £41.24 per resident.

Figure 3.8.6 shows the activities funded by the Transport Levy amongst other minor funding sources.

TfWM Budget Spending	2022/23 £m	2023/24 £m
Concessions for elderly and disabled people	47.8	47.2
Child Concessions	6.7	7.2
Rail and Metro Concessions	4.6	4.6
Accessible Transport	6.6	6.6
Subsidised Bus Services	13.4	14.3
Bus Services and Infrastructure	5.6	5.9
Integration (inc Safety & Security and Passenger Information)	10.1	11.3
Rail & Metro Services	10.3	15.8
Network Resilience	3.7	3.2
Commonwealth Games	18.7	0.0
Strategic Development & Transport Democratic Services	5.0	5.0
Business Support Costs	4.3	5.0
Financing Costs	8.4	10.2
Total Expenditure	**145.3**	**136.2**
Use of Reserves	9.1	9.2
Business Rates Income	0.0	4.7
Commonwealth Games	18.7	0.0
Efficiency Target	0.6	3.0
Funded by District Levy	**117.0**	**119.4**

Figure 3.8.6: West Midlands Combined Authority Transport Levy expenditure (Source: transport-levy-leaflet-2023-2024-final.pdf)

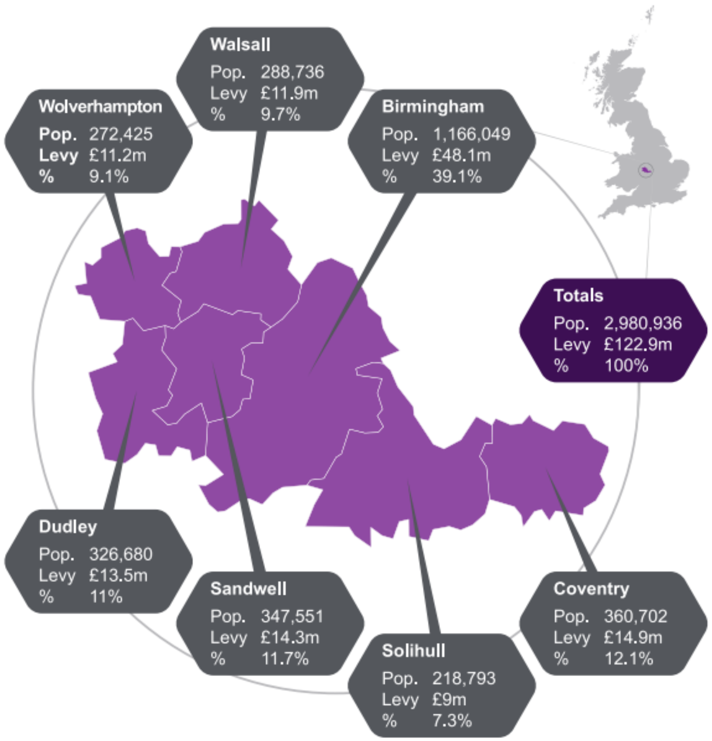


Figure 3.8.5: West Midlands Combined Authority Transport Levy contributions
(Source: Where does Transport for West Midlands spend its money? | Transport for West Midlands)

3. Current state and future opportunities for bus funding and cross-subsidy bus planning

3.8 Transport Levies

Case study: West Yorkshire Combined Authority

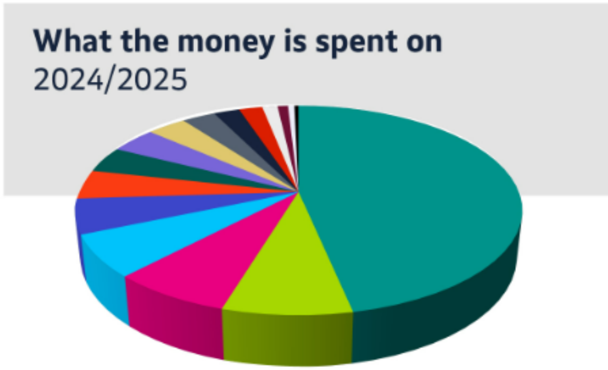
The Transport Levy forms a key part of WYCA's funding for transport. As Figure 3.8.7 shows the Transport Levy makes up 11% of the total funding received by the combined authority.

The transport levy is set at a level to meet the costs of providing the transport activities set out above, after allowing for income generated at bus stations. The levy is also used to fund statutory obligations, for example the costs of the English National Concessionary Travel Scheme (ENCTS).

In 2024/25 WYCA collected £92 million through the Transport Levy. This covers spending on transport including £37.5 million on concessionary travel schemes (ENCTS), £10.9 million on subsidised travel for young people and £29 million on other tendered services[1].

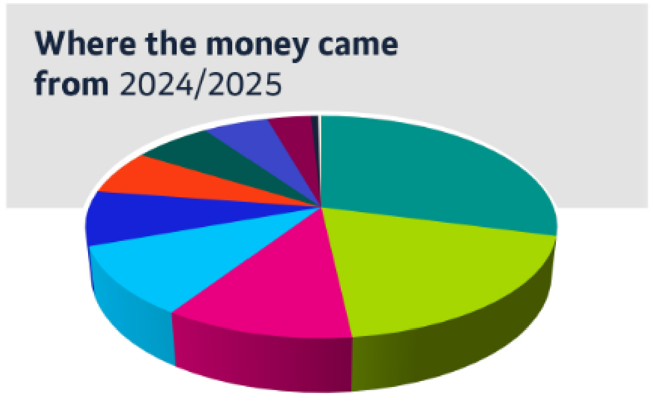
Capital funding

In addition to the Transport Levy, WYCA received roughly £478 million in 2024/25 in capital funding from central Government to improve West Yorkshire transport, housing, jobs and skills. The grant funding included the City Region Sustainable Transport Settlement, Transforming Cities Fund Transport Fund and Active Travel fund amongst others.



Infrastructure for growth (Transport)	46.7%
Adult Education	8.0%
Growing businesses	7.4%
Infrastructure for growth (Housing & Regeneration)	6.5%
Passenger services	5.4%
Concessionary travel (senior, blind and disabled)	4.5%
Skilled people, better jobs	4.0%
Corporate services	4.0%
Energy and environmental resilience	3.4%
Subsidised bus services	2.9%
Police & Crime Commissioner	2.2%
Education transport	2.0%
Concessionary travel (young people)	1.3%
Finance charges	0.9%
Economic and transport policy and delivery	0.5%
Other corporate projects	0.4%

Figure 3.8.8: West Yorkshire CA spending
(Source: The Combined Authority Budget | Your Voice)



Other	29.1%
City Region Sustainable Transport Settlement	19.1%
Transport Levy	11.0%
Transforming Cities Fund	10.2%
Education & Skills Funding Agency	8.0%
Brownfield Housing Fund	6.5%
Local Transport Capital Funding	6.4%
Gainshare	5.3%
Transport Fund	3.6%
Local Enterprise Partnership Funding	0.6%
Police Precept	0.3%

Figure 3.8.7: West Yorkshire CA Funding sources
(Source: The Combined Authority Budget | Your Voice)

[1]The Combined Authority Budget | Your Voice

4. Current state and future opportunities for cross-boundary bus infrastructure

4.1 Overview

4. Current state and future opportunities for cross-boundary bus infrastructure
4.1 Overview

Spending on bus infrastructure in the South East

This section explores the provision of bus infrastructure in the South East, with regard to the current levels of spending on bus infrastructure, consistencies and inconsistencies in cross-boundary infrastructure and opportunities likely to arise as a result of devolution.

Looking at the local authorities which have confirmed plans for devolutions and those which have not yet put forward plans this section looks at the current bus infrastructure (including physical and non-physical assets, e.g. information, apps and websites) to understand alignment between the areas. The section will also consider how strategic-level governance, via devolution, might allow for improvements in infrastructure delivery, cost efficiencies and simpler, more consistent passenger experiences.

Figure 4.1.1 presents the current spending allocations for infrastructure schemes per capita in the 2025/26 Bus Grant allocations. The graph shows that there is significant variance in the levels of spending on infrastructure across the area. In particular, the main urban areas such as Brighton and Hove CC, Portsmouth and Southampton currently spend significantly more per capita than more rural areas such as West Sussex and East Sussex, and Hampshire. As bus governance moves to the Strategic Authority in these areas, it is likely that the core urban areas will continue to be the focus area for bus infrastructure – as these areas have the busiest bus corridors (and the most congested areas).

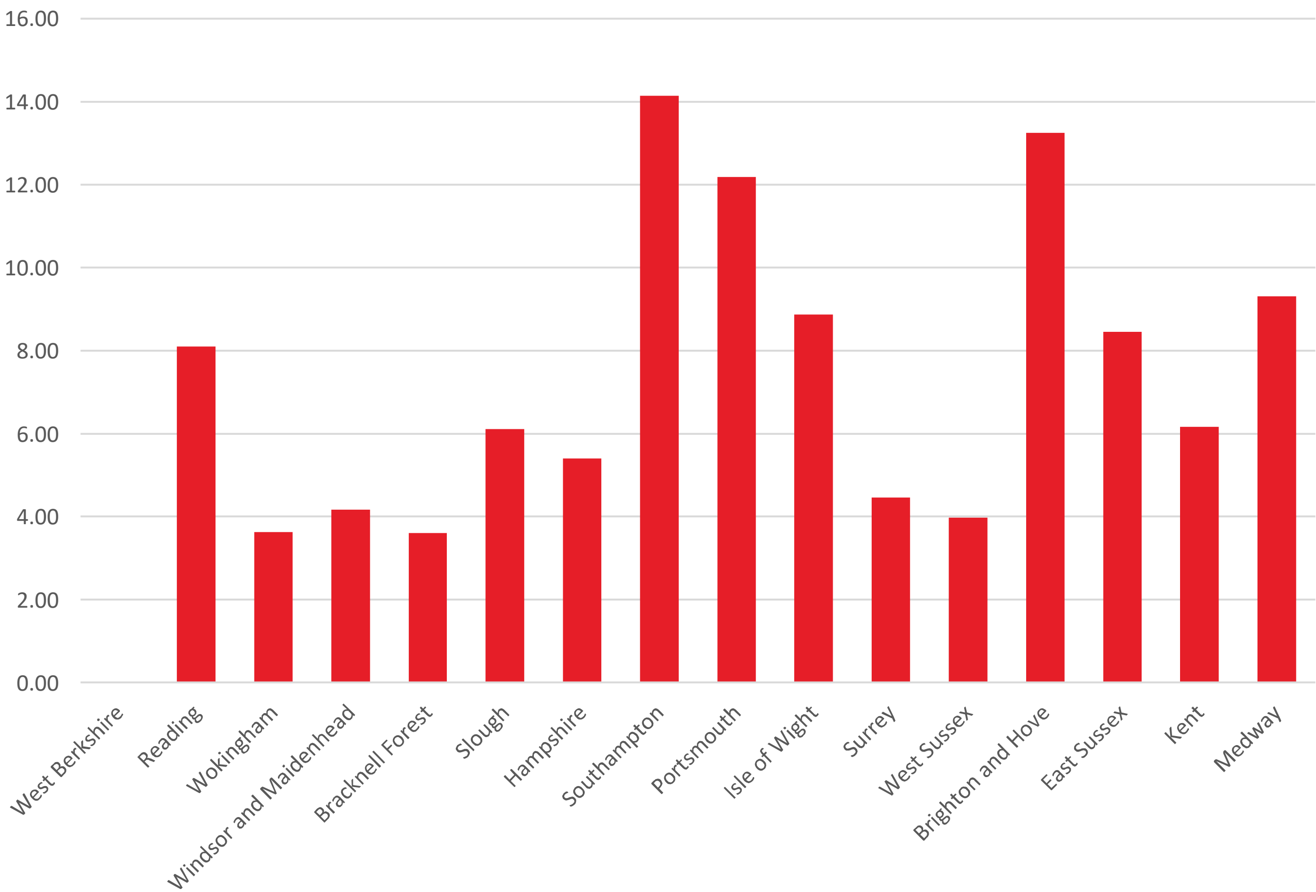


Figure 4.1.1: Bus Grant funds 2025/26 allocated to bus infrastructure schemes per capita (£). Data includes funds allocated to bus priority infrastructure, bus stops/stations/interchanges, improved information/marketing, ticketing equipment/systems, vehicles and other infrastructure schemes.

4.2 Current cross-boundary infrastructure

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Hampshire and Solent: Infrastructure spending

The 2025/26 Bus Grant allocations for the Hampshire and Solent local authorities is shown in Fig. 4.2.1. When the local authorities combined to form a Strategic Authority they will fund and delivery bus infrastructure across the whole area, using funds from the Transport Levy and central government capital funding. The Strategic Authority will need to account for the needs and ambitions of each of the unitary authorities and the current state of their existing infrastructure when allocating funding to infrastructure in the future.

Current state

Across the Hampshire and Solent area bus stops and interchanges, bus priority and stops and interchanges are the key priorities with regards to capital funding.

Hampshire CC and Southampton CC have allocated most of their capital funding to improvements to bus stops and interchanges as well as bus priority infrastructure.

Isle of Wight is spending capital funds on bus stops and interchanges, information and marketing as well as vehicles. There are no funds allocated to bus priority infrastructure.

Portsmouth CC have allocated most of their capital funds to information and marketing and bus priority infrastructure.

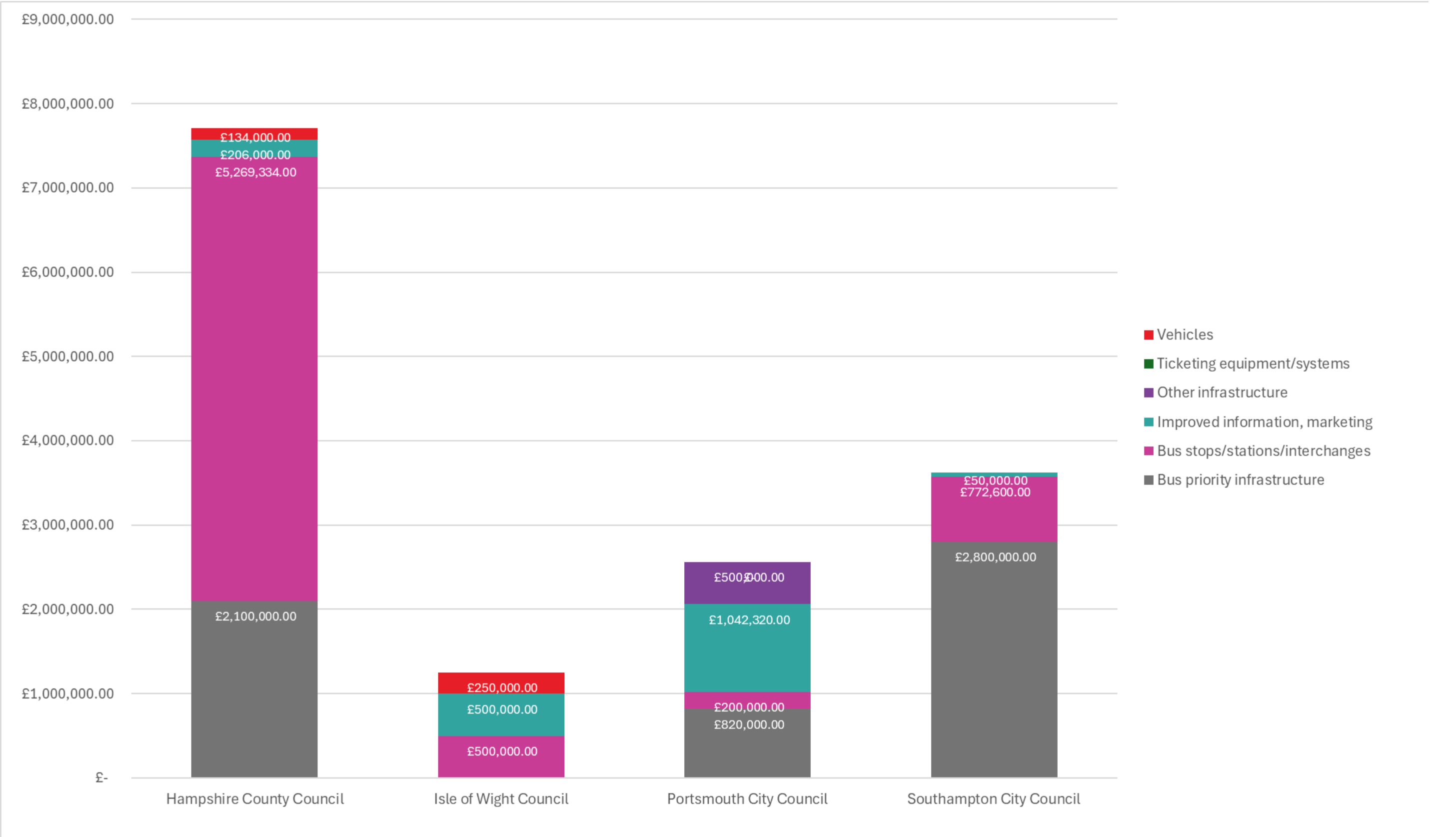


Figure 4.2.1 Bus Grant funds allocated for infrastructure 2025/26: Hampshire and Solent

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Hampshire and Solent: Current infrastructure

Information

Portsmouth, Southampton and Hampshire LTAs provide travel information on their "My Journey" websites which collate information on bus, rail, ferries, walking, cycling and road transport. Each LTA has its own website but they have common brand and the pages are linked to allow navigation between them. The website provides a journey planner tool , live bus information, operator timetables and information on the Solent Go travel card.

There is a shared brand for the "My Journey" travel planner website (see opposite) used by Portsmouth, Southampton and Hampshire.

Stops and stations

Between the LTAs there is little consistency in the style and branding of bus shelters across the wider area. The formation of a Strategic Authority would provide an opportunity to plan and deliver consistent bus infrastructure in line with best practice principles.

Fares and Tickets

Solent Go is a multi-operator bus ticket covering South Hampshire, including Southampton, Portsmouth, Winchester and Havant. The card doesn't currently cover the whole of the Hampshire and Solent area, under a Strategic Authority there would be an opportunity to extend multi-operator tickets to cover the whole area.

HELPING SOUTHAMPTON GET AROUND my Journey

HELPING HAMPSHIRE GET AROUND my Journey

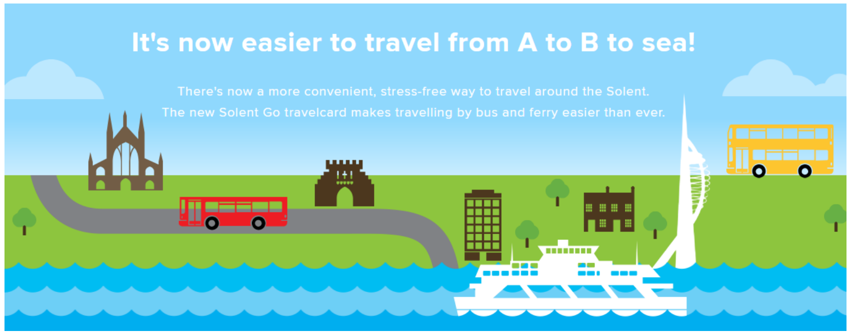
HELPING PORTSMOUTH GET AROUND my Journey


Southampton (Shirley Road)


Portsmouth (Winston Churchill Ave.)


Isle of Wight (Queen's Rd)


Winchester, Hampshire (Andover Rd)



Solent Go travel card advert

Figure 4.2.2: Branding, ticketing, information and infrastructure: Hampshire and Solent

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Kent County Council and Medway Council: Infrastructure spending

Kent County Council and Medway Council are not currently planning to form a Strategic Authority. This information on the current capital funding allocations for 25/26 are provided for reference should proposals for devolution emerge in the future.

Current state

Kent CC has allocated most of its capital infrastructure funding to bus stops and stations (£3.3m), bus priority (£2.5m) and vehicles (£3.7m), with a smaller sum allocated to information and marketing (£0.5m).

Medway Council is similarly investing in bus priority infrastructure (£1.3m), bus stops and stations (£682,559) as well as a small amount of funding allocated to ticketing equipment/systems (£470,000) and information and marketing (£185,000).

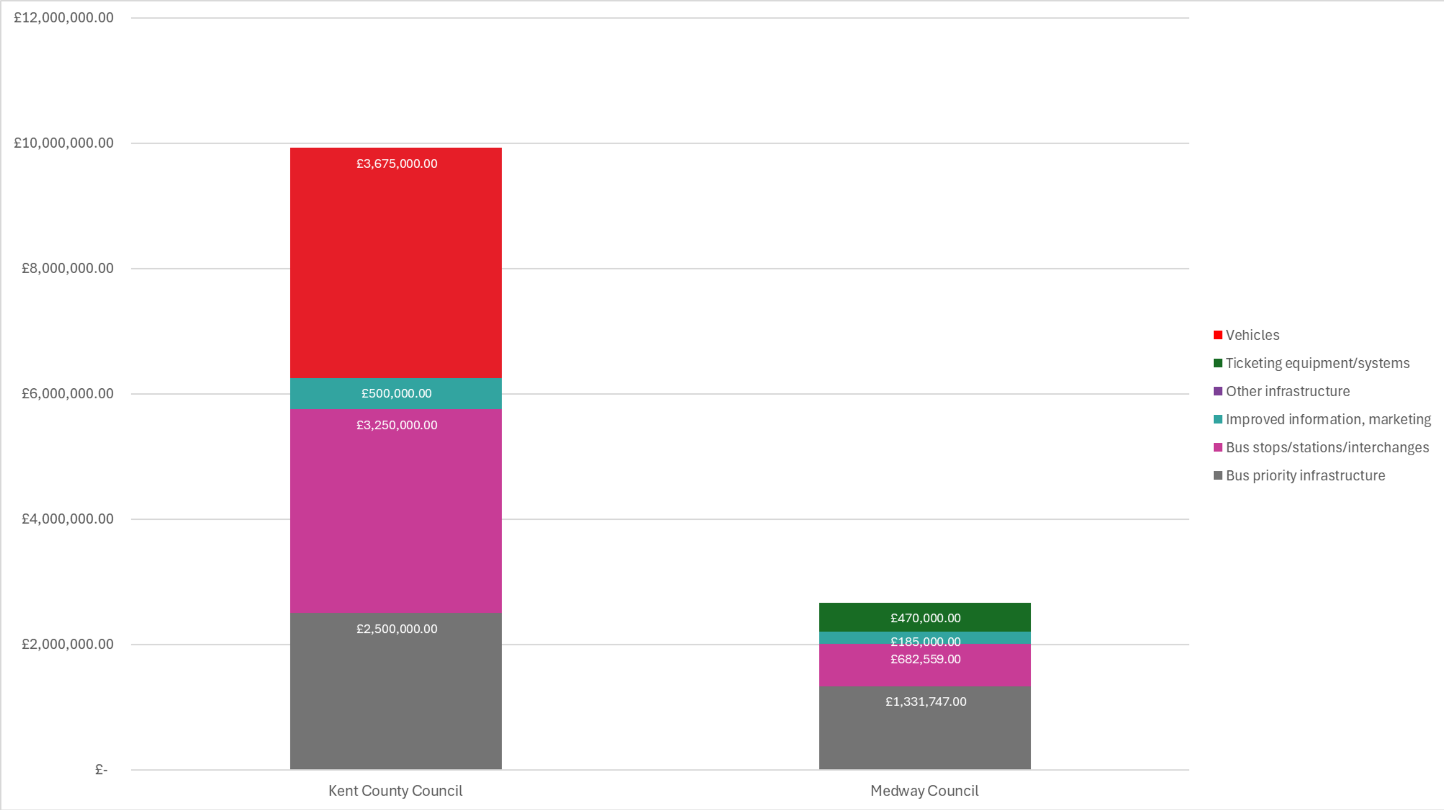


Figure 4.2.3: Bus Grant funds allocated for infrastructure 2025/26: Kent County Council and Medway Council

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Kent and Medway: Fares, ticketing, information and branding

Information

The Kent Bus Website (www.kentbusinfo.co.uk) provides users with a journey planner tool, a map of bus stops and all bus service timetables in one place. The website uses the minimal Kent Enhanced Partnership brand. In Medway the Medway Council website provides access to bus timetables, bus route maps and information on school services.

Branding

The Kent Travel Saver Brand and the Enhanced Partnership brand are distinct, separate brands which also have little relation to the Kent County Council branding. Medway doesn't have a specific bus brand, other than the council's own branding.

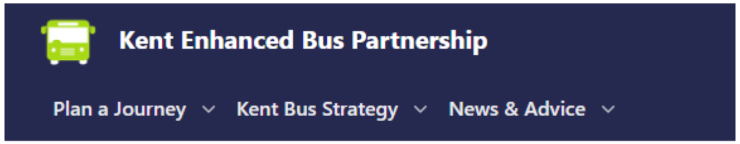
Fares and Tickets

Currently there are several multi-operator ticket/discount options in Kent and Medway:

- The South Downs Discovery ticket covers major bus operators in West Sussex, East Sussex, Brighton & Hove, East Hampshire, Surrey, Kent & Medway allowing visitors to hop on and off in the South Downs.
- Kent County Council Travel Saver is a school/college travel card– can be used if the journey starts or ends in Kent. The card can't be used on journeys which start and end in Medway.
- Kent Thameside multi-operator bus tickets


Gravesend Road, Rochester, Medway


A227, Tonbridge, Kent



Kent County Council Travel Saver

Figure 4.2.4: Branding, ticketing, information and infrastructure: Kent and Medway

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Sussex, Brighton and Hove : Infrastructure spending

The 2025/26 Bus Grant allocations for Brighton and Hove, East Sussex and West Sussex is shown in Fig. 4.2.5. When the local authorities combined to form a Strategic Authority they will fund and delivery bus infrastructure across the whole area, using funds from the Transport Levy and central government capital funding. The Strategic Authority will need to account for the needs and ambitions of each of the unitary authorities and the current state of their existing infrastructure when allocating funding to infrastructure in the future.

Current state

Brighton and Hove have allocated funds for bus priority infrastructure (£1.5m), bus stops and stations (£685,000m), information and marketing (£140,000) and other infrastructure (£1.3m).

East Sussex has allocated most of its capital funding o bus priority infrastructure (£4.1m) and some funds to bus stops and stations (£445,000) and information and marketing (£141,000).

West Sussex is focusing the majority of their capital funds on bus stops and stations (£2.2m) alongside smaller allocations for bus priority (£211,000), information and marketing (£165,000) and other infrastructure (£1m).

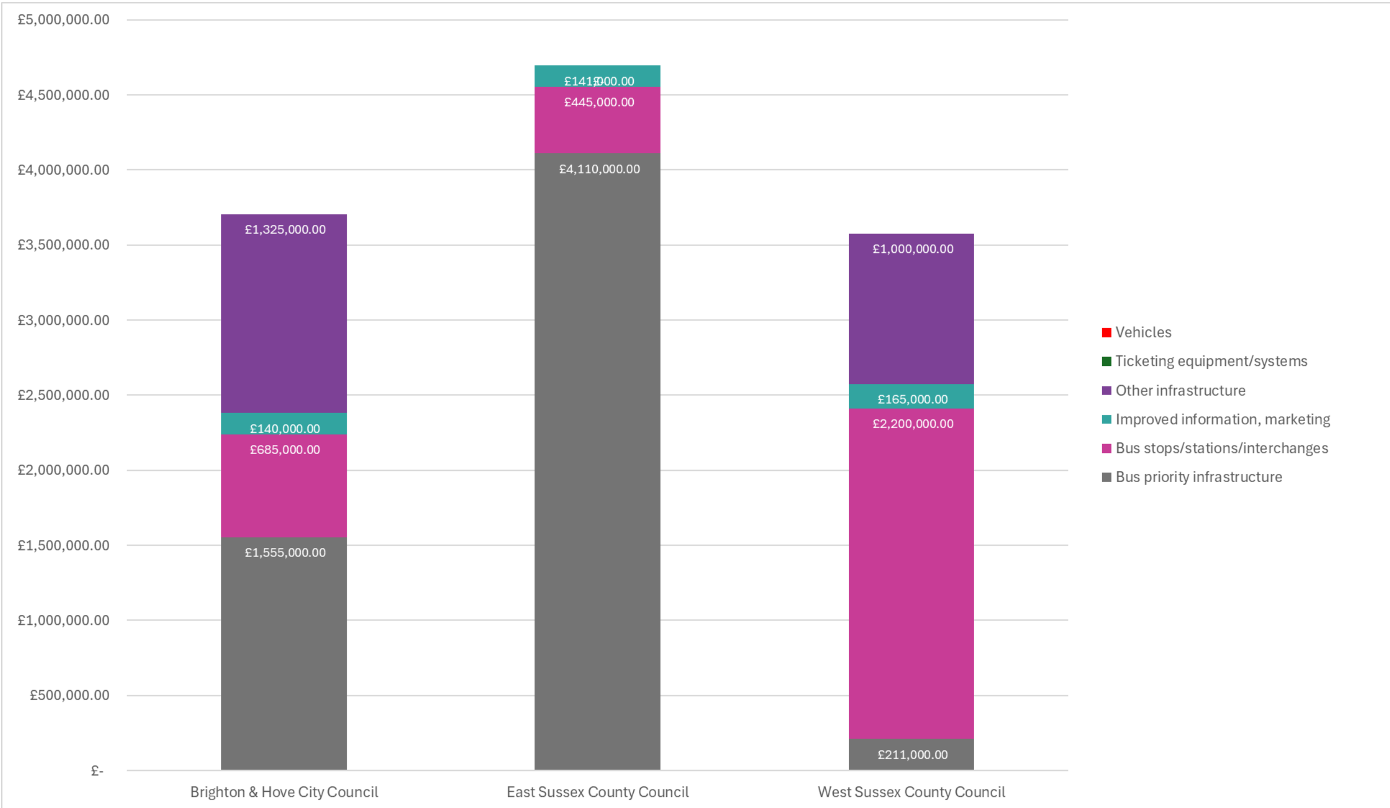


Figure 4.2.5 Bus Grant funds allocated for infrastructure 2025/26: Sussex, Brighton and Hove

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Sussex & Brighton and Hove: Fares, ticketing, information and branding

Information

Currently there is very minimal integration of bus travel information across the area.

East Sussex and West Sussex have a separate webpages, each showing journey information and an interactive bus map for each county. The webpages and interactive maps are not currently integrated with one another. The Brighton and Hove Buses website is the main resource for bus information as they are the major operator.

In East Sussex QR codes are provided at every bus stop which links passengers to live and scheduled departures. In Brighton and Hove has 42 Talking Bus Stops around the city for visually impaired passengers.

Branding

Branding of buses in Brighton and hove is largely dominated by the Brighton and Hove Buses (part of the Go Ahead group) brand. There are no specific brands used for promoting bus travel in East Sussex and West Sussex, the council's own brands are used to promote bus related information on the webpages.

Fares and Tickets

The South Downs Discovery ticket is availably for travel across the region but isn't very well used these days.

Brighton and Hove Buses has several fare discounts, however, these only apply on their bus services.

East Sussex offer a multi-operator ticket, which is eligible for journeys starting or ending in East Sussex.

Opportunity

As a combined authority there's an opportunity to create a joint suite of resources for bus passengers in terms of information, fares and ticketing, all under a recognisable and trusted regional bus/public transport brand. This would especially benefit the many passengers whose journeys are cross-boundary between the council areas and therefore currently the information available is complex and they may not be able to access the cheapest fares.

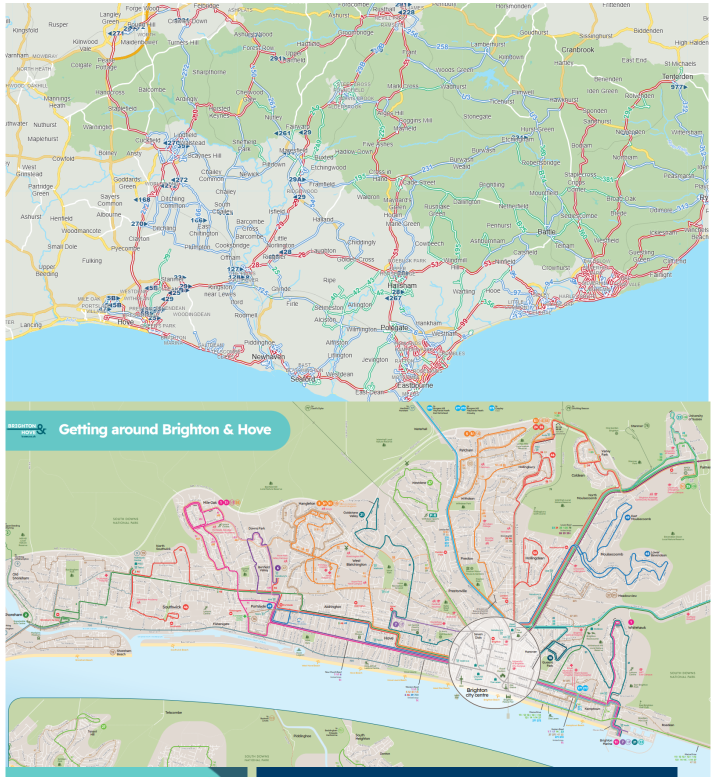


Figure 4.2.6 Branding, ticketing, information and infrastructure: Sussex, Brighton and Hove

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Surrey: Infrastructure spending

The 2025/26 Bus Grant allocations for Surrey is shown in Fig. 4.2.7. The majority of spending is allocated to bus priority infrastructure and vehicles , with smaller amounts dedicated to information, marketing and stops and stations.

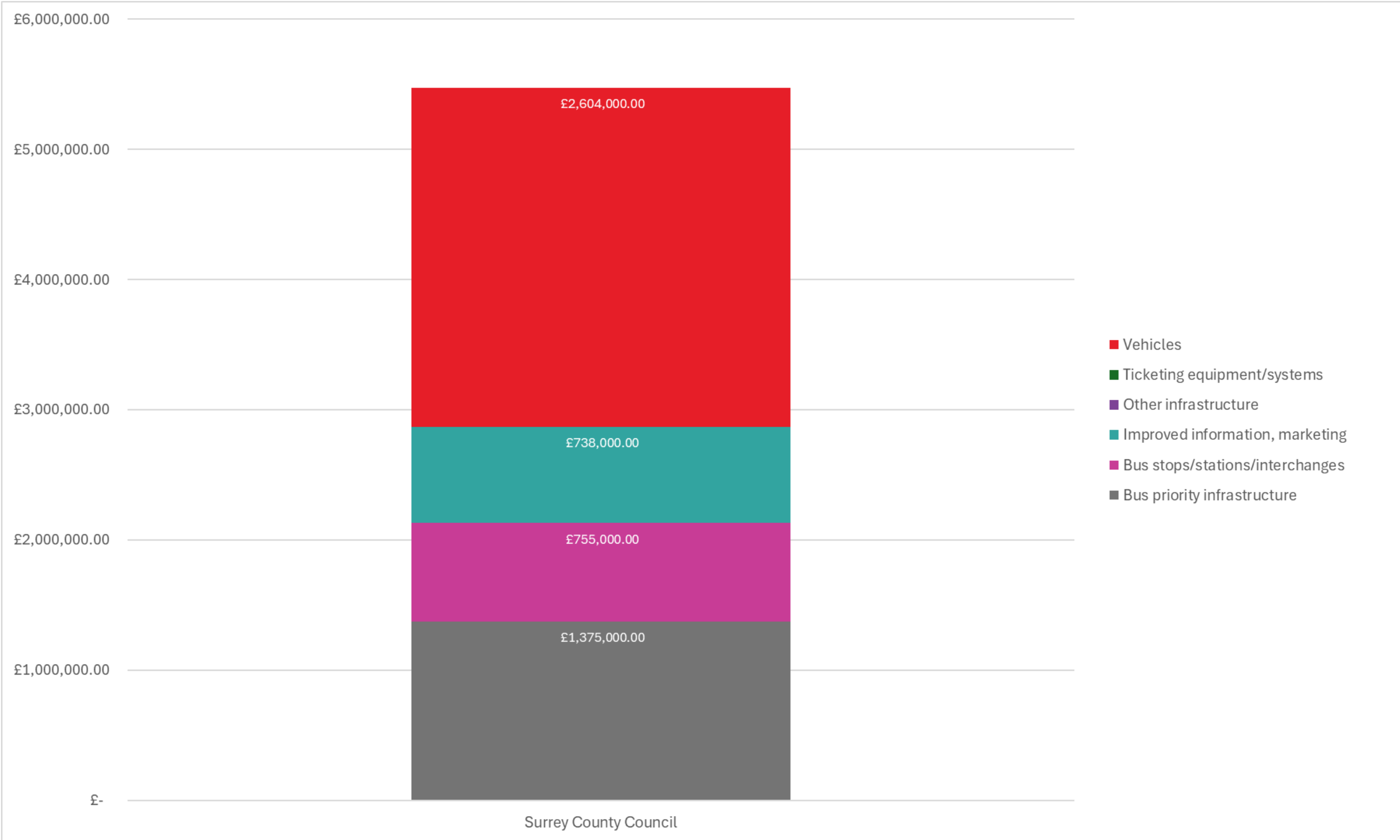


Figure 4.2.7: Bus Grant funds allocated for infrastructure 2025/26: Surrey

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Surrey: Fares, ticketing, information and branding

Information

Bus passengers can access comprehensive multi-operator bus maps on Surrey County Council's website, including individual maps for each urban area (See Figure 4.2.7).

Branding

Surrey County Council has an emerging bus brand which is related to the council's acorn brand.

Fares and Tickets

The Acorn Multi-Operator Bus Ticket offers unlimited travel for a day or week in North Surrey, the ticket covers most bus services except those operated by Transport for London. The Surrey LINK card allows young people, aged 20 and under, to travel for half price on single and return tickets for any journey that starts and/or finishes in Surrey.

Opportunity

A combined authority in Surrey should continue the work of Surrey County Council to develop a multi-operator ticket offer, potentially extending the Acorn ticket to cover the whole of Surrey. A virtual Acorn card or tap-on-tap of fare cap scheme could increase use and make discounts accessible for more journeys. The CA could further improve passenger experience by continuing to roll out RTI at stops and roll-out the Acorn brand to bus stop and stations as well as vehicles to further unify the network, build trust and patronage.

LINK Young Person's bus discount card

Acorn multi-operator ticket

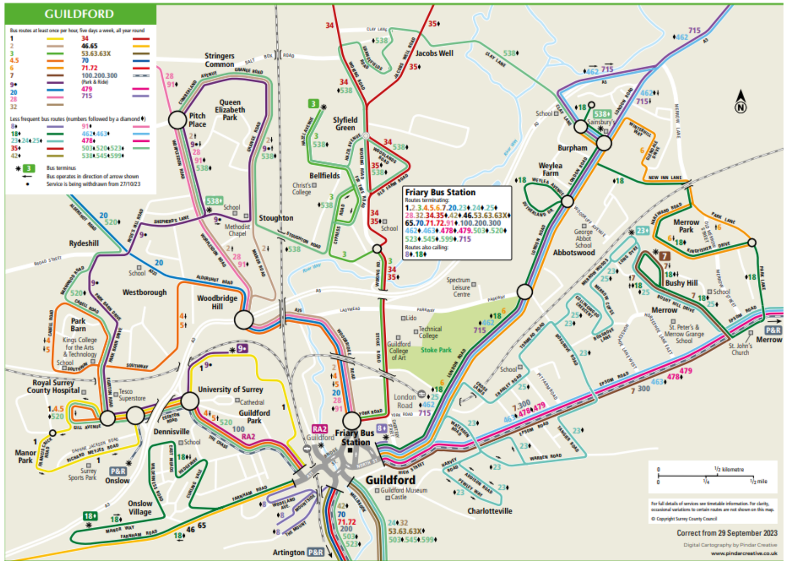


Figure X: Surrey multi-operator bus map

A2831, Guildford

A25, Redhill

Rushworth Road, Reigate

Figure 4.2.7: Branding, ticketing, information and infrastructure: Surrey

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Current cross-boundary infrastructure

Berkshire Local authorities: Infrastructure spending

The Berkshire local authorities are not currently planning to form a Strategic Authority. This information on the current capital funding allocations for 25/26 are provided for reference should proposals for devolution emerge in the future.

Current state

Reading and Wokingham have both allocated most of their capital funding to bus priority infrastructure.

West Berkshire has allocated no Bus Grant funding to capital projects.

Bracknell Forest has allocated funding to bus stops and stations, bus priority and other infrastructure.

Slough has split it's capital funding between bus priority infrastructure and stops and stations.

Windsor and Maidenhead has allocated most of their funding to stops and station, with the remainder allocated to improving information and marketing and bus vehicles.

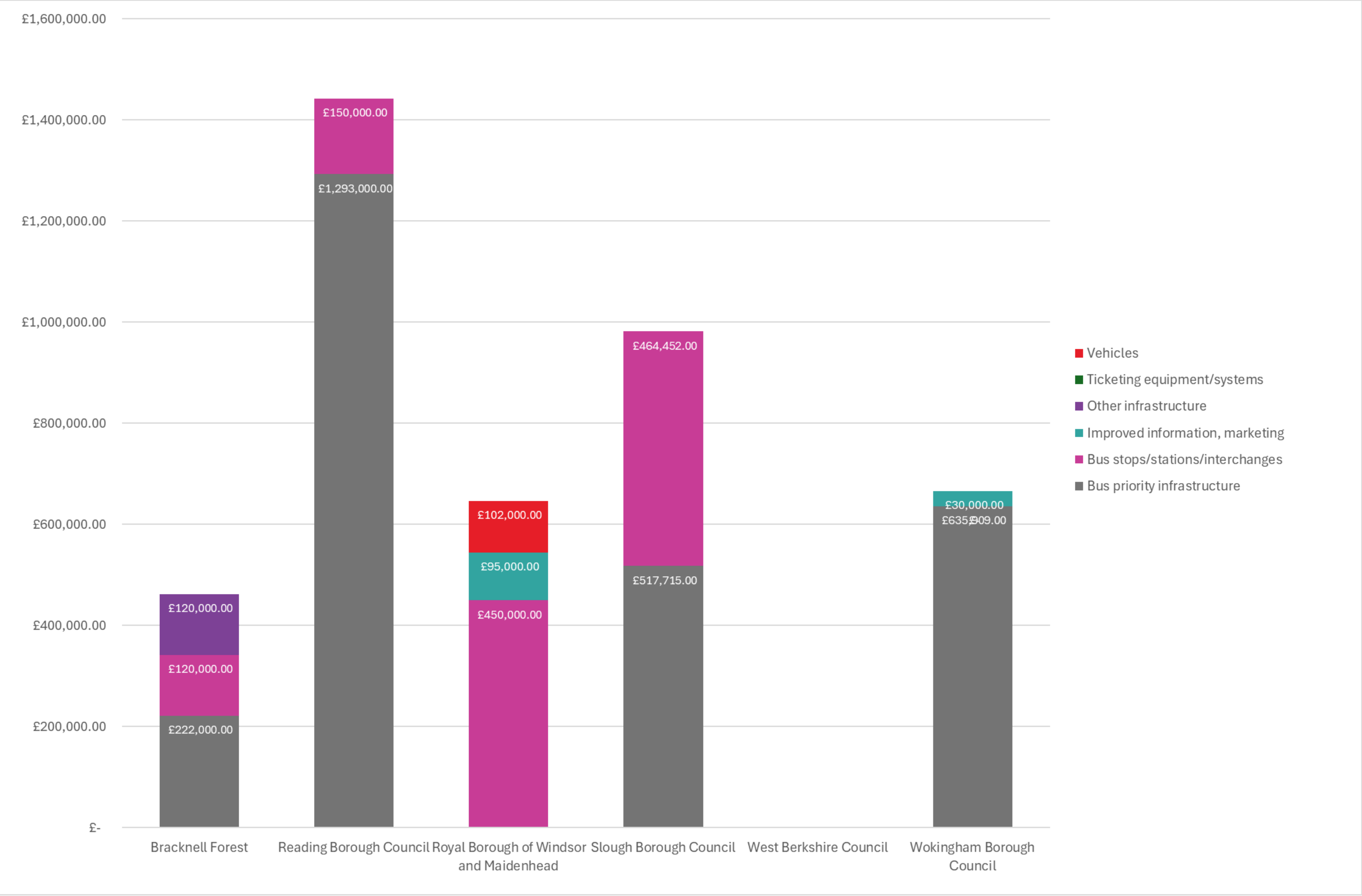


Figure 4.2.8 Bus Grant funds allocated for infrastructure 2025/26: Berkshire local authorities

4. Current state and future opportunities for cross-boundary bus infrastructure
4.1 Current cross-boundary infrastructure

Berkshire Local Authorities: Fares, ticketing, information and branding

Information

The individual councils and operators in Berkshire Local Authorities provide online bus service maps, however there is currently no easily accessibly information for cross-boundary journeys.

Bracknell Forest and Wokingham use a My Journey website to provide a journey planning tool, while the other local authorities provide a link to Traveline journey planner.

Branding

Across the Berkshire Local Authorities area there are several brands for bus travel, including key operator brands (such as Reading Bus and Thames Valley Bus); the councils themselves do not have specific bus or transport brands.

Fares and Tickets

Ther are no multi-operator tickets available in the Berkshire Local Authorities area and no multi-operator discounts or fare offers are provided by the local authorities beyond the £3 fare cap and ENCTS scheme.

Figure 4.2.9: Branding and bus information: Berkshire Local Authorities

4.3 Future infrastructure opportunities

4. Current state and future opportunities for cross-boundary bus infrastructure
4.2 Future infrastructure opportunities

Cross-boundary infrastructure

As bus infrastructure funding comes under the management of the Strategic Authority for local authorities there will be opportunities to apply a consistent approach to bus infrastructure across the constituent unitary authority areas.

Specific areas of opportunity will likely include:

- **Combined funding:** Pooling funds at a more strategic level and consolidated central government funding with several former "pots" combined will afford Strategic Authorities more flexibility to deliver important and ambitious schemes. This could unlock bus infrastructure projects which would have previously been complex to deliver and fund but that could have significant benefits for the area.
- **Unified branding**: One transport brand across a Strategic Authority area will not only improve the ease of use for passengers but efficiencies can be made as one brand will usurp an existing local authority brands and economies of scale can be achieved in the roll-out of updated infrastructure such as shelters and bus stop flags.
- **Unified information:** Physical information at stops and stations and digital information on apps and journey planners can be organised by the Strategic Authority to provide a more seamless experience for passengers. Efficiencies can be made by coordinating this at a strategic level, for example by reducing resources spent hosting and updating separate websites for each local authority.
- **One set of fare and ticket offers:** A Strategic Authority-wide set of multi-operator discount and ticket offers will simplify the current landscape of different local authority offers which is complex for passengers to navigate. Separate local authority schemes also adds administration and contractor costs which can be consolidated under a Strategic Authority.
- **Bus priority:** Though many local authorities already work in partnership on cross-boundary bus priority schemes, managing infrastructure delivery within one organisation will simplify the process. Additionally, a Strategic Authority is well-placed to take a strategic view of the key factors contributing to bus delay/reliability across the wider area and take an area-wide approach to addressing issues. Strategic Authorities which adopt bus franchising can also address issues of reliability and delay through timetabling, ticketing and stop design measures where appropriate.

4. Current state and future opportunities for cross-boundary bus infrastructure
4.3 Future infrastructure opportunities

Case study: West Midlands Combined Authority

Information

Over 1,100 stops and shelters have real-time information provided by TfWM.

On the TfWM website passengers can find bus timetables for any bus services across the West Midlands and use the journey planer tool for plan bus journeys across the combined authority.

Stops and stations

West Midlands manages over 12,200 stops and stations across the geography, updating the timetable and real-time information as well as stop flags. The TfWM brand can be seen across the West Midlands Bus Network, including at bus stops and stations and on the online journey planner (see Fig.4.2.1).

Fares and Tickets

TfWM manages Swift PAYG which is their transport smartcard for the West Midlands. The card can be loaded with credit to pay for journeys on bus and tram throughout the whole West Midlands area.

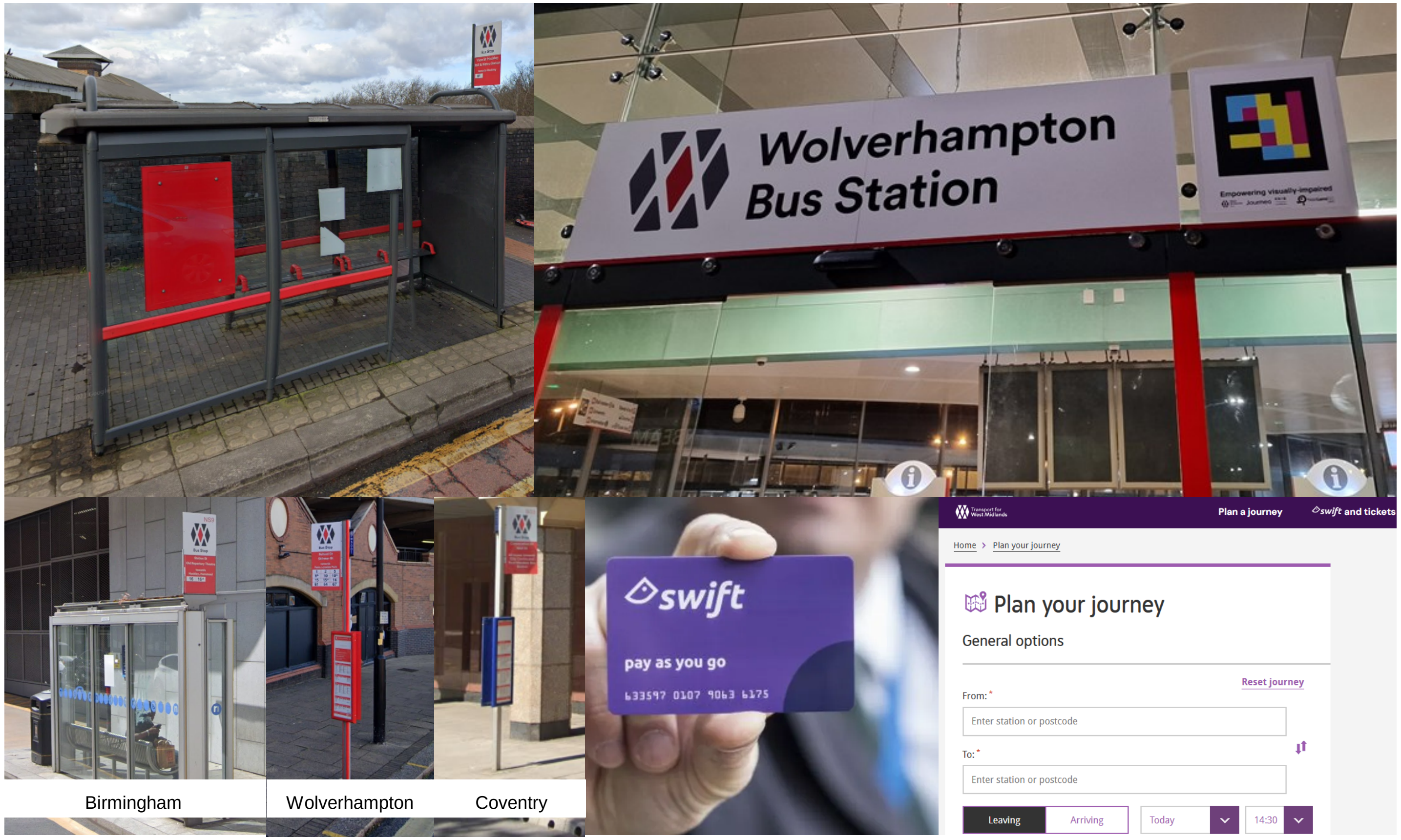


Figure 4.3.2: Transport for West Midlands branding, information and infrastructure

5. Key Findings

5. Key Findings

Devolution and bus governance in the South East

Background

This piece of work is positioned to provide information and insight to TfSE and Local Authority transport officers in the South East on the potential implications of the Government's Devolution White Paper and the forthcoming Bus Bill (No.2) on the management and funding of public bus services and bus infrastructure in the South East.

Bus Governance implications of Devolution

For areas which form a Strategic Authority the Devolution Framework sets out a standard set of responsibilities and functions.

Strategic Authorities will be:

- The Local Transport Authority for the area with responsibilities including local transport planning and preparing a Local Transport Plan
- Responsible for preparing a bus strategy to carry out their bus functions
- Responsible for managing travel concessions
- Legally responsible for securing public passenger transport services where necessary
- Able to decide whether to franchise the bus network or enter into partnerships with operators (Bus Bill No.2)
- Able to decide whether to set up a local authority bus company (Bus Bill No.2)
- Able to make decisions on giving bus grants to service operators (Bus Bill No.2)

Funding implications of Devolution

One of the aims of devolution is to provide more funding flexibility to allow local government to invest strategically and in alignment with local priorities.

Funding for Mayoral Strategic Authorities will consolidate several functions into one spending pot, including: local growth, place, housing, and regeneration; non-apprenticeship adult skills; and transport. Funding for Foundation Strategic Authorities will provide dedicated local growth allocations, decided by formulae, and with lighter-touch investment sign-off. Established Strategic authorities will receive Integrated Settlements; these will consolidate funding across housing, regeneration, local growth, local transport, skills, retrofit, and employment support into a single flexible pot of funding.

Initial plans for devolution in the South East involve the formation of Mayoral Combined Authorities, and therefore in these areas transport funding will become subsumed within the consolidated funding pot as mentioned above.

5. Key Findings

Devolution and bus governance in the South East

Bus Services and Bus Travel across authority boundaries

Currently, cross-LA boundary bus services make up a large proportion of total services – typically around 40% or more of all services. This illustrates that bus travel is mainly related to regional travel and land use patterns and the locations of key generator and attractions, rather than LA boundaries.

In the event of larger strategic transport authorities being implemented, the proportion of buses that travel into different authority areas would fall significantly to around 15% or less i.e. each combined authority would essentially include the whole route for virtually all bus services. This suggests that under devolution plans the larger geography will be more aligned with bus travel, and that bus governance through BSIPs or franchising is likely to be better matched with operational planning.

Bus Services and areas of multiple deprivation

It is noted that adjacent LAs have a relatively wide variation in bus coverage of areas characterised by multiple deprivation – and hence the potential for bus planning at a regional / combined level could provide a basis for a more equalised coverage across whole regions.

It should be noted however that bus services serving areas characterised as having multiple deprivation are often commercial – as car ownership is typically lower than other areas. Hence, high levels of bus coverage of these areas does not in many cases result from local authority funding – as the services are often financially viable without additional funding (although concession fare reimbursement will often represent a significant proportion of the commercial service revenues).

Bus trips per capita and Total Central and Local Government Support per Capita

There is significant variability in the range of total financial support when considering on a per capita basis. The main urban areas such as Reading, Southampton, and Brighton and Hove have very successful bus networks with a high number of bus trips per capita per year. Most other local authorities in the region have much lower levels of use – on average less than one trip per capita per week.

In general, the scale of total financial support per capita has relatively direct relationship with the number of bus trips taken per capita per year, such that local authorities with higher support per capita see more bus journeys per capita; this reflects the ECNTS reimbursement approach which ‘follows the trip”; that is, the more concession trips taken the more financial support is provided. This means that the larger urban areas, with denser land use, more frequent/convenient bus services and in-commuting from neighbouring areas), accrue a much higher level of government financial support via the reimbursement for free fares for concession pass holders.

5. Key Findings

Devolution and bus governance in the South East

Current state and future opportunities for bus funding and cross-subsidy bus planning

Currently financial support for bus services and bus travel varies considerably across the TfSE area. As areas combine to form Strategic Authorities there will be opportunities which arise from regionalising funding and governance of bus services. In particular there may be opportunities to focus funding in different areas or spread funding differently across the authority areas according to regional policy priorities.

Introduction of the Transport Levy (which involves each local authority contributing funding to their combined authority) may have an impact on the relative level of funding provided by each local authority – as the funding will be proportionate to population; this contrasts with funding for concession fare reimbursement which tends to favour the busy bus networks in urban areas.

The ‘combined’ Transport Levy approach would be likely to provide opportunities for effective cross-subsidy between areas – on the basis that bus travel in any case often involves cross-authority border travel.

Additionally, if strategic authorities adopt bus franchising there may be opportunities for more targeted use of the concessionary reimbursement funds – since the reimbursement will accrue to the franchise authority rather than to operators. The exact arrangement for allocation and use of concession fare reimbursement by franchising authorities is presently not clear – but is likely that there will be opportunities to consolidate all concession reimbursement funding into a central ‘pot’, which can then be used to help to fund the franchises bus operations via contracts with operators. This could potentially allow for greater opportunities for efficient cross-subsidisation across the combined authority area.

Current state and future opportunities for cross-boundary bus infrastructure

As devolution progresses and bus governance becomes consolidated at a more regional level there will be greater opportunities to plan and support network initiatives, ticket offers, and whole-route infrastructure - since many bus services are cross-boundary (for current LAs). This will bring potential economies of scale and efficiencies, for example in the managing infrastructure on a consistent basis across a wider area which better reflects the ‘travel-to-work.

It is noted that other combined authorities are now implementing and managing bus infrastructure improvements, bus stop management, and initiatives involving ticketing and information – which provides passengers with a more consistent and coherent bus offer across their local wider area.

ARUP

Appendix A

Devolution Framework

Appendix A: Devolution Framework

(**) refers to functions for which funding will be included in Integrated Settlements for Established Mayoral Strategic Authorities

(^) refers to functions which apply to Combined and Combined County Authorities only

Detail	Foundation	Mayoral	Established
Funding and investment			
Access to a multi-departmental, long-term integrated funding settlement**			X
Long-term investment fund, with an agreed annual allocation		X	X
Removal of gateway review from investment fund, after Gateway One complete			X
Ability to introduce mayoral precepting on council tax^		X	X
Consolidation of local growth and place funding in a single pot**	X	X	X
Strategic leadership			
A statutory duty to produce Local Growth Plans		X	X
Membership of the Council of Nations and Regions		X	X
Membership of the Mayoral Data Council		X	X

Figure A.1: Devolution Framework: Funding, investment and Strategic Leadership (Source: English Devolution White Paper)

Appendix A: Devolution Framework

(**) refers to functions for which funding will be included in Integrated Settlements for Established Mayoral Strategic Authorities

(^) refers to functions which apply to Combined and Combined County Authorities only

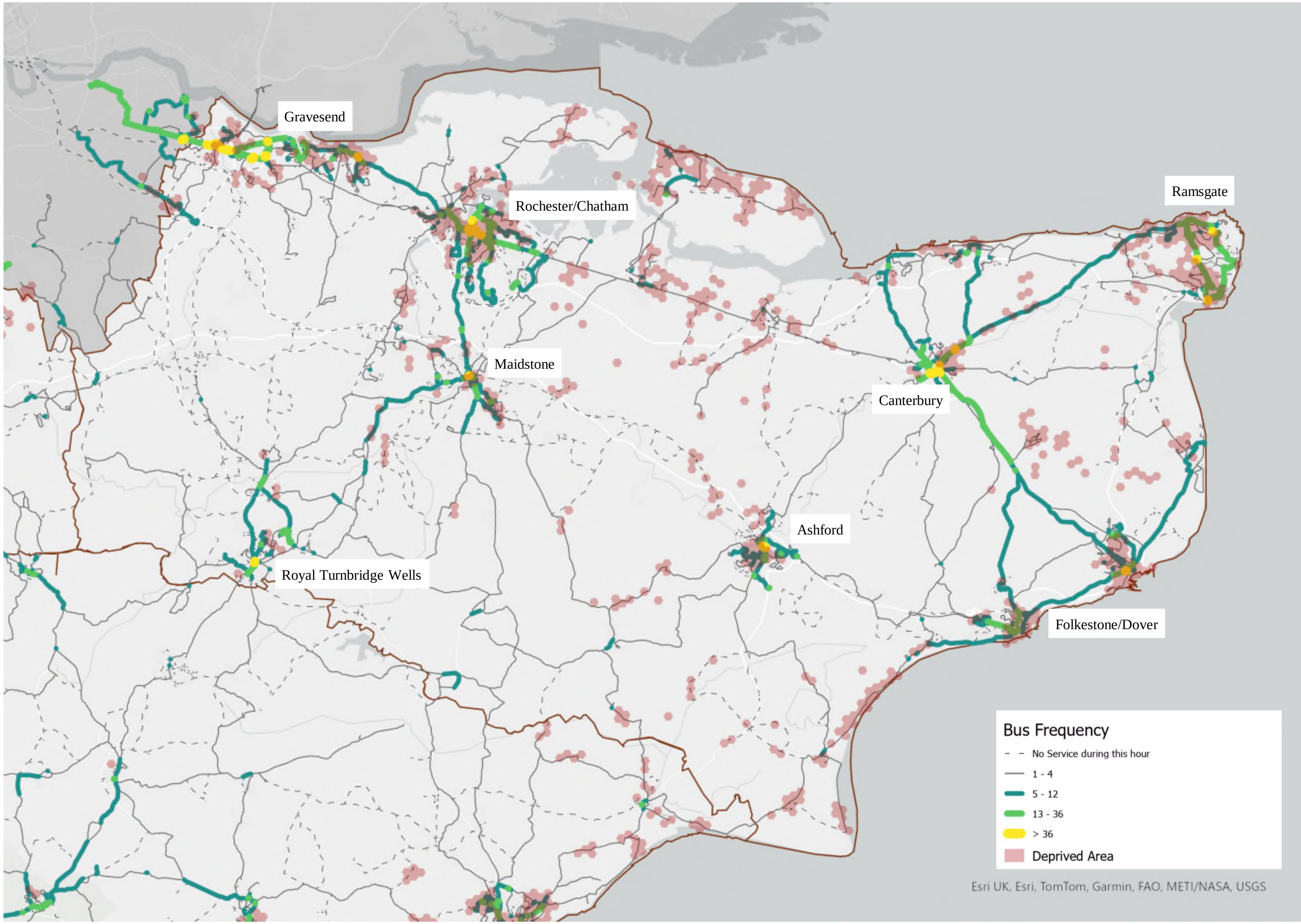
Detail	Foundation	Mayoral	Established
Transport and local infrastructure			
Local Transport Authority and public transport functions, including bus franchising and responsibility for an area-wide Local Transport Plan	X	X	X
Simplification and consolidation of local transport funding**	X	X	X
Removal of certain Secretary of State consents, e.g. on lane rental schemes		X	X
Duty to establish a Key Route Network on the most important local roads^		X	X
Mayoral Power of Direction over use of constituent authority powers on the Key Route Network^		X	X
Priority for strategic rail engagement (including mayoral partnerships) with Great British Railways	X	X	X
Statutory role in governing, managing, planning, and developing the rail network		X	X
An option for greater control over local rail stations		X	X
A 'right to request' further rail devolution			X
Priority for support to deliver multi-modal ticketing			X
A clear, strategic role in the decarbonisation of the local bus fleet	X	X	X
Active Travel England support for constituent authority capability^	X	X	X
Formal partnership with National Highways		X	X

Figure A.2: Devolution Framework: Transport and Local Infrastructure (Source: English Devolution White Paper)

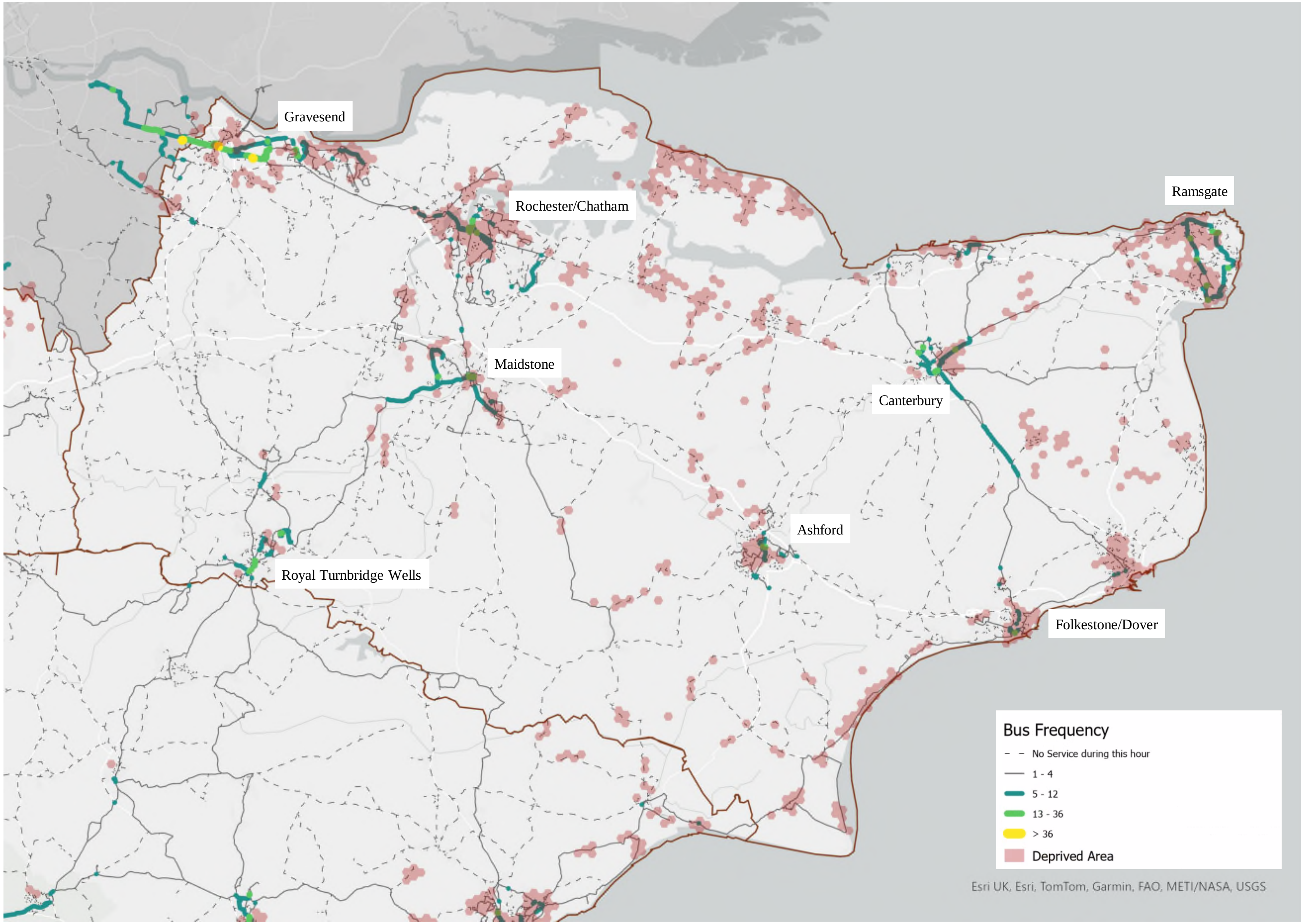
Appendix B

Demographic Analysis Maps

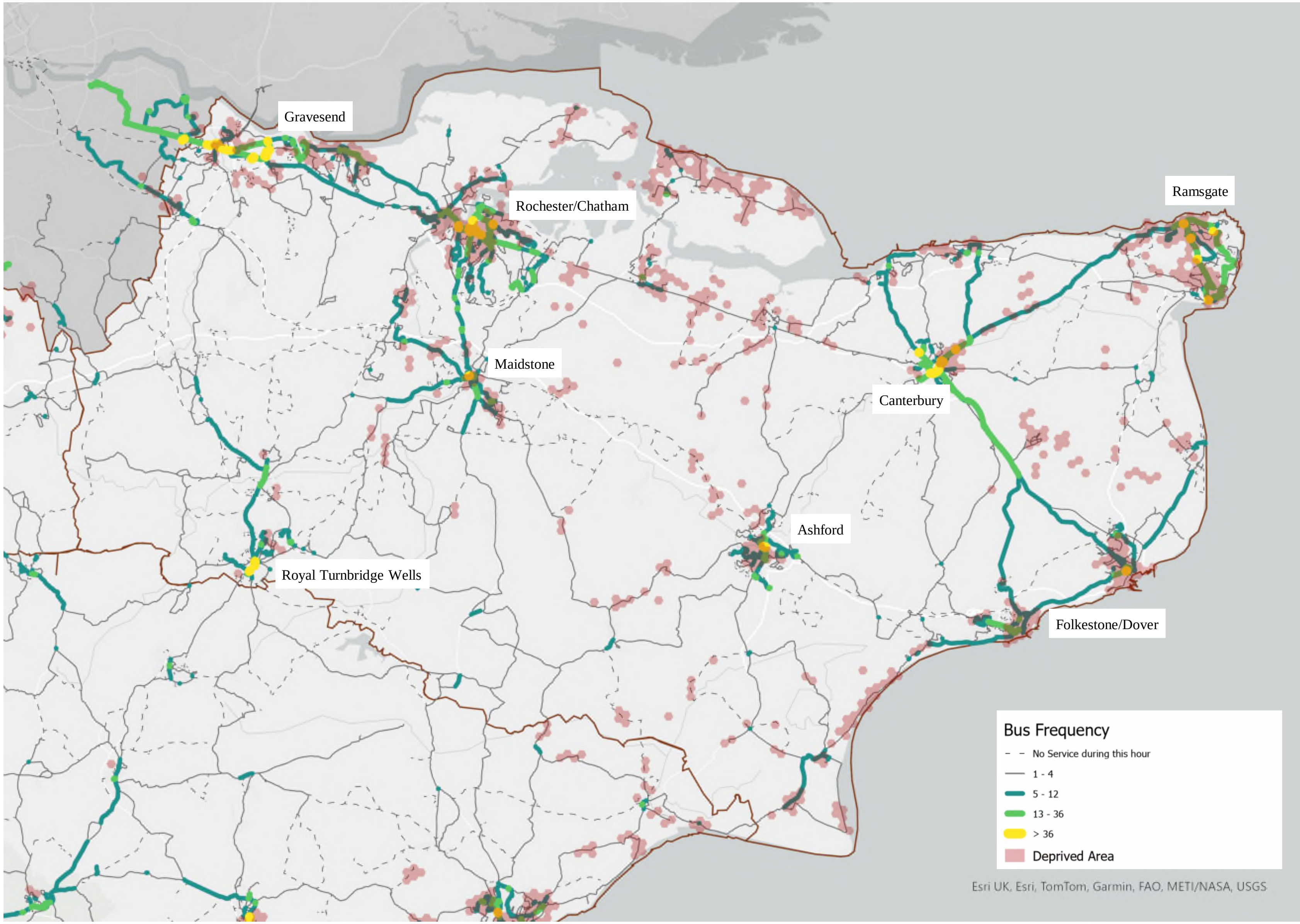
Appendix B1: Demographic analysis maps: Kent and Medway



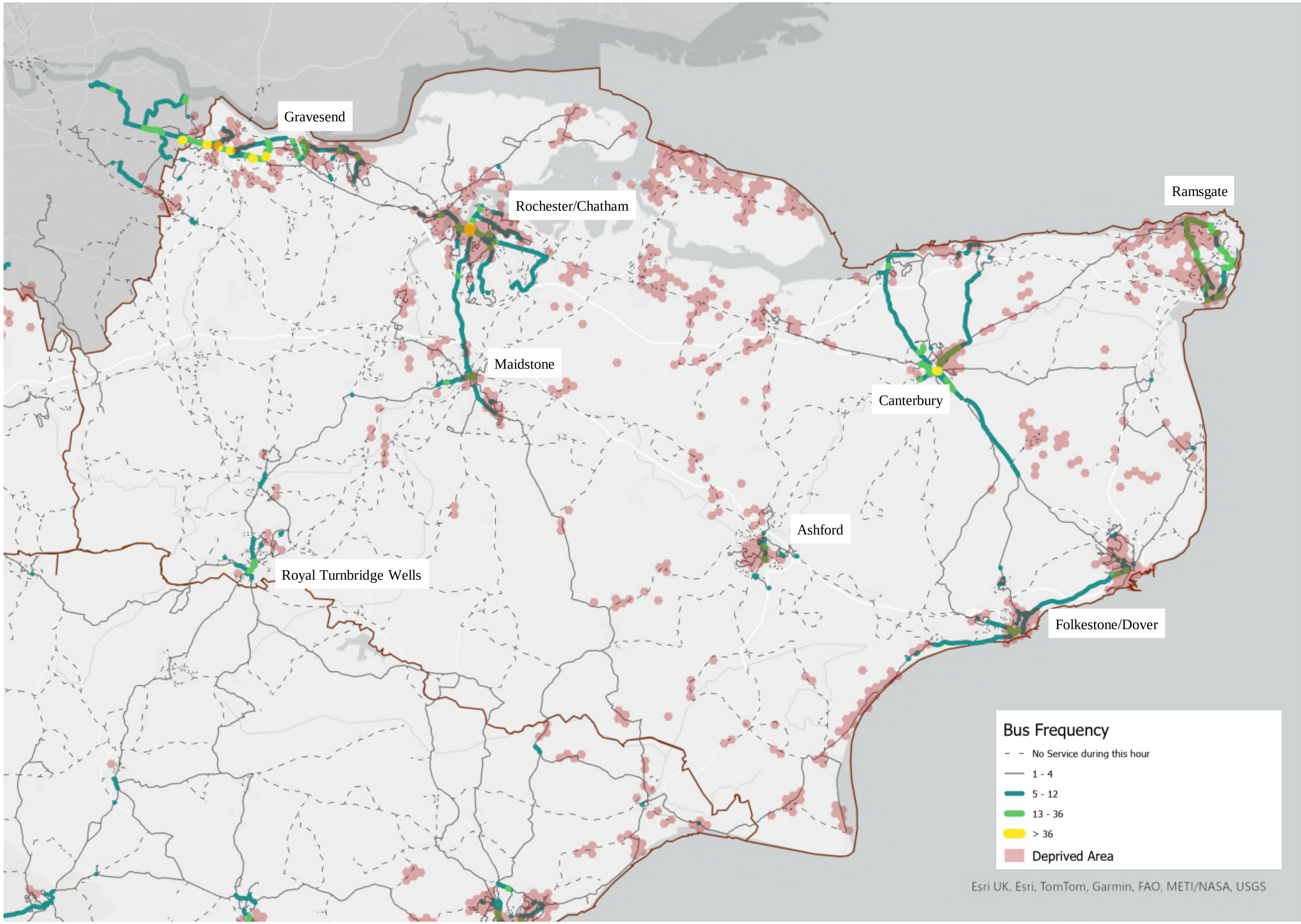
Kent and Medway - Bus Frequency on Weekday 8am



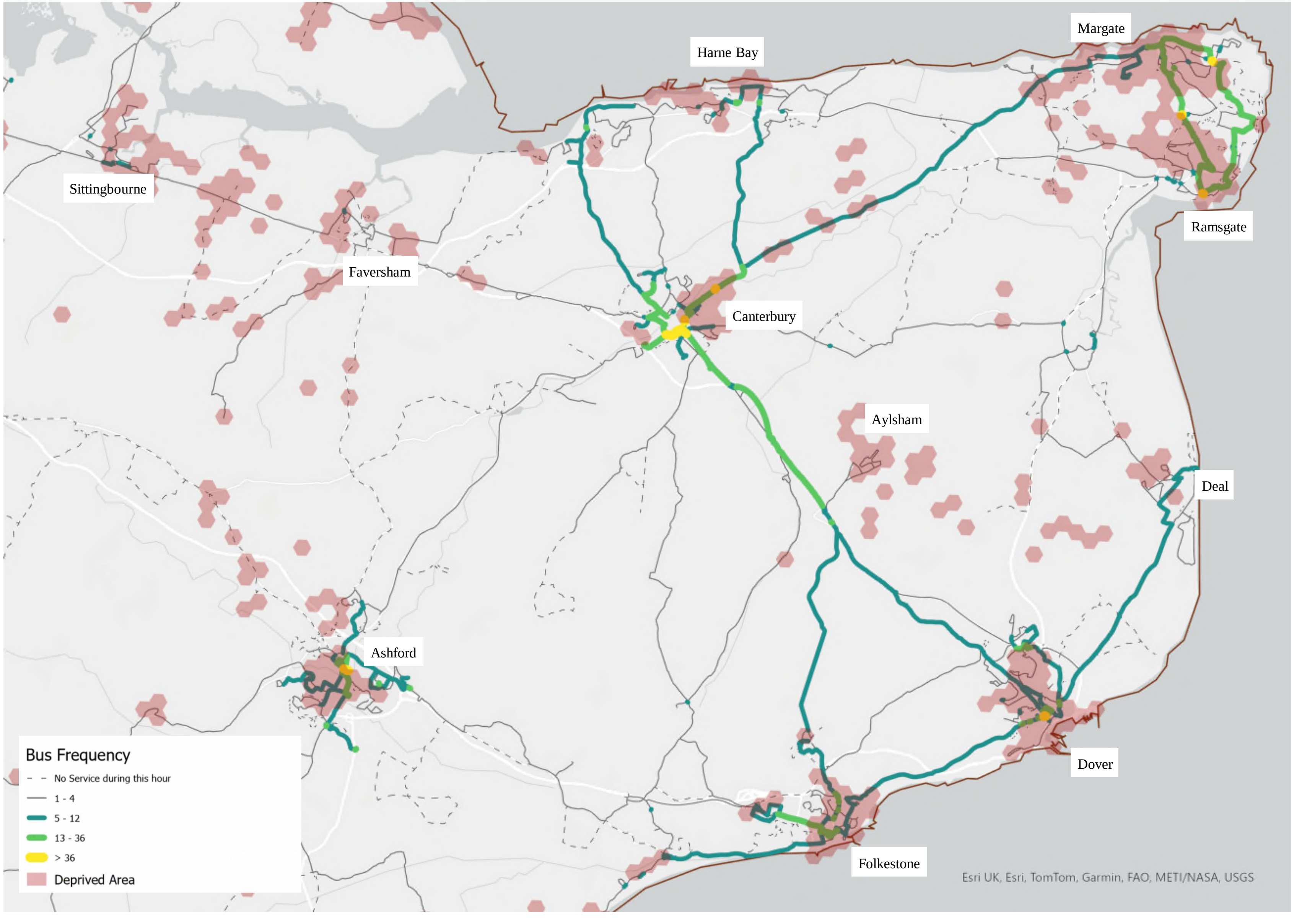
Kent and Medway - Bus Frequency on Weekday 8pm



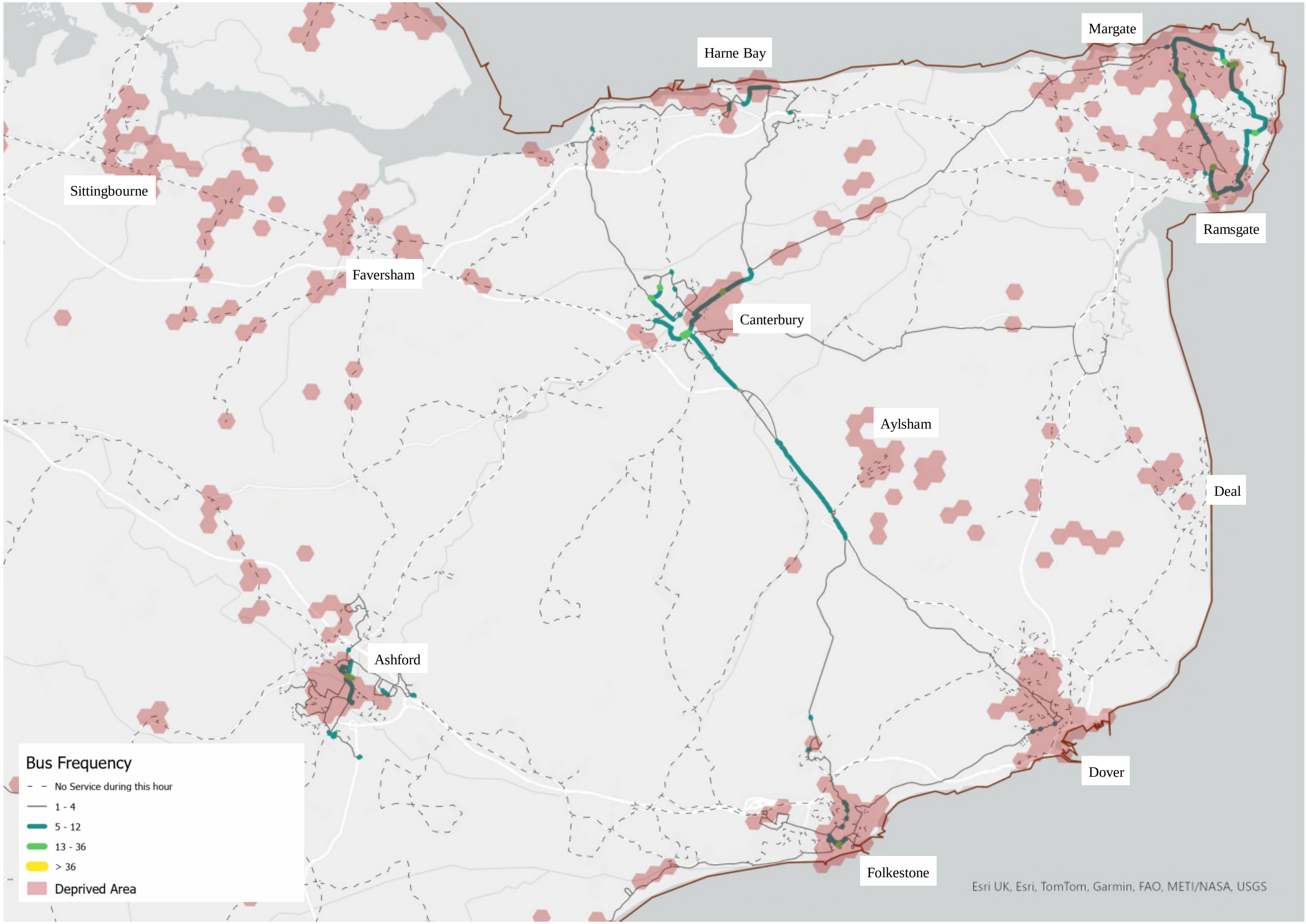
Kent and Medway - Bus Frequency on Saturday 12pm



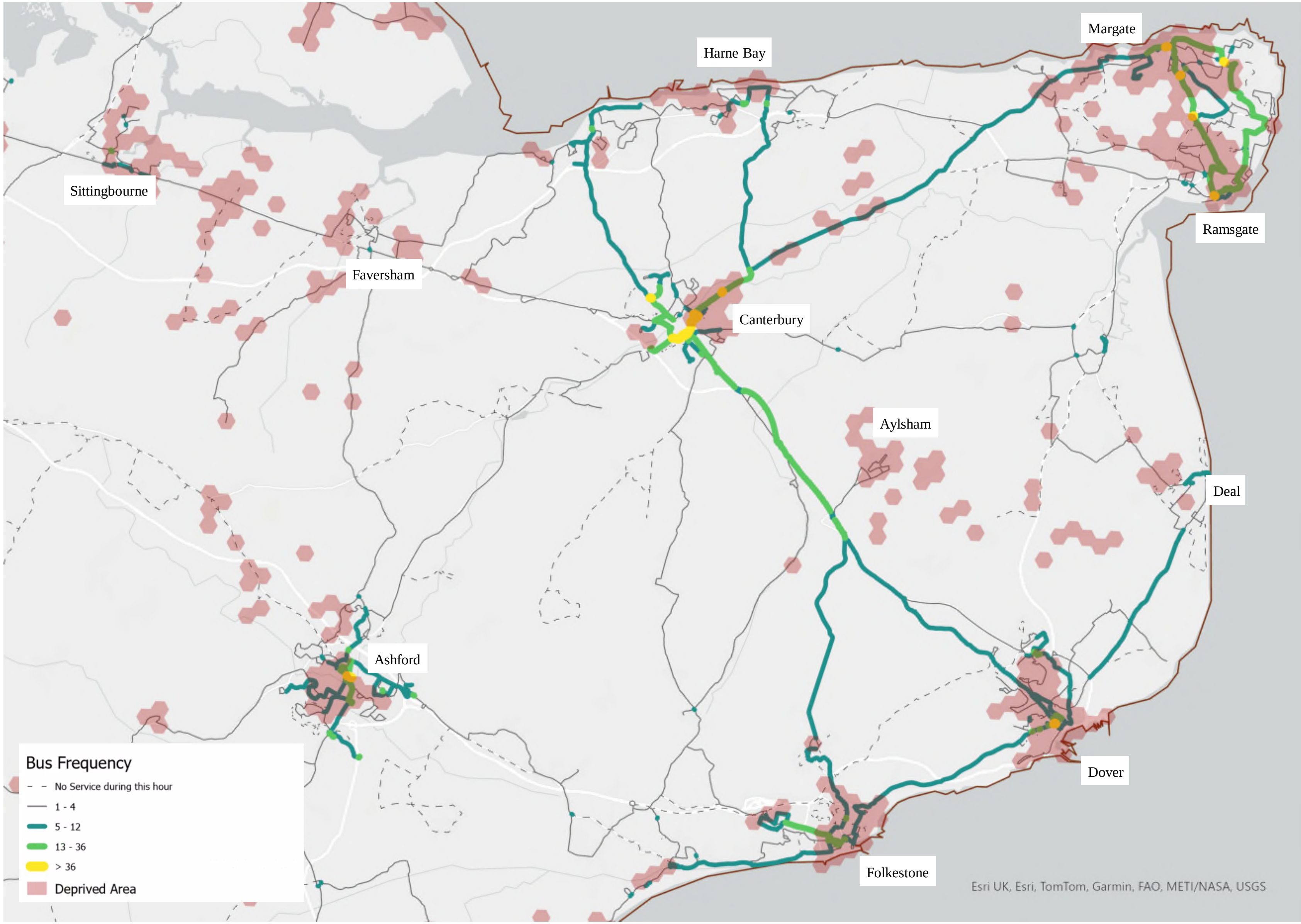
Kent and Medway - Bus Frequency on Sunday 12pm



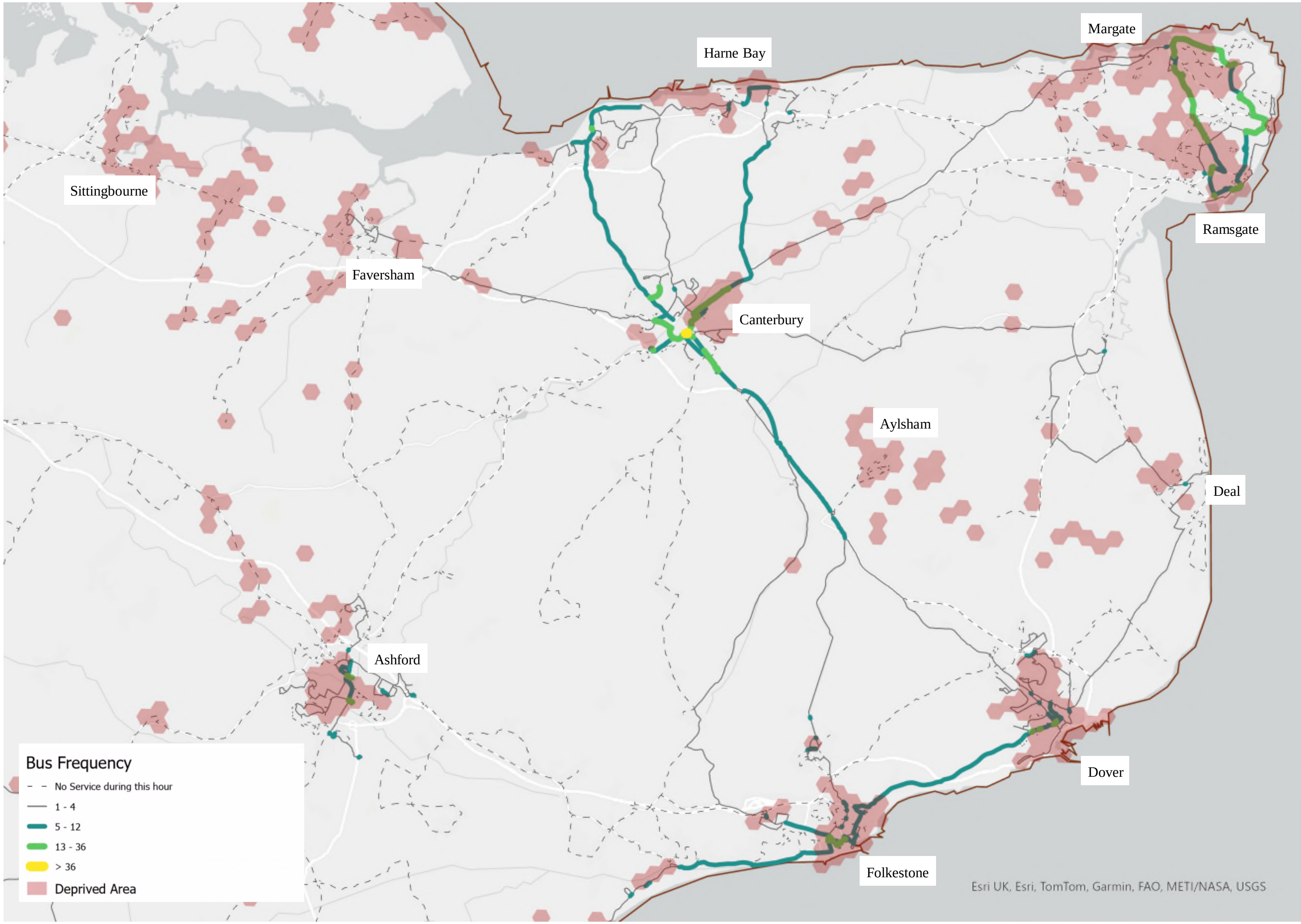
East Kent - Bus Frequency on Weekday 8am



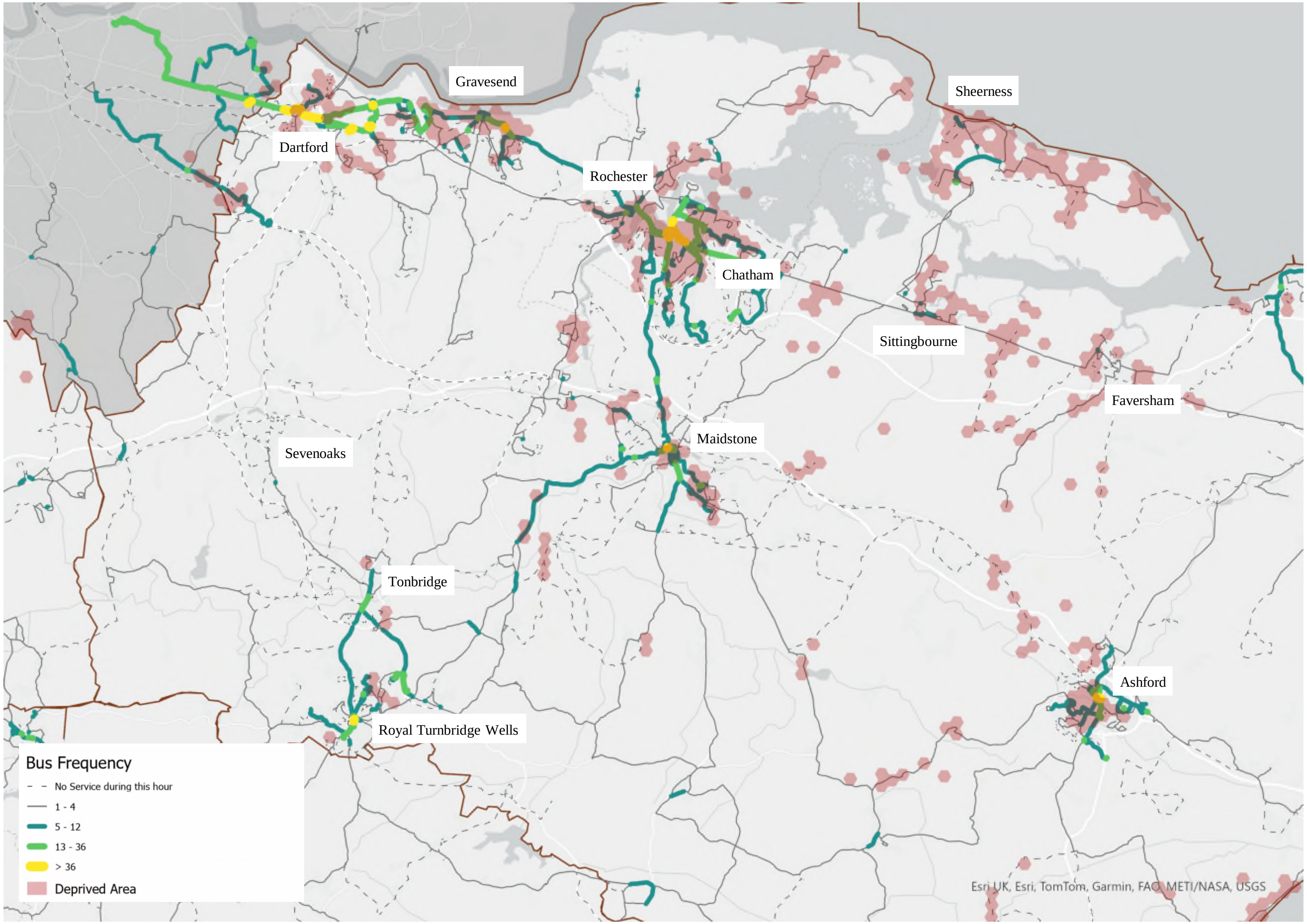
East Kent - Bus Frequency on Weekday 8pm



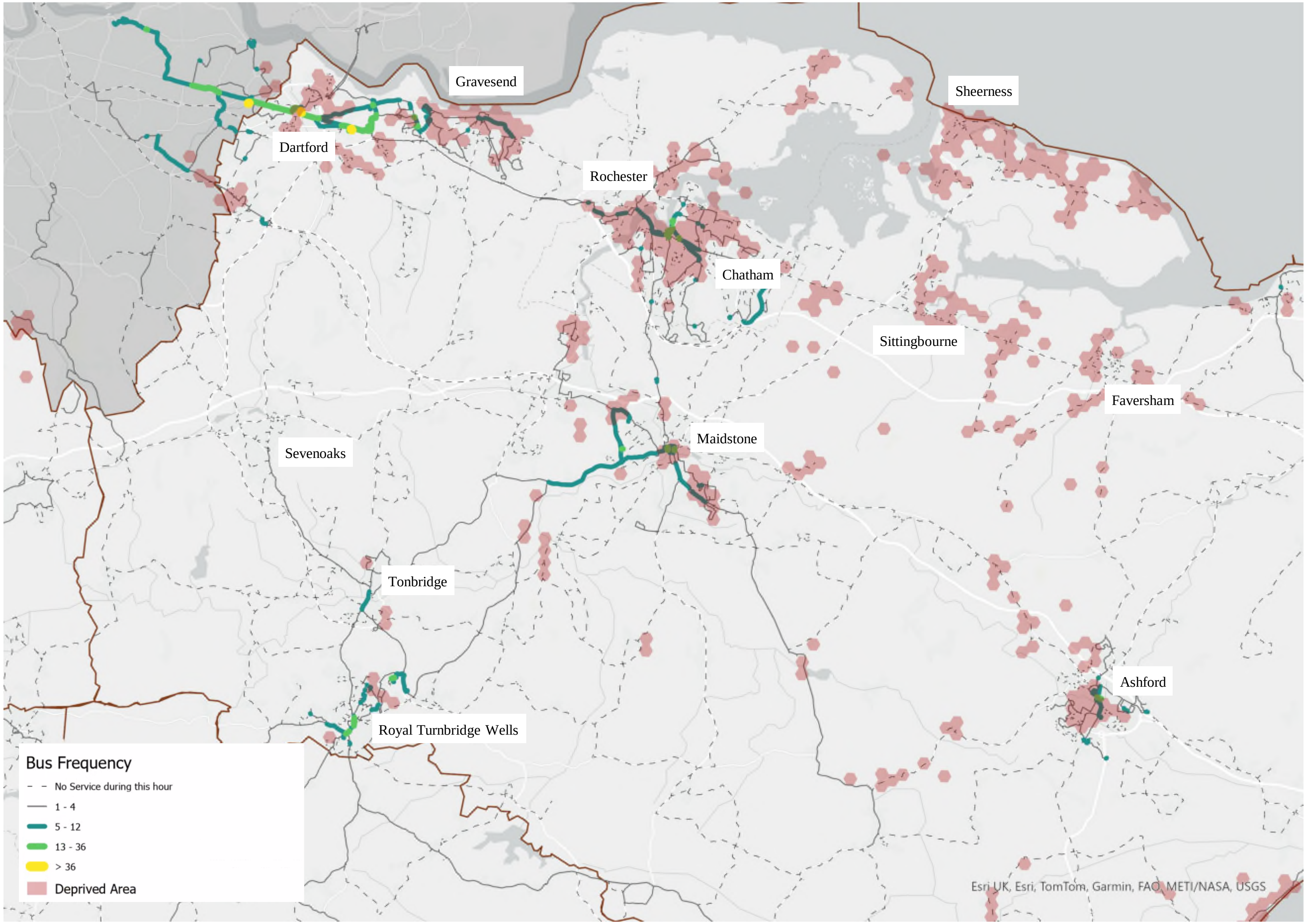
East Kent - Bus Frequency on Saturday 12pm



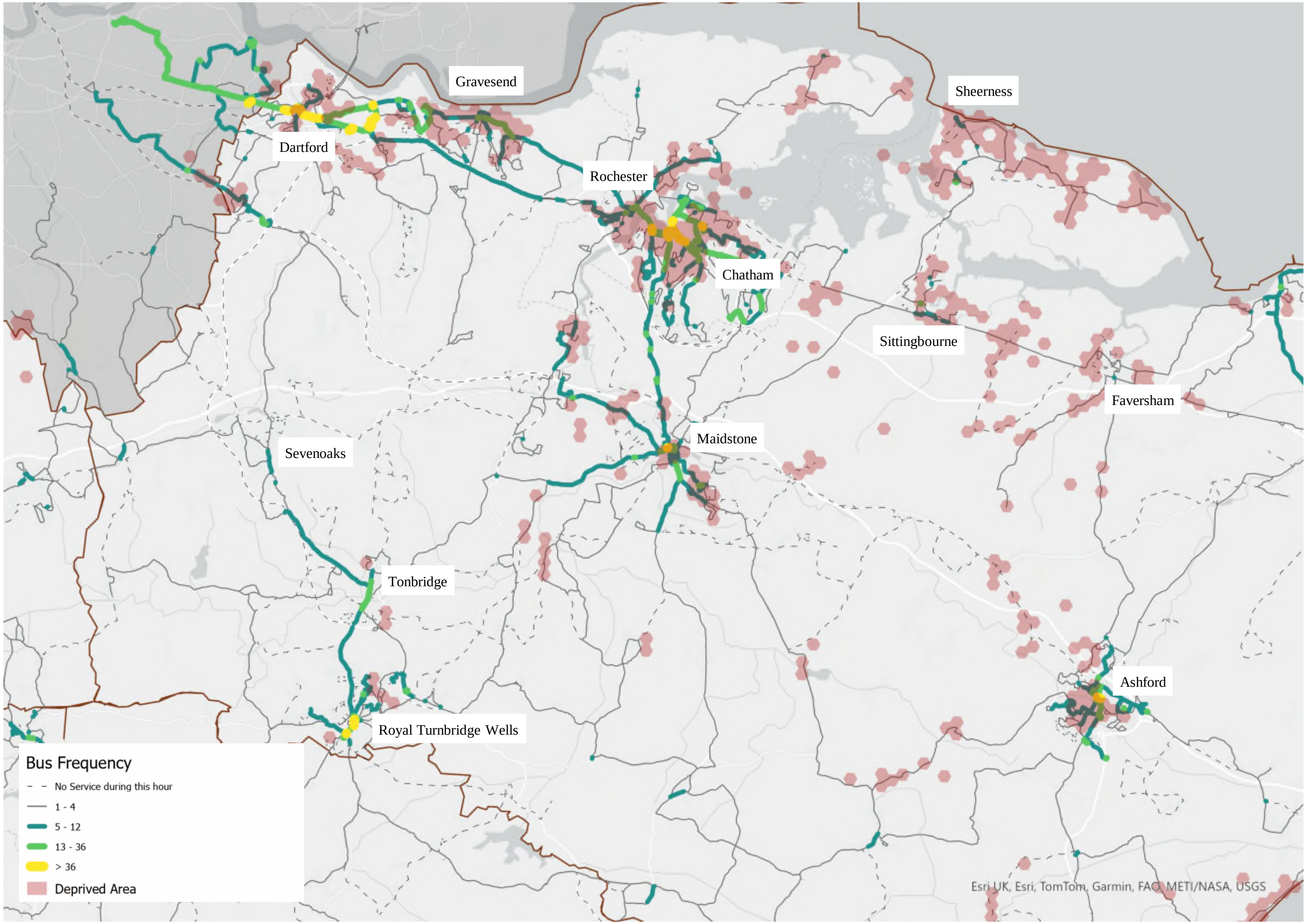
East Kent - Bus Frequency on Sunday 12pm



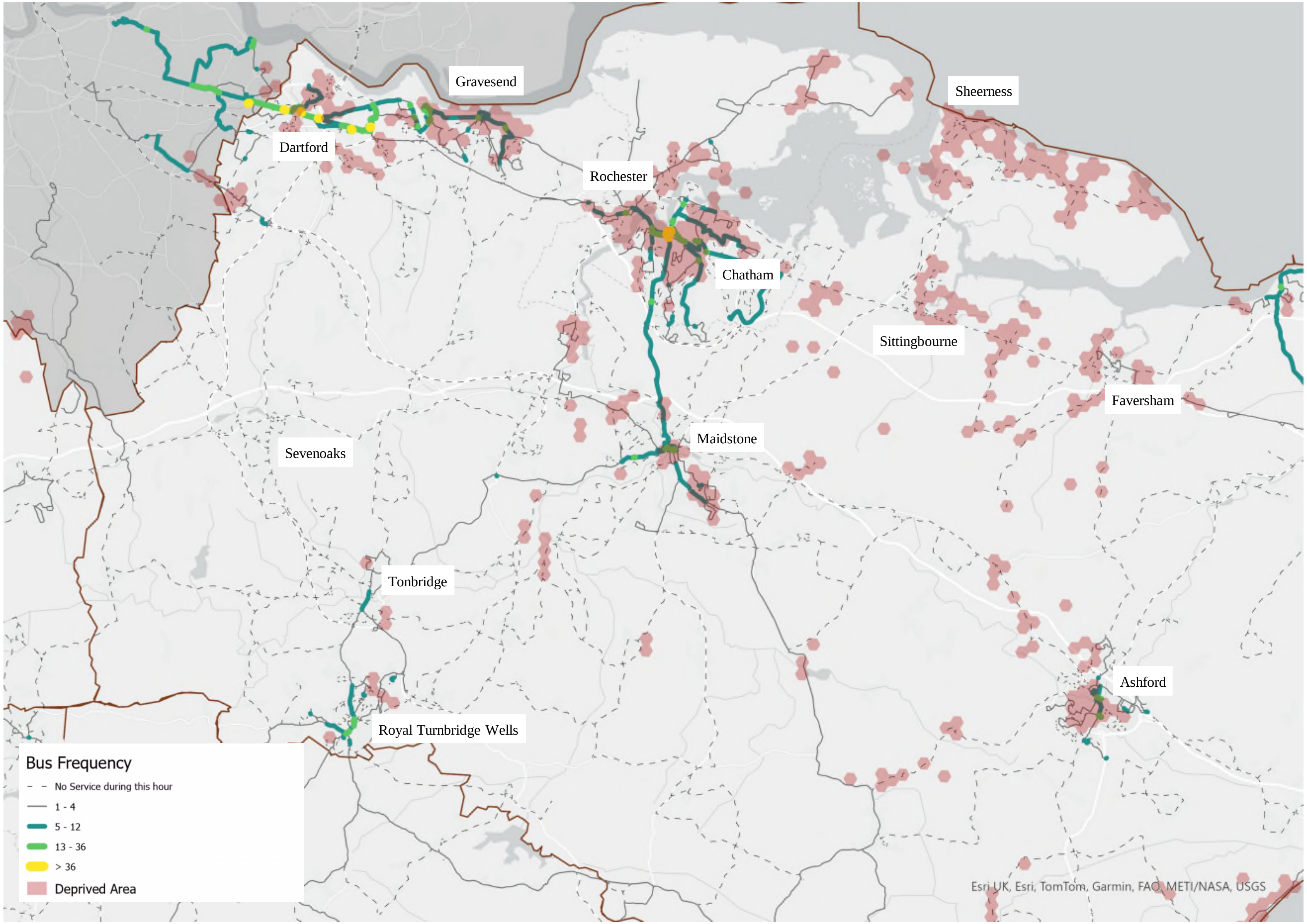
West Kent - Bus Frequency on Weekday 8am



West Kent - Bus Frequency on Weekday 8pm

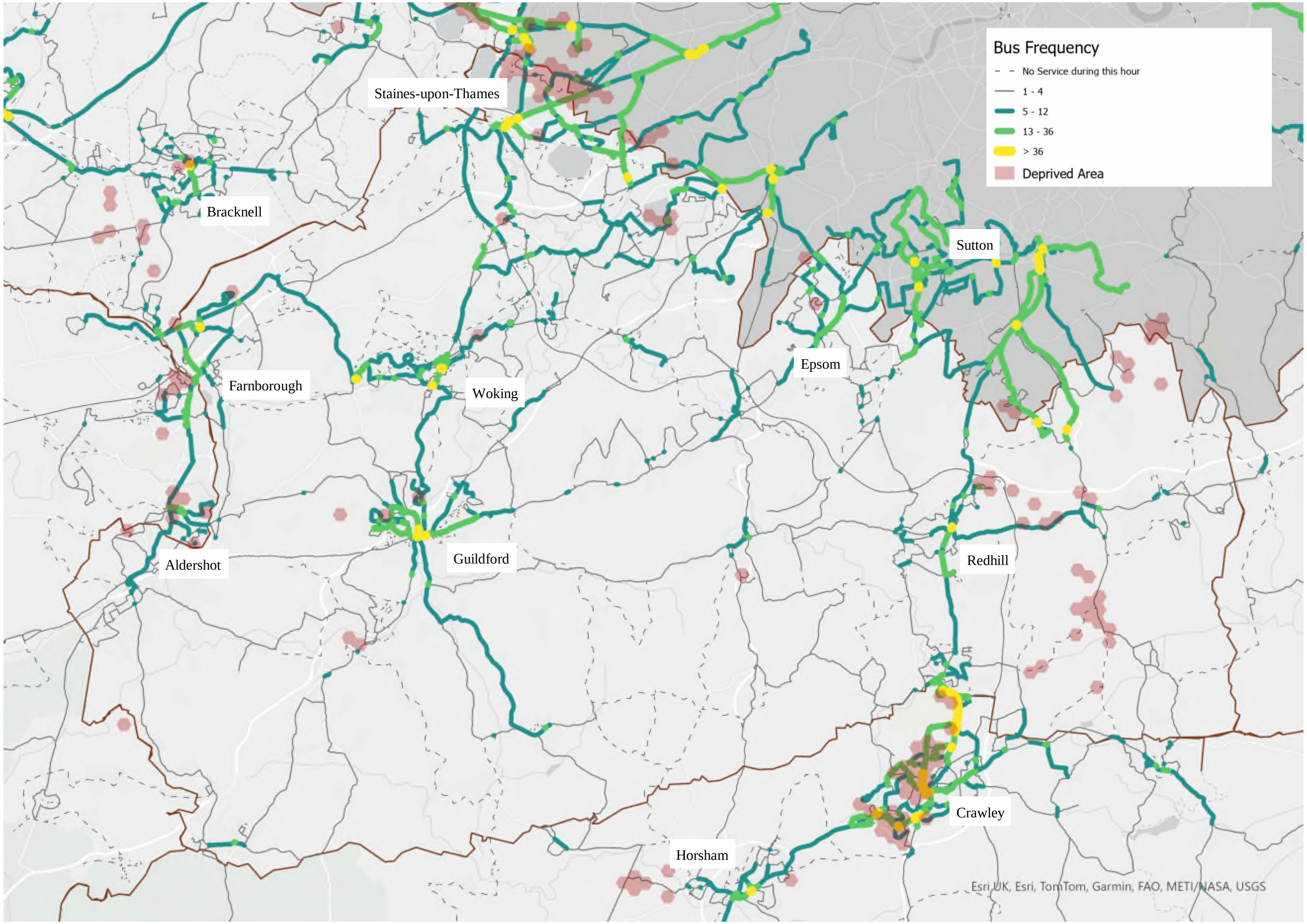


West Kent - Bus Frequency on Saturday 12pm

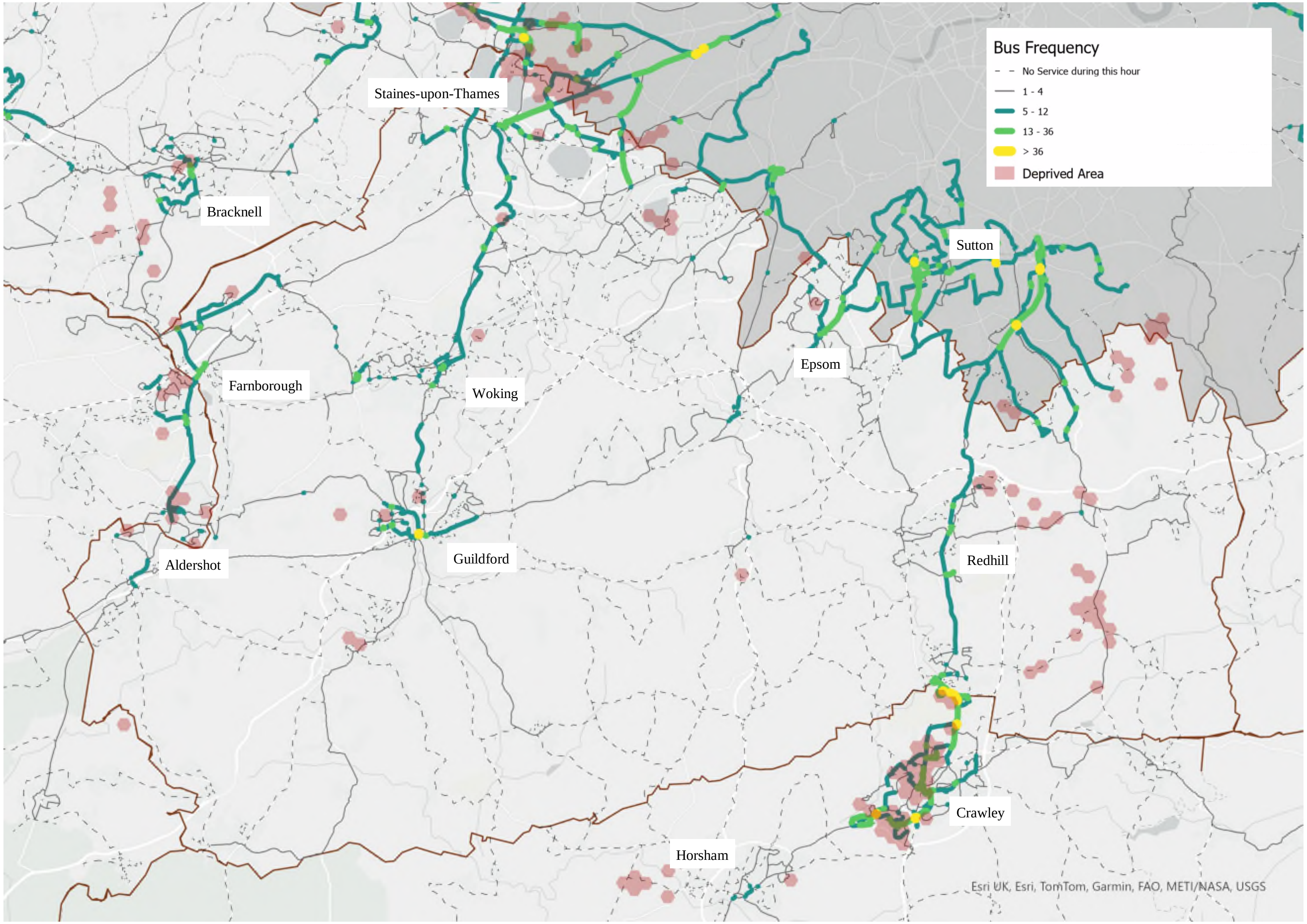


West Kent - Bus Frequency on Sunday 12pm

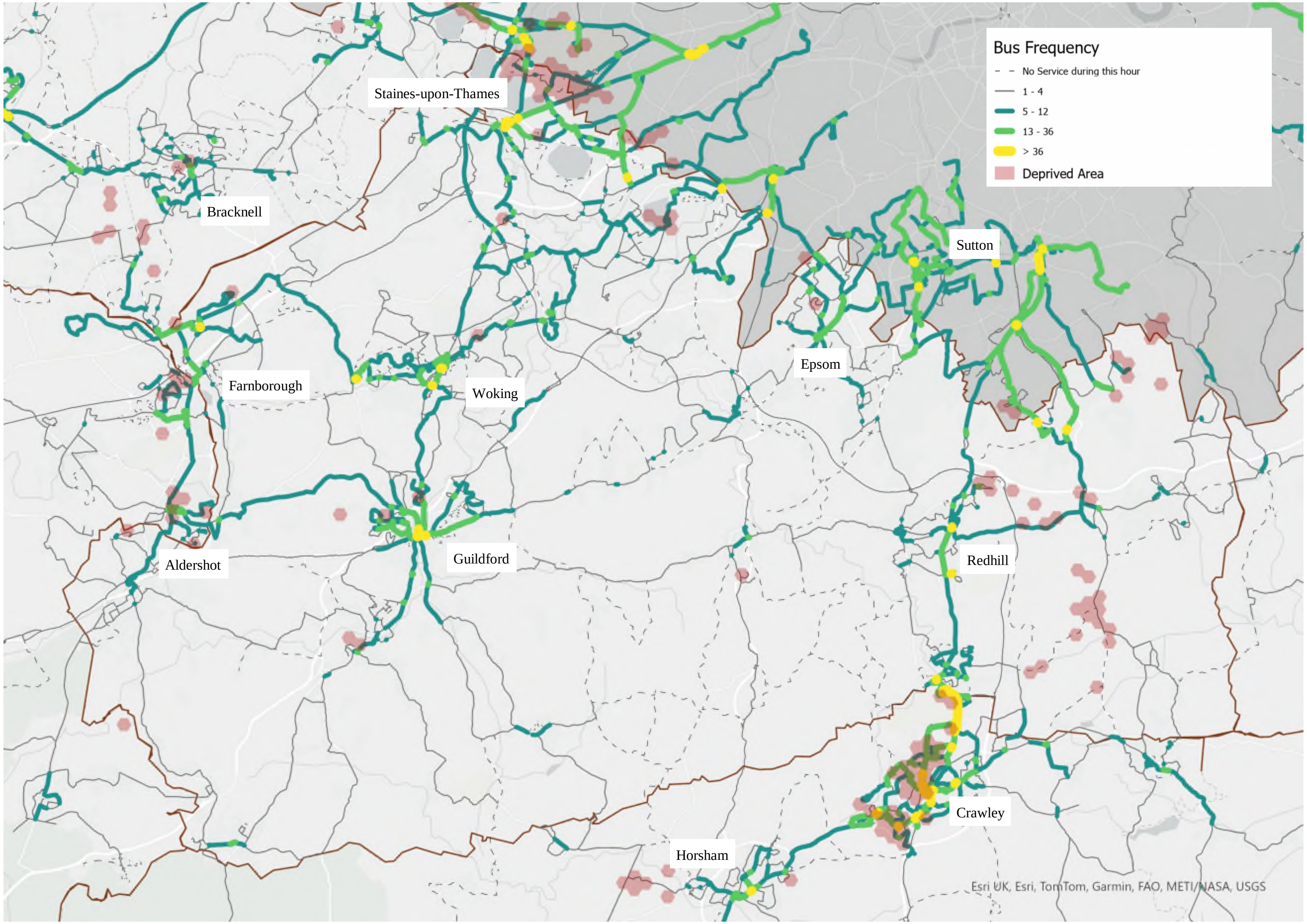
Appendix B2: Demographic analysis maps: Surrey



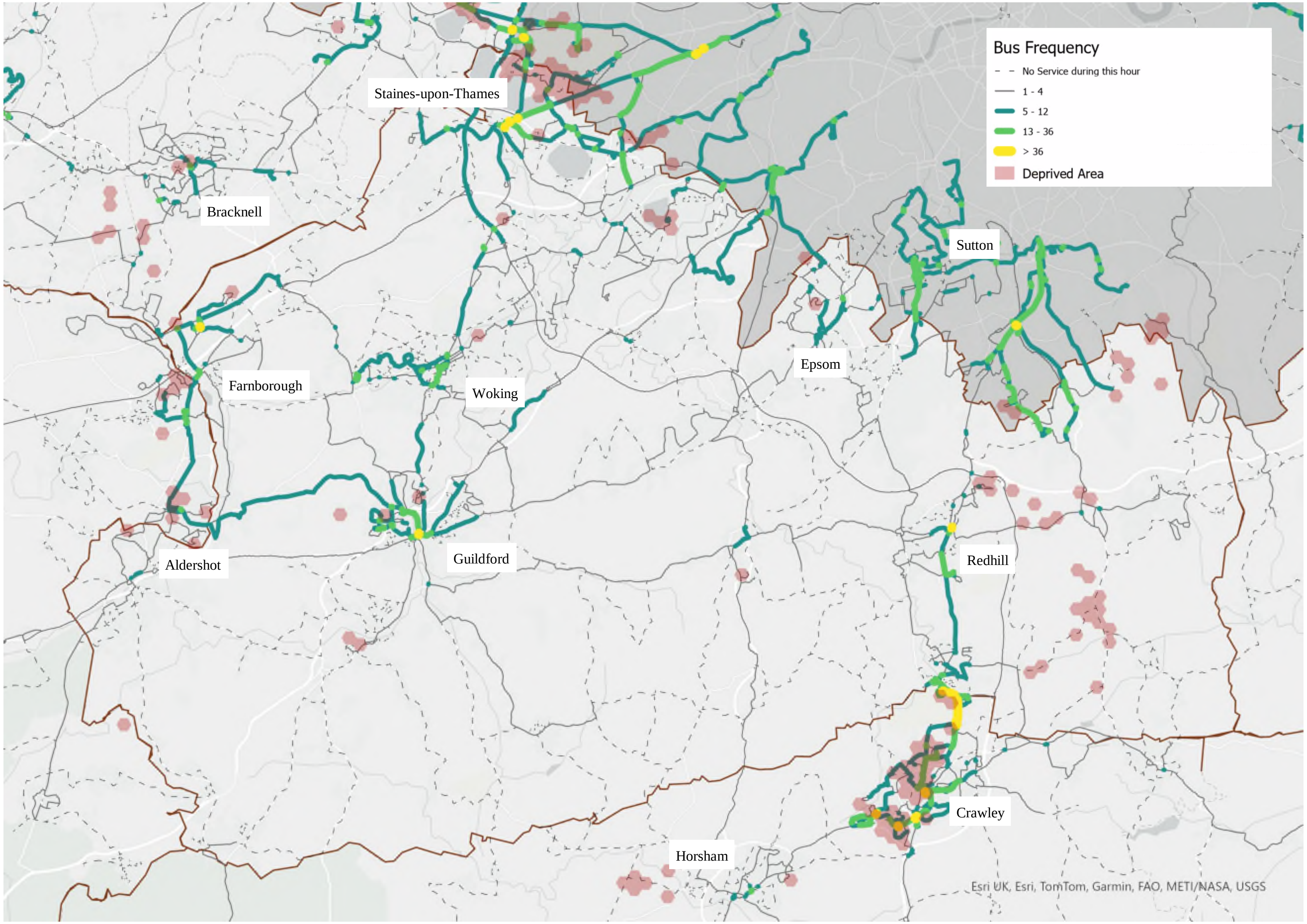
Surrey - Bus Frequency on Weekday 8am



Surrey - Bus Frequency on Weekday 8pm

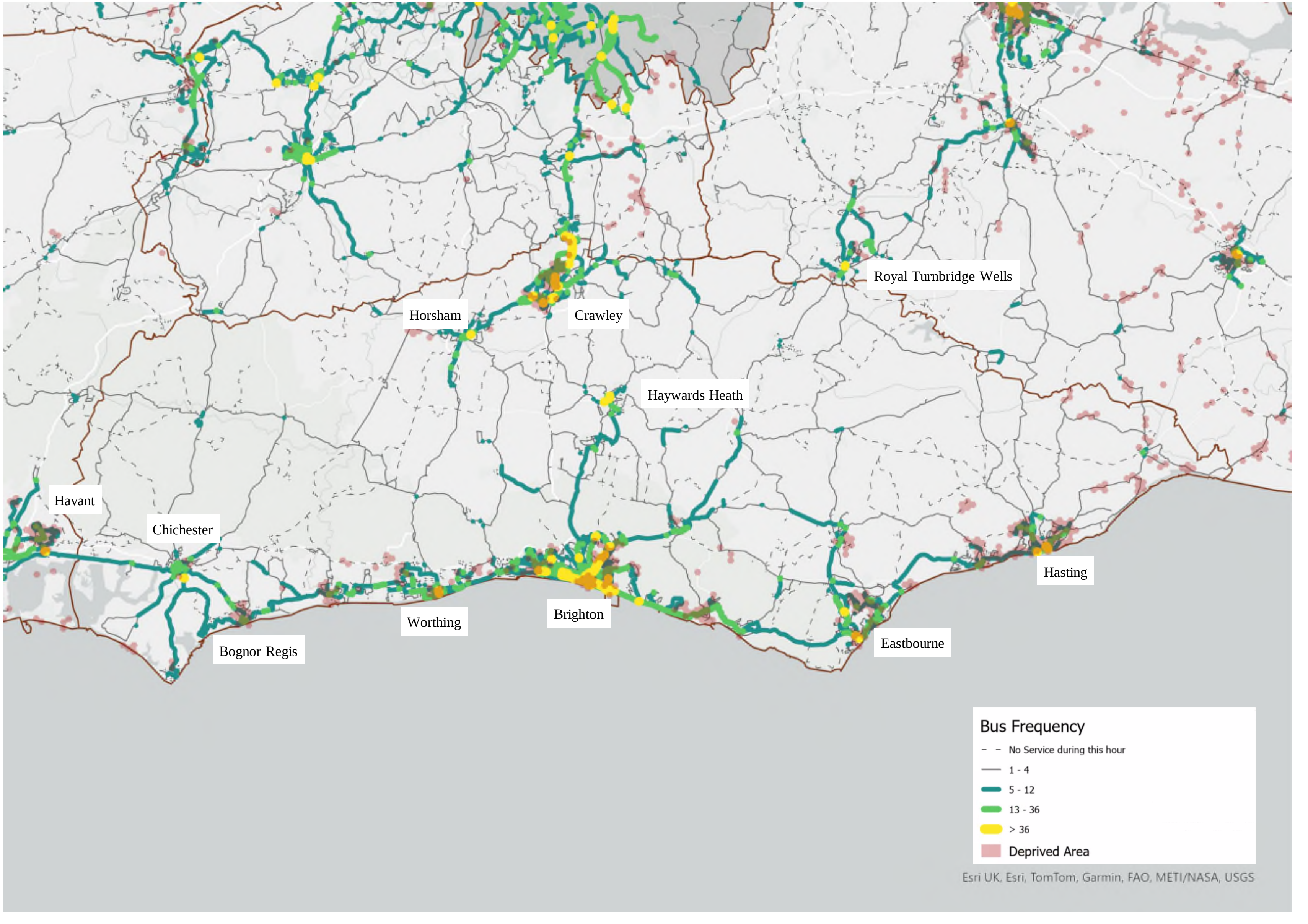


Surrey - Bus Frequency on Saturday 12pm

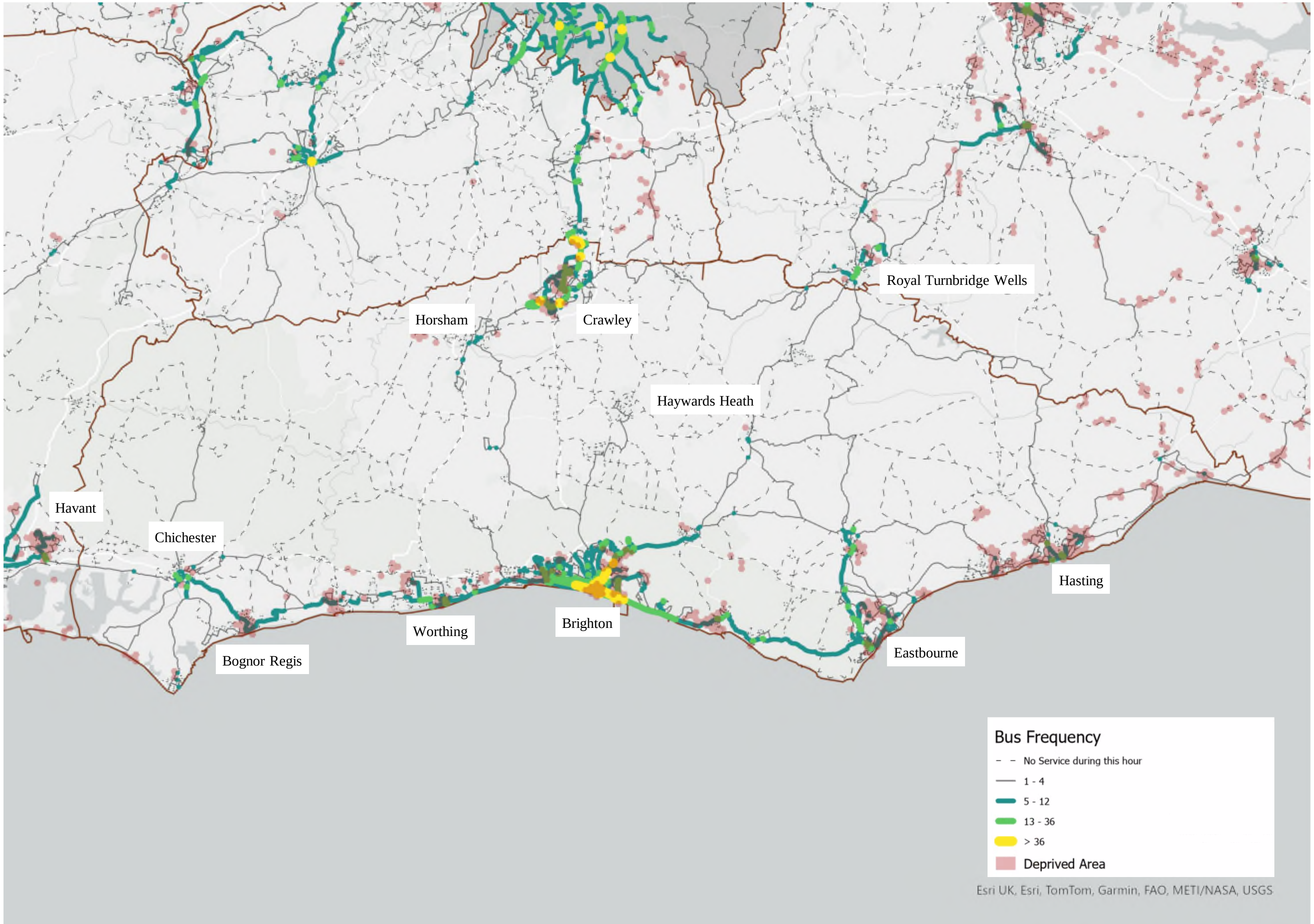


Surrey - Bus Frequency on Saturday 12pm

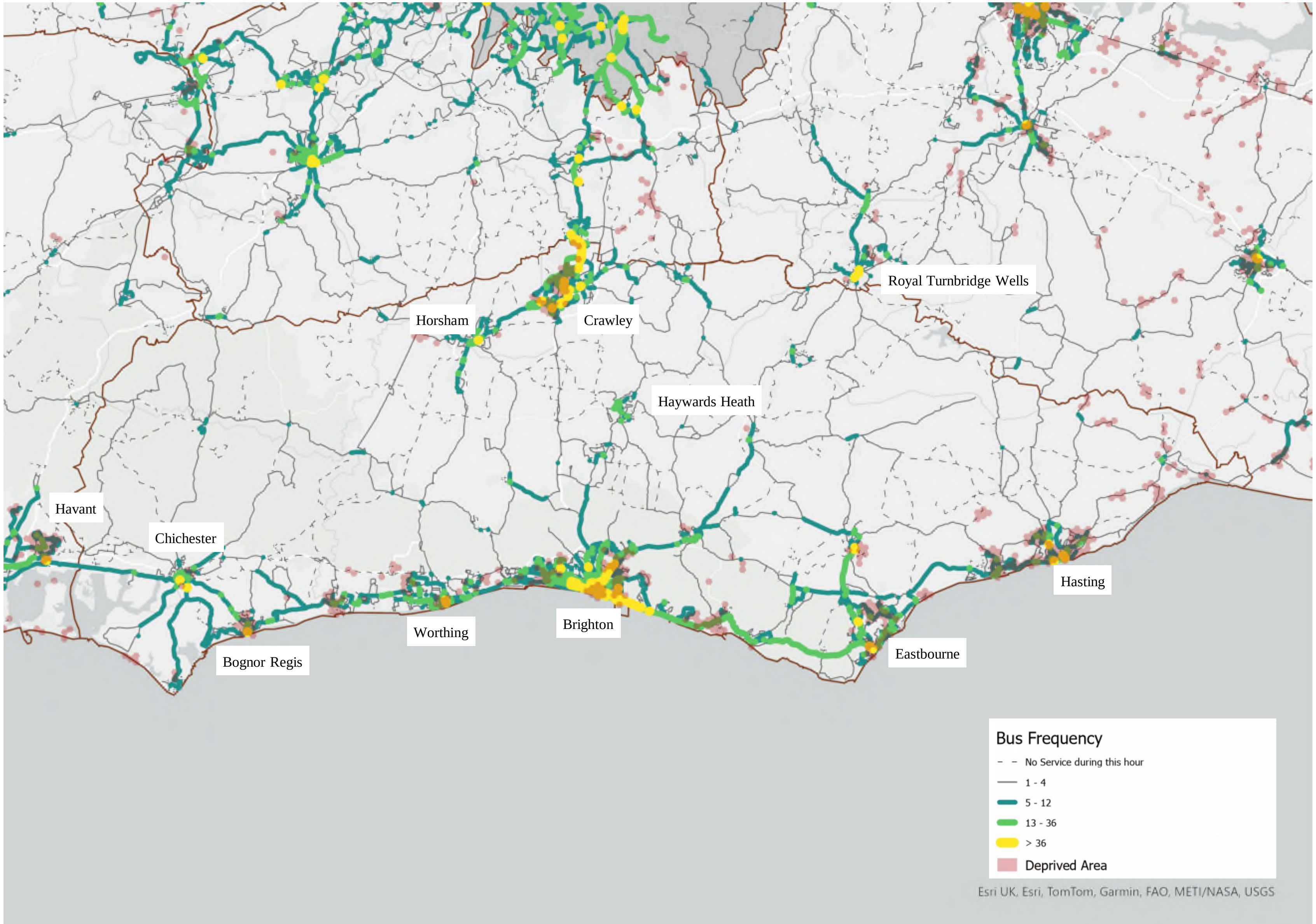
Appendix B3: Demographic analysis maps: Sussex and Brighton and Hove



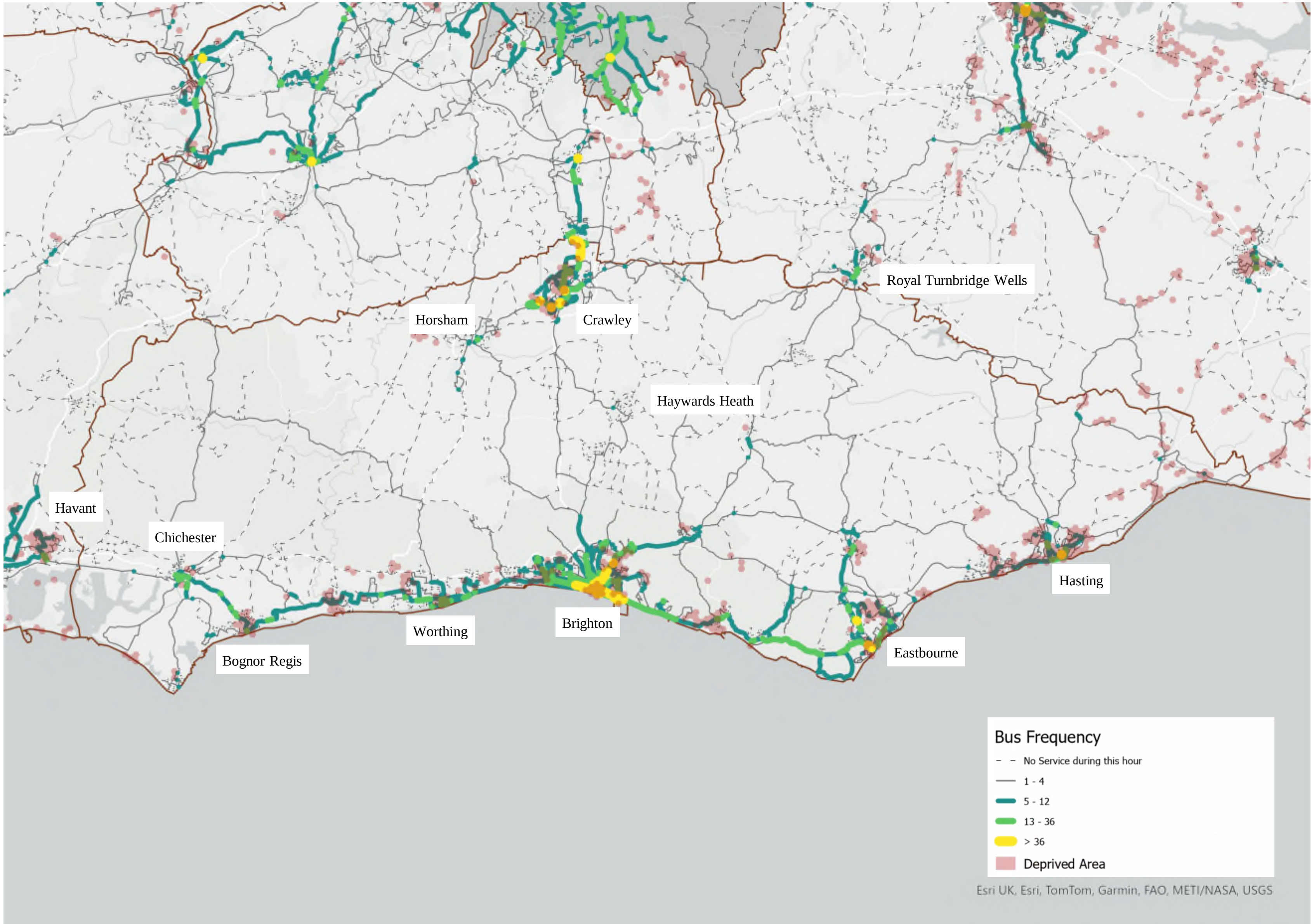
Sussex and Brighton and Hove - Bus Frequency on Weekday 8am



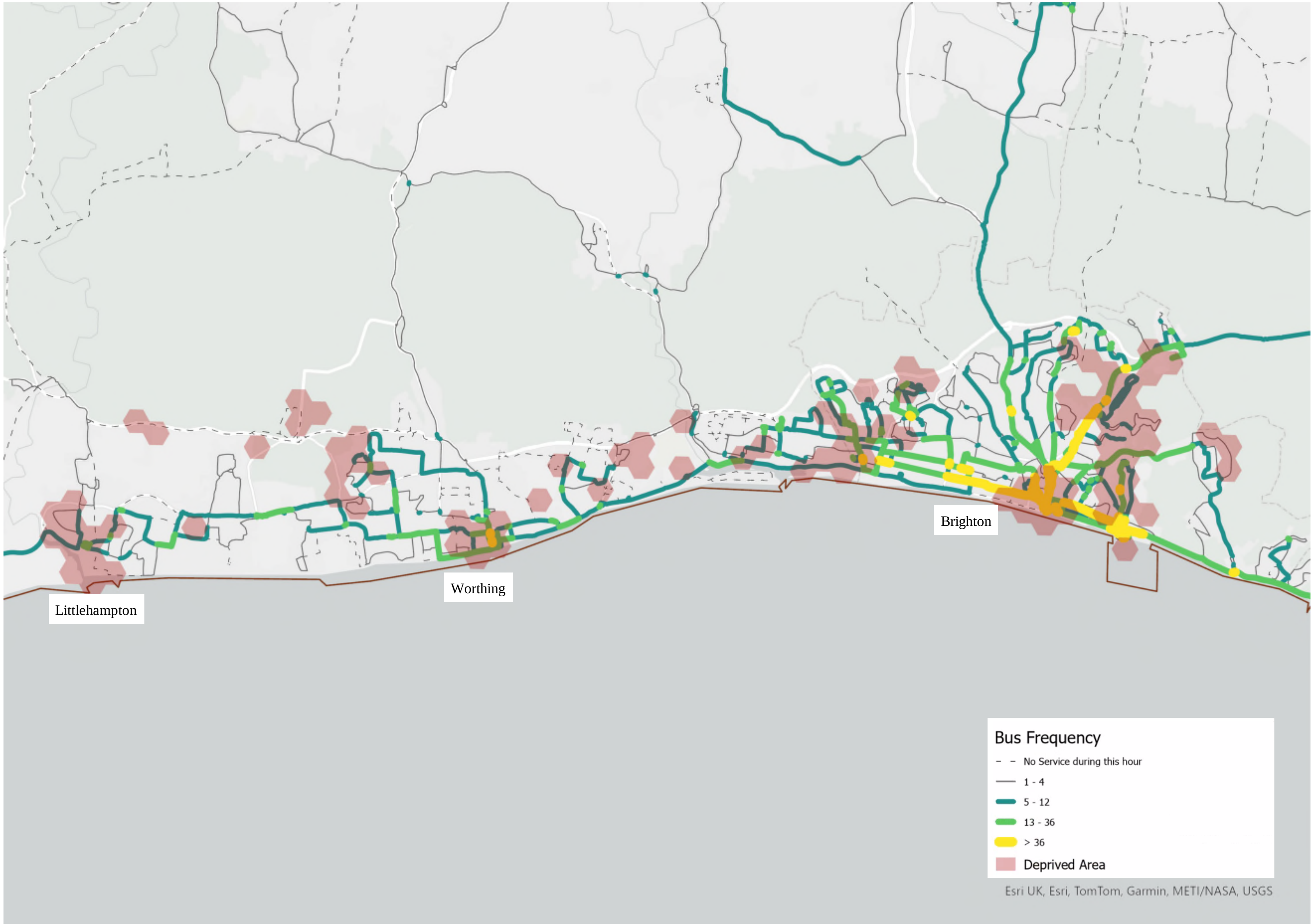
Sussex and Brighton and Hove - Bus Frequency on Weekday 8pm



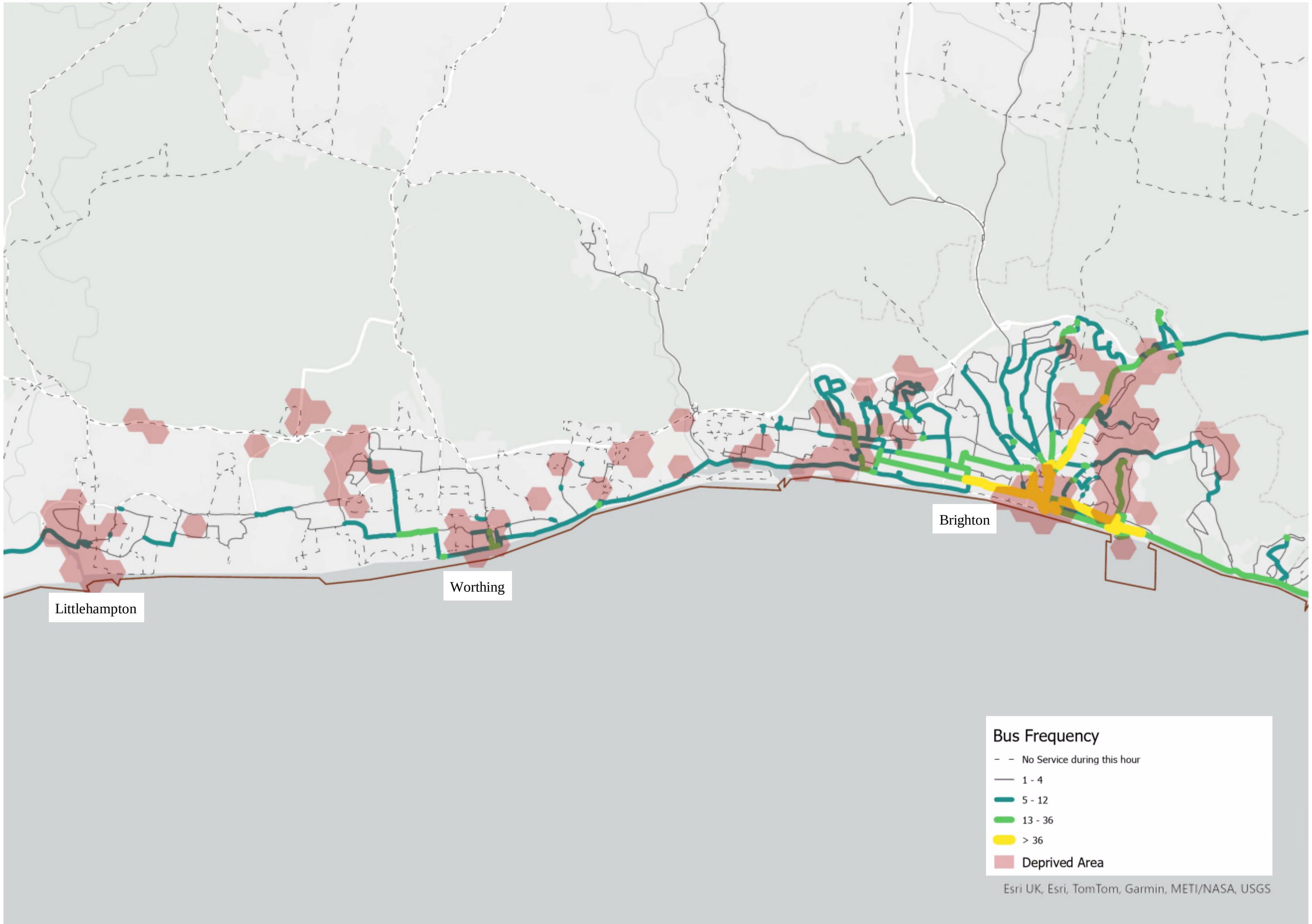
Sussex and Brighton and Hove - Bus Frequency on Saturday 12pm



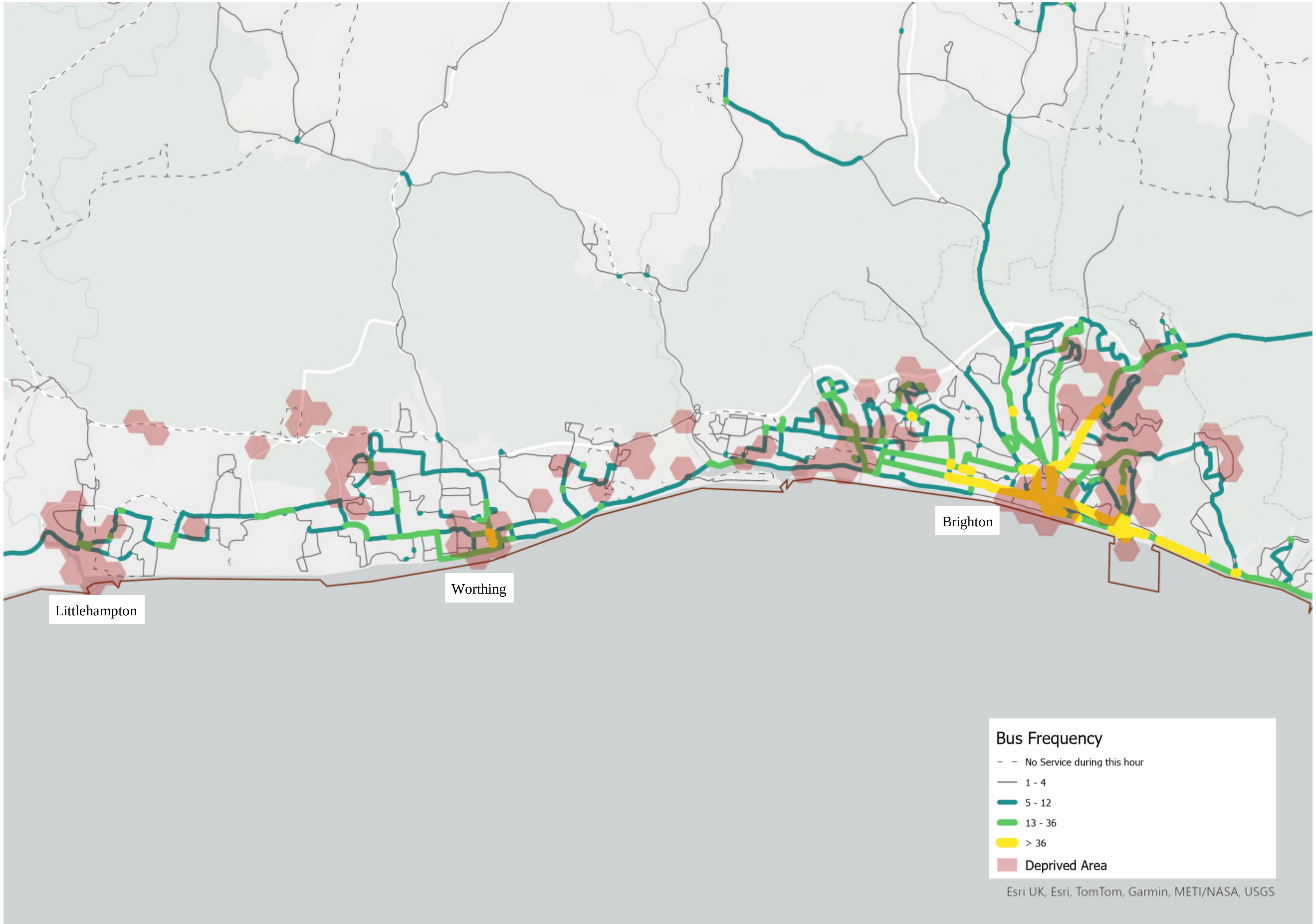
Sussex and Brighton and Hove - Bus Frequency on Sunday 12pm



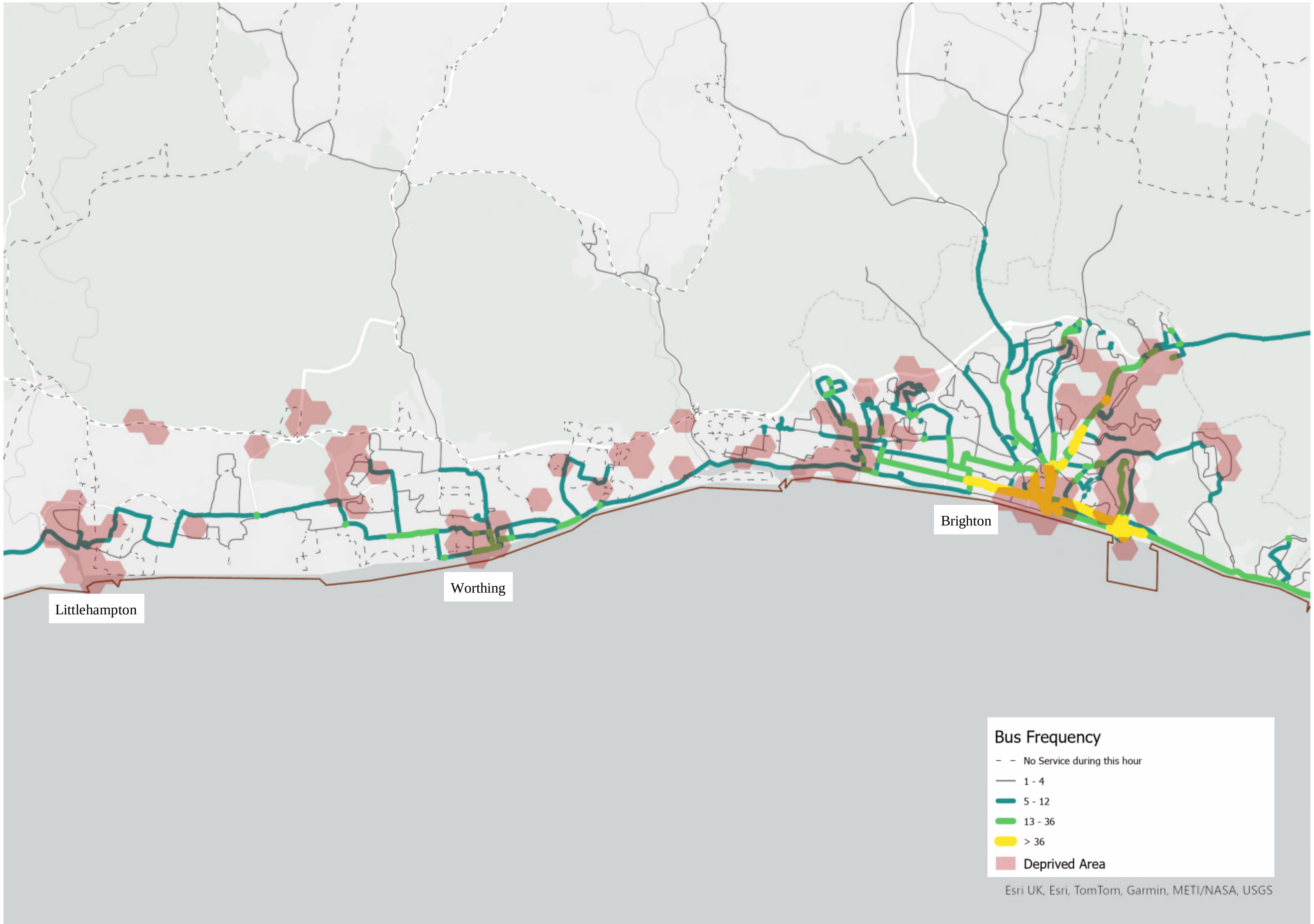
Brighton - Bus Frequency on Weekday 8am



Brighton - Bus Frequency on Weekday 8pm

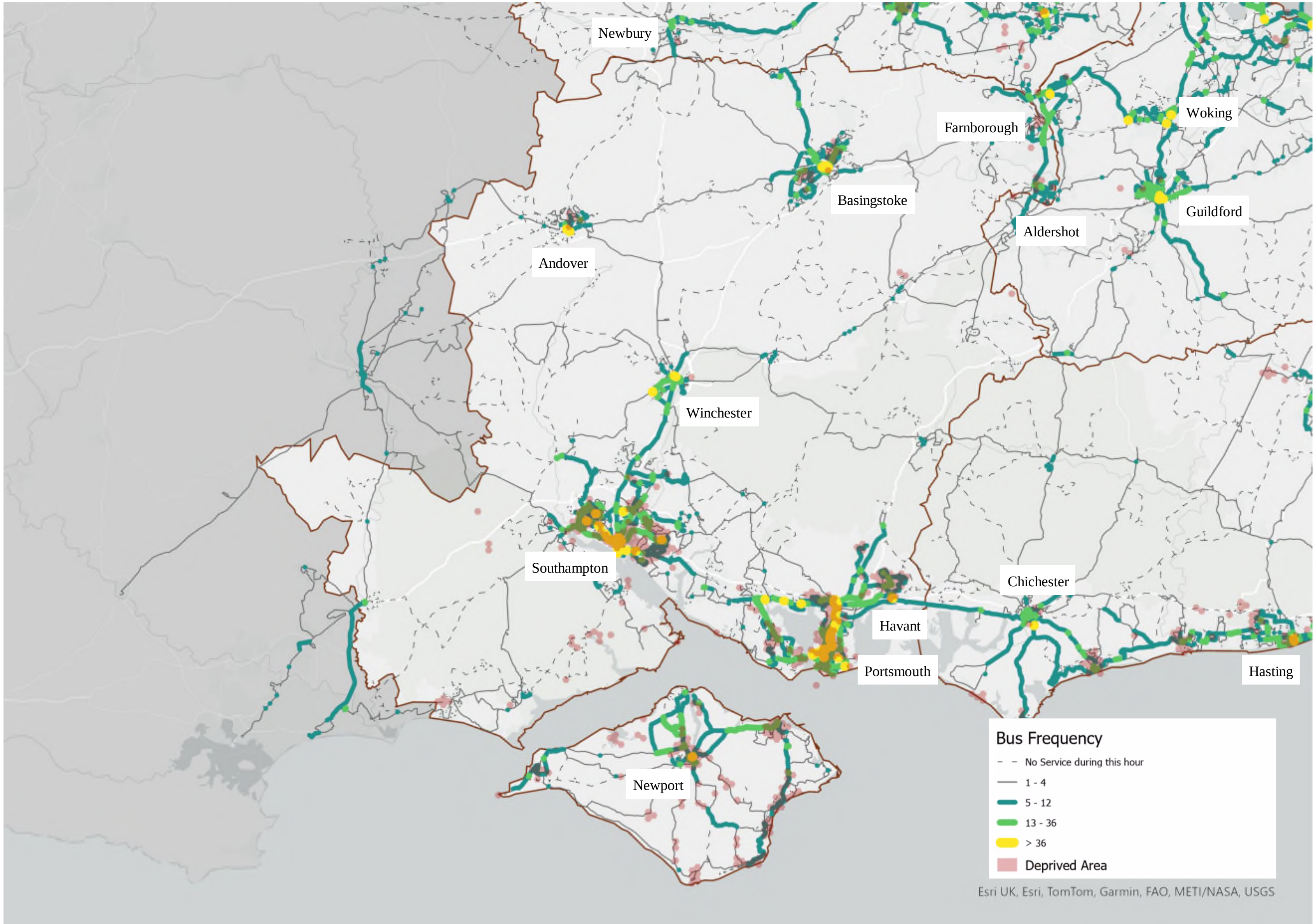


Brighton - Bus Frequency on Saturday 12pm

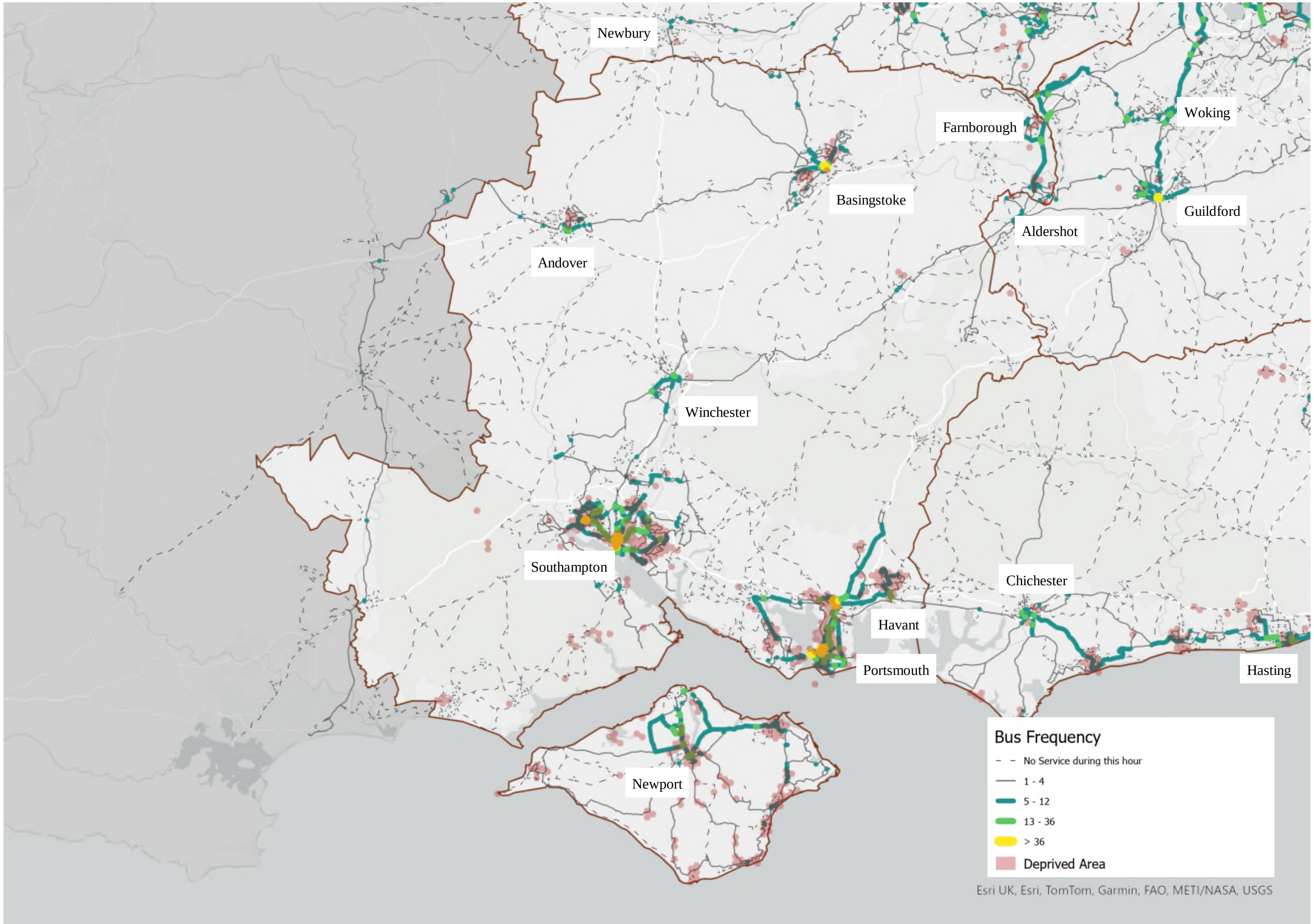


Brighton - Bus Frequency on Sunday 12pm

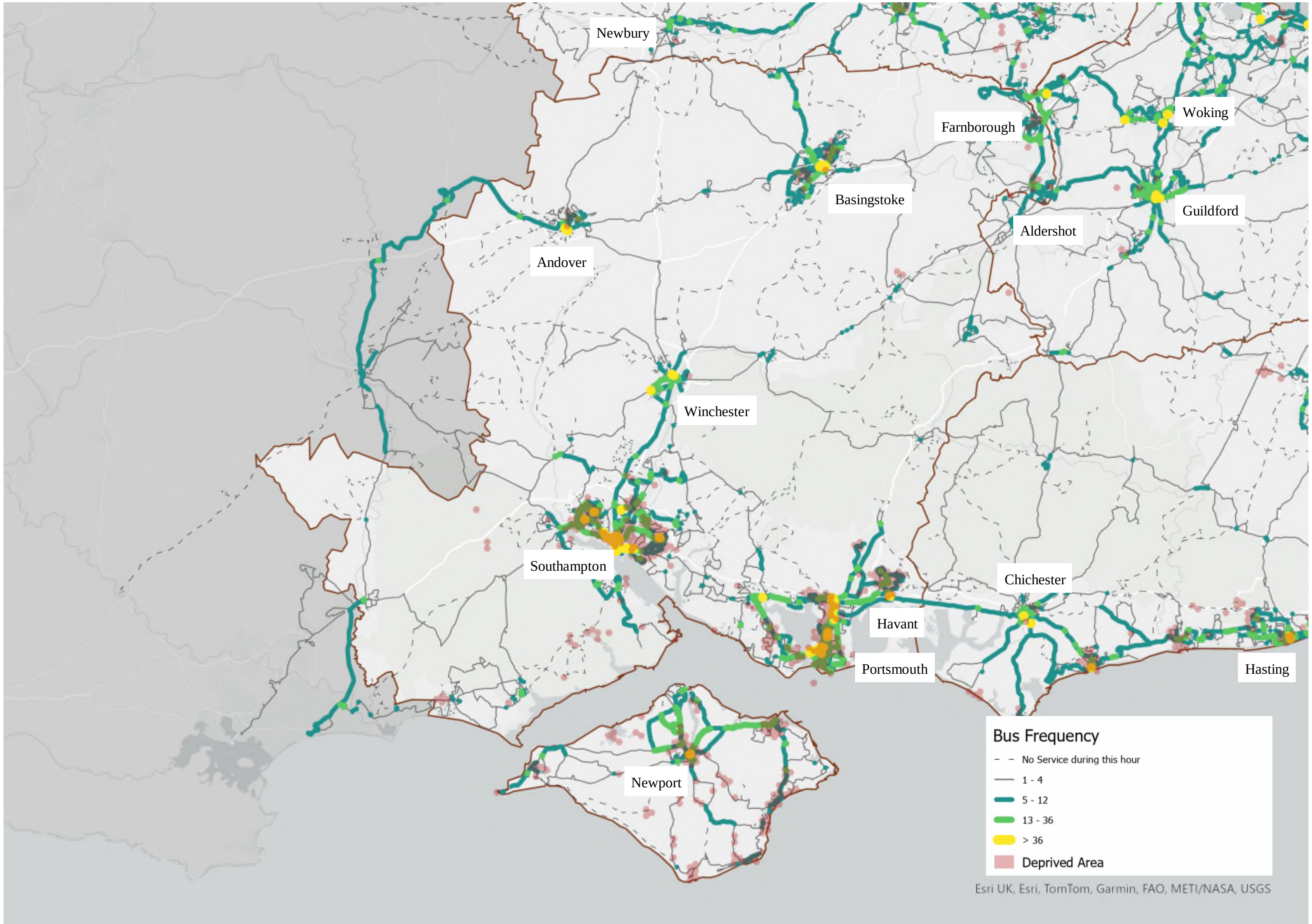
Appendix B4: Demographic analysis maps: Hampshire and Solent



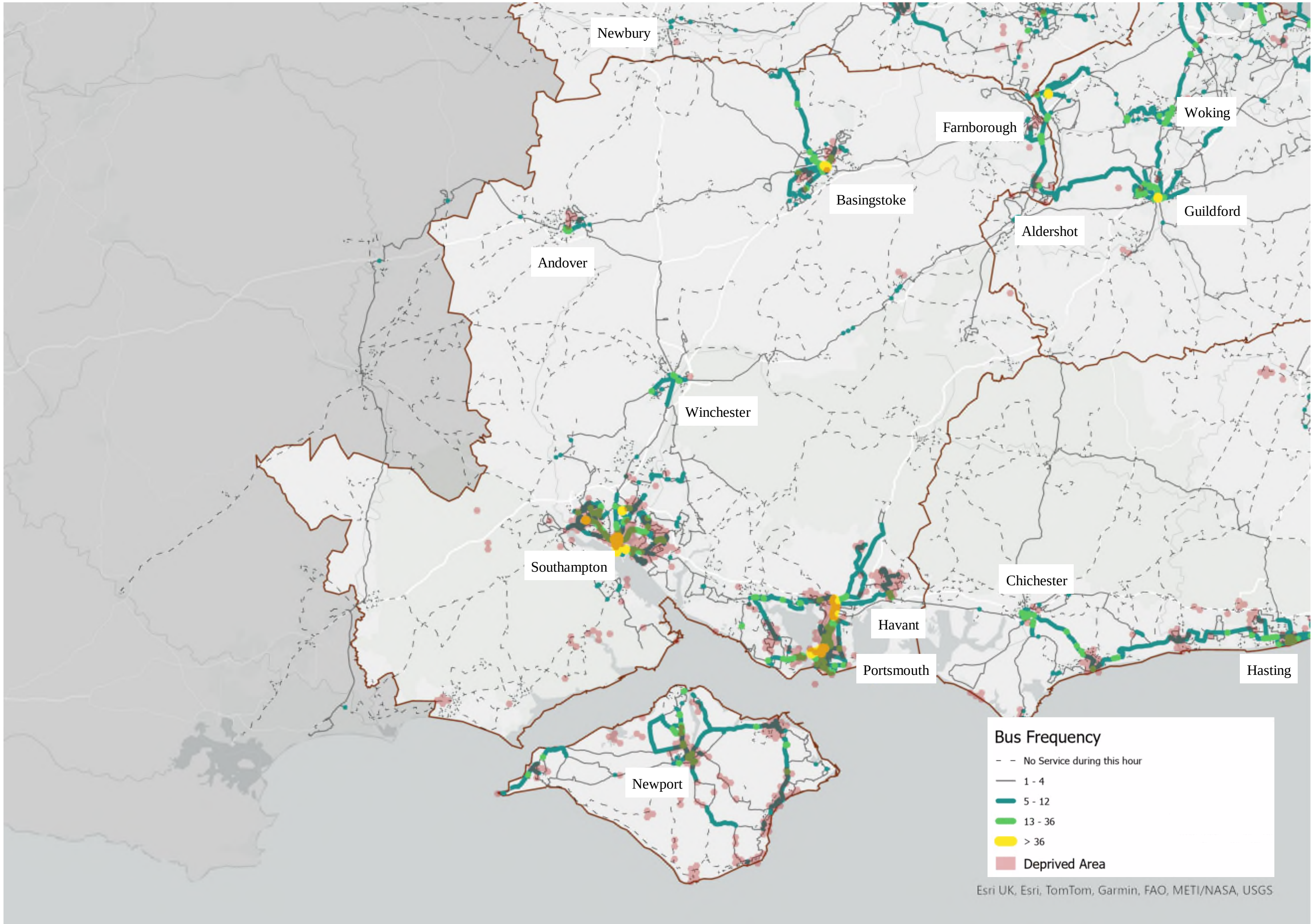
Hampshire and Solent - Bus Frequency on Weekday 8am



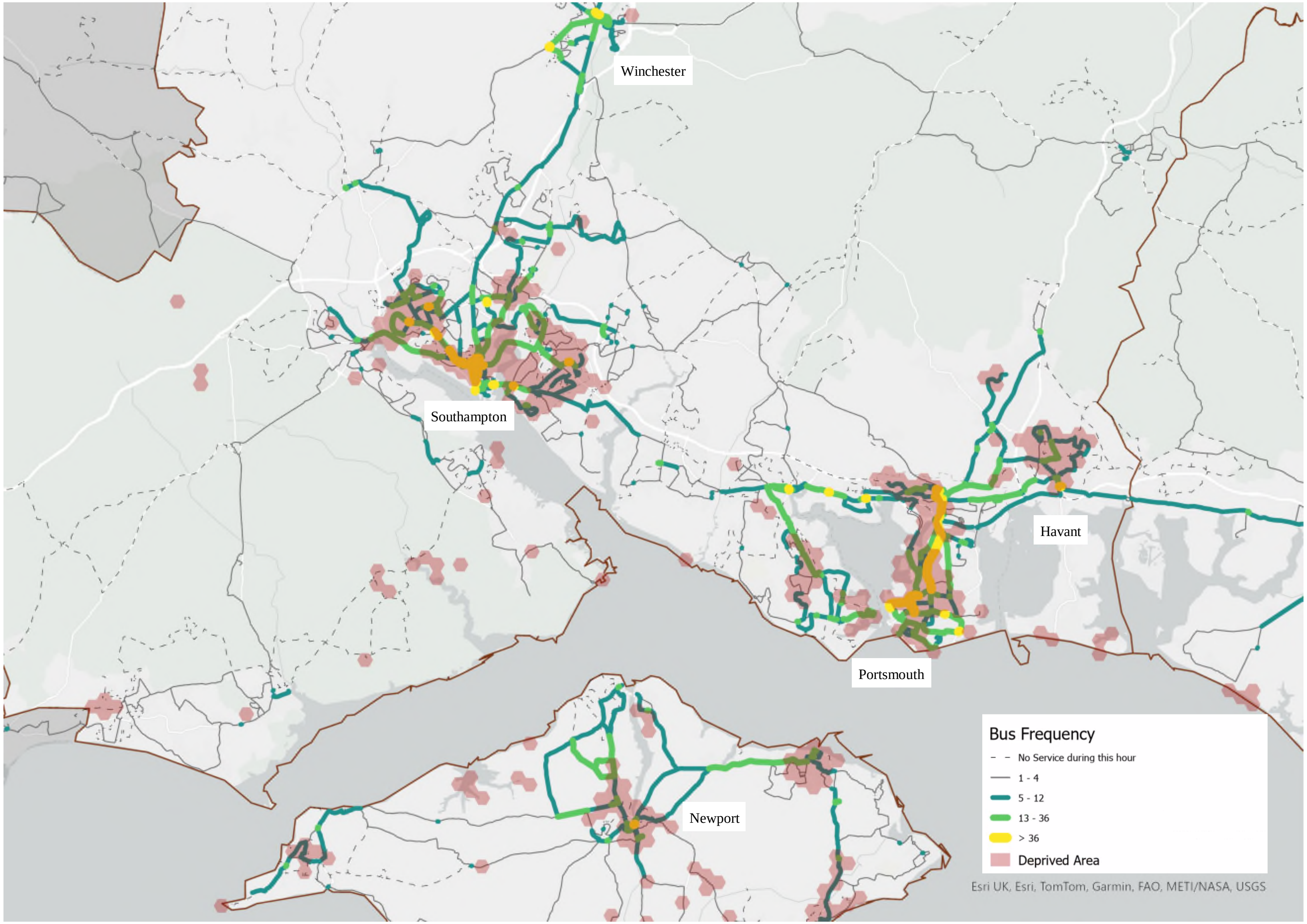
Hampshire and Solent - Bus Frequency on Weekday 8pm



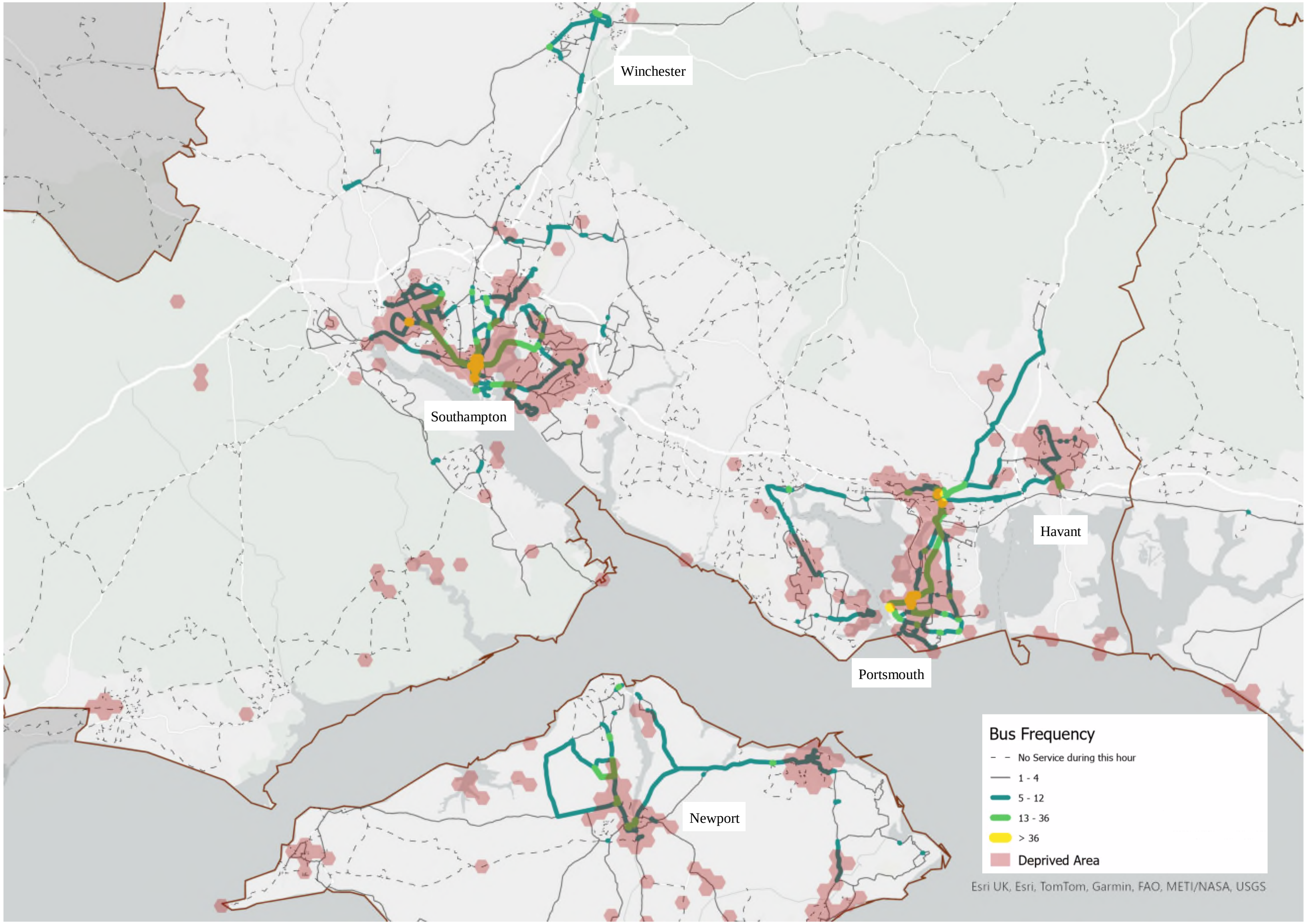
Hampshire and Solent - Bus Frequency on Saturday 12pm



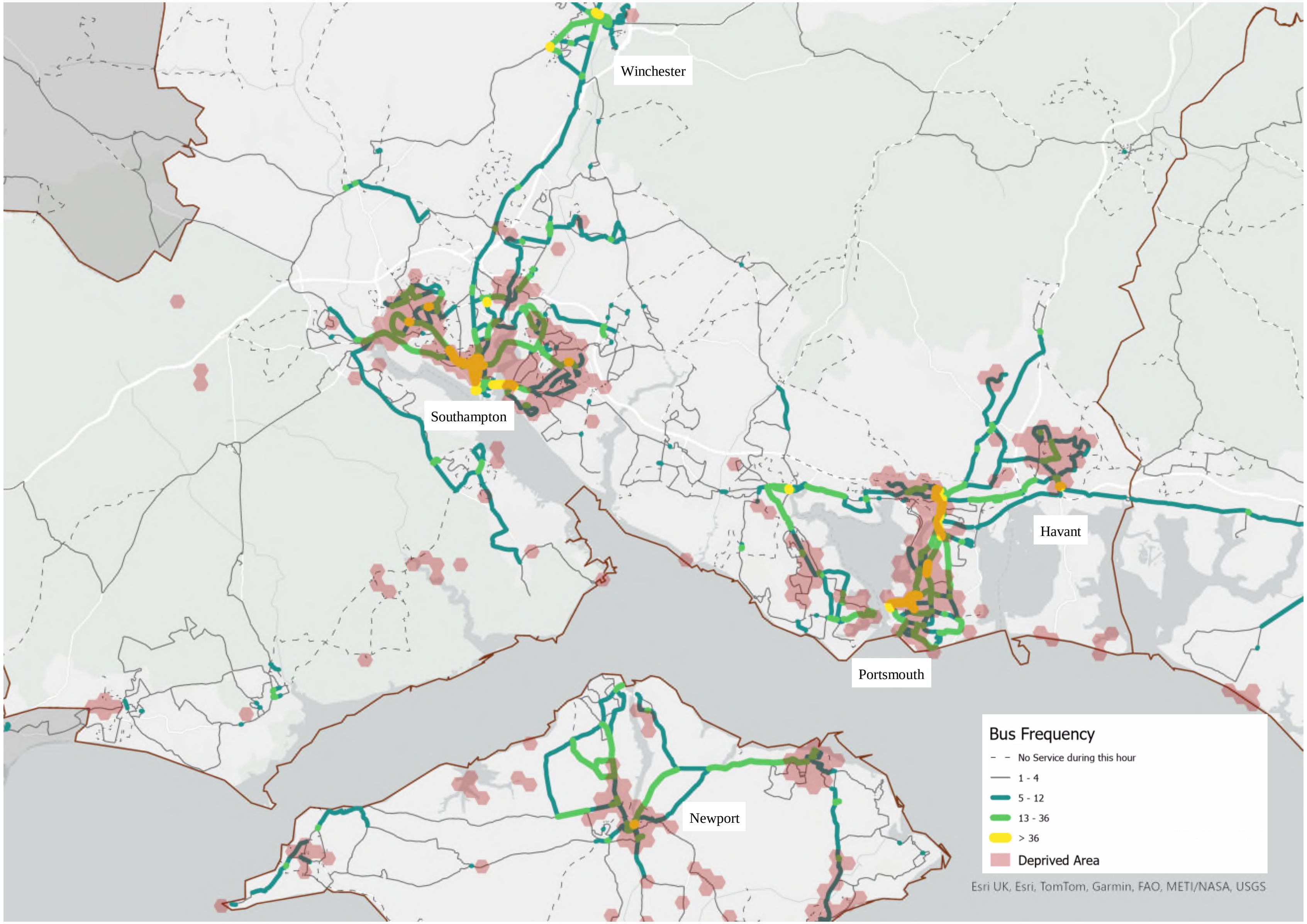
Hampshire and Solent - Bus Frequency on Sunday 12pm



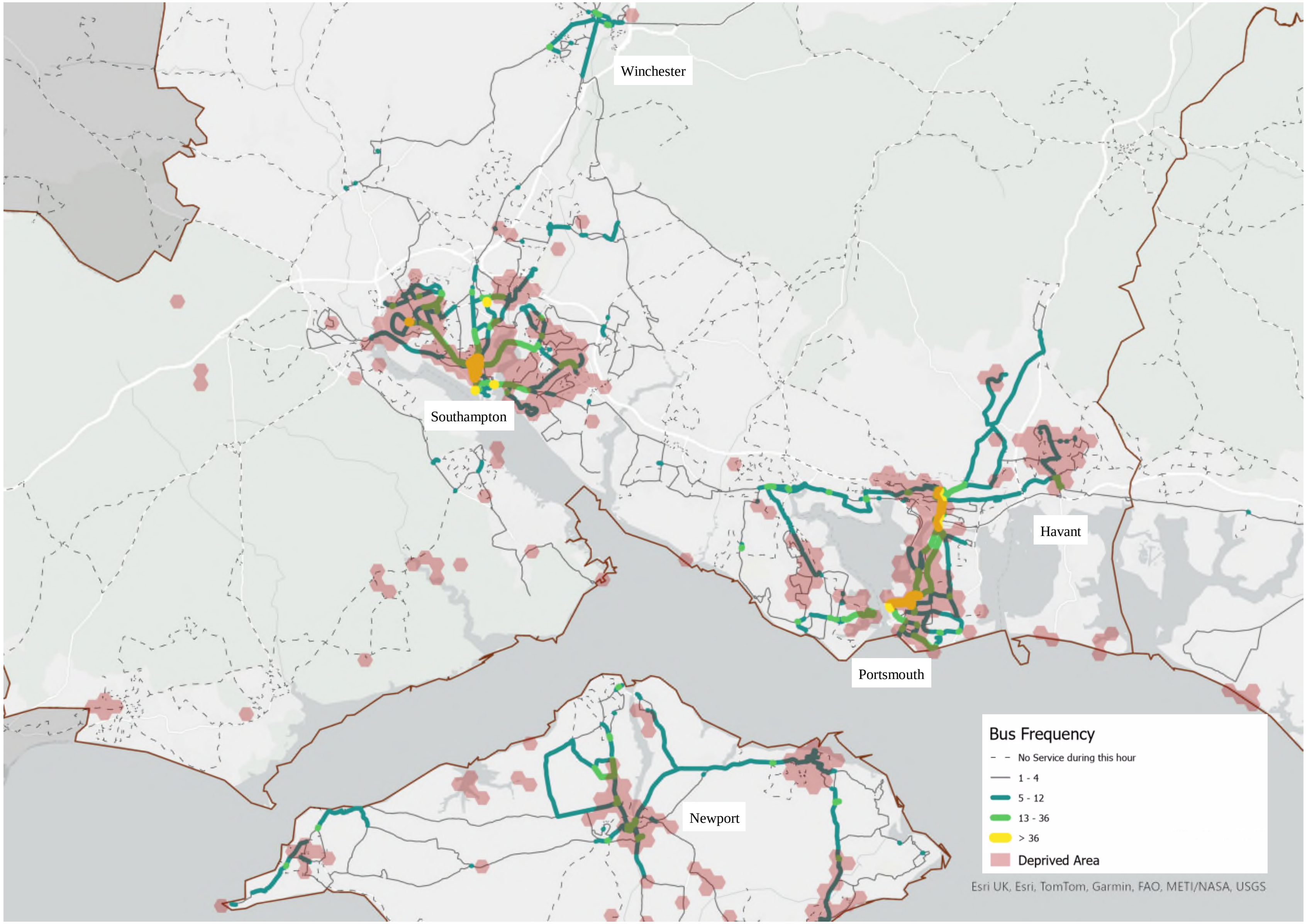
Southampton and Portsmouth- Bus Frequency on Weekday 8am



Southampton and Portsmouth- Bus Frequency on Weekday 8pm

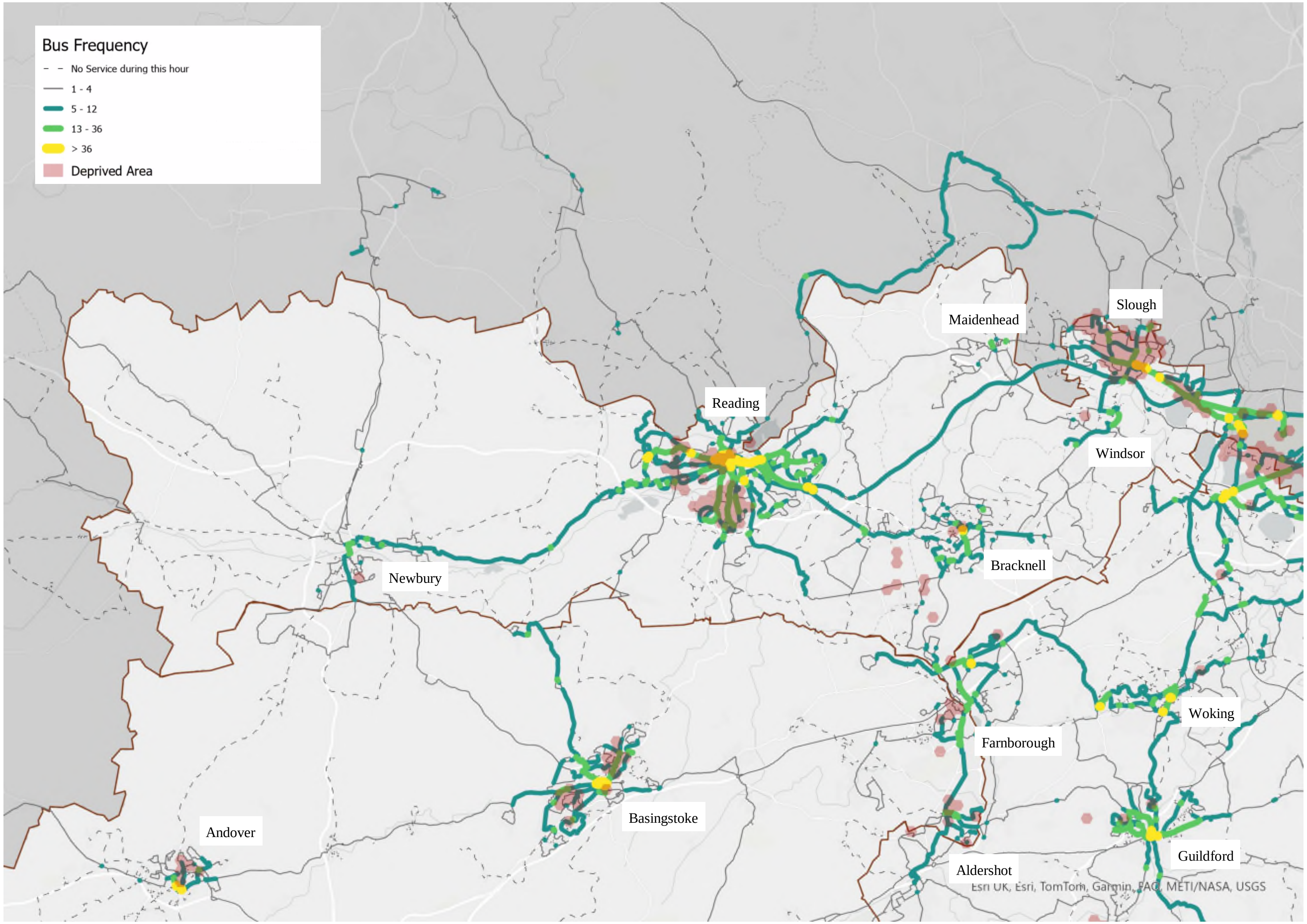


Southampton and Portsmouth- Bus Frequency on Saturday 12pm

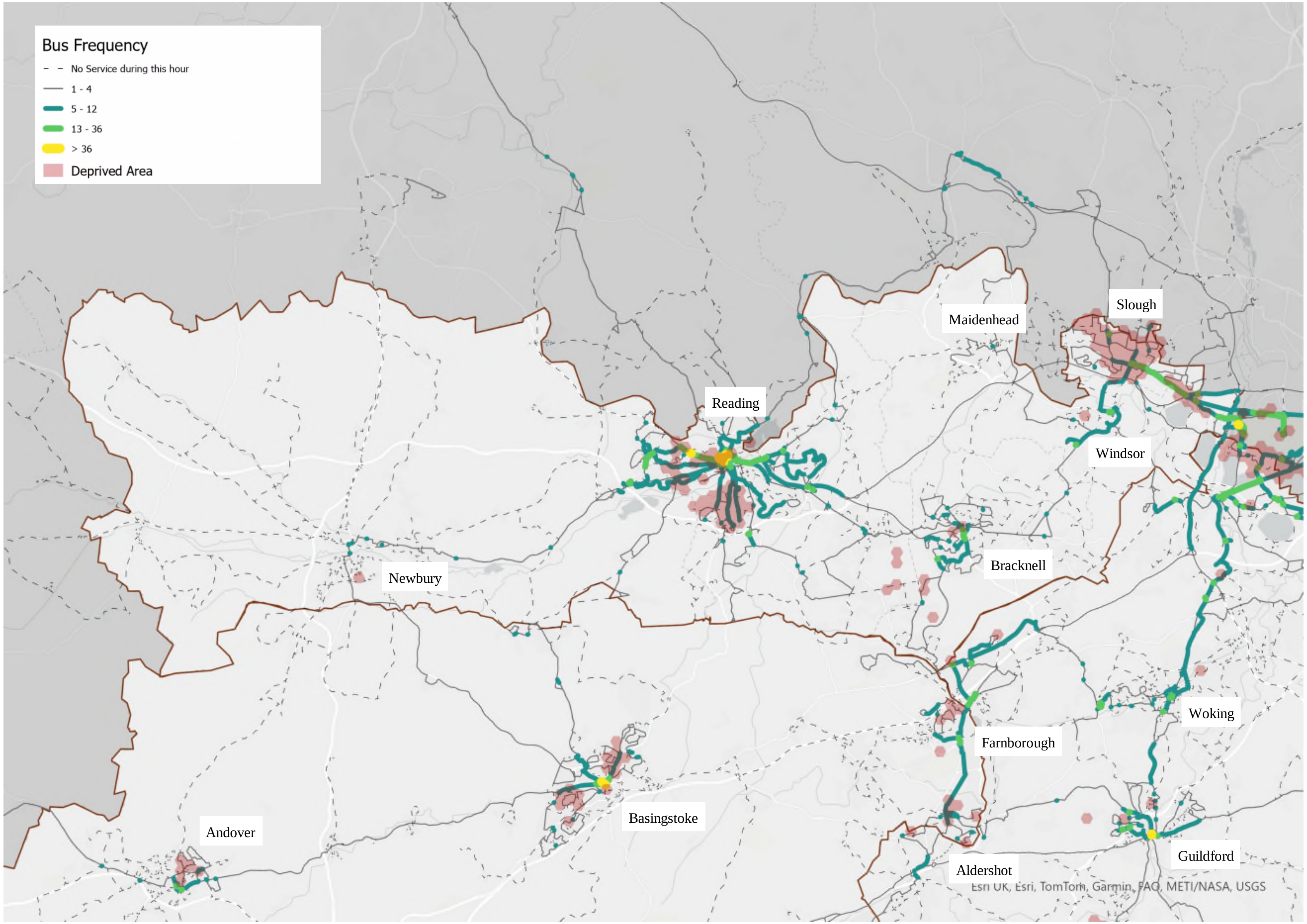


Southampton and Portsmouth- Bus Frequency on Sunday 12pm

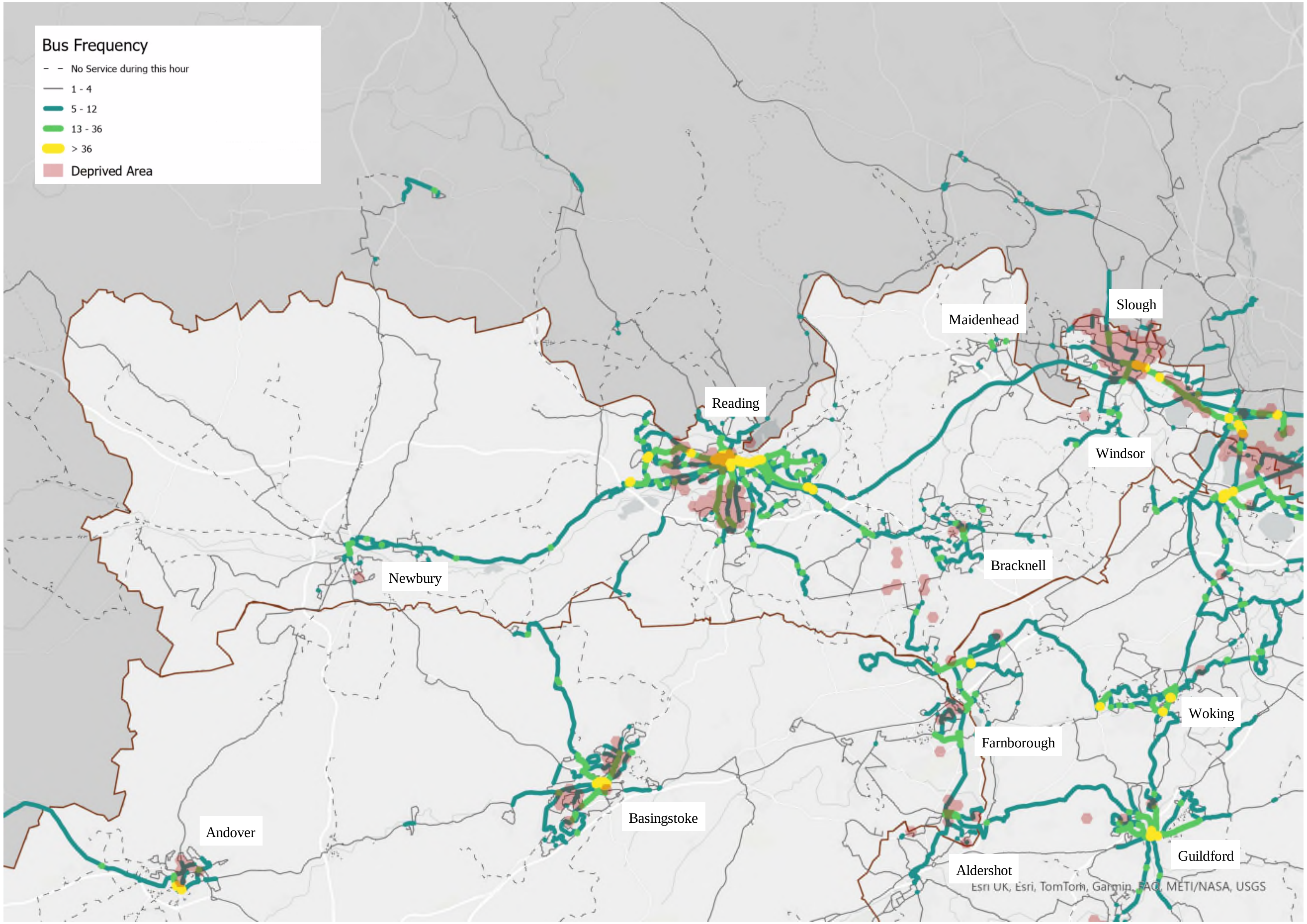
Appendix B5: Demographic analysis maps: Berkshire Local Authorities



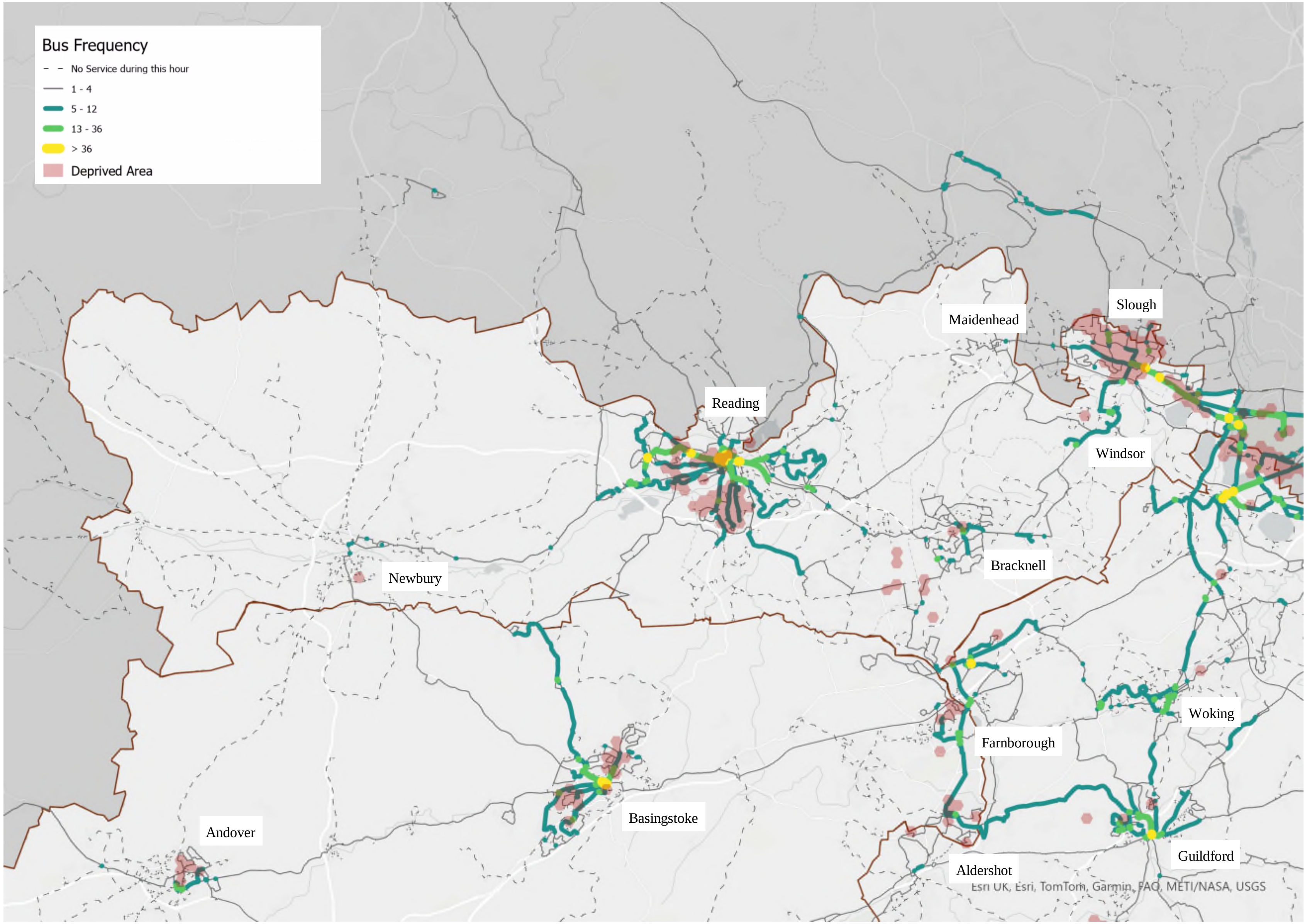
Berkshire Local Authorities - Bus Frequency on Weekday 8am



Berkshire Local Authorities - Bus Frequency on Weekday 8pm



Berkshire Local Authorities - Bus Frequency on Saturday 12pm



Berkshire Local Authorities - Bus Frequency on Sunday 12pm

Appendix C

Demographic Analysis Table

Most Deprived → Least Deprived

Weekday 8am Freq % Population		Population	Bus Frequency				
			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	622,387	20%	24%	16%	15%	25%
	5-6	526,281	36%	26%	16%	11%	11%
	7-8	472,850	42%	27%	14%	5%	12%
	9-10	234,471	43%	27%	20%	6%	5%
	Total	1,855,989	33%	26%	16%	10%	15%

Weekday 8pm Freq % Population		Population	Bus Frequency				
			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	622,387	37%	35%	21%	6%	2%
	5-6	526,281	53%	31%	12%	4%	0%
	7-8	472,850	58%	29%	7%	4%	2%
	9-10	234,471	65%	26%	8%	1%	0%
	Total	1,855,989	50%	31%	13%	4%	1%

Sat 12pm Freq % Population		Population	Bus Frequency				
			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	622,387	16%	24%	22%	12%	26%
	5-6	526,281	31%	28%	19%	13%	10%
	7-8	472,850	34%	33%	15%	7%	11%
	9-10	234,471	30%	38%	23%	4%	5%
	Total	1,855,989	27%	29%	19%	10%	15%

Sun 12pm Freq % Population		Population	Bus Frequency				
			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	622,387	32%	29%	18%	10%	11%
	5-6	526,281	51%	26%	15%	5%	3%
	7-8	472,850	56%	25%	12%	3%	4%
	9-10	234,471	60%	30%	7%	2%	1%
	Total	1,855,989	47%	27%	14%	6%	6%

Demographic Analysis Table – Kent and Medway

Most Deprived → Least Deprived

Weekday 8am Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	44,817	13%	22%	24%	15%	25%
	5-6	193,367	23%	24%	31%	6%	15%
	7-8	402,935	22%	25%	23%	10%	20%
	9-10	560,827	31%	33%	23%	7%	6%
	Total	1,201,946	26%	29%	24%	8%	13%

Weekday 8pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	44,817	14%	45%	21%	20%	0%
	5-6	193,367	34%	41%	10%	8%	6%
	7-8	402,935	35%	30%	19%	7%	9%
	9-10	560,827	50%	32%	13%	2%	2%
	Total	1,201,946	41%	33%	15%	6%	5%

Sat 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	44,817	12%	24%	25%	30%	9%
	5-6	193,367	19%	25%	29%	13%	14%
	7-8	402,935	21%	25%	26%	10%	19%
	9-10	560,827	28%	35%	24%	8%	5%
	Total	1,201,946	24%	30%	26%	10%	11%

Sun 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	44,817	17%	41%	21%	21%	0%
	5-6	193,367	34%	38%	14%	6%	8%
	7-8	402,935	32%	34%	17%	7%	9%
	9-10	560,827	47%	38%	10%	4%	1%
	Total	1,201,946	39%	37%	13%	6%	5%

Demographic Analysis Table – Surrey

Most Deprived
↓
Least Deprived

Weekday 8am Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	528,496	11%	12%	16%	13%	48%
	5-6	466,277	23%	19%	26%	11%	21%
	7-8	453,120	42%	23%	14%	11%	10%
	9-10	554,404	47%	28%	16%	5%	5%
	Total	2,002,297	31%	20%	18%	10%	21%

Weekday 8pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	528,496	16%	23%	19%	15%	27%
	5-6	466,277	34%	33%	16%	9%	8%
	7-8	453,120	54%	28%	11%	5%	3%
	9-10	554,404	64%	26%	7%	2%	0%
	Total	2,002,297	42%	28%	13%	8%	10%

Sat 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	528,496	10%	11%	16%	18%	44%
	5-6	466,277	22%	20%	23%	12%	23%
	7-8	453,120	37%	28%	14%	9%	11%
	9-10	554,404	40%	35%	15%	5%	5%
	Total	2,002,297	27%	24%	17%	11%	21%

Sun 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	528,496	13%	20%	19%	15%	32%
	5-6	466,277	31%	31%	16%	12%	9%
	7-8	453,120	49%	28%	13%	4%	5%
	9-10	554,404	59%	27%	9%	4%	0%
	Total	2,002,297	38%	27%	14%	9%	12%

Demographic Analysis Table – Hampshire and Solent

Most Deprived → Least Deprived

Weekday 8am Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	400,528	7%	11%	18%	24%	40%
	5-6	500,408	20%	19%	18%	12%	32%
	7-8	479,446	23%	31%	20%	11%	15%
	9-10	321,542	27%	41%	17%	7%	8%
	Total	1,701,924	19%	25%	18%	13%	24%

Weekday 8pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	400,528	13%	23%	24%	17%	24%
	5-6	500,408	27%	27%	16%	5%	25%
	7-8	479,446	42%	26%	18%	7%	7%
	9-10	321,542	52%	35%	9%	4%	1%
	Total	1,701,924	32%	27%	17%	8%	15%

Sat 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	400,528	6%	10%	19%	21%	44%
	5-6	500,408	18%	20%	18%	11%	33%
	7-8	479,446	22%	30%	19%	12%	17%
	9-10	321,542	22%	43%	19%	8%	8%
	Total	1,701,924	17%	25%	19%	13%	26%

Sun 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	400,528	12%	19%	25%	16%	28%
	5-6	500,408	26%	26%	17%	8%	23%
	7-8	479,446	39%	30%	17%	6%	8%
	9-10	321,542	52%	36%	7%	3%	1%
	Total	1,701,924	31%	28%	17%	8%	16%

Demographic Analysis Table – Sussex and Brighton and Hove

Weekday 8am Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	167,555	5%	14%	13%	18%	51%
	5-6	163,619	14%	22%	21%	9%	34%
	7-8	234,964	26%	26%	22%	7%	19%
	9-10	368,378	32%	33%	18%	9%	8%
	Total	934,516	23%	26%	19%	10%	23%

Most Deprived → Least Deprived

Weekday 8pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	167,555	8%	28%	23%	18%	24%
	5-6	163,619	24%	25%	20%	12%	19%
	7-8	234,964	37%	33%	16%	5%	9%
	9-10	368,378	47%	34%	12%	7%	0%
	Total	934,516	33%	31%	17%	9%	10%

Sat 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	167,555	6%	16%	16%	30%	32%
	5-6	163,619	13%	24%	26%	9%	29%
	7-8	234,964	24%	37%	18%	9%	13%
	9-10	368,378	35%	33%	19%	8%	5%
	Total	934,516	23%	29%	20%	12%	16%

Sun 12pm Freq		Population	Bus Frequency				
% Population			No Bus Service	1-2	3-4	5-6	>6
Index of Multiple Deprivation (Decile)	1-4	167,555	8%	24%	25%	19%	24%
	5-6	163,619	23%	36%	16%	9%	16%
	7-8	234,964	41%	41%	10%	0%	8%
	9-10	368,378	51%	35%	11%	3%	0%
	Total	934,516	36%	35%	14%	6%	9%

Demographic Analysis Table – Berkshire Local Authorities