National Bus Strategy: Capacity and Capability

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Executive summary

The National Bus Strategy for England, *Bus Back Better*, places a much greater emphasis on the role of Local Transport Authorities (LTAs)in planning and delivering local bus services alongside bus operators. The strategy requires LTAs to develop Enhanced Partnerships (EPs) with operators and to publish Bus Service Improvement Plans (BSIPs). However, it recognises a key barrier would be variable capability (experience and technical expertise) and capacity (resource required) to deliver on the requirements of the strategy.

In order to support the work on the National Bus Strategy, the Department for Transport (DfT) commissioned Campaign for Better Transport to undertake more in-depth research into LTAs' existing capacity and capability needs for bus services planning and delivery. Based on interviews with LTAs and focus groups with stakeholders, this report also explores how these needs are expected to change as a result of requirements in the National Bus Strategy, as well as any institutional barriers and enablers to effective practice. It aims to help the DfT better understand the issues affecting LTA capacity and capability and to better tailor and target support through the Bus Centre of Excellence.

Overall, the larger, more populous, LTAs tended to be better resourced with larger bus teams and more developed expertise. With some exceptions, most LTAs had good working relationships with bus operators and established informal partnerships, providing a good base for progressing to EPs. However, LTAs were predominantly focused on the day-to-day management of operations, with little capacity for strategic planning on the scale required by the strategy, so progressing at speed is expected to be a challenge.

In terms of internal capacity and capability, the report found:

- Broadly, only the largest LTAs, in terms of both population and team sizes, tend to have sufficient technical expertise, while smaller LTAs have gaps in technical areas like real-time data, business case development, and commercial acumen for incentivising operators in areas like multi-operator ticketing and zero-emission buses adoption.

- Overall team capacity has declined over time due to a shortage of qualified individuals and reliance on long-service staff members approaching retirement.

- There is therefore an expectation that the main gaps will be filled through outsourcing and consultancy support.

There were also a number of external institutional and structural barriers:

- Combined and two-tier authorities find it complex managing relationships with elected representatives and highways or planning teams within their constituent authorities, while unitaries may struggle to coordinate cross-border routes with neighbouring authorities.

- Lack of understanding of the importance and benefits of bus service provision both at a senior political level and at officer level within other relevant teams acts as a barrier to implementing improvements.

- Lack of bus-related knowledge and experience among legal and other support teams can be a barrier to progressing with EPs.

- Reliance on short-term annual funding settlements and competitive funding pots lead to inefficiencies trying to deal with budget fluctuations and difficulty recruiting and retaining staff, while less experienced LTAs continually missing out on funding opportunities.

There were a number of ways LTAs can be supported through the Bus Centre of Excellence (BCoE) and other interventions:

- Detailed guidance and intensive advice can support LTAs to meet the NBS requirements in the short term, while more detailed feedback on unsuccessful funding bids and longer-term funding allocations was also needed to provide stability going forward.

- The BCoE should raise awareness of the benefits of improved bus provision through toolkits, briefings and training provision for both elected representatives and other related teams (highways, planning, legal, etc.) within local authorities and external communication campaigns for the general public.

- Standardised materials like frameworks and templates that can be easily adapted to different local contexts could help support LTAs in technical areas such as cost-benefit analysis, real-time data and navigating competition rules.

- Standardised procurement frameworks and a central register of consultants and experts could help LTAs secure support more efficiently.

- A database of best practice examples of successful projects and interventions and knowledge exchange networks would help build expertise between similar authorities and situations.

- Most importantly, the BCoE should coordinate training and professional development across the sector through developing dedicated bus service qualifications as well as on-the-job training for existing employees. It could also coordinate placements of trainees in different teams and LTAs and reciprocal secondments between bus operators and LTAs.

Summary of internal gaps and external barriers and support required to address those

Internal capacity and capability gaps	Support required
Small overall team size focused on operational priorities	Capacity funding to address immediate needs and training for the longer term
Limited technical expertise and commercial acumen	Standardised frameworks/templates and technical/commercial training Secondments between bus operators and LTAs
Limited capacity and expertise to develop funding bids	More iterative development of proposals and detailed feedback on unsuccessful applications
Difficulty recruiting and attracting new entrants	Developing a dedicated bus training qualification BCoE-supported secondments and multi-authority hires Promotion to increase the status and remuneration of bus profession
Impending retirement of long-serving staff members	On-the-job training, skills and knowledge exchange for existing employees New hires to release capacity among experiences staff for training and handover
Reliance on consultancy support for more specialised tasks or periods of intense demand	Standardised materials to develop LTAs' consultancy specifications Central register of consultancies and experts and a standardised rate card for services

External barriers	Support required
Complexity of managing relationships with elected representatives and highways/planning teams within constituent authorities and managing	Stakeholder engagement training

cross-border routes with neighbouring authorities	
Lack of support from senior leaders and elected representatives	Toolkits, briefings and training provision for elected representatives and a public campaign on the benefits of improved bus provision
Siloed working and lack of understanding of buses among support teams (highways, planning, legal, etc.)	Toolkits, briefings and training provision for local authority support teams
Limited understanding of EPs among legal teams	Detailed guidance, templates and briefings for LTA legal teams with examples of what EPs can and cannot include
Reliance on short-term allocations and competitive funding pots	Longer funding periods

Introduction

This report examines local authorities' capacity and capability to deliver against the priorities of the National Bus Strategy. *Bus Back Better*, the first National Bus Strategy (NBS) for England, was published in March 2021. Due to a combination of factors, bus use has been in steady decline for many years.[1] The strategy aims to reverse this trend by reforming the way that services are planned and delivered, placing greater emphasis on the role of local authorities.

Previous administrations have tried to improve bus service provision and use by encouraging closer working between authorities and operators through legislation. The Transport Act 2000 introduced statutory 'Quality Bus Partnerships' between local transport authorities (LTAs) – the unit of local government with responsibility for bus use – and bus operators. Under those arrangements, LTAs and operators could agree on measures to boost bus use, such as investment in bus shelters and real time information displays, bus lane provision and enforcement, new vehicles and higher standards on exhaust emissions.

The subsequent Bus Services Act 2017 renamed any existing agreements 'Advanced Quality Partnerships' (AQPs) and created the additional option of 'Enhanced Partnerships' (EPs). EPs support a greater range of measures and forms of cooperation, such as including more advanced ticketing schemes and bringing together multiple local authorities. The 2017 act also allowed mayoral combined authorities to introduce franchising schemes. This allows authorities to set the specifications for a particular bus route, corridor, or network, to which operators can competitively bid to operate. However, with few exceptions, the powers of the 2000 and 2017 acts remained largely unused by LTAs, with many preferring more informal, voluntary partnerships with operators.

The National Bus Strategy seeks to boost levels of cooperation by requiring LTAs to establish an EP and/or franchising arrangement with bus operators to be eligible for future government bus funding. LTAs are required to:

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[1] Passenger journeys on local bus services in England outside London declined by 17 per cent between 2009/10-2019/20.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/929992/annual-bus-statistics-year-ending-march-2020.pdf

- Notify the Department for Transport (DfT) of their intention to either form an EP and/or pursue franchising (with the ability to request franchising powers extended to all local authorities) by June 2021;

- Publish Bus Service Improvement Plans (BSIPs) setting out high-level vision, outcomes and interventions by October 2021;

- Have an EP in place or be in the process of establishing franchising by March 2022.

However, the National Bus Strategy acknowledges that LTAs' capacity and capabilities to work in partnership with operators and drive service improvements vary significantly and that some would require additional support. To deliver this support, the strategy included £25 million capacity funding in 2021/22, with the majority of this directly allocated to authorities and a proportion for the creation of a 'Bus Centre of Excellence' (BCoE) to deliver a long-term support programme to build up local authority capability.

Since the bus market in England outside London was deregulated in 1986, the onus has been on operators to plan and deliver local bus services where they see appropriate. LTAs are responsible for home to school and social care transport provision as a statutory requirement, and for administering concessionary fare payments. LTAs are also able to fill any gaps in provision by tendering for services on any routes they deem socially necessary (although this is at their discretion). These reduced responsibilities led to a gradual decline in LTA capability (the experience and technical expertise for planning, commissioning and overseeing bus services) and capacity (the internal manpower and resource required to deliver).

There has been much research on the factors behind declining local bus provision and use. Some reports identified varying levels of capacity and capability within LTAs as a barrier for delivering on their ambitions going forward.[2] The majority of local authorities which were engaged with highlighted the fact that they had lost staff over the last decade and this meant they no longer had the time or expertise to deliver their ambitions. Due to declining bus use and budgets, there has been an overall reduction in expertise and staffing. A lack of resources is also a factor behind the limited take-up of the existing powers available to local authorities due to the significant commitments required to forge such partnerships with operators. However, there has been limited research into what the specific gaps are and how these vary between authorities.

In order to support the work on the National Bus Strategy, the DfT asked Campaign for Better Transport to undertake more in-depth research into LTAs' existing capacity and capability needs for bus services planning and delivery. This report also explores how these needs are expected to change as a result of requirements in the National Bus Strategy, as well as any institutional barriers and enablers to

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[2] See for example, Campaign for Better Transport (2019), The future of the bus: Policy and fiscal interventions as part of a National Bus Strategy, https://bettertransport.org.uk/sites/default/files/research-files/The-future-of-the-bus-August-2019.pdf; Campaign for Better Transport (2020), Covid-19 Recovery: Renewing the transport system, https://bettertransport.org.uk/sites/default/files/research-files/Covid_19_Recovery_Renewing_the_Transport_System.pdf; Local Government Association (2021), The future of public transport and the role of Local Government, report by Systra, https://www.local.gov.uk/systra-lga-bus-report#barriers-to-the-delivery-of-local-authority-public-transport-ambitions

effective practice. The research is based on LTA's views prior to the commencement of delivery of the support. The report aims to help the DfT better understand the issues affecting LTA capacity and capability and to better tailor and target future support through the Bus Centre of Excellence.

Methodology and report structure

The report is based on a combination of interviews with approximately a third of all LTAs (to build up an in-depth picture of LTA needs and capabilities, and how a BCoE might address these) and focus groups with relevant stakeholders (to gather external perspectives on LTA capabilities and the potential role of a BCoE).While the report provides quotes from the participants for illustrative purposes, these have been anonymised to protect participant confidentiality. More details on the methodology are included in the appendix.

For the purpose of ensuring a variety of views, LTAs were split into six types, based on their relative size, geography and institutional history. These are referred to within the report for added nuance of the findings, but are not formal classifications. The six types are:

1. **Established Combined Authorities (ECAs):** former Passenger Transport Executives (PTEs) and Integrated Transport Authorities (ITAs) in metropolitan areas (e.g. Greater Manchester Combined Authority, Sheffield City Region)

2. **Newer Combined Authorities (NCAs):** newly-formed combined authorities with directly elected mayors in areas which did not previously have an ITA/PTE (e.g. Cambridgeshire and Peterborough Combined Authority, West of England Combined Authority)

3. **Two-tier 'shire county' authorities:** The county councils holding the responsibilities of an LTA in two-tier authorities (e.g. Gloucestershire, Nottinghamshire)

4. **Large ex-shire county unitaries:** historic two-tier authorities that converted into a single unitary (e.g. Herefordshire, Wiltshire)

5. **Small ex-shire county unitaries:** two-tier authorities that split into a number of smaller unitaries (e.g. Cheshire West and Cheshire East, North East Lincolnshire and North Lincolnshire)

6. **Urban unitaries:** almost wholly urban areas that split off from a larger county authority (e.g. Nottingham, Leicester, Southend, Plymouth).

The report is organised in four chapters. Chapter 1 provides an overview of the current context or the starting position within different LTAs types, including team size and expertise levels, relationship with operators and willingness to adopt EPs. Chapter 2 discusses the specific areas where expertise may be lacking, the gaps expected to arise specifically as a result of the strategy requirements and how LTAs expect to address these capability and capacity gaps in the short and medium term. Chapter 3 examines barriers, stemming from both broader institutional factors and external structural issues. Chapter 4

then outlines the different types of support that can address LTA needs, including both immediate support priorities and through a Bus Centre of Excellence.

1. Impact of institutional context on capacity and provision

The specific challenges, capability gaps and capacity limitations of different LTAs are shaped by their different sizes, geographies, institutional set-ups and the mix of bus service provision. This chapter outlines the current context or the starting position within different LTA types, including team size and expertise levels, relationship with operators and willingness to progress to EPs, in order to understand the factors behind the limitations.

Overall, the research found that the larger and more populous an area it covered, the bigger the size of the LTA's passenger transport teams. In addition, areas with more complex provision – where urban settings with more intense commercial bus use are alongside rural settings with a high proportion of supported services – also require a bigger team capacity.

With some exceptions, most LTAs had good working relationships with bus operators and established informal partnerships, providing a good base for progressing to Enhanced Partnerships (EPs). However, LTAs were predominantly focused on the day-to-day management of operations, with little capacity for strategic planning on the scale required by the National Bus Strategy, so progressing at speed is expected to be a challenge.

1.1 Bus team size

The size of the passenger transport teams depends on the LTAs' geographical size and mix. Generally, the more populous the areas, the bigger and the more diverse the local transport provision and the team resources required to manage those.

Established combined authorities (ECAs) had the largest teams of all LTA types, 50+ full-time equivalent (FTE) staff. Newer combined authorities (NCAs) tended to be of similar size but less populous than ECAs, so bus teams tend to be much smaller in comparison (between 5-20 FTE) and less specialised. Two-tier and unitary authorities had smaller teams still (between 1-6 FTE but variable), with responsibilities often distributed across multiple part-time staff and different teams (e.g. school transport). While larger and smaller unitaries had similar sized teams, those smaller authorities with more uniform geography had less complex provision and so relatively greater capacity compared to LTAs with the same size teams but less complex provision covered. More recently created combined or

unitary authorities broadly tended to have less resource than their more established counterparts.

> *"Across ourselves and the local authorities, I'd say we have five or six people who work on bus related activities, which is then complemented by operator resources in areas like marketing. About half of the resource is probably more generalist and half is more specialist. For us that feels about right. We think we can manage what we need to do with that level of resource. I'm sure other big LTAs have much bigger resource, but their areas are bigger and they've got more services they procure."*

Transport director at a newer combined authority

There was significant overall expertise and length of experience distributed across staff in most LTAs. However, staff capacity is an issue for the vast majority and team sizes have been declining over time. Staff numbers were rarely sufficient to develop specialisms. Teams are fully occupied with day-to-day operational duties, with very limited flexibility or capacity for developing plans for growth on the scale required by the strategy. Changing focus to more strategic priorities would require more junior-level capacity to release senior staff. Yet more experienced staff were often nearing retirement, and retiring staff had little time to spend on training successors.

> *"Like many authorities, we've been through restructures over the past 4 -5 years to try and contain, the authority within a declining budget. So our team has been significant reduced and we're probably 30 per cent smaller then we were in 2015."*

Head of passenger transport at a mainly rural two-tier authority

> *"We are a small team with lots of local knowledge and very creative, and the team works really well but there is a lot going on operationally. To reshape services, we need to understand feasibility – what is needed and how this fits with the bus strategy, then we need to shape the product and that's intellectual capital time, and then there's deliverability and operationalisation of the concept. Once we've gone through the thinking process, it's about what do we need to make this happen – what evidence, what data. We'll need more manpower to sort of help us out"*

Head of transport at a larger, mainly rural, unitary

1.2 Bus provision mix

As well as for larger, more populous, areas, relatively bigger teams are also required where LTAs cover a mixture of urban and rural areas.

On the one hand, dense urban areas (such as combined authorities and urban unitaries) have a higher proportion of commercial services. Some ECAs were able to subsidise increased frequency on non-commercial routes to increase passenger numbers so they become commercial.

On the other hand, lesser population density in rural areas means it harder to make commercial provision work and therefore tend to require a higher proportion of local authority-supported bus services. Yet predominantly rural areas (for example, two-tier

authorities or smaller unitaries) seem less able to afford to financially support large amounts of tendered routes, given the amount of funding needed to do this and the budget pressures LTAs have faced. Therefore, supported services still form a small proportion of overall provision and are focused on links between market towns, with the remainder of the geography served by community transport and Demand Responsive Transport (DRT).

> *"In counties, transport is about potholes. Because of our rurality, so many journeys can't be made by bus so cars dominate. In cities, buses are a much higher priority; for a county, it occasionally pops up on the radar. So why would you put a lot of resources into that. It's mainly just about getting by with the small team you have. I know other rural counties also have this issue."*

> Head of passenger transport at a mainly rural two-tier authority

LTAs with more mixed urban and rural geographies (for example, large unitaries) have higher proportions of supported provision and are less DRT-dependent than two-tier authorities. Some interviewees suggested this might be because large unitaries have sufficient population density in more urban areas and the funding to subsidise marginally uncommercial services.

Tendered services generally attract a diverse range of smaller bus operators. These then require more LTA staff resource to manage the procurement process and to provide more intensive support for operators. Yet due to limited resource overall and difficulties recruiting, those LTAs with more complex bus provision tend to be the ones that struggle the most with overall capacity. By comparison, smaller LTAs with largely commercial provision require less capacity overall, so similar team sizes tend to manage much more easily in terms of accommodating operational requirements.

1.3 Relationships with operators and progress to EPs

Overall LTAs have good relationships with operators, which provide a good basis for progressing towards EPs. However, many LTAs are concerned about the level of resource and commitment that the process of establishing EPs would require.

The vast majority of LTAs have existing partnerships in place, although mainly on an informal or voluntary basis, covering specific areas within the LTA. However, a small proportion reported less cordial relationships, with more frequent changes to commercial routes and tendered services.

> *"Bus operators don't have to work with us. They can make changes to a commercial route because it makes sense for them commercially. Also on supported routes, they know if they say it doesn't stack up anymore, they can withdraw it unless we put more money in. Therefore, in most cases the power lies with the bus operator. We have very little control over it other than money and we don't have a lot of that."*

> Transport director, large unitary

As well as informal partnerships, some LTAs have established Transport Act (2000) Quality Partnerships or Bus Services Act (2017) Advanced Quality Partnerships. This provides a good baseline for initiating an EP although only one LTA has managed to form

one to date. A small number of LTAs with significant support for bus provision – mainly mayoral combined authorities and some urban unitaries – had pre-existing growth-focused strategies, including plans to develop EPs or to conduct a fundamental review of their bus provision. They saw the additional funding in the National Bus Strategy as an opportunity to accelerate or extend planned work.

> *"As part of a government funded service improvement programme, we did loads with operators to increase passenger numbers. We feel well equipped to approach the strategy because we already have many of the things we would like to see as part of an enhanced partnership although we could do them better. Things like a customers' charter, timetables and route maps, the multi operator ticket. Ideally we would like to do something which reduced [the] price of that and made it much more flexible but the bare bones of it are there."*

> Transport manager, urban unitary

The majority of LTAs tended to respond to government strategies and guidance as part of their efforts to maintain operations rather than to proactively grow provision. They were willing to go further than their existing local strategies and to evaluate the potential for EPs or franchising. However, interviewees were aware that both of these options would require additional evidence gathering and stakeholder engagement, and therefore significant resourcing, including within legal and finance teams, to make them happen. The short timescales of the National Bus Strategy were a particular concern, given that existing partnerships had taken years to create.

> *"We already have an enhanced partnership plan in place. That means that we feel we are relatively well placed to support bus recovery as set out in the national bus strategy. However, I do think it's difficult to navigate through if you are not familiar with transport legislation, and I do think that it will be heavy task for a lot of authorities. It's been a heavy task for our authority. We have made it work, but it's been resource intensive and it's not only required our resource, it's required the resource of the local authorities and of the bus operators."*

> Transport director, established combined authority

Some LTAs expressed a degree of scepticism to formalising existing voluntary partnerships. Those with sufficient financial or political capital to invest in EPs were more optimistic about the benefits of formalised collaboration. Those with less capital were more worried that developing an EP could create an antagonistic relationship by being forced to confront issues of disagreement that may have previously been left pushed aside.

> *"We've got a voluntary partnership in place which is working well and our focus has always been on outcomes rather than the mechanisms in place. The spirit of partnership is about willingness to come to the table and actually do things for the right reason. And if you start to put everything into legal documents and get solicitors involved, it does move away from a partnership. There are going to be some challenging discussions because obviously both sides are going to want commitments made and there's going to be nervousness about what happens if you don't achieve those. So I think it's just working through all of that."*

> Transport director, newer combined authority

A small number of LTAs – in both urban and rural settings – were worried that bus services were too low on political leaders' list of priorities. This was due to both perceived heavy reliance on private vehicles locally and shortage of funding to bring about transformative network improvements. Therefore, there was no appetite among leaders to do more than the minimum needed to meet statutory requirements. Officers acknowledged the fact that making future funding for buses conditional on meeting the requirements in the National Bus Strategy was a big incentive. Yet some felt they may still struggle to secure the commitments needed at the local level unless they were made statutory requirements, which would allow officers to make more forceful cases.

> *"We always try and put the bus at the forefront of everything that we do, but it doesn't necessarily fall on the right ears. There are some very good elected members who are very supportive of you and then there's the opposite side. Because of our political makeup and how pro-car we are, some legislative demands would be useful, so we have the ability to say to our politicians 'central government have said we must do it, we have no choice'. Traffic reduction or ridership targets or demands of bus lanes and bus gates would be brilliant. With 'nice to haves' it is an uphill battle."*

Senior transport officer, urban unitary

So while the vast majority of LTAs expect to be able to meet the requirements of the National Bus Strategy to access the additional funding, a small proportion may struggle to complete the process required.

2. Internal capacity and capability gaps

The previous chapter established there is broad appetite for implementing changes outlined in the National Bus Strategy, yet the vast majority of LTAs would struggle to find sufficient internal capacity to deliver this in-house. This chapter discusses the specific areas where expertise may be lacking, the gaps expected to arise specifically as a result of the strategy requirements and how LTAs expect to address these capability and capacity gaps in the short and medium term.

Broadly, only the largest LTAs tend to have sufficient technical expertise, while smaller LTAs have become accustomed to doing things in a certain way with limited ability to tackle more strategic challenges. Specific capability gaps include technical areas like real-time data, business case development, and commercial acumen for incentivising operators in areas like multi-operator ticketing and zero-emission buses adoption.

Overall team capacity has declined due to shrinking provision and funding for buses over time. There is also an overall shortage of qualified individuals in the market, so LTAs struggle to recruit for positions. This is exacerbated by poor conditions such as short-term contracts or lower pay levels compared to the private sector. With many long-serving members of staff approaching retirement, the shortage of new entrants is expected to present significant challenges going forward. Some LTAs hope that bus operators would be able to invest efforts in developing EPs, although many operators are themselves short on capacity. There is therefore an expectation that the main gaps will be filled through outsourcing and consultancy support.

2.1 Shortage of specialist and technical expertise

Specialist and technical expertise tends to vary between LTAs. While larger teams (for example at ECAs) tended to be highly experienced with a range of technical expertise, teams at smaller authorities had limited technical specialisation. In most cases, long-serving staff are an asset to LTAs holding a body of knowledge and professional relationships built up over many years. However, this can also lead to doing things in certain ways – evocatively termed 'muscle memory' in one focus group. This produced a general resistance to change, focusing on tweaking established activities but rarely conducting comprehensive needs reviews.

'Muscle memory' also meant staff were uncertain about how to manage passenger growth and innovation opportunities. Smaller teams experienced difficulties in developing

competitive funding bids, evidence bases and detailed Benefit Cost Analysis. Many officers also admitted they lacked the technical expertise to support operators in areas such as real time data, contactless payment and digital ticketing.

Commercial acumen was another capability gap identified by both LTA and stakeholder interviewees. There was a shortage of senior commercial people within LTAs, particularly smaller non-urban ones, who can use their judgment to defend policy changes to senior leadership.

> *"Authorities don't have enough people who take that strategic commercial view and who are prepared to sell it to leaders. Commercial, practical, pragmatic people operationally based is what is missing on the LTA side. There are people with vision but actually what this process needs is people who will use judgment to get good things done quickly. A senior commercial person who will stand up in front of the council and say this is my judgment on what the right thing is to do because it will improve provision by X per cent in the next year. The centre of excellence can provide training for new LTA bus managers to be more commercial."*
>
> Focus group attendee

This also manifests in specific areas. For instance, there is a lack of understanding among LTAs about how they can best support the adoption of zero-emission buses. Many see it as a concern for operators and they are not clear what mechanisms and commercial incentives they can use as part of EPs to influence the process. Another example is multi-operator ticketing. LTAs broadly understood and accepted that multi-operator ticketing can improve the user experience and increase passenger numbers, if implemented successfully. However, they admitted they lacked good understanding of competition regulations and the commercial and legal expertise required to make the process work.

2.2 Difficulty with recruitment and retention

The small size of teams across most LTAs makes succession planning and staff retention difficult. Because of staff shortages, there is limited ability to cover for staff absences. This not only makes it difficult to manage staff sickness and leave but also impedes the staff training progression and the viability of apprenticeships as a means to increase labour supply. Because of this, training that does occur tends, by necessity, to be on-the-job and practical, rather than classroom training or requiring extended absence.

The downward trend of funding allocations for bus provision has led to the loss and non-replacement of expertise and posts over time. This applies both in individual LTAs and nationally. Staff FTE is reducing, with teams becoming increasingly reliant on a shrinking group of experienced individuals, often nearing retirement. The labour market has a limited number of experienced individuals that are willing and able to take up available posts. This is amplified outside the major cities, where the pool of expertise already living in a commutable distance or being willing to relocate is smaller.

The difficulty of attracting new staff, particularly early career or relocation, is amplified by the increasing tendency for fixed-term grants to fund fixed-term posts, or posts dependent upon securing follow-on funding. This makes the profession unattractive to high-calibre early career individuals without a personal motivation towards public transport. The

scarcity of senior expertise in the sector, whether in LTAs or consultancies, was also seen as a potential ceiling to attempts to grow the sector through a rapid nationwide increase in funding.

> *"We tried to recruit for a senior post in smart ticketing, which is quite specialist knowledge, about a year ago. We got a poor response and ultimately we didn't fill it. We have reduced the size of our public transport team due to budgets and I think we're down to a level of expertise which is strong but we couldn't afford any more loss. I think if we lost somebody it would leave a significant gap. Whether we could recruit, I'm really not sure. We have a couple of junior staff that have potential to come up the ranks. So we're trying to encourage them and keep them interested."*

> Head of transport, urban unitary

In combination, these factors increase LTAs' dependency on consultants for short-term capacity, expertise and flexibility. Generally, this is seen as the normal, unavoidable way to manage grant-funded short-term increases in work, and is also the case for addressing the requirements of the National Bus Strategy. While a small number are planning to use the available capability funding to recruit fixed-term positions, a significant proportion are in talks with consultants who they have existing relationships with to provide support for them in the short term. However, the reliance on consultants leads to a cycle of cost increases per member of staff, de-skilling in authorities, and a national shift towards experienced personnel residing in consultancies rather than LTAs.

Mass retirement of the post-deregulation generation was cited by all but the largest ECAs as a critical medium-term risk for the sector. The backbone of authorities' bus teams are key figures with 20-30 years' experience in that role. So individual staff moving on can lead to wholesale loss of expertise, local knowledge and established relationships for the LTA. Because of limited capacity, and despite their retirement approaching, there is generally insufficient succession training or passing on of knowledge.

In aggregate, the retirement of the post-deregulation generation has become a known existential risk for the national sector, as the sector as a whole has not been training sufficient staff to replace the retiring generation. This could lead to posts going unfilled, and a number of authorities had reported this happening for some length of time. In the context of LTAs with one to two person units, this not only reduces efficiency but risks authorities' ability to comply with statutory requirements. Therefore, additional funding and support for training provision would be paramount to increase overall human resource and to address the capacity gap in the medium and long term.

2.3 Limited support from operators

With most bus teams focused on day-to-day operations, many said they would struggle to dedicate sufficient resource to developing EPs. Bus operators will clearly play a large role in negotiating EPs and drawing up BSIPs. Many LTAs were willing to see operators do a significant part of the work required to build the case for funding support. However, operators face their own capacity and capability limitations. Operators have experienced the same falls in passenger numbers and funding as authorities. Large proportions of their staff are similarly operationally-focused, with expertise in maximising efficiency in a landscape of managed decline and narrow margins. As such, whilst most operators have

expertise that authorities lack, and large operators can often support specialists, they also have severely constrained capacity. For staff within large operators, it may also be difficult to engage in detail with the simultaneous, rapid development of EPs in all the LTAs they cover.

For the LTAs that pursue franchising, this would require authorities to take on many of the responsibilities currently carried out by operators. In the short term, the need to acquire this expertise may lead to some operator staff moving to LTAs. However, developing authorities' franchising capacity and proposals would require that franchising teams be assembled well before the point that franchising is launched, so any staff crossover in advance of that point might lead to gaps to address within operators.

2.4 Reliance on consultancy support

All respondents spoke of the significant role that consultancies play in supporting the delivery of bus services. For most, this was accepted as the usual and is seen as a relatively effective means of developing funding bids and delivering any services beyond business-as-usual. Consultants were used to smooth the variations in workload as much as they were used to access more specialist expertise. Examples were calculating Benefit Cost Ratios, conducting modelling and writing funding bids. Consultants were also seen as effective vectors for transferring established good practice between LTAs.

Unsurprisingly, meeting the short timeframes in the National Bus Strategy was seen to require additional consultancy support in all but a handful of authorities. Many had started the process or were expecting to draw upon established arrangements with experienced collaborators to produce their strategy responses. There were a number of capacity and capability considerations for this.

Firstly, there was some scepticism of consultants' ability to sufficiently reflect local context and needs and concern that the rush to meet deadlines and the availability of the National Bus Strategy capacity funding may lead to price inflation or insufficient capacity in the consultancy sector.

> *"Just bringing in consultants and hoping that you can get quite detailed outputs without the local input, I think is hard. There are so few people out there who you can bring in quickly to help. They still need to be led by someone who understands everything."*

Transport strategy manager, urban unitary

Secondly, many LTAs described being both dependent upon consultants but also having limited capacity or capability to use them effectively. The most effective use of consultancy would be for them to work with existing staff, combining their expertise and resulting in some knowledge transfer to the authority. However, skeleton teams had limited capacity to do so. This meant that authorities could remain reliant on consultants in the longer term.

Thirdly, authorities were aware that becoming informed customers, able to effectively commission support from a diverse and competitive market, was a time-consuming task. Particularly for smaller LTAs, it was suggested that developing stand-alone commissioning

capability in each LTA might not be efficient, and that access to a central or collective capacity would be preferable.

Finally, some focus group participants highlighted the use of consultants as independent experts could be an opportunity for brokering EP negotiations where the authority/operator relationship has become adversarial.

3. Institutional and structural barriers

The previous chapter outlined internal factors affecting LTAs' capacity and capability on buses. This section outlines a number of barriers, stemming from both broader institutional factors and external structural issues.

The type of authority is one factor, with combined or two-tier authorities having the added complexity of managing relationships with elected representatives and highways teams within their constituent authorities. On the other hand, unitaries find decision-making easier with all teams under one organisation although they still struggle to coordinate cross-border routes with neighbouring authorities.

Secondly, lack of understanding of the importance and benefits of bus service provision was an issue both at a senior political level and at officer level within other relevant teams. Particularly in smaller or more rural LTAs, the bus is seen as lower priority to private cars, which then leads to lack of support for interventions to drive improvements. Lack of bus-related knowledge and experience among legal and other support teams was also seen as a barrier to progressing with EPs.

Thirdly, the reliance on short-term annual funding settlements and competitive funding pots lead to inefficiencies trying to deal with budget fluctuations and difficulty recruiting and retaining staff. In addition, there is greater pressure on existing staff to submit bids for all available funding even when there is limited capacity or capability to prepare good quality bids. This leads to some less experienced LTAs continually missing out on opportunities.

3.1 Institutional type and age

All LTAs need to manage a range of stakeholders, including other relevant teams within and outside the authority and bus operators. LTAs' institutional type can complicate this task. For example, for combined authorities and two-tier authorities it was important to be able to take a strategic view and set priorities for the whole area. However, they described the complexity of managing the sometimes conflicting political interests of individual constituent authorities, as well as relationships with their separate highways teams. While processes and working relationships within ECAs had been well established over time, newer combined authorities found it harder to gain consensus behind a strategic view without the legacy of an integrated transport authority to build on.

Conversely, unitary authorities were more agile and found decision-making easier with all functions (including transport, highways and planning) integrated in one organisation. Yet, small unitaries still struggled to coordinate cross-border bus provision across the wider travel area with neighbouring authorities, which is problematic given that travel to work areas often cut across administration boundaries, especially in small urban unitaries. Newer unitaries, that had split off from county councils, felt the latter focused more on statutory provisions whereas with their new status they were better able to focus on local bus services.

3.2 Political will

The majority of bus team officers, those in particularly larger, urban LTAs and combined authorities, felt content with the level of support from transport directors, council chief executives and elected leaders. At most LTAs, the economic, environmental, health and social benefits of increasing bus provision and use were well understood. ECAs had particularly high public and political support for buses and for public transport generally.

However, in a proportion of LTAs, officers felt there were low levels of political support from the elected representatives. Unlike larger or combined authorities which have leaders specifically responsible for public transport (as well as active travel commissioners), smaller authorities lacked dedicated people who could champion buses within the LTA. This was seen as a major barrier by officers, who were concerned that car users were still seen as the predominant road user group by council leaders. Bus officers thought a common perception among leaders was that, even if bus services improved, few residents would switch from driving. Some also highlighted that relatively low car parking charges and fuel costs make bus use comparatively less attractive to car users – an obstacle that small improvements such as on-board Wi-Fi or refurbished interiors are not significant enough to overcome.

Despite a number of the LTAs interviewed having declared climate emergencies, officers raised concerns that growing bus use was not immediately seen as a way to deliver on councils' green ambitions. Where buses had been linked to environmental objectives, action often focused on buses as a source of pollution that zero-emission vehicles could reduce. Yet the great potential for buses to immediately reduce carbon emissions and air pollution through mode shift away from cars, and for this to be accomplished through expanding the bus network, can be neglected. Stakeholders involved in the focus groups reinforced this view.

> *"Many councils have declared climate emergencies and targets for reaching net zero carbon but without actually having any plans in most place of how they'd achieve that. We need to make sure that we use the National Bus Strategy, which is the mechanism to help deliver these targets, to join the two together and to say, we need to have some action. Like many things, I do fear that that is going to take some time."*

Focus group attendee

3.3 Cooperation from other teams

In some LTAs, there is lack of integration or understanding of buses by other teams, particularly transport policy teams, car parking policy and management, and highways

management. These disconnects were amplified if they crossed levels of authority, such as parking being held by district councils in two-tier shires, or highways management being held by the unitary and metropolitan borough authorities of combined authorities.

The operational divide between bus teams and other teams was suggested to support more conceptual divides. For instance, there is a misconception that measures to improve journey times for bus users would result in delays for car drivers, whereas in reality, bus priority can lead some people to shift from cars to buses, thus reducing congestion and improving journey times for all users. In another example, buses can be seen as a recipient of subsidy or profit generators for operators in contrast to car parking as an income generation for the authority. Yet restraining parking provision on some arterial roads can help deliver new commercially viable routes by freeing up routes for more effective bus operations.

Some authorities had reduced siloed working through the creation of integrated passenger transport units. Some of the largest combined authorities, and those with a greater innovation focus had reaped benefits from the integration of transport services with spatial planning, economic development and public health functions.

> *"Perhaps more important than upskilling existing public transport teams is the upskilling of staff in other departments who will be relied upon to deliver pro-bus initiatives. In particular ensuring that highways and traffic management teams and planning teams have a strong understanding of matters that impact on bus services and take those matters seriously, and making sure that councillors and senior directors are aware of how buses contribute to wider objectives too. If we simply focus on those whose day-job it is to deliver better bus services, we will fail. We need to embed a pro-bus culture amongst a much wider range of staff."*

> Director of transport, established combined authority

Lack of technical capability is also an issue for professional support units, such as legal, financial and project management departments. Currently they often lack expertise in bus projects, having not carried one out for the LTA. Furthermore, the shrinking scale of bus funding means expertise in supporting bus activities has increasingly dropped out of their general training or essential expertise. Bus teams cited the lack of understanding of the relevant legislation among local authority legal teams as barrier to the development of EPs. The cost and time required to do so was previously seen as a reason for not developing EPs, and many expected they would need costly external support within the timescales required.

> *"It's difficult to navigate through the requirements if you are not familiar with transport legislation. When you get any one of the parties wanting to challenge anything, it then requires legal resource to support it, and quite often they aren't that familiar with this legislation, because not many people have had to grapple with it. There is not a large amount of resource out there to support the knowledge and understanding. We'd need to use external consultants and lawyers, but that would eat through the £25 million in no time and not necessarily build up that resource capacity and capability within local transport authorities."*

> Director of transport, established combined authority

3.4 Funding structure

The most cited barrier to building capacity and capability was the reliance on short-term annual funding settlements and competitive funding pots, producing significant year-to-year variability around a general decline in funding availability. The consequences of this manifest themselves in three broad areas:

- Management inefficiencies produced by short-term variations in funding;

- Difficulty recruiting and retaining staff;

- Pressure on existing staff to complete funding bids.

Firstly, the mixture of annual allocations from two different departments – the Department for Transport and the Ministry of Housing, Communities and Local Government (MHCLG) – and competitive funding pots for specific DfT initiatives creates high levels of funding fluctuations, often with less than a quarter's notice. This then generates significant amounts of additional workload for staff to deal with the re-writing of previously agreed plans and in-year reallocation of workload or spend. Some LTAs find it difficult balancing core business-as-usual with periods of high-intensity work, such as responsive bid development. The difficulties in establishing long-term planning and resourcing also reduces the ability of LTAs to leverage additional investment from operators and other stakeholders. The unpredictability of annual resourcing was perceived to reduce informal trust and efficiency, preventing reliable coordination of activities.

Secondly, project funding based on fixed-term grants tends to produce posts that are fixed-term, or dependent upon securing follow-on funding. This makes positions less attractive and vacancies more difficult to fill. The difficulties associated with recruiting staff in general are discussed in more detail in the next chapter. Fixed-term grants also have implications for local bus service improvement plans. Where project pilots are launched from a specific pot, for example, they may be unable to continue unless further funding is secured.

Thirdly, all authorities identified that bidding for funding was a significant drain upon their resources. In some cases, the competitive funding environment created a culture of 'overbidding' with pressure from elected members to submit bids for all eligible funding. This was seen to demonstrate engagement with certain political and public priorities – for example, applying for zero emission bus funding signified elected members' support of cleaner buses. However, LTA staff felt there was a popular underappreciation of the high resource requirements and low success rates involved in bidding for funding. This results in officers being required to deprioritise other work to develop and submit bids, even if they have insufficient capacity to develop a high-quality submission or if the LTA has low chance of success due to a limited track record in the funded activity.

Despite the difficulties and costs of submitting bids for funding, due to wider decreases in local authority funding, securing competitive funding has become essential to maintaining resource levels. One authority summarised that they cannot afford to develop funding bids, nor afford to opt out. As a result, LTAs that have strategically invested in the capacity to win competitive funding are now adept at doing so, and those that have not are increasingly falling behind.

LTAs that had been less successful in winning competitive funding in the past identified short timeframes and limited feedback as specific barriers. LTAs consistently reported that the deadlines associated with funding bids were difficult to meet, particularly given the absence of flexibility or contingency resource in skeleton teams. This applied directly to bus units, but also the wider LTA's professional support functions, such as legal, procurement, and project management. A common solution was the use of consultants, continuing the non-development of bid-development capability in local authorities. Smaller authorities specifically felt they had received limited feedback or explanation on why their bids had been unsuccessful. This led to their limited understanding of what standards were required to win competitions.

Lastly in relation to funding structure, officers interviewed saw the limited number of statutory responsibilities for bus provision as a barrier to developing or retaining capacity and capability. While concessionary fares and home-to-school transport provision are statutory requirements, the duty to support socially necessary local bus provision is not particularly strong, so the latter tended to be the victim of the long-term downward trend in funding for local buses. In the context of ever tighter local authority budgets, competition for funding from other areas with statutory responsibilities or stronger guidance was seen as a barrier to retaining higher staffing and resource levels. Interviewees thought greater statutory responsibilities in relation to local bus provision could reduce the variability of funding and simplify planning.

4. Support needs

The previous three chapters described both the internal expertise and resource gaps LTA bus teams face and the external institutional and structural barriers that affect their capacity and capability. This final chapter describes the forms of support required and the potential role of a Bus Centre of Excellence (BCoE) to address the challenges of meeting the National Bus Strategy and improving bus provision in England. Immediate support would be required to navigate the requirements of the strategy and. once established, the Bus Centre of Excellence (BCoE) can deliver the support required to address identified capability needs. These forms of support include:

1) **National Bus Strategy process support:** In the short term, there was a clear desire for detailed guidance and intensive advice to support LTAs to meet the strategy requirements, e.g. BSIPs. More detailed feedback on unsuccessful funding bids is needed to support continuous improvement and shape LTA proposed interventions. Longer-term funding allocations were also needed to provide stability going forward.

2) **Making the case for buses:** The BCoE should help raise awareness of the benefits of improved bus provision. This could take the form of toolkits, briefings and training provision, not only for bus team members but also for elected representatives and other related teams (highways, planning, legal, etc.) within local authorities. This could be supported by an external communication campaign directed at the general public about the merits of bus use.

3) **Standardised frameworks and templates:** Standardised materials that can be easily adapted to different local contexts could help support LTAs in technical areas such as cost-benefit analysis, the use of real-time data and navigating competition rules.

4) **Procurement frameworks:** Standardised procurement frameworks and a central register of consultants and experts could help LTAs secure support more efficiently.

5) **Knowledge and good practice sharing:** There was a desire for a database of best practice examples of successful projects and interventions, as well as for establishing networks to support the exchange of knowledge and expertise between similar authorities and situations. This could help boost expertise in areas such as funding bid development, public engagement, multi-operator and smart ticketing, etc.

6) **Training and professional development:** Perhaps most importantly for building up capacity and capability in the long term, the BCoE should play a role in coordinating training and professional development across the sector. There is a need for dedicated bus service qualifications as well as on-the-job training for existing employees. The BCoE could also coordinate placements of trainees in different teams and LTAs and reciprocal secondments between bus operators and LTAs.

4.1 National Bus Strategy process support

In the short term, there was a clear desire among LTA respondents and focus group stakeholders for timely, detailed, and strongly worded guidance for what LTAs would be required to deliver. There was preference for relatively prescriptive guidance, or even templates, for BSIPs and EPs. Implementation of the National Bus Strategy was expected to be heavily dependent upon the strength of guidance issued, which would support the development of cases for internal or external funding and demonstrate the obligations of the strategy to elected members.

Once the guidance had been issued, there was a strong desire for the DfT to host a range of workshops and one-to-one advice sessions to provide answers to any questions that arise during the development of BSIP, EP and franchising submissions.

In terms of funding, LTAs consistently requested longer-term stability as a way to use funding more effectively: to leverage greater contributions from stakeholders, to improve management and staff training, and to develop capacity and capability to manage projects or win funding. Stability of funding was seen as essential to making business cases for new staff hires requiring specialist training and/or for permanent roles, and to address the shortage of early and mid-career staff overall. Longer funding periods would also increase internal management and commissioning efficiency. It would reduce reactive 'double planning', in which indicative annual budgets are radically re-written in response to the final funding levels secured, and allow for more effective scheduling of work across multiple years. Helping local authority officers to make an effective case within their authorities in support of the bus, and identify the wider benefits that buses can deliver, could help to secure funding within the LTA.

To address the barriers identified by smaller LTAs that had been less successful in securing funding in the past, there were requests for much greater support for developing competitive funding bids. More iterative development of proposals, with DfT feedback provided on potential improvements at each stage, would ensure that authorities with the most limited bus and professional support capacity would not fall further behind, and help with learning and ongoing capability building.

Beyond the immediate support priorities, the BCoE, once established, would be the main provider of support to the sector. The remainder of this chapter describes the main forms of support it could include.

4.2 Making the case for buses

An overarching requirement for the BCoE identified by LTAs was to champion buses across a range of stakeholders. Putting together reliable and user-friendly evidence on the

economic, social, health and environmental benefits of growing bus use and support measures, such as bus priority, would help officers make the case for investment and the changes required internally to their senior leaders and elected representatives. Such toolkits and briefings can be supplemented by short training opportunities for councillors, especially newly elected ones, on the importance of local bus provision. This could extend to teams outside LTAs, such as to district councils on the implications of car parking and streetscape policy, and to unitary or metropolitan borough councils on highways management.

Externally, the BCoE could valuably focus on driving a change in the perception and integration of buses across a wider breadth of stakeholders. This would reduce the requirement for small bus teams to overturn a wider culture, in local government and beyond, that can be sceptical of local government involvement in supporting bus use. Examples of stakeholder activities include training for operators and other stakeholders on the benefits and requirements for taking part in EPs, franchising and other supported improvements. Activity would need to address a range of needs and motivations, including that many independent operators do not have an aim to grow into large enterprises.

The 'Champion' function should particularly work to raise the public profile of the bus and promote its use as a healthy and green mode of transport. This could include highlighting successful local initiatives; supporting grassroots bus user networks to raise the profile of local issues; or to coordinate promotional, upskilling and behaviour change activities such as a 'bus week' or drives to increase use of smart ticketing, journey-planning apps, etc.

4.3 Standardised frameworks and templates

LTAs specifically requested that the BCoE develop as much standardised materials like frameworks and templates as possible, rather than each of them having to work through common issues individually. They would need to provide sufficient detail for applicability to both urban and rural areas, which could then be easily adapted to different local contexts. This applied to both documents required for meeting the strategy requirements and relatively common technical processes that lie outside the expertise of bus teams. Common examples were:

- Cost-benefit analysis

- Utilising bus open data for journey planners

- Designing fare structures and discounts

- Making the case and providing incentives for multi-operator within competition rules

- Commercial support or incentives for fleet upgrades

- EV charging infrastructure procurement

- Communicating the benefits of bus priority to secure broad public support, etc.

Such frameworks would provide highly contextualised evidence, supporting site-specific implementation and business case planning. For example, that officers seeking to develop

the investment case for real-time information in a rural context could find applied examples of how this had previously been done successfully. The BCoE could also compile examples of successful legal factors in completed EPs and franchises, creating a bank of legal precedents. This could support LTAs to take a less risk adverse approach to the level of intervention or collaboration proposed.

4.4 Procurement frameworks

As mentioned previously, the new activities, rapid timescales and size of new funding initiated by the strategy will require almost all, including the largest, LTAs to procure additional capacity and capability through the use of consultancies. There is a commonly perceived risk that all LTAs simultaneously procuring consultancy support would lead to price inflation, and even lead to a national capacity ceiling. Many LTAs have existing contacts or framework agreements with consultancies, which they would draw upon. Others, particularly smaller authorities, worried that authorities with faster procurement and legal processes would be first to engage the most suitable consultancies.

There are a number of ways in which the BCoE could support LTAs in this process. It could help to address limitations in bus teams' capacity or capability to act as 'informed customers' when procuring to deliver the National Bus Strategy. BCoE support and standardised materials to develop LTAs' consultancy specifications could deliver significant efficiencies. This would align with the general request for guidance and templates to support the most repetitive requirements of the strategy.

In addition, coordination of a central register of consultants, experts, trainers and third sector organisations, and/or a register of LTA opportunities would support LTAs to avoid a 'default' reliance on the larger, more well-known consultancies. A number of LTAs supported the DfT coordinating a centralised, retained consultancy with a standardised price list or rate card for services. This could either be directly commissioned from, or used as guidance for independent commissioning.

> *"Just hiking in consultants and hoping that you can form quite detailed EPs without the local input is hard. There are so few people out there who understand all the ins and outs of forming a partnership and they still need to be led by someone who understands the specific area. Most authorities have got framework agreements with one consultancy but if they don't have the right person for a task, they have to go and find them. But if there was a government framework where they've done all the tendering, like they did when the DfT introduced smart cards on concessions, then you have a pool of people you could tap into."*

Head of transport, urban unitary

Given the recent shrinking of local authority bus teams, it was expected that there are a significant number of people with bus expertise who are no longer employed in bus specialisms. This would be typified by early and mid-career staff who passed through bus-related posts, but departed due to funding reductions, to pursue other opportunities or take early retirement. BCoE could act to identify, contact, re-train and re-integrate this group into strategy-focused activities, whether in LTAs or centrally. Doing so would reduce the reliance on short-term consultancy, whilst ensuring that a legacy of staff capacity and capability was built.

The BCoE could also coordinate collaborations between LTAs and partners such as SMEs, academia and civil society, particularly in non-traditional areas such as technology innovation, behaviour change and public health.

4.5 Knowledge and good practice sharing

LTAs particularly voiced a desire for networks to be established to support the exchange of knowledge and expertise between similar authorities and situations, rather than based around intervention type and geographical locality. There were felt to be adequate opportunities for professionals from neighbouring authorities to exchange expertise, and to access information on novel 'best practice'. Many were already doing this on a regular basis, particularly those with cross border services. A particular gap in information sharing was identified for networks supporting the staff of geographically-disparate but similar authorities (e.g. rural authorities). A starting point for these networks could be this report's six-part typology.

A second request was for a searchable database, or knowledgeable experts, that were able to suggest examples of successful projects and interventions. Similar to the request for standardised materials previously, this was a desire for learning from the experience of others that may be directly transferrable to their own circumstances as a way to benchmark performance. This would involve supporting LTAs to produce their good practice in a standard format that could be uploaded to a database. Officers were keen to ask for and receive help from their peers in other authorities, but they were also aware of how time-consuming inquiries could be to answer. So they would prefer to receive support through a specialist BCoE resource rather than disrupt the work of a peer.

> *"I think the BCoE could do a really good job in sharing best practice, enabling benchmarking, passing on good ideas, etc. If it could bring together data at national level, so that you can easily benchmark and compare your performance and your challenges against other similar authorities, that would be very helpful. It would be better to get the information through a national body to get the information rather than have to use up people's time at another council."*
>
> Transport manager, small rural unitary

Additional branches to the information-sharing network could support professional knowledge sharing by staff outside core bus teams, such as district authorities, metropolitan boroughs and non-LTA unitaries, sub-national transport bodies (STBs), Local Enterprise Partnerships, public health bodies, and potentially grassroots public or elected member 'bus champions'. These would address aspects of the National Bus Strategy that affect bus services but are not controlled by LTAs, particularly car parking, local highways authority powers, town planning, strategic economic plans, and community or political leadership.

Particular topics for knowledge exchange included:

- Sharing examples of successful funding bids

- More effective public engagement and consultation techniques, including involvement in service co-design

- How to effectively use powers on ticketing, pricing and state aid

- Effectively negotiating multi-operator and smart ticketing agreements, including examples of passenger growth and uptake

- Kerbside improvements to boost passenger growth

- Innovative use of bus open data.

To facilitate the use of standardised frameworks and knowledge exchange, the BCoE would require a good level of staffing. Respondents suggested this could form a network of regional organisers or engagement officers, able to cultivate trusted relationships with individual LTAs whilst also acting as points of contact with a wider network of expertise. They could also give practical support to the development of BSIPs and EPs, based on technical knowledge and applied experience. Supporting the coordination of bus services along strategic inter-authority bus corridors was another option.

4.6 Training and professional development

Most fundamentally, the BCoE is expected to play a role in coordinating training and professional development across the sector. As shown in the capacity and capability section, there is a fairly common perception of what the industry has and needs.

> *"It would be very useful for the BCoE to provide training for younger or newer members of staff or those who could develop their skills and look towards promotion. Succession planning is important so opportunities for people to get access to training and develop professional skills in transport management would be good."*

Transport manager, small rural unitary

There was not a strong sense of how or whether bus expertise should be accredited. It was agreed that there is no existing key academic or industry qualification for bus professionals, although the Chartered Institution of Highways & Transportation is seen as a key source of training and professional development. There was a strong tendency towards learning on the job, 'by doing it for the first time', which was a combination of the sense that bus coordination was an applied skill, but also that securing cover to allow classroom training was extremely difficult.

There was a clear need for additional training, provided by groups with expertise beyond that on hand in LTAs, including learning from operators. However, there was no clear requirement for what form of training and professional development should take place, nor who should provide or accredit it. Some interviewees expressed support for the BCoE to develop a standardised training programme.

At an early career stage, the BCoE could act to coordinate or increase the status or supply of bus professionals. The benefits of increasing the status or renumeration of the bus profession would be a clear pull factor, but ensuring that early-career bus posts were a route to rapidly gain *diverse* expertise and a range of transferable skills including commercial acumen and stakeholder negotiation could equally act to build a talent and succession pipeline. ECAs did report a greater ability to both attract applicants and

manage churn; accepting that many entry, early and mid-career staff might only stay with the authority for two to four years. LTAs that had universities, major transport stations or head offices within or nearby their boundary also felt they had a greater ability to attract new recruits. Smaller authorities found churn more disruptive. Authorities that were more rural, or relatively small urban authorities in rural surroundings, often found early career applicants harder to attract and retain.

BCoE support could help produce early career posts shared across multiple LTAs, with specialist training supported by BCoE resource or the authorities best placed to provide it. This sharing system would also ensure that small authorities were able to hire the part-time fraction of early career staff time that they had the capacity to train and utilise. For one to three person teams, employing and training new entry level staff or apprentices with no career history was a significant risk, and a high proportion of the unit's resources and time would be required, particularly if the team lacked expertise in training early career staff.

At mid-career and senior career, the BCoE could act to train and support professional development through supporting knowledge exchange programmes. This would mitigate the risk of small team sizes leading to lack of leave cover and succession. The current reliance on a small number of experienced individuals was seen as a significant barrier to those individuals taking up training opportunities, or to having time and 'headspace' to develop innovative responses to the National Bus Strategy. Put simply, it was seen as operationally difficult for LTAs with one to three full-time equivalent staff to go without one person. A BCoE coordinated system of reciprocal part-time secondments between bus operators and other LTAs could reduce the disruption to a more manageable level, so allowing the sharing of expertise and upskilling of staff. This would further support the potential for staff progression through gaining diverse expertise, which would support the profession to retain staff. The BCoE could also support 'training of trainers', ensuring that mid-career staff are trained in how to effectively support early career staff professional development.

BCoE coordination of the mid-career and early career support would significantly change authorities' ability to increase their capacity and capability. For example, reciprocal part-time mid-career secondments of staff able to contribute to business-as-usual whilst learning new skills, 'topped-up' by early career staff, could be easier to manage. Alternatively, BCoE support for training early career staff would reduce the complexity of taking them on, ensuring that senior staff could be released to develop and maintain BSIPs, EPs and funding bids.

At a senior level, staff need greater commercial judgement and skills in innovation-led growth management, combined with a diversity of textbook and practical expertise in bus operations and transport planning. This would enable them to more easily develop and deepen collaborative partnerships in a fast-changing sector. Developing additional expertise in areas such as building new relationships with operators or successfully bidding for competitive funding would require new senior-level hires or the development of existing senior staff. In turn, this may need to be accompanied by reorganising or retraining wider teams over multiple years.

More mid- and early career requirements for targeted training provision were:

- Identifying benefits to operators from implementing multi-operator ticketing, including commercial data analysis training to support LTAs to identify opportunity for passenger growth or operator efficiencies

- Developing and negotiating commercial mechanisms for incentivising fleet improvements outside of franchising to accelerating the take up of zero-emission buses

- Briefing for LTA legal teams, giving clear examples of what EPs can and cannot include

- Stakeholder engagement to maximise outcomes by coordinating a variety of stakeholders in an increasingly complicated field, with a particular need for commercial partnerships, multi-authority or cross-tier working, and public participation to change behaviours and increase demand.

Finally, this report has identified a significant amount of training required to expand capacity and capability in LTAs and the wider industry. The BCoE would need to work at speed with aligned educational providers to deliver the training programmes required to address these needs. This should include boosting the capability of mid-career staff to train early-career staff]

Conclusion

The report found that constraints in capacity and capabilities across most LTAs, together with a number of institutional and structural barriers, could lead to a significant gap between the expectations of the National Bus Strategy and what LTAs felt they could deliver on the ground. As requested by LTAs, the Department for Transport should provide targeted support to help them meet the immediate requirements of the strategy. It should then work at speed to establish the BCoE to support the longer-term capability needs of LTAs.

Throughout the research process, Campaign for Better Transport has been working closely with DfT to ensure that LTA concerns and feedback were quickly acted upon. Since the interviews, DfT has undertaken a number of activities to address some of points that have been raised. For instance, on top of the £100,000 given to each LTA to bolster their capacity to deliver BSIPs and partnerships, a further £15 million is being released to authorities in a second tranche of bus capacity funding. This funding is intended to allow LTAs to bring in new staff, train staff, hire consultants or otherwise support the development of their bus plans. Separately, most MCAs received a share of £50 million Intra-City Transport Settlement capacity funding, which was in part intended to support their bus reform plans.

DfT has also run a series of events for LTAs, operators and consultants to support the development of BSIPs, with accompanying question and answer sheets to answer their queries. Further such events and support are being planned. The Department has also issued guidance on BSIP development and revised their guidance on Enhanced Partnerships to make it more user friendly. DfT is working with LTAs, operators and other sector organisations on the development of the Bus Centre of Excellence, including working with professional organisations on the development of a buses syllabus to support the longer-term development of LTA officers, operators and others.

The Department will be using the results of this research to inform their approach across a range of interventions including working with LTAs and operator representatives and other sector organisations, on the development of the Bus Centre of Excellence; and working with professional organisations on the development of a buses syllabus to support the longer-term development of LTA officers, operators and others. This is intended to supplement existing activity such as capacity funding for LTAs.

Appendix: Methodology note

Local transport authority definition and segmentation

Local Transport Authorities (LTAs) are the bodies with responsibility for local bus service provision. In large metropolitan areas, the LTA is the Combined Authority, while the constituent district authorities have responsibilities for roads and traffic management (the highways authority) within their area. In two-tier non-metropolitan counties, the 'upper' or 'county' tier holds the responsibilities of an LTA as well as highways powers), while the 'lower' tier 'district' authority has responsibility for areas such as housing, planning and off-road parking. In unitary authorities, the responsibility for all local authority services, including all transport services and management, is held by the single unitary authority.

At the time of writing, there are a total of 79 LTAs in England, excluding London and the Isles of Scilly. This includes all combined, two-tier and unitary authorities with responsibility for bus service oversight. For the purposes of this study, each combined authority is one LTA and we have not involved individual metropolitan district authorities within combined authority areas. Northamptonshire is treated as a single two-tier authority, although during the course of the research it converted into two unitary authorities. The North East Combined Authority and the North of Tyne Combined Authority were included as one combined authority as the two have pooled transport responsibilities in the North East Joint Transport Committee and Transport North East, which operates as one LTA. So for the purposes of the report, there was a total pool of 77 LTAs.

To help better understand the differences between LTAs, they were additionally segmented into six types, based on their relative size, geography and institutional history. In order to ensure that a range of authorities were interviewed, the study sub-divided combined authorities into 'established' and 'new' and the unitary authorities into 'large', 'small' and 'urban'. This was purely to aid the research and the narrative and is not a recognised classification. In practically using the findings, readers should focus on applying the general trends of each relevant types to their situation, rather than strictly identifying with a given authority type. For example, a two-tier authority retaining significant urban areas should consider aspects of the *urban* unitary with respect to those areas. A unitary based on a whole historic two-tier authority, but which is geographically quite small, should consider aspects from the *small* shire unitary.

The six types are described below.

1. **Established Combined Authorities (ECAs):** Combined Authorities with previously established Passenger Transport Executives (PTEs) and Integrated Transport Authorities (ITAs). PTEs were created during the regulated period to coordinate or run public transport in the largest conurbations. Their structures were largely retained after deregulation. Today, the executive activities of the transport bodies (for example Transport for Greater Manchester) are directed strategically by the combined authorities, which are made up of councillors from the metropolitan boroughs they cover. All the areas previously covered by PTE/ITAs are now combined authorities with directly elected mayors (with the exception of the North East Combined Authority). Examples of ECAs are the Greater Manchester Combined Authority and Sheffield City Region.

2. **Newer Combined Authorities (NCAs):** A number of combined authorities with directly elected mayors have been formed in areas which did not previously have an ITA/PTE. The powers of the Local Transport Authority are held at the combined authority level, but without the presence of a long-standing PTE. Examples of NCAs are the Cambridgeshire and Peterborough Combined Authority and the West of England Combined Authority. While the area now covered by the North East Joint Transport Committee was previously Tyne and Wear ITA, and it still contains the old PTE ('NEXUS'), it is here classified as one 'new' combined authority as the division between two combined authorities and the addition of the largely rural Northumberland and Durham County Council was deemed sufficient change to be classed as 'new'.

3. **Two-tier 'shire county' authorities:** as described above, these 'upper' tier authorities hold the responsibilities of an LTA rather than the district councils. For example, the city of Gloucester is a district council in the county council of Gloucestershire. Often relatively rural, in many cases the historic two-tier authority has had significant urban settlements removed from it. For example, Nottingham is a separate unitary authority to the surrounding two-tier county council of Nottinghamshire.

4. **Large ex-shire county unitaries:** historic two-tier authorities that had been converted into a single unitary council. These are generally older authorities, converted in the latter decades of the 20th century and containing a mix of urban and rural areas, for example Herefordshire.

5. **Small ex-shire county unitaries:** two-tier authorities that had been split into a number of smaller unitary authorities, largely in the 21st century, for example Cheshire West and Cheshire East councils. Small unitaries are highly varied, some being quite rural and larger than purely urban unitaries (e.g. Dorset), with others being an urban area with a more rural hinterland (e.g. Northeast Lincolnshire).

6. **Urban unitaries:** almost wholly urban areas being split off from a larger county authority. Examples include Nottingham, Leicester, Southend and Plymouth.

LTA interviews

The majority of the report content is based on interviews with LTA representatives. The purpose of the interviews was to build up an in-depth picture of LTA needs and

capabilities, and how a BCoE might address these. A total of 27 semi-structured, anonymised interviews were conducted, representing over a third of all LTAs. Interviewees included representatives from director, head and officer level involved in passenger transport and local bus networks specifically.

For the purpose of ensuring a variety of views to produce robust results, the LTAs to invite for interview were selected to ensure an even spread from different types of authorities (see table below), geographical regions, and urban/rural classifications, with an emphasis on those with lower or fast declining bus use and provision.[3] Given the characteristic of some LTAs comprising a number of constituent authorities, the urban/rural categories were compiled based on constitutional history and interviewees' own description in addition to official classification.[4]

Authority type	Total	Interviewed	Proportion of total LTA population (%)	Proportion of study (%)
Established Combined Authorities	5	3	6	11
Newer Combined Authorities	4	3	5	11
Two-tier Shire Authorities	25	7	32	26
Larger Shire Unitaries	19	6	25	22
Smaller Shire Unitaries	8	3	10	11
Urban Unitaries	16	5	21	18
	77	27	100	100

The fieldwork was carried out in March and April 2021, immediately following the publication of the National Bus Strategy but prior of the publication of further guidance.

The interviews were recorded but treated in confidence and transcripts anonymised. This was to guarantee unbiased analysis and to not guarantee confidentiality. All data was handled securely and in compliance with GDPR rules. All participants were sent an

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[3] Based on data from transport statistical tables BUS0110a, 0208b, 0505a
[4] https://www.gov.uk/government/collections/rural-urban-classification

invitation, providing them with informed consent, and giving them the option of withdrawing from the research at any time.

Stakeholder focus groups

In parallel to the interviews, three stakeholder focus groups were conducted. Their purpose was to gather external perspectives on LTAs' capacity and capabilities from stakeholders that work with LTAs and on the potential role of a BCoE. The participants provided both local and regional viewpoints as well as. The focus groups firstly provided a 'local view' from non-LTA stakeholders, which largely corroborated the LTA viewpoints. Secondly, it provided views of a more regional scale, such as the multi-LTA geography of operators, Local Economic Partnerships and Sub-National Transport Bodies. Thirdly, it provided broader views, particularly around national innovation and consultancy capabilities, the perspectives of user groups, and the overall strategic or policy landscape.

There were a total of 29 participants representing a range of experts and stakeholder organisations, including bus operators and user groups. Participants included chief executive, director, advisor and manager level representatives.

The same confidentiality and data handling arrangements applied to the focus groups as to the interviews explained above.

Data analysis

The report is based on qualitative methods in order to identify key commonalities and to provide a deeper understanding of the variation between participants. The semi-structured interviews also allowed for follow-up questions where further investigation was merited, to explore issues in sufficient detail. While the qualitative methods identified a majority view, they did not allow for clarity on the proportion of respondents that support or oppose certain viewpoints.

Data was analysed through reviewing transcripts for their major themes. The report aligns with the key areas of interest set by the DfT, with the key variables and hypotheses emerging during analysis rather than being pre-set (inductive analysis). Initial review supported the retention of the six-part sampling typology as an organising framework. The different powers of each constitutional type (combined, two-tier, unitary) were seen to have some direct influences on the outcomes, but this should not be overstated as the data is highly autocorrelated. For example, combined authorities tend to be large conurbations with commercially viable routes; this is not solely caused by their being combined authorities and is partially why they are combined authorities.

The urban or rural context was found to be highly influential, but either in terms highly auto-correlated with the type and size of the authority, or at the scale of the route or investment in question. The district-level DEFRA rural-urban classification was not mentioned by interviewees as tool they used. As such, the rural-urban classification was considered but not used as an organisational framework for the findings.