Successful buses for a successful region

2019

North East bus operators working together
Today’s bus operations in the North East are provided by three main operators who emerged from five former National Bus and PTE bus companies following some consolidation in the market, bringing greater integration and consistency across the region, in addition to a number of privately and often family owned local ‘independent’ operators with transport histories dating back to the 1960’s and beyond.

Whilst the bus operators remain separate companies, as they did before deregulation, today they are working even closer together to bring a more harmonious vision and message for buses and bus passengers, with a strong will to work with stakeholders to make bus services even better, as presented in this document.
Introducing the region’s buses
Where would you be without ME
We'd all miss the Bus
Prior to the deregulation of Britain's buses, services were still provided by separate companies from across the National Bus Company (NBC), the Passenger Transport Executive (PTE) and Municipals (Council bus companies), as well as early private independent operators.
Introducing NEbus

NEbus is the new name for the bus operators’ association encompassing the providers of services across the North East.

Our aim is to make buses even better for more customer journeys, whilst also supporting the communities we serve, by working collaboratively together and with partners to help reduce congestion, easing the passage of the bus to further improve the dependability of services, and playing an important part in tackling the climate emergency by providing more low carbon journeys which will help improve air quality.

There is already a good story to tell about buses here in the North East where in Tyne and Wear we have the 4th highest bus using population in England outside of London, with more people using buses than in places like Manchester, Merseyside, West Yorkshire, South Yorkshire and Birmingham, to name but a few, in fact every other PTE area!

We also have a customer satisfaction rating of over 90%, far exceeding other public transport modes in our area and the England wide PTE region average of 87%.

Delivering high quality, sustainable public transport is a shared responsibility between operators, Local Authorities and Central Government. No one party has all the solutions, so if buses are to be truly successful then they need greater support from stakeholders, especially with matters such as tackling some of the worst congestion which can undermine the delivery of reliable services and adds to costs.

As well as bringing people together, we need to get buses on a better footing when we talk about them, celebrate successes and encourage more people to give them a try.

This document aims to take stock of the progress made in recent years, and help make the case for the region’s buses to play an even more beneficial role in the future. It is also a call to arms for more positive comment and action to help support buses, in turn helping to better connect our communities, support our local economy and help tackle congestion to help keep our towns and cities moving and make the air cleaner. These are matters that should be important to everyone.

Martijn Gilbert
Chair, NEbus
August 2019

More people use buses than rail - number of journeys (bn)

Source: Department for Transport
Tyne and Wear has the 4th highest bus use per household in England outside of London.

59% of all GB public transport journeys were by bus in 2017/18.
A little bit about our members who employ over 6,000 local people

**Arriva**

Started by Tom Cowie in Sunderland in 1938 as a motorcycle dealership and becoming known as Arriva in 1997, the group consists of the former United and Northumbria operations in the North East, now operating 470 buses and employing 1,700 local people.

Arriva was acquired by Deutsche Bahn in 2010 but remains a non-listed plc registered in Sunderland, with its Group HQ in Doxford Park, employing a further 285 people in the region.

**Go North East**

Born out of the Northern General bus company, the Newcastle and Gateshead based management buy out of the company has gone on to become today’s Go-Ahead Group plc with both bus and rail operations across the UK and beyond.

The group remains registered here in the North East (on Newcastle’s Grey Street), with Go North East operating over 1,000 buses and employing over 2,000 local people, with a further 100 people employed in the Newcastle Group HQ.

**Stagecoach**

Stagecoach North East came out of the former Tyne and Wear city operations of Newcastle and Sunderland ‘Busways’ with the sale of the PTE’s then Municipal bus operations, including South Shields, and with additional operations added from Stockton and Cleveland Transit.

Part of the Scottish based Stagecoach plc, the North East business operates 437 buses and employs 1,337 local people.
A-Line Coaches is a family business that was established in 1973 within the Metropolitan Borough of Gateshead, Tyne and Wear.

Since then A-Line Coaches have enjoyed wide and varied bus and coach operations. Initially relying on coach use, they take their passengers on a private hire basis to local events, race meetings, coastal trips, UK tours and also run local contract operations.

Gateshead Central are the fastest growing taxi company in Gateshead. With 150 vehicles, 6 different offices and a range of services offered, it truly is a 24 hour business.

Gateshead Central operate the largest mini bus and wheelchair accessible fleet in the North East of England with minibuses capable of carrying up to 16 passengers and wheelchair vehicles able to carry up to 2 wheelchairs and 8 passengers. The company also operate a number of mainstream local bus services under contract to Nexus.

L & G Coaches is a family run business which was founded in February 2018 by local entrepreneurs Lee and Gemma with two double decker buses.

It has since developed a growing customer base and has been able to expand the fleet to six double deckers. L & G have recently started operating from their new depot in Birtley, making further investments to develop the business. They currently have six employees working in their ever growing operation.

Stanley Travel is a premium provider of total public transport solutions. Based in Stanley, Co. Durham, the company has been a leader in taxi, mini coach and coach transport since its establishment in 1961.

Catering for all parties, Stanley Travel provides coach and bus vehicles from 1 to 75 passenger seats with wheelchair access across the full range.

With 83 staff, over 70 vehicles and thriving of a strong family underpinning, Stanley Travel offices are fully manned, 24 hours a day, 365 days a year.

With roots tracing back as early as 1901 – Station Taxis has created a well-known corporate image that makes the company a staple and identifiable brand across the North East region.

After bus deregulation, Station Taxis became involved with TaxiBus operations, running two shuttle services between several Sunderland University buildings. Since then the company has continued to grow, now employing over 440 people and operating almost 200 vehicles; making it the largest taxi company in Sunderland.

...and a number of other SME independent bus operators across the region
North East buses help drive the economy

Bus services connect communities, helping support the growth of jobs and housing and enabling access to education, employment, healthcare, retail, leisure, onward national transport and more. They are vital to a successful economy and society.

Research from Greener Journeys shows that:

- Bus commuters generate £64 billion of benefits to the UK economy in goods and services
- Every year, bus users make 1.4 billion shopping trips and spend an estimated £27 billion on retail goods
- Every £1 invested in bus infrastructure can generate more than £8 of economic benefit
- Bus revenue funding delivers £3.70 of economic benefit for each £1 spent
- More than 1 in 10 (11%) of commuters would have to change jobs or leave the job market completely if bus services ceased to exist
- Buses help tackle congestion, which costs the UK economy at least £11 billion each year

Bus commuters generate £64bn worth of goods and services

Bus users make 1.4 billion shopping trips spending an estimated £27bn on retail goods
Congestion is a major threat to the success of any regional economy, and for all road users. Under the current bus operating model Local Authorities can invest in bus prioritisation schemes and control supporting measures such as car parking provision and costs. In parallel bus operators invest in new vehicles, improved service information and more advanced ticketing. The most successful bus services are delivered in partnership with a blend of investment from bus operators supported by proactive measures from local authorities.

Buses are helping to grow the local economy through connecting our workplaces and retail environments, as well as attracting visitors to the region in a number of ways. New open top tour services in Newcastle, Gateshead and North Tyneside and sightseeing tour services of the North Northumberland Coast and Castles are helping to attract tourists to visit this interesting and diverse region.

It is also now possible to book through travel on the national rail network to connect with bus services in North Northumberland, creating seamless travel opportunities to the coast for visitors from a huge proportion of the country.

The effects of congestion

Research into the impact of congestion on bus passengers found that every 10% decrease in operating speeds leads to an 8% increase in operating costs. If this is passed on to passengers through higher fares it results in a 5.6% fall in patronage (DfT fares elasticity of 0.7).

A 10% deterioration in operating speeds could, alternatively, lead to a 10% reduction in frequency and 5% fewer passengers (based on a frequency elasticity of 0.5).
North East buses are green

On a per passenger journey basis the bus is at least 10 times cleaner than a car and one bus can take up to 75 cars out of traffic jams.

Further research from Greener Journeys also shows that:

• If everyone switched just one car journey a month to the bus, there would be one billion fewer car journeys on our roads, and a saving of 2 million tonnes of CO2

• Buses are vital to improving air quality. The latest models deliver a 95% reduction in NOx emissions compared to previous bus models

• Diesel cars are the biggest contributor to road transport NOx emissions in the UK, contributing 41% of emissions compared with 30% for diesel vans and just 6% for buses and coaches

North East bus operators have invested year on year in low emission buses, including hybrid, biogas and the latest Euro 6 diesel buses meeting very stringent emission standards. Working with partners, support has been secured to upgrade the exhaust systems of a number of other modern buses across operators fleets with ‘CRTs’ to the latest Euro 6 standards.

In June 2020 the region’s first fully electric buses will also be introduced between Gateshead and Newcastle thanks to a successful bid to the Government’s Ultra Low Emission Bus Fund which helps support some of the additional premium cost of buying electric buses and installing charging infrastructure.
Cost to Treasury for saving 1kg of Nitrogen oxide, £

Nitrogen Oxide Emissions, Per Passenger/KM

Prospect - Clearing the Air (July 2019)
Bus operators are major local employers with over 6,000 people employed from the local community in driving, engineering, supervision, administration and management roles. Additionally, the national headquarters of two major transport plc’s are based in our region.

The major bus operators run bespoke apprenticeship and graduate management training programmes to attract and develop fresh talent into the profession, whilst also providing ongoing training and development to the wider workforce. Work is also undertaken with local Job Centres and Colleges to help support and equip local unemployed jobseekers to get back into work, including a bus drivers ‘pathway’ scheme.

Employees are recognised and rewarded through initiatives such as annual team awards and, demonstrating the true hard work and dedication of each operator’s workforce, long service awards are held each year to honour the contributions of long standing team members reaching milestones spanning 25 to 50 years of service.

### Go North East and Gateshead College working together

Go North East has worked in partnership with Gateshead College to develop a unique bus and coach engineering apprenticeship.

Around 90% of Go North East’s engineering workforce started their careers as apprentices. The 253-strong team currently has 31 apprentices studying at varying levels of the four-year programme, which includes bespoke training using state-of-the-art equipment at Gateshead College’s £5.5million Skills Academy for Automotive, Engineering, Manufacturing and Logistics based at Team Valley in Gateshead.

The popular scheme attracts over 500 applicants for the average intake of up to 10 new apprentices each year, and is widely renowned in the region and across the industry.
North East buses are smart

Buses have continued to evolve with the latest engine propulsion systems, more efficient means of operation, more comfortable interiors and better use of technology.

Contactless bankcards are now accepted for payment on all the major bus operators across the UK and bus operators are increasingly harnessing digital retail platforms to make it easier for customers to transact with them.

Every bus in the North East has been fitted with an ITSO (the international ticketing standard) smartcard enabled ticket machine for a number of years now and most of these machines have GPS telematics to help improve road safety performance and are enabled to provide live tracking data which is consolidated in the Nexus operated Real Time Passenger Information (RTPI) system. This enables them to provide live service information through their bus stop and interchange infrastructure where digital information screens are in place. All operators’ services can be tracked online and on mobile devices to provide up to the minute journey time information. Arriva’s travel planning app, for example, is accessed once every 2.4 seconds.

There are already smart enabled all operator tickets in the region through the SmartZone products and the Network One ticket provides an any bus, Metro and Ferry integrated travel solution. All operators provide ticketing options direct to customers mobile phones and today’s modern buses are fitted with USB charging points, free Wi-Fi and next stop audio visual customer information systems.

7.7% of payments are made on apps

27% of payments are made on contactless

Arriva Click

The region’s major bus operators are part of wider Groups that can harness innovation developments, best practice and operating experiences from elsewhere in the UK and beyond.

Arriva Click is an on-demand transport operation that aggregates people travelling from multiple origins to multiple destinations in an exceptionally efficient way, providing the convenience and the flexibility of a customised on demand journey, powered by an App in an intuitive way.

Experiences like these can help shape future operating models and client proposals in the North East.
North East buses are smart

Case Study
Today’s bus market means that the bus operators are in direct contact with their customers and provide market-led services which are able to respond to changes in customer demand, whilst building a mutually beneficial relationship with Local Authorities, recognising the value of buses in reducing congestion, providing vital access to education and jobs, improving air quality and tackling loneliness.

Bus operators continue to adapt services to meet changing customer demand in the face of challenging economic conditions and changing socio-demographic and work patterns, such as the vast changes seen on the high street and in the ways people work, whilst also seeking to provide cost-effective journeys.

The customer satisfaction and performance levels of buses in the North East outstrip other modes of public transport, and even many retailers. In this context, the role of private bus companies as longstanding and stable local employers, alongside the dedicated contribution of our employees, should be continually recognised.
North East buses have happy customers:

91.1% punctuality
90.3% reliability
99.5% overall customer satisfaction with buses in the North East

(2018/19 Transport Focus Bus Passenger Survey)

*stats averaged across all the major bus operators for the last full year, correct at time of going to print.
North East buses work with partners

We need to be realistic that the bus is a mass mover of people and must be focussed on where there is sufficient demand. Buses have the ability to move large numbers of people cleanly and efficiently at low cost from A to B.

Running a bus for just a handful of people can be costly and inefficient, but there are times of the day when journeys operate as part of the build up/down of the main daytime service. Sometimes these journeys are supported by the local authority because they do not cover their costs. This is not a new situation, in fact many such services were supported even before deregulation in the 1980’s. Local Authority budget pressures have led to large cuts in these types of services and this has been a primary driver of some of the reductions in bus use seen in recent years.

Here in the North East operators have worked collaboratively with Nexus to find better ways of delivering many of these services, protecting and delivering them within reduced budgets. Smaller operators such as Station Taxis and Gateshead Central Taxis operate taxi bus services, working in partnership with Nexus, using smaller vehicles and flexible styles of operation to complement and cost efficiently fill gaps in the mainstream local bus network.

Bus operators have also worked with the Newcastle Disability Forum, the Elders Council and other partners on ensuring their buses are for everyone. The local bus network was fully low floor and wheelchair accessible long before the statutory Disability Discrimination Act requirements and operators provide staff training and awareness. Operators also work with partners such as Intu, Cobalt and Quorum on corporate ticketing schemes, support the nationwide Plus Bus rail-bus ticketing scheme and work with Train operators such as CrossCountry and LNER to improve through ticketing on longer distance multi-modal journeys.

Given the efficiency of buses, operators across the region have also worked with partners to provide a number of major special event services that support the regions visitor economy including the Great North Run, Sunderland Airshow, Kynren, Lumiere Durham and Radio 1 Big Weekend to name but a few.

Employee travel at Cobalt

As Cobalt Business Park started to grow, they realised that new public transport links were needed to improve access and to help to attract new jobs to the area. In partnership with Go North East, new services were created to provide fast and frequent links from Newcastle City Centre, Whitley Bay and Blyth. The services started in Spring 2007 and since that time, with great promotion and marketing, the services no longer need any partnership funding.

The services have also seen investment with new buses featuring Wi-Fi, power sockets and next stop announcements introduced in 2014, with those buses now seeing a midlife refresh with new seating and tables added for extra comfort.
North East buses achieve

Buses in the North East are good and we want to make them even better. As well as high levels of operational performance and customer satisfaction, and connecting communities with mobility, health and wellbeing benefits that include helping combat loneliness, buses in the North East have achieved a number of accolades.

Bus operators also work to help support the communities they serve with a number of initiatives in addition to the delivery of good quality, sustainable and value for money bus services.

Just some of the awards amongst our partners

- Winner - North East Contact Centre Awards: Dream Team of the Year - Customer Services Team
- Partnership of the Year Award at the North of England Transport Awards
- Silver - VisitEngland Awards: Innovation in Tourism Award for Big Days Out Campaign
- Silver - North East England Tourism Awards: Inclusive Tourism for initiatives such as Dementia Friends
- Bronze - UK Bus Awards: Christmas Fundraising Campaign
- Finalist - North East Equality Awards: Large Organisation Making a Difference in the Community Award
- Princess Royal Training Award
Stagecoach partners with Sunderland FC

The partnership kicked off in June 2019 where Stagecoach sponsored the opening of SAFC’s brand new Hall of Fame.

Speaking about the partnership, SAFC’s Managing Director, Tony Davison, said: “Stagecoach North East provide great value travel options for supporters of all ages, and as a club, it is vitally important that we engage with the people and businesses that support our city.

With over 13 million bus journeys made by customer in Sunderland each year, Stagecoach is one of the largest bus operators in the North East and has become an integral public transport solution in the heart of local communities, throughout the region.

Supporting the community

The region’s bus operators have supported a number of community programmes and causes including...

- Beacon of Light
- Cancer Research UK
- ‘Chatty Bus’ - tackling the loneliness epidemic
- The Chronicle’s Sunshine Fund
- Foundation of Light
- Library-on-wheels
- National Citizen Service
- Newcastle United Foundation
- St Oswald’s Hospice
North East buses are different from London

There are very few comparisons between the London bus market and the rest of the country. The operating area across the North East has a greater spread of rural vs. town and city populations, with lower density of population and economic activity than London. These factors help drive the demand for bus services as a mass mover of people but, arguably more importantly, London sees far higher levels of subsidies – TfL expects their deficit to be £785m this year, compared with the 90%+ of services that are provided fully commercially without subsidy in Tyne and Wear.

Bus use in London is also supported by very low car ownership driven by car restraint policies such as the congestion charge and high car parking costs, alongside a far higher proportion of bus priority measures such as more bus lanes per mile of road than in other areas. All of these factors, plus a large and growing population and extensive transport network, help promote greater use of public transport and leads to more demand for bus services. That said, even bus use in London has seen a decline in recent years, especially against a backdrop of worsening congestion and slower road speeds.

The large subsidy for London’s bus network enables a good headline value for money fare offer with single journeys costing £1.50, but for many shorter distance trips bus fares outside London cost less than this and the value for money of buses outside of London becomes a lot more competitive in many cases when day and/or weekly zonal ticket fares are considered, such as the North East’s SmartZone ticket range.

£21.20
per week
London weekly bus pass

Compared to

£16
per week
Newcastle SmartZone bus pass

and many other local ticket options for similar length journeys
North East buses are different from London.

Buses in London are supported with car restraint policies including:

- The congestion charge
- Higher car parking charges
- More bus priority highway measures
North East buses invest

Bus operators in the North East make sizeable investments each year in fleet replacements and upgrades, as well as working with partners to harness the latest customer facing and environmental technologies and spearheading campaigns to help promote the bus.

over £80m invested in new buses since 2015 and more arriving each year
As well as investment in vehicles, equipment such as the latest generation smart ticketing and staff training, the North East has benefitted from some major property investments by bus operators in recent years including:

**Notable property investments**

- £1.5m – Arriva Durham (2012)
- £3m – Arriva Ashington (2014)
- £8.5m – Go North East Riverside (2014)
- £3.5m – Go North East Consett (2019)
The North East’s bus operators are calling for buses to have a higher profile, for stakeholders to recognise the huge steps forward that the industry has made in recent years, talk more positively and to work more collaboratively in partnership to enable local bus services to be as successful in supporting the economy of the North as they are in places like Brighton, Harrogate, Nottingham, Oxford, Rossendale, Reading, Sheffield, Southampton and others.

The re-launched bus operators’ association, as NEbus, will continue to work on new initiatives in joined up customer communications, marketing, multi-operator ticketing, shared technology and more.

Our Vision and Mission

“We believe that partnerships with local authorities that are collaborative, embracing commercial innovation and dynamism, are best placed to get more people using the bus. We want to enable even better bus services across our region and are a willing partner with a positive message to tell.

The key issues of the day are air quality, the climate emergency, congestion and funding (especially for Local Authorities). We need to be united on these and deliver for bus passengers, wider society and the local economy.”

East Gateshead Bus Alliance

In October 2017 Nexus, Gateshead Council and Go North East signed an agreement to form a new East Gateshead Bus Alliance in order to demonstrate a commitment to providing quality bus services and information. Together they made a number of commitments, with some highlighted below:

- Monitor and improve the performance of the local bus network
- Enhance the quality of the bus fleet in East Gateshead and improve engine emissions standards
- Maintain and enhance the provision of bus information, including real time information.
- Support local people and groups
- Monitor and address customer satisfaction
- Improve safety and security
- Improve fares and ticketing
The concept of a formal bus partnership was last discussed in Tyne & Wear some 5 years ago, with a list of ‘wants’ set out for the bus operators. Whilst no partnership model has been formalised by the authorities, the region’s bus operators have been busy delivering on these regardless.

In taking bus services into a new positive era across the region, bus operators commit to:

**Greater transparency and accountability:**
- Publish quarterly KPI’s on service timekeeping at both the start of routes and at all timing stops, service reliability (percentage of planned miles operated) and the annual bus customer satisfaction scores
- Adhere to Nexus set service change dates annually
- Customer consultation on service changes
- Willingness to enter into more local “bus partnership boards” - similar to the East Gateshead example

**Further investments:**
- Commitment to more buses, plant and equipment, training, with further hybrid/new technology vehicle
- Re-invest buses (vehicles) saved where highways schemes help make services more efficient/reliable

**Improved ticketing:**
- Continued evolution of contactless and smart ticketing
- Maintaining an improved young persons (up to 18) fare offering
- Fares increases justified and restricted to once per year (per fare)

**Better customer service:**
- Mutual aid – when there is severe disruption, customers can use the next bus regardless of operator to get them on their way
- Adopt a consistent Customer charter, including customer service standards and lost property arrangements

**Enhanced communications:**
- Buses to carry partnership branding inside and out – headlining multi-operator fares
- Paper and electronic information - timetables/map

**More collaborative:**
- Willingness to work closer with Local Authorities and Nexus on planning road and highways works
- Provide data to support bus priority business cases
- Play our part at the table of relevant local forums, groups and committees
- Work in partnership with wider stakeholders to promote bus travel
Delivering high quality, sustainable public transport is a shared responsibility between operators, Local Authorities and government, especially in respect of a buses operating infrastructure – the highway. Other local stakeholders can also help support and make the case for good local transport. No one partner has all the solutions.

For buses to build on their existing successes and be even more successful they need:

- Local Authorities to demonstrate effective control of the highway network – e.g. fully optimised traffic light phasing, junction layouts and roadworks co-ordination

- More bus priority in terms of road space allocation to the greatest numbers of passenger journeys and more dynamic traffic signal integration (lights turning to green as buses approach)

- Targets for traffic speeds

- Supportive parking policies both in terms of car park provision and appropriate pricing

- More Park & Ride sites

- Improved bus shelters and customer information screens

- Better integration with other transport modes, especially with customer information

- Supportive stakeholders, embracing more positive messaging about buses

- Bus information included in local communications, e.g. ‘how to get to’ special events etc.

- A balanced, data-led, approach to investments in transport infrastructure and planning processes

- A longer-term vision for public transport across the North East which recognises that the bus is the largest passenger carrying mode
Transformation elsewhere in the North

The Government’s Northern Powerhouse Minister Jake Berry MP recently celebrated the transformation of the former Council owned bus company in his Rossendale constituency. Fellow Northern region bus operator Transdev acquired the Rosso bus company in 2018 and 18 months on have been able to unlock substantial investment in new and refurbished buses, improvements for employees and marketing, leading to more customer focussed services that have already achieved 15% growth in use.

Mr Berry said: “The figures speak for themselves – Rosso’s success is outstanding, and it’s being achieved by hardworking people who are dedicated to delivering excellent customer service. Transdev has transformed our services.

“In the last 18 months, the company has benefited from significant investment to improve the quality and reliability of its buses in East Lancashire and Greater Manchester. The considerable experience of Transdev, a large and well-respected bus operator which has won several national awards, is clearly also helping Rosso to thrive.

“Many more people are now choosing to travel on Rosso’s buses, and that’s very good news for the environment and the economy of our region. The huge improvement achieved since the company became part of Transdev is very impressive, and I welcome its success. It’s a great story for Rossendale and it’s a great story for Transdev.”
All facts and figures contained in this document were supplied in good faith and assumed to be correct at the time of going to print in August 2019. Total 'North East bus' numbers are for the regions three large operators (Arriva, Go North East and Stagecoach) combined and averaged based on the applicable normaliser, e.g. fleet size.