


# Leading transport consultant: Bus can succeed as public purse is tightened

**Paul Halford**  Published January 22, 2024

More public spending constraints are likely to be on their way, but relatively small amounts of targeted expenditure can nevertheless have a positive impact for the bus sector, leading transport consultant David Leeder told the Confederation of Passenger Transport (CPT) conference on 18 January.

In his address, the **Transport Investment Limited** Director gave a bleak assessment of the British economy, citing high public spending, national debt and inflation.

Mr Leeder, who is a former First Group UK Bus Division Managing Director, likened the outlook to that of 1974, when a Labour government took over in power and oversaw the beginning of a long downward spiral of public spending. The conditions as the UK begins a year in which Labour's Keir Starmer is likely to take over as Prime Minister are less akin to those seen in 1997 when the party last ousted the Conservatives, he believes.

"It all feels to me like 1974," he says. "It all feels to me it's going to be quite difficult. One of the conclusions for the sector, I think, is that whoever forms the next government are going to need private finance. They won't be able to put all this on the public sector balance sheet."

He highlighted similarities in bus policy between now and the mid-1970s. He says: "We've got regulated fares, network deficit financing, we've even got new bus grants again but now it's for EV, we've got TfL (Transport for London) losses and TfL network cuts again."

He also said noted the decline in the bus sector's fortunes from the 1970s, citing a 25% fall in passengers over 10 years from 1974-75.

"The economic situation is extremely challenging. I would say it's the most

challenging since 2008 or 1974," he continues.

However, in more optimistic fashion, he argued there was potential for most areas of the country to improve bus patronage significantly. He highlighted 2019-20 Department for Transport statistics which showed a limited number of local authorities enjoyed vastly higher bus trips per capita than most of the rest of the country.

He says: "The positive news is places like Brighton, Leicester, Nottingham, Reading, they are showing what can be achieved with nonexperimental measures. And the industry economics would improve if those measures were adopted in more places."

He adds: "These are not experimental measures. There's nothing mysterious going on in Nottingham or Reading."

Further, despite public spending likely to be reined in, he believes there is reason for optimism.

"The good news for the bus industry is that quite small amounts of money spent in a targeted way would make a big difference," he asserts in conclusion.