Bus Franchising: Short Summary

Buses in the North East: what does it look like now?

In 2024/25, people made over 115 million bus journeys, making buses the most used form of public transport in the North East.

Buses are vital to our region, with more journeys taken per person than in most other regions in the country. Every day, people rely on the bus to connect them to jobs, education, healthcare, leisure and tourism.

However, the North East bus network has seen a significant long-term decline. Over the past 15 years, passenger journeys have fallen by 31% and mileage operated by bus companies has dropped by 32%. In practice, this means fewer buses, less frequent services and routes disappearing altogether.

Key features of the current North East bus market

- Buses are currently deregulated, meaning private bus companies generally set routes, timetables, fares and service standards.
- An Enhanced Partnership is in place, where the North East Mayoral Strategic Authority (North East MSA), local authorities and bus companies work together to deliver improvements to bus services. However, bus companies still retain control over key decisions such as timetables and fares.

What are the challenges?

- Passenger numbers and the miles operated by bus have fallen by 31% and 32% respectively since deregulation in 2010.
- As each bus company works independently, standards are inconsistent throughout the bus network and integration between other bus routes and transport types is limited.
- Bus tickets are complex, with around 370 categories of tickets.
- Prices have historically risen more than inflation.
- Passenger information is inconsistent and not integrated between bus routes or with other transport modes such as rail, Metro and the Ferry.
- Too many buses are unreliable, with only 87% running on time, well short of the 95% target. This makes buses a less attractive option and worsens opinions of the network.
- In many places, one company runs most services with little or no competition, meaning there is less incentive to improve things for passengers.
- Despite local and national public funding making up around 51% of bus company income, there is limited public control over the network.
- As decisions are generally made on a commercial basis, communities have little influence over bus services and little ability to hold bus companies to account.
- Safety and security on buses remains a big concern for passengers. Only 80% of bus users surveyed reported a positive impression of personal security on the bus, and 67% at bus stops.
- 47% of North East bus users rely on the bus as their only option. If the bus network continues to decline, residents will lose access to jobs and education, with wider impacts on the economy.

Our vision for the future

The Mayor’s Local Transport Plan sets a vision for a “green, integrated transport network that works for all”. To achieve this, the challenges above must be addressed.

In London, Manchester and many cities across Europe, the transport authority sets fares, routes, timetables and service standards through a system called bus franchising. Bus companies bid for contracts to run services and are held accountable for keeping buses running on time.

To understand if bus franchising would be a better option for the North East, the North East MSA has prepared an Assessment. It compares the proposed Bus Franchising Scheme with continuing with the Enhanced Partnership.

The Assessment considers how the proposed Bus Franchising Scheme would deliver improvements to bus services. It also sets out how franchising in the North East would be set up, delivered, managed and funded by the North East MSA, and compares this with the current Enhanced Partnership.

Six key objectives

- Buses at the heart of an integrated transport network: the Angel Network.
- Improve bus punctuality and reliability.
- Make the bus network resilient.
- Make the bus network accessible and inclusive to all.
- Ensure that everyone feels safe when travelling, especially women and girls.
- Create regional pride in its buses.

Introducing bus franchising would allow significantly more public control and provide opportunities to address some key challenges. However, it would be a huge undertaking and would transfer extensive responsibilities to the North East MSA. This would include taking financial responsibility for the bus service, as well as keeping around 317,500 bus passengers a day informed and satisfied with their journeys across more than 500 individual bus routes.

By taking financial responsibility for the bus network, the MSA would be required to meet operators’ costs of around £230 million a year in today’s prices. It would also be responsible for making sure fare income continues to grow and subsidy is provided to improve services.

The Assessment concludes that franchising is

- The best way to achieve our key objectives and improve bus services in the North East.
- Good value for money.
- Affordable.
- Commercially viable.
- Deliverable.

Enhanced Partnership and proposed Bus Franchising Scheme: key differences

The public consultation gathers views on the proposed Bus Franchising Scheme. The following sections explain the key differences between the current Enhanced Partnership and the proposed Bus Franchising Scheme, and what each change could mean for passengers.

Fares and ticketing

Current Enhanced Partnership: Bus companies set most fares and tickets, with passengers having to navigate around 370 different ticket types. Public fare schemes, such as capped fares, involve agreements to pay bus companies back for lost revenue.

Proposed Bus Franchising Scheme: The North East MSA would be able to set fares and decide which tickets are best for people, with fares not rising above inflation for ten years from day one of franchising.

What this could mean for you: Simpler tickets and better value for money.

Routes and timetables

Current Enhanced Partnership: Bus companies decide most routes and timetables. The public sector pays for some extra services where routes are needed but do not make money.

Proposed Bus Franchising Scheme: The North East MSA would decide routes and timetables for the franchised network, and bus companies would run them under contract. This would create greater opportunities for integration between bus, Metro, rail, Ferry, walking, wheeling and cycling. The North East MSA would invest in the bus network and commit to maintaining the size of the network for ten years from day one of franchising, guaranteeing network stability.

What this could mean for you: Routes and timetables would be planned more consistently, helping buses connect better across the network and reducing cuts to the network.

Safety while travelling

Current Enhanced Partnership: Bus companies are responsible for passenger safety, with varying approaches throughout the network.

Proposed Bus Franchising Scheme: The North East MSA would take strategic control of passenger safety across the network.

What this could mean for you: Consistent and increased safety measures.

Journey information: website and app

Current Enhanced Partnership: Passenger information varies across bus companies.

Proposed Bus Franchising Scheme: One website and app would bring together all passenger information. This would make it easier to find and connect information across different types of transport.

What this could mean for you: One place to find information.

Branding and visual identity

Current Enhanced Partnership: Buses look different depending on the company running them.

Proposed Bus Franchising Scheme: There would be a single network identity, the Angel Network, covering buses, stops and stations.

What this could mean for you: One recognisable identity to help passengers travel with confidence.

How communities can have a say

Current Enhanced Partnership: There is a current Code of Conduct which requires consultation with communities before network changes, but bus companies have the final say. Engagement can be limited in practice.

Proposed Bus Franchising Scheme: Communities and local elected representatives would have greater ability to influence network planning and change decisions, and to hold operators to account.

What this could mean for you: Greater ability for local people to influence the bus network and have their say.

How bus services are organised

Current Enhanced Partnership: Bus companies mostly run services commercially for profit and decide how they operate, with some improvements agreed through the Enhanced Partnership. Overall standards can therefore be inconsistent, and the bus network is not integrated with the wider transport network, such as Metro and rail.

Proposed Bus Franchising Scheme: Most services would be run under contracts set by the North East MSA. Bus companies would compete to operate services under those contracts and to standards set by the MSA.

What this could mean for you: More public control over how buses are planned and delivered, focusing on people rather than profit. Profitable routes would also be balanced against unprofitable routes so that everyone throughout the region benefits.

Financial responsibility

Current Enhanced Partnership: Financial responsibility for commercial services generally rests with bus companies, meaning they can cut a route if it becomes too expensive to run or increase fares. However, the public sector currently invests heavily in the bus network, providing 51% of operator income, for example by capping fares and helping to provide services that would otherwise have been cut.

Proposed Bus Franchising Scheme: The North East MSA would take on financial responsibility for the bus network. Any loss of bus network income would have to be accounted for. This is a significant responsibility and would need to be carefully managed, but it could result in better value for public investment by having operators compete for the opportunity to run services.

What this could mean for you: Although this comes with risks, taking this responsibility would give the North East MSA the ability to strengthen and improve the bus network and make better use of public money.

Have your say

To have your say, complete the public consultation survey. The full consultation document provides more detail.