



The economic impact of coach services

October 2024

FINAL DOCUMENT



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Executive summary



Coach services in Britain provide over 450 million journeys per year

Coaches are an essential part of the transport network, with the number of coach journeys in Britain equivalent to over 40% of the number of journeys undertaken on the entire national rail network. It is important to note that buses and coaches serve distinct purposes. Buses primarily cater to daily commutes, educational needs, shopping errands, and leisure activities within urban areas. In contrast, coaches are designed for longer journeys, offering both scheduled services like airport transfers and intercity travel, as well as private hire options for tourism, school trips and corporate events. Coaches also are a main provider of home-to-school transport across GB. These journeys create direct economic impacts for passengers and operators, with additional benefits for supply chains and communities. This report seeks to quantify these impacts.

450 million

journeys per year



54,000

people in Britain are directly employed in the coach sector

Economic activities of those involved in the provision of coach services

54,000 people in Britain were directly employed in the provision of coach services in 2022, including drivers, mechanics, schedulers, operations managers, customer service representatives, and those involved in corporate functions such as finance, information technology, human resources, and general management.

Additionally, 27,000 people were indirectly employed, working in supply chains including vehicle retailers, fuel suppliers, maintenance and parts and technology providers (e.g. website designers).

Those directly or indirectly involved in the provision of services also spend their wages in local economies, which induces additional local employment. The total net value of direct, indirect, and induced employment, including wages, operating costs, operating profits, and taxes, is estimated at around £6.4 billion per year.

Coaches are particularly essential in offering connectivity to certain areas of Britain, for example, in serving rural home-to-school trips or remote tourist destinations. Their contributions to the local economy will be even more pronounced in these areas. For example, the coach economy in Wales is worth over £425 million and £640 million in Scotland.

Economic and social activities of coach passengers

Coaches are commonly the best option to make journeys to school, visit tourist destinations and make inter-city long distance trips. Option and non-use values are defined as the value placed by the community on the availability of a service, even if they choose not to use it. Compared to not traveling at all or traveling another way, coach services provide benefits to passengers in the form of lower travel costs and improved connectivity. Using Department for Transport (“DfT”) appraisal guidelines, these benefits total £760 million per year.

There are benefits associated with highway decongestion and modal transfer (shifting to coaches from other modes) valued at £485 million. Additionally, there are £1.3 billion in benefits to people who don’t use the coach but value the services coaches provide to others as well as valuing the preservation of the option to travel by coach even if they don’t do so currently.



Coach passengers spend

£5.4 billion

per year at tourist destinations

Economic impact of coach passengers interacting with local economies

Coach passengers spend £8.3 billion per year in local economies, with spending focusing on retail and tourist trips. Domestic tourist coach passengers spend £5.4 billion per year at tourist destinations throughout the country, while international tourists spend £610 million. Those using coaches to travel to local shopping and leisure facilities spend £2.3 billion.

Without the availability of coach travel it is likely that many of these journeys – particularly the tourist trips – and therefore the associated spend in local economies reliant on this coach travel in places such as Blackpool, Cornwall, Eyr National Park, North Coast 500 (“NC 500”), the Lakes, and Peak District would not happen.



Coach passengers spend

£8.3 billion

per year in local economies



International tourists spend

£610 million



01 | Introduction

This report

This report presents an analysis exploring the economic impacts of providing and using coach services across Britain. It forms one part of a study considering the economic impact of both bus and coach services. A separate report is available on the economic impact of bus services. The work was commissioned by the Confederation of Passenger Transport ("CPT") and undertaken by KPMG LLP between May and August 2024.

Objectives of the study

It is estimated that over 450 million journeys per year are undertaken by coach (over 40% of those taken by rail) with journeys including supporting children travelling to school, helping businesses to provide bespoke shuttles for their employees to their place of work, providing rail replacement services and allowing tourists to reach destinations anywhere in the country.

The objective of this study is to understand the range of economic and societal benefits that are linked to these journeys, recognising this can be viewed through three key lenses:

Lenses



- ▶ **Lens 1:** The economic activities of those involved in the provision of coach services, including benefits for companies, employees, and their supply chains.
- ▶ **Lens 2:** The economic and social activities of coach passengers, including direct benefits to passengers and benefits to other road users and the wider community.
- ▶ **Lens 3:** The economic impact of coach passengers interacting with local economies, including passenger spending on goods and services for shopping and leisure and tourism.

Exploring these impacts enables an understanding of how coaches create different types of economic value, deliver environmental and social benefits, and unlock wider activities.

Structure of the report

Following this short introduction, the remainder of the report is structured as follows:

Sections



- ▶ **Section 2** provides an overview of the approach and analytical framework. It describes how each of the three lenses has been assessed.
- ▶ **Section 3** sets out the estimated economic impact of the coach sector, including consideration of geographical splits, and social impacts on wellbeing and health.
- ▶ **Section 4** considers the potential impact from additional coach services.

The report also includes two appendices. The first offers a more detailed geographical breakdown of the findings by nation and region, the second provides details of the analytical assumptions and evidence, and the third provides the scope of services for this report.



02 | Our analytical framework

Benefits of coach

Coaches enable regional connectivity and drive economic and social benefits across Britain. They also provide a range of competitive advantages relative to other modes, including rail, in that they:

- ▶ Require low levels of capital and infrastructure investment. 
- ▶ Have low operating requirements allowing services to follow demand.
- ▶ Are flexible in being able to serve any location at any time of day, enabling them to offer more granular and local access than other modes.

Given these advantages, coaches provide a cost-effective, efficient, and flexible transport service for many people in cities, towns, and rural locations. Specifically, coaches are suited to serve trips which:

- ▶ Require access to specific and often remote locations, such as tourist destinations, and rural schools. 
- ▶ Require alternatives to other modes, particularly at off-peak times, for example airport transfers and rail replacement services.
- ▶ Have time limited requirements for mass transit, for example events and festivals.
- ▶ Are price sensitive.
- ▶ Have specific requirements that may benefit from a more controllable space and tailored experience, e.g. school trips or accessibility needs.

Coach services deliver important economic and social benefits including access to shopping, tourism and leisure facilities, as well as to essential services such as schools, colleges and universities.

Analytical framework

We have structured our analysis to cover different areas of economic activity through the three lenses identified above. These are shown in **Figure 1** and described in the following text.

It is important to note that there are some overlaps between each lens, meaning that it is not straightforward to provide a single estimate of the total economic value of coach services. Instead, the three-lens approach provides different perspectives on the contribution coach services make to local communities.

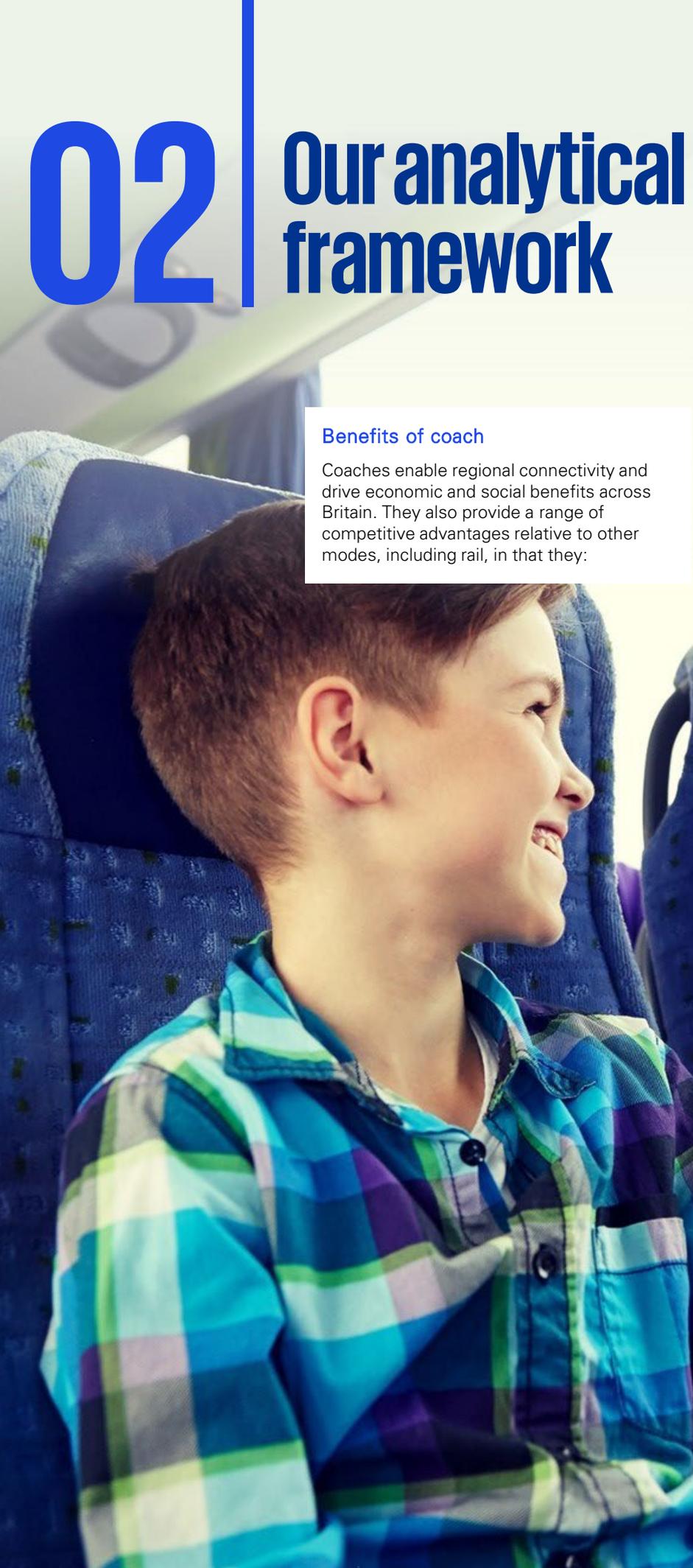
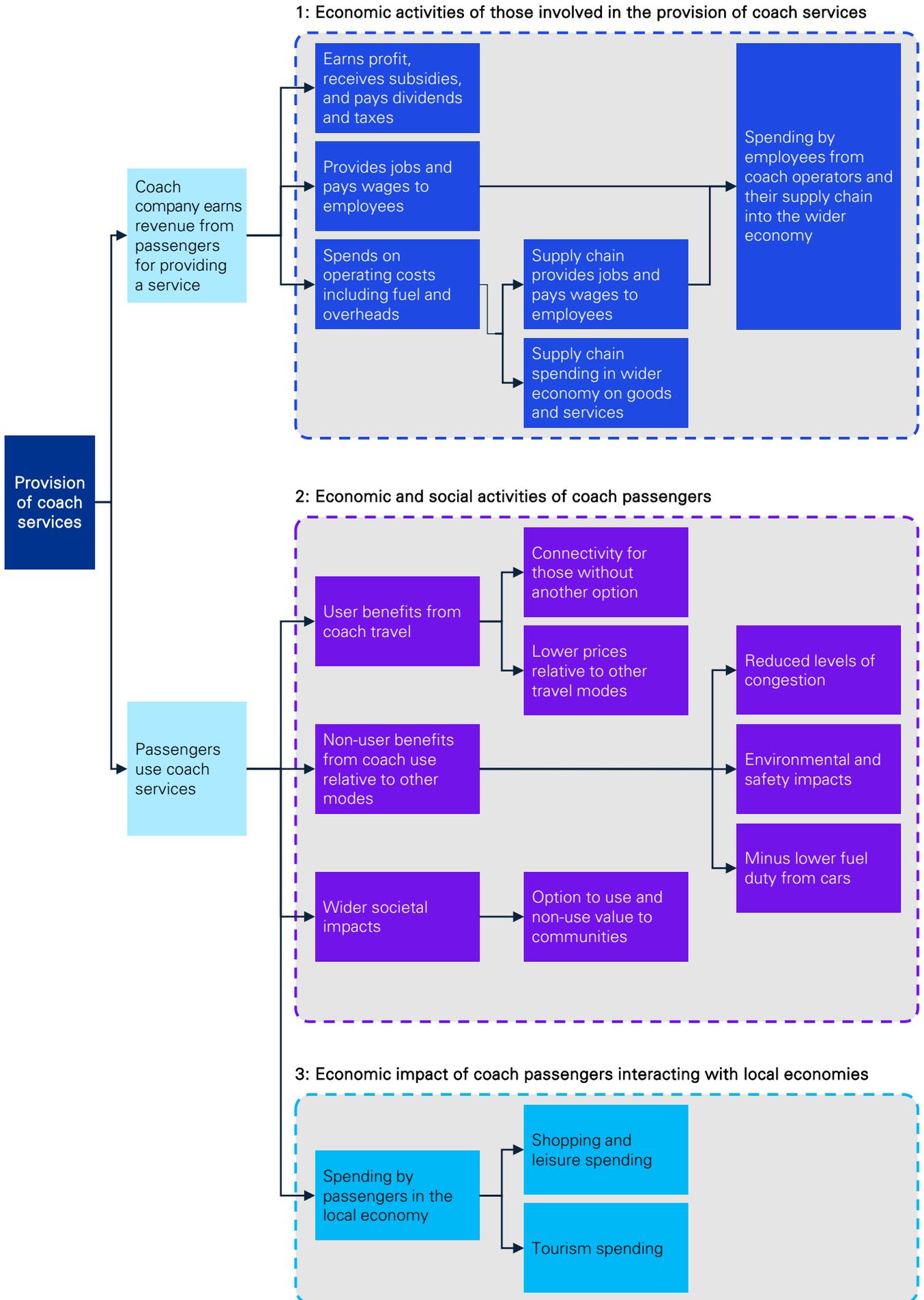


Figure 1: Analytical framework consisting of three lenses



Economic activities of those involved in the provision of coach services

The first lens focuses on the economic activities of those involved in the provision of coach services. This includes:

Direct impacts comprised of:

- The creation of value from the returns to business investment assessed through profits (and associated taxes).
- Direct employment generated by these businesses, and the wages paid to employees.
- Direct operating costs incurred including fuel, administrative overheads, and maintenance.

Indirect impacts comprised of:

- The spending of the supply chain into the wider economy on goods and services used as inputs to the products served to the coach sector.

Induced impacts comprised of:

- Spend by employees from companies operating coaches and their associated supply chain into the wider economy.

In assessing these impacts, key source data includes the number of employees in the coach sector across different geographies, gathered from the Business Register and Employment Survey ("BRES") dataset collected by the ONS.⁽¹⁾ When this data is combined with average wages in the coach sector, sourced from the Annual Survey of Hours and Earnings ("ASHE"), again collected by the ONS, it enables assessment of the direct employment impacts. Our estimate of operating costs uses a breakdown of coach operating costs presented by CPT.⁽²⁾

To subsequently derive the indirect and induced impacts, economic multipliers were used, sourced from the relevant Input-Output tables, with the Land Transport (excluding rail) sector segmentation being applied. The Input-Output tables are prepared by the Office for National Statistics.⁽³⁾

Economic and social activities of coach passengers

The provision of coach services brings benefits both to users and non-users across Britain. Through this lens, the impact can be assessed as follows:

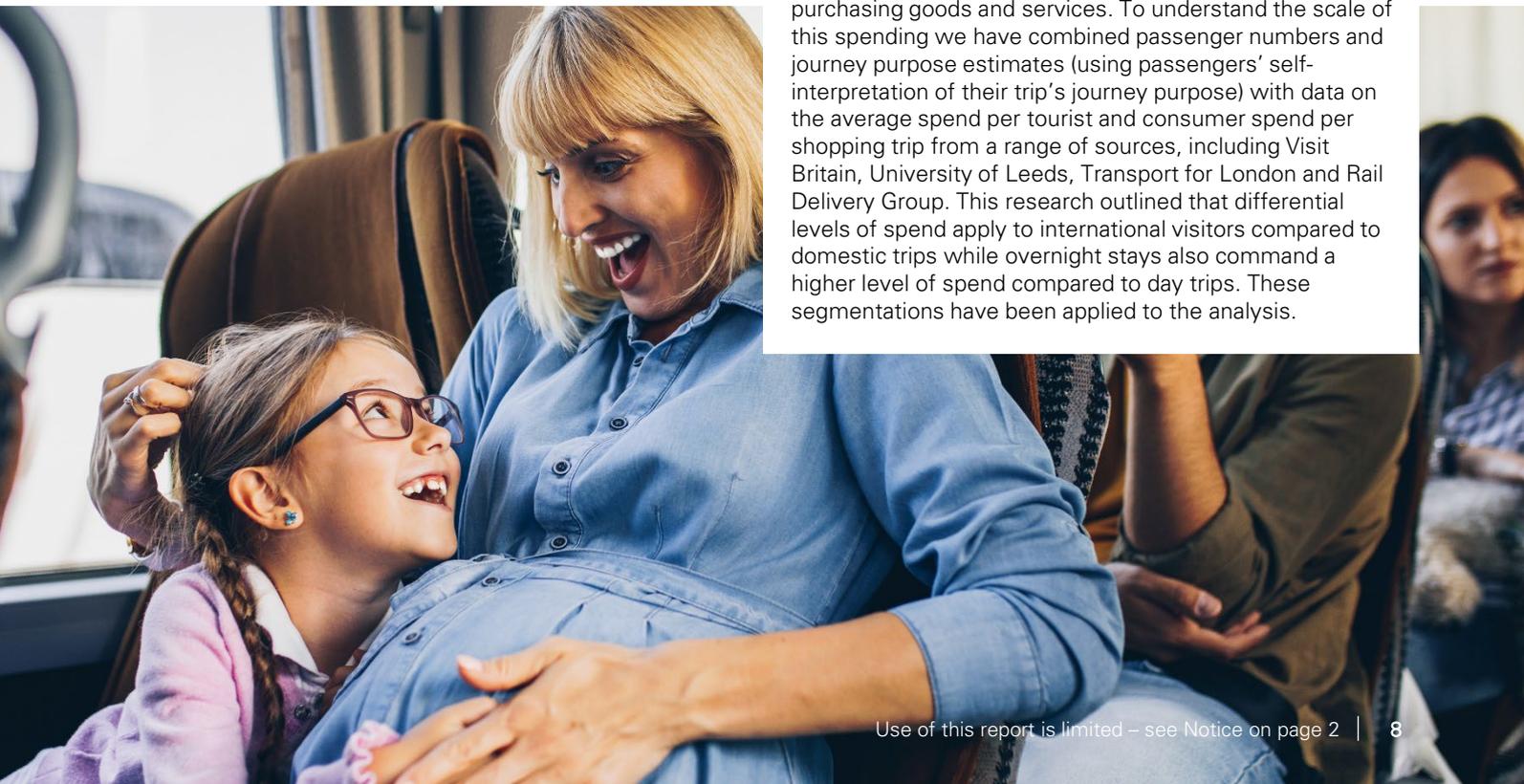
- The benefits of coach travel accruing to passengers, including better economic connectivity, social accessibility, and affordability relative to other transport modes.
- The benefits to other road users, arising from the reduction of private vehicles, which reduces highway congestion and improves environmental outcomes air quality, greenhouse gases, and noise. These benefits are offset by less tax revenue from fuel duty due to fewer car journeys.
- The value that accrues to people and communities from having coach services available as a travel option, even if not used, through an estimated 'option and non-use value'.

The framework for assessing user and non-user benefits broadly follows the approach outlined in the DfT's Transport Analysis Guidance ("TAG").⁽⁴⁾ This approach converts the number of coach journeys undertaken into monetary benefits by using a set of appraisal values for a range of benefits, derived from economic literature, and following the approach outlined in TAG.

Option and non-use values are defined as the value placed by the community on the availability of a service, even if they choose not to use it. This can mean serving as a fallback plan in case things go wrong, or coach being perceived as a benefit for the wider population, including friends and family who may be more able to visit them. Coaches do not have a specific estimated value within TAG per household.⁽⁵⁾ As such, assumptions around this value have been applied, recognising that these "non-use" benefits are likely to be relevant but require further research.

Economic impact from coach passengers interacting with local economies

Coaches take passengers to shopping, leisure and tourism destinations, where they interact with the local economy purchasing goods and services. To understand the scale of this spending we have combined passenger numbers and journey purpose estimates (using passengers' self-interpretation of their trip's journey purpose) with data on the average spend per tourist and consumer spend per shopping trip from a range of sources, including Visit Britain, University of Leeds, Transport for London and Rail Delivery Group. This research outlined that differential levels of spend apply to international visitors compared to domestic trips while overnight stays also command a higher level of spend compared to day trips. These segmentations have been applied to the analysis.



03 Quantification of impacts



Using the analytical framework presented in **Section 2**, we have quantified the economic impact through each lens for different geographical areas. To support this assessment, we also present a number of case studies to illustrate specific impacts.

Economic impact of coach services in Britain

Figure 2 shows the economic impact of coach services across Britain, covering the economic activities of those involved in the provision of coach services, the economic and social activities of coach passengers, and the economic impact of coach passengers interacting with local economies.

Figure 2: Economic impact of coach services in Britain

01 Economic activities of those involved in the provision of coach services		02 Economic and social activities of coach passengers		03 Economic impact of coach passengers interacting with local economies	
	Taxes, wages and industry profit and investment into supply chain	£3.6 bn		Increased connectivity and more affordable travel	£760 m
	Spend by supply chain	£1.3 bn		Impacts on other road users	£485 m
	Spending by employees in operations and supply chain	£1.5 bn		Option of having coaches as a mode	£1.3 bn
Total		£6.4 bn	Total		£2.5 bn
	Shopping and leisure spend	£2.3 bn		Tourist domestic spend on day trips	£3.5 bn
	Tourist domestic spend on overnight trips	£1.9 bn		Inbound international tourists spend	£610 m
Total		£8.3 bn	Total		£8.3 bn

Economic activities of those involved in the provision of coach services

In 2022, 54,000 jobs across Britain⁽⁶⁾ were directly employed in the provision of coach services. This includes drivers, mechanics, schedulers, operations managers, customer service representatives, and those involved in corporate functions such as finance, information technology, human resources, and general management, generating almost £1.6 billion in wages.

Additionally, around 27,000 people were indirectly employed in supply chains, including vehicle retailers, fuel suppliers, maintenance and parts providers, technology providers (e.g. real-time information), and those responsible for coach stations and depots. This sector spent £1.7 billion on operating costs within the supply chain. The coach sector is estimated to generate almost £200 million in operating profits based on an estimation of operating profits for a sample of operators.

While the economic impact of direct employment and supply chain expenditure is significant, it also delivers indirect impacts through the spending of the supply chain on the inputs required to deliver the required goods and services. This impact is estimated to be worth £1.3 billion per year across Britain.

The geographical distribution of spending across Britain will largely follow the distribution of employees and businesses. **Figure 3** describes at a Local Authority level the distribution of coach sector employees across the country.

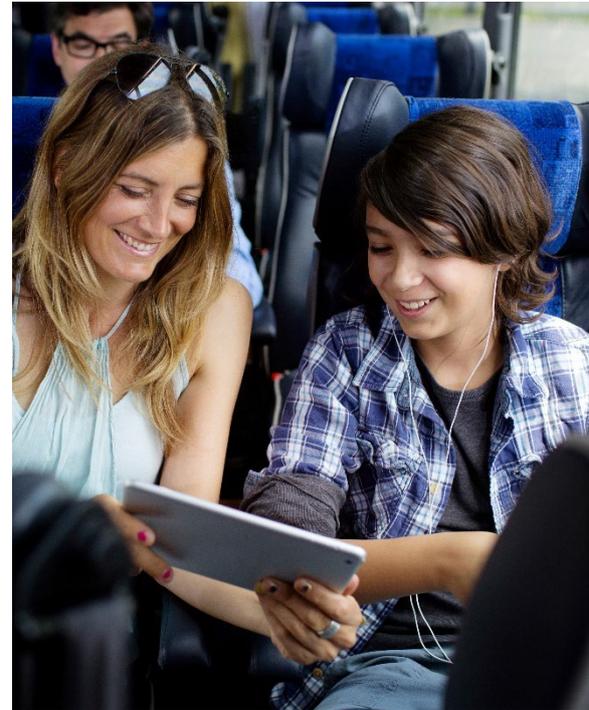
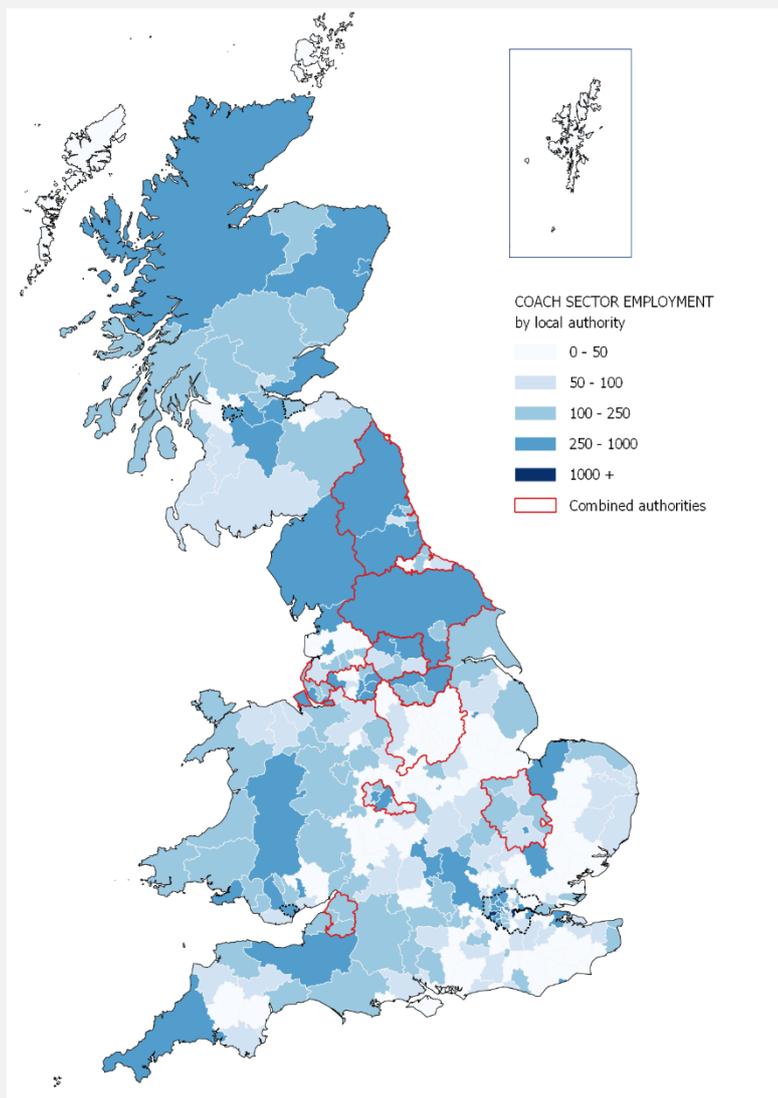


Figure 3: Coach sector employment by Local Authority



Source: ONS (2022) Business Register and Employment Survey

The distribution of coach employees does not necessarily match the population distribution with some of the highest concentrations of coach sector employees in peri-urban (non-urban areas close to larger metropolitan areas) and more rural areas, with Lancashire, Hounslow, and Essex all having more than 1,000 coach sector employees.

This reflects the characteristics of coaches in offering flexibility where other travel modes are less available, for example in serving tourists accessing remote destinations, providing rural areas access to services such as education and enabling access to major hubs such as airports poorly served by other modes. The high numbers of coach employees in Cornwall, Powys, the North of England and Highlands of Scotland are reflective of this.

The coach sector generates almost

£1.6 billion



in wages



The coach sector is estimated to generate almost

£200 million

in operating profits



Case Study 1

The role of coaches in serving a major international airport

Stansted Airport in 2023 served 28 million passengers⁽¹⁾ travelling on holiday, business trips and going to see friends and relatives internationally. Over 50% of air passengers use bus, coach, or rail to travel to the airport, the highest proportion of any airport in the UK and one of the highest in Europe.⁽²⁾ Additionally, 37% of airport staff travel to work by public transport,⁽²⁾ up from 7% over twenty years ago.⁽³⁾

Coaches are a critical aspect of enabling passengers and workers to access the airport. For example, with bus and coach providing over half of passenger public transport access with more than 200 coach services into London per day and at least a further 10 daily services to key destinations such as Birmingham and Cambridge.^(3,4) They provide an affordable and time-effective means of accessing the airport, with an on-the-day purchase price of a coach from London being almost 40% cheaper than an equivalent train journey, with a typical timetabled journey time of 50 mins from Central London compared to 56 mins by train.⁽⁵⁾

The strength of the coach market in providing access to Stansted Airport, amongst other uses, is evidenced by the scale of local employment in the sector. The coach sector employs 650 people⁽⁶⁾ within Uttlesford District Council (within which Stansted Airport is located), a higher level than major conurbations such as Sheffield and Leeds. This local employment delivers a positive economic impact on Stansted and its surrounding towns generating over £50 million in economic impact on the local economy.

Sources:

- (1) MAG London Stansted Airport (2024) [London Stansted Airport Facts & Figures \(stansted-airport-information.com\)](https://www.stansted-airport-information.com), accessed on 22 July 2024
- (2) MAG London Stansted Airport (2024) [Local Environmental Impacts | London Stansted Airport](#), accessed on 22 July 2024
- (3) MAG London Stansted Airport (2024) [stn-sustainable-development-plan-economy-and-surface-access-2015.pdf \(maginfrastructure.com\)](#) accessed on 22 July 2024
- (4) MAG London Stansted Airport (2024) [Coach and Bus Services | London Stansted Airport](#) downloaded on 22 July 2024
- (5) Comparison taken from Trainline (www.thetrainline.com) for travel on 22 July 2024 downloaded on 22 July 2024.
- (6) ONS (2022), Business Register and Employment Survey. Employment within the categories: Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems and other passenger land transport nec.

Those directly or indirectly involved in the provision of coach services also spend their wages in local economies, which induces additional local employment generating a further £1.5 billion in economic impacts.

The total net value of direct, indirect, and induced employment, including wages, operating costs, operating profits, and taxes, is estimated at around £6.4 billion per year.

Economic activities of those involved in the provision of coach services amount to



£6.4 billion per year

Economic and social activities of coach passengers

Connectivity and affordability

Coach passengers benefit from the connectivity, affordability, and reliability of services, choosing to use the coach based on its advantages relative to other modes of transport. The scale of these direct transport user benefits is significant, amounting to £760 million per year across Britain.

Coaches provide an affordable way of travel for many people across Scotland, England and Wales, whether using scheduled services providing mass transit, or using private hire coaches that allow access to bespoke areas.

For example, between London and Bristol, the average single ticket for a coach journey is around £11, which is 80% cheaper than a standard rail ticket, which averages £60. Price differences between coach and rail will vary by journey route and time.

Coaches also offer an important alternative for those who do not or cannot own a car and are based in harder to reach areas not served by alternative transport modes.

Connectivity benefits are measured in terms of the journey time differential between coaches and other alternative modes of transport, as well as the reliability and quality of the service offered.



Direct transport user benefits are significant, amounting to

£760 million per year across Britain

Impacts on other road users

The impacts on other road users reflect the positive effects associated with people travelling by coach instead of by car. These benefits include reduced highway congestion, improved safety, and decreased atmospheric and greenhouse gas pollutants. However, these positive impacts are partially offset by the reduction in indirect tax receipts resulting from lower fuel duty as people switch from cars to coaches.

Coaches provide an alternative to private transport. The more they are used, the greater the benefit in terms of reducing congestion. This is particularly important in densely populated urban areas where space is limited. Additionally, fewer cars can reduce the need for investment in new roads and the maintenance of existing ones due to wear and tear.

Coaches are one of the safest modes of transport in the UK. Road casualty data reported by the DfT for 2022 indicate that coach travel can be up to twice as safe as car travel.⁽⁷⁾

Public Health England, highlight that human-made air pollution is responsible for between 28,000 and 36,000 deaths every year in the UK.⁽⁸⁾ With lower emissions per passenger kilometre than car, coaches support cleaner air in our towns and cities and make a significant contribution to lowering this health risk.

Coaches play a crucial role in reducing carbon emissions. Research shows that, in the UK, a petrol car journey emits twice more CO₂e per passenger km than the equivalent coach journey.⁽⁹⁾

The total benefits for other road users of these impacts amount to £485 million per year. This is largely attributed to congestion benefits (£438 million). Other components include infrastructure benefits (£44 million), accident reduction (£88 million), noise reduction (£6 million) and greenhouse gases reduction (£12 million). There are also factors reducing the overall benefit due to indirect taxation (- £105 million), as less people are driving cars and therefore buying less fuel reducing duty payments.

Option of having coaches as a mode

The provision of coach services brings additional benefits in the sense of option values, representing a fall-back option for those who usually do not need coaches as well as when this may be the main mode of transport for friends and family. There is limited evidence of the scale of these impacts for coaches, but this is a recognised benefit from bus and rail.

We have estimated (using TAG appraisal values linked to bus) this benefit could be worth £1.3 billion per year.

A petrol car journey emits

Twice

more CO₂e per passenger km than the equivalent coach journey



Economic impact from coach passengers interacting with local economies

We have assessed the benefits brought by passengers spending money in the economy whilst making journeys on coaches. We have split these benefits between those from shopping and leisure trips, domestic day tourism, domestic overnight tourism, and inbound international tourism, as these are the most used purposes of coach travel for which data is available.

Across Britain, we estimate that £2.3 billion is spent by coach passengers in the local economy from shopping and leisure and shopping trips. Domestic tourists using coaches for day trips spend £3.5 billion per year, while for overnight stays domestic tourists spend £1.9 billion. International visitors whilst smaller in number, typically spend more per trip and those international visitors using coach travel as a primary mode for a trip spend £610 million per year. The total benefits from coach passengers interacting with the local economy, therefore, amount to £8.3 billion, the majority of which are from shopping and leisure and day tourism spend.

If coaches were not available, journeys may still be made on alternative modes such as cars or rail, therefore it is challenging to attribute how much of this benefit is additional to local economies. For our bus analysis, we have assumed diversion factors of 21%⁽¹⁰⁾ based on DfT guidance, which would mean that £1.7 billion is net additional when the same is applied to coaches.

However, this may be an underestimate, as the coaches market serves different customer needs, such as specific tourism (e.g. whisky tours in Scotland). These trips are likely to be more reliant on coaches therefore a higher portion unlikely to happen at all if coaches were not available to serve this market and bring these benefits to the local economy.

England

Figure 4: Economic impact of coach services in England

01 Economic activities of those involved in the provision of coach services		02 Economic and social activities of coach passengers		03 Economic impact of coach passengers interacting with local economies	
	Taxes, wages and industry profit and investment into supply chain	£2.9 bn		Increased connectivity and more affordable travel	£695 m
	Spend by supply chain	£1.1 bn		Impacts on other road users	£445 m
	Spending by employees in operations and supply chain	£1.3 bn		Option of having coaches as a mode	£1.1 bn
Total		£5.3 bn	Total		£2.3 bn
				Shopping and leisure spend	£2.1 bn
				Tourist domestic spend on day trips	£3.0 bn
				Tourist domestic spend on overnight trips	£1.5 bn
				Inbound international tourists spend	£530 m
			Total		£7.2 bn

Figure 4 shows the economic impact of the coach industry in England through our three lenses, which reflects around 80% of the total economic benefit across Britain.

Approximately 44,000 people are employed across the sector in England⁽¹⁾, with £2.9 billion of value from taxes, wages and industry profit. There are also additional benefits from the provision of coach services, including spend from the supply chain (£1.1 billion) and spending by employees in operations and supply chain (£1.3 billion).

Coaches also provide a key role in connecting rural and urban areas and providing social benefits to passengers and other road users. Total economic and social activities have been quantified at £2.3 billion.

Coaches enable tourists to access key tourist destinations and to have tailored and flexible experiences when travelling across England. The economic impact of passengers interacting with the local economies is estimated to be £7.2 billion.

Approximately

44,000



people are employed across the coach sector in England



Case Study 2

Tourist travel – Blackpool

Blackpool has a large proportion of its working age population currently unemployed (20.9%) and a significant amount who are low income (24.7%).⁽¹⁾

Tourism is a key driver of the local Blackpool economy. It is estimated that Blackpool attracts over 20 million visitors per year, generating over £1.7bn in expenditure.⁽²⁾ Tourism provides important employment opportunities in the area, with over 22,000 jobs.⁽²⁾ These visitors originate from across the country with the highest numbers of visitors originating from Scotland, followed by the West Midlands and Yorkshire and Humber.

Coach travel is essential in providing tourists access to Blackpool, and it is estimated that at least 90 coaches⁽²⁾ can enter Blackpool on a typical day, capable of delivering 4,500 tourists spending £200,000 on average per day in the local economy.⁽³⁾

Sources:

- (1) Lancashire Government (2019)
- (2) Blackpool City Council <https://www.blackpool.gov.uk/Residents/Parking-roads-and-transport/Parking/Coach-parking.aspx> accessed on 1 August 2024
- (3) Assuming 50 passenger per coach and average spend per visitor from STEAM report Lancashire (2023) and range of spend from Table 8 appendix 2.



Case Study 4

North Coast 500

The NC 500 is a scenic 516-mile driving route around the north coast of Scotland. It has become increasingly popular in recent years, attracting tourists from all over the world. The University of Glasgow found that this has brought 29,000 more visitors per year to the Highlands and added £9 million to the region's economy.⁽³⁾

Coach travel on this route has also become increasingly popular, with a growing number of tour offerings in recent years⁽¹⁾. This is primarily due to:

- **Convenience** – coach tours typically include accommodation, meals and activities, making it a convenient option for tourists.
- **Comfort** – the route can be challenging to navigate, especially for those unfamiliar with the area. Coaches provide a safe and comfortable way for people to explore, passengers can simply relax and enjoy the scenery, opening up tourism opportunities to a wider range of people.
- **Accessibility** – coaches provide a readily available mode of transport enabling those who may be unable to drive to access this route.
- **Sustainability** – they produce fewer emissions than cars, reducing overall environmental impact⁽²⁾.

Sources:

- (1) Visit Scotland, 2024 (<https://www.visitscotland.com/info/towns-villages/north-coast-500>)
- (2) Sustainable Tourism Scotland (<https://www.sustainabletourismScotland.com/travel-tips/how-to-travel-sustainably-on-the-north-coast-500/>)
- (3) North Coast 500 route has increased tourist numbers (<https://www.bbc.co.uk/news/uk-scotland-highlands-islands-40326188>)



Wales

Figure 6: Economic impact of coach services in Wales

01 Economic activities of those involved in the provision of coach services		02 Economic and social activities of coach passengers		03 Economic impact of coach passengers interacting with local economies	
»»» Taxes, wages and industry profit and investment into supply chain	£230 m	Increased connectivity and more affordable travel	£25 m	Shopping and leisure spend	£70 m
↻ Spend by supply chain	£90 m	Impacts on other road users	£15 m	Tourist domestic spend on day trips	£180 m
↻ Spending by employees in operations and supply chain	£105 m	Option of having coaches as a mode	£65 m	Tourist domestic spend on overnight trips	£135 m
Total	£425 m	Total	£105 m	Total	£395 m

Figure 6 shows the economic impact in Wales through our three lenses. Approximately 3,500 people are employed across the sector in Wales⁽¹³⁾, with £230 million of value from taxes, wages, and industry profit.

The benefits from using the coach are estimated to be £105 million. In Wales, coaches are especially important in providing people access to essential health and educational facilities, particularly in rural areas. Due to the nature of these areas, they require a customised coach service to cater to the bespoke needs of the region. For example, home-to-school transport (of which coaches are a key provider) accounts for a quarter of all Local Authority spending on education in Wales, with a total spend of £106 million, equating to approximately £250 per learner on average, with some rural authorities (such as Powys and Monmouthshire) reporting an average spend of over £600 per learner⁽¹⁴⁾. There are around 3,500 dedicated home-to-school transport vehicles across Wales⁽¹⁵⁾.

The total economic impact of coach passengers interacting with the local economies creates a benefit of £395 million to the Welsh economy. Wales also has several remote and relatively inaccessible but popular tourist destinations. These include locations within Eryri National Park (Snowdonia), Bannau Brycheiniog (Brecon Beacons), and Pembrokeshire, with coaches providing an important means of enabling visitors to access these areas.

Approximately

3,500



people are employed across the coach sector in Wales



Case Study 5

Coach operations in a remote area – Powys

Powys is the least densely populated area in Wales, with a population density of 25.6 persons per square kilometre.⁽¹⁾ The coach sector is significant in Powys, employing 350 people—comparable to Cardiff and surpassing Swansea. Several major coach operators are based in the area.⁽²⁾

These coach services provide both essential services and services which boost the local economy through tourism. Powys has eight secondary schools spread across its 2,000 square miles, with each school requiring a bespoke home-to-school service, often covering large areas which coach travel is best placed to provide.

Powys has a number of remote tourist destinations either within or in close proximity to its boundaries - these include Eryri National Park (Snowdonia) (7.8 million visitors), Bannau Brycheiniog (Brecon Beacons) (4.3 million visitors) and Hay-on-Wye (classed as the largest tourism destination hub in Mid-Wales⁽³⁾), with coach representing a key transport mode in providing access to areas with no train service and limited road infrastructure.

Sources:

- (1) ONS (2021), Census, Powys population change, Census 2021 – ONS
- (2) ONS (2023), Business Register and Employment Survey
- (3) Fourth Street (2022), Mid Wales Regional Tourism Study and Action Plan, Stage 2 Report October 2022

04

Unlocking further economic value from additional coach services



This report quantifies the value that coaches create from supporting direct and indirect jobs, reducing congestion, enabling improved environmental outcomes, transporting people to education services and enabling tourists travel to destinations and spend in local economies.

Coaches are a unique form of public transport as there is limited government support, therefore most services are delivered through investment by the private sector. This means there is limited guidance and assessment of policy interventions despite the economic value generated by the sector.

There are various ways national and local government can support improved coach access and usage, notably investment in stations, fast electric charging facilities, improved driver facilities, better signage, and parking provision.

In doing so there is the opportunity to increase coach usage, which can unlock the types of benefit outlined this report. **Table 1** notes the economic impacts of one additional coach passenger from their spending on goods and services for shopping and leisure and tourism. **Table 2** looks at the potential economic impacts unlocked from the spending of passengers on one daily additional coach trip serving the shopping and leisure and tourism markets during the peak holiday season.

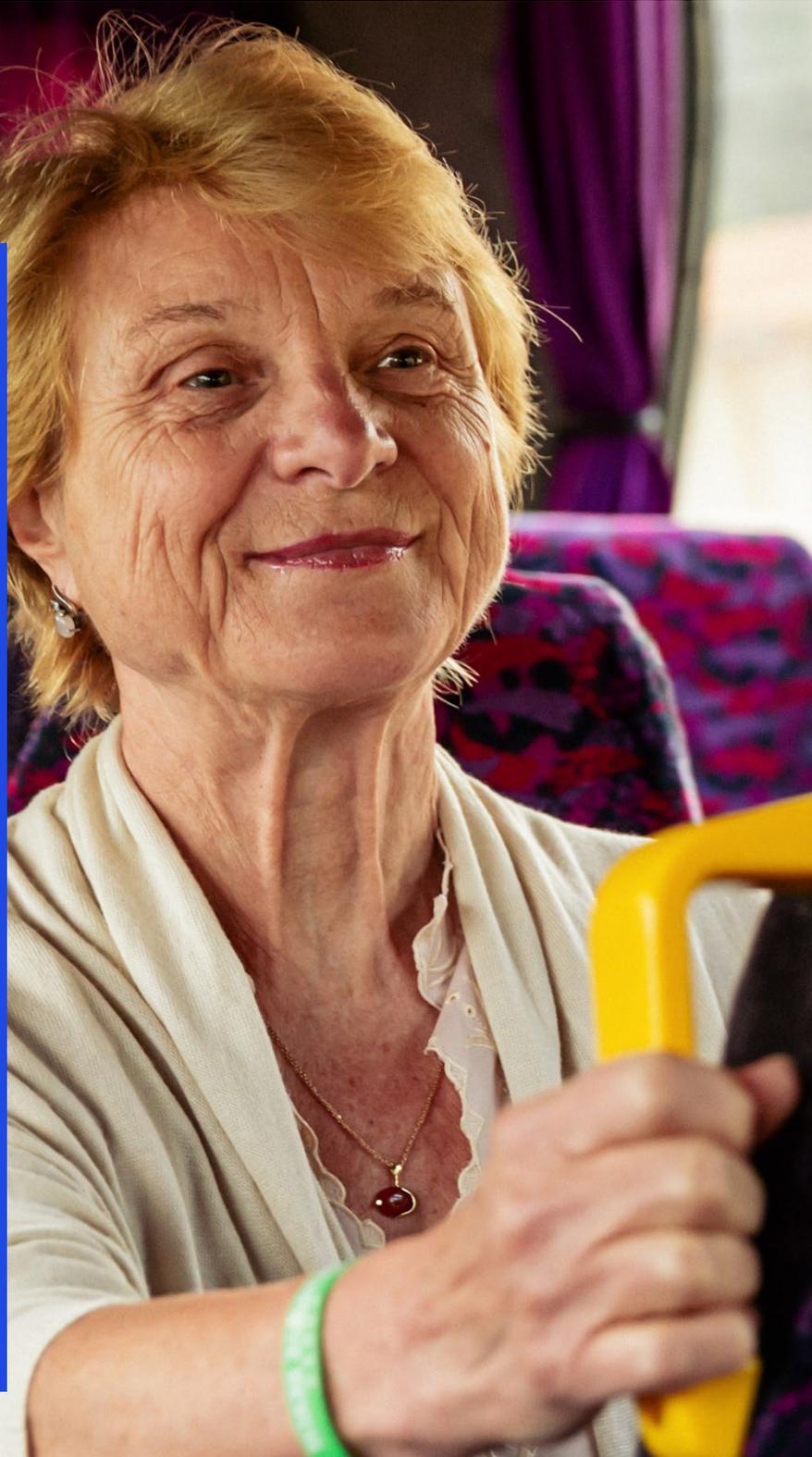


Table 1: Spend in local economy unlocked from one additional passenger

	Shopping and leisure trips	Daytrip	Overnight trip (assuming 1 night)	International trip (average of 7 nights)
A One additional passenger	£37	£69	£124	£709

Note: numbers above have been calibrated across a number of sources, see a full breakdown in Appendix 1.

Table 2: Benefits unlocked from one additional coach carrying out one additional trip

	Shopping and leisure trips	Daytrip	Overnight trip (assuming 1 night)	International trip (average of 7 nights)
B Small coach – 10 seater	£371	£690	£1,239	£7,095
C Medium coach – 49 seater	£1,816	£3,381	£6,073	£34,765
D Large coach – 65 seater	£2,408	£4,485	£8,056	£46,117

Note: Coach fleets come in a range of different shapes and sizes, therefore we have assessed this across a variety of options to reflect the diverse range in the market. We have looked at large operations such as National Express and smaller regional operators and hire companies such as Roselyn Coaches and Barnes Coaches to calibrate our coach ranges. See Appendix 1 for a breakdown of these.

Table 2 highlights that, from one additional trip a small coach can deliver economic benefits to a local economy from increased spending ranging from £371 to £7,095, while estimates for a large coach range from £2,408 to £46,117 depending on the nature of the trip.

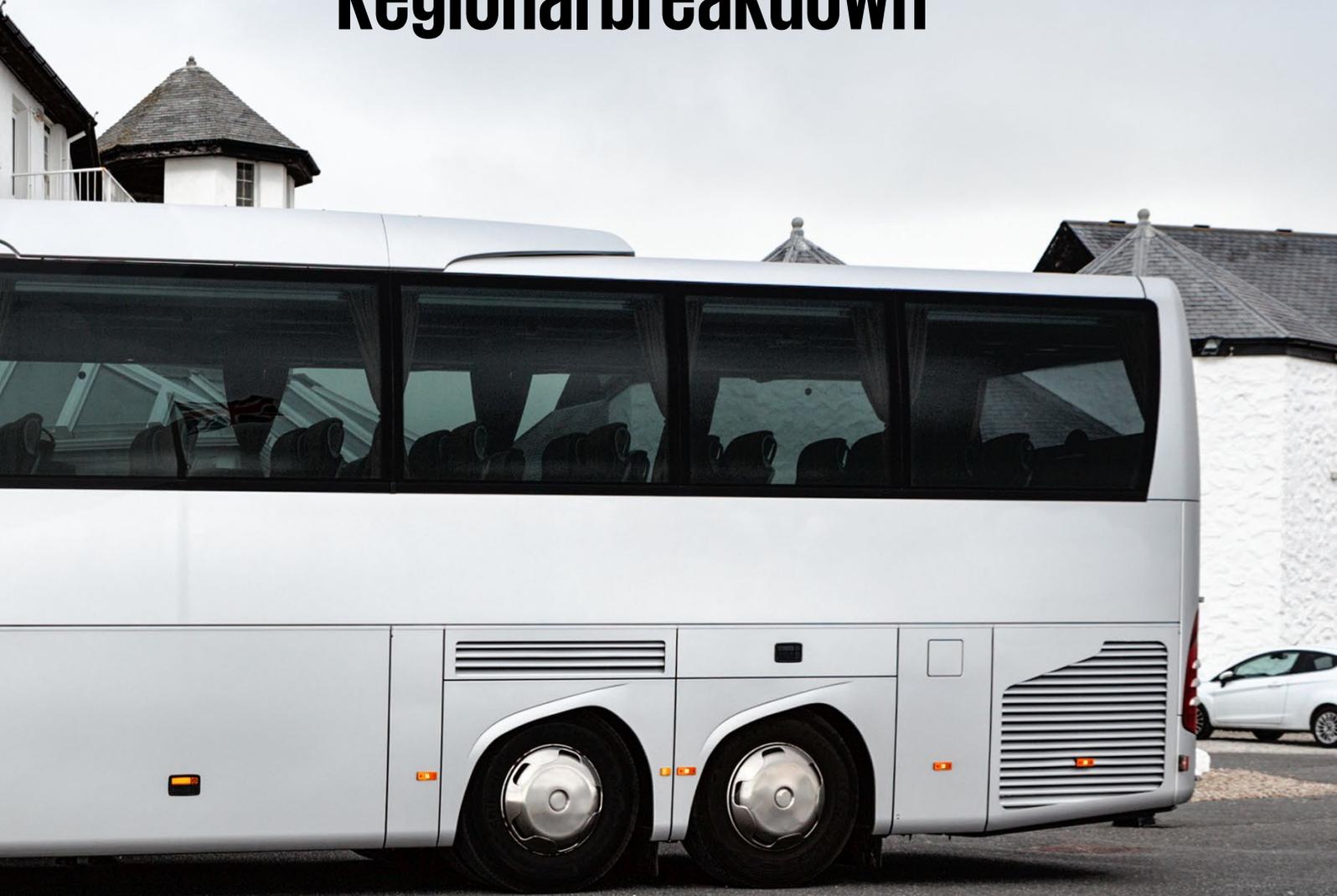
Appendices



Appendix

01

Regional breakdown

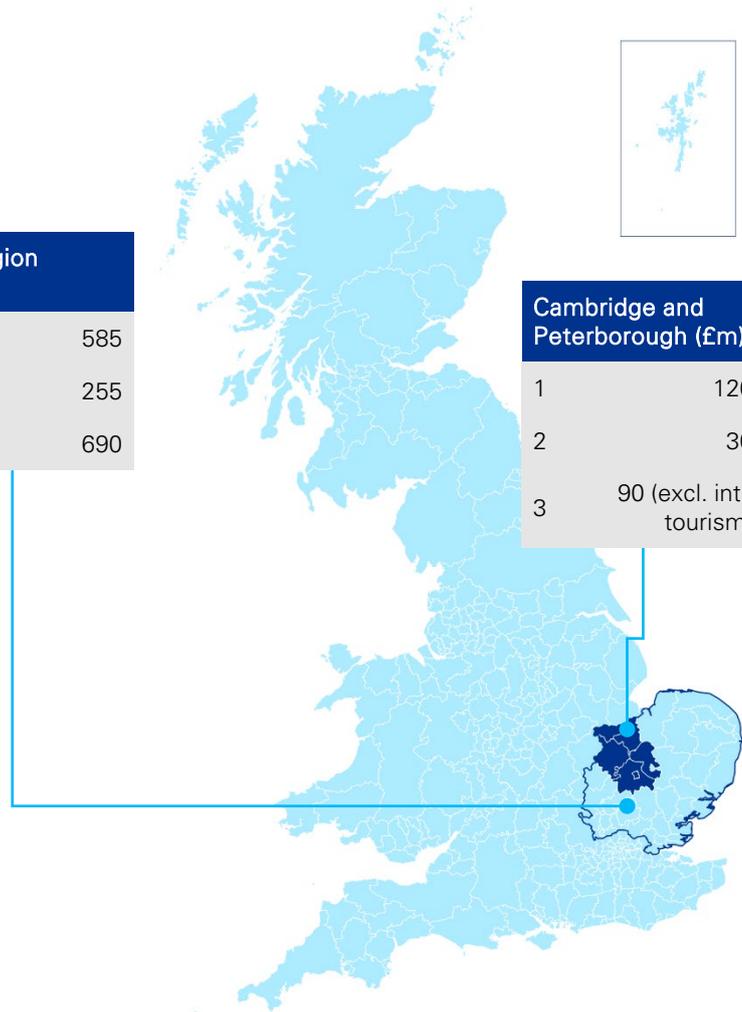


East of England



East Region (£m)	
1	585
2	255
3	690

Cambridge and Peterborough (£m)	
1	120
2	30
3	90 (excl. int'l tourism)



All values in £m		Cambridgeshire and Peterborough	Non-CA areas	East of England Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	65	250	320
	Supply chain impact of fleet renewal and labour impact	25	95	120
	Spending by employees in operations and supply chain	30	115	145
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	10	65	80
	Impacts on other road users	5	45	50
	Option of having coaches as a mode	15	110	125
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	35	200	235
	Day tourism spend	40	255	295
	Overnight tourism spend	15	125	140
	Inbound international tourism	-	-	20

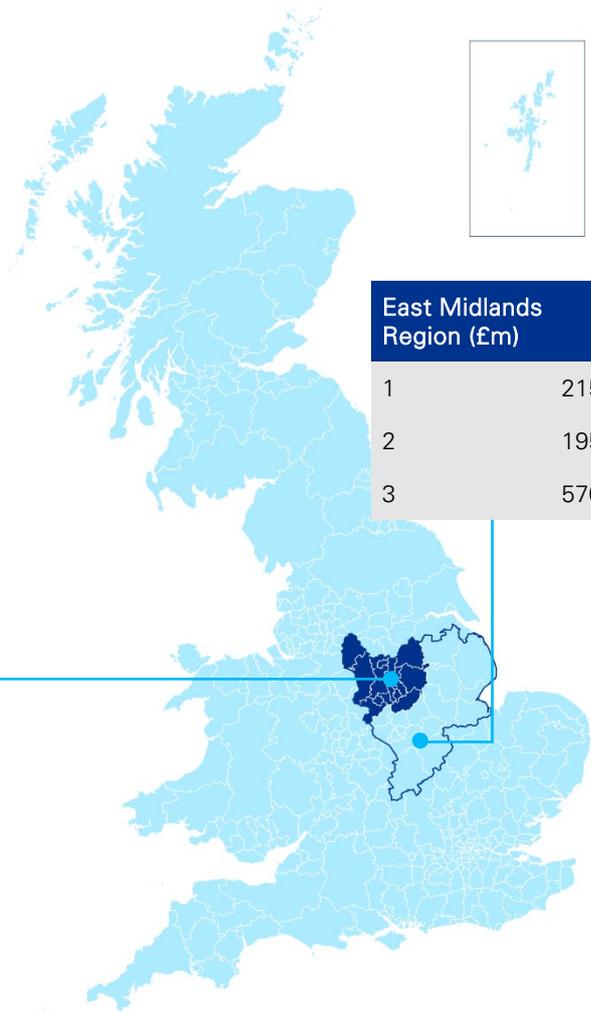
Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals. Due to data limitations, inbound international tourism is not available at a sub-regional level.

East Midlands



East Midlands CA (£m)	
1	65
2	80
3	240 (excl. int'l tourism)

East Midlands Region (£m)	
1	215
2	195
3	570



All values in £m		East Midlands CA	Non-CA areas	East Midlands Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	35	80	115
	Supply chain impact of fleet renewal and labour impact	15	30	45
	Spending by employees in operations and supply chain	15	35	55
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	25	35	60
	Impacts on other road users	15	20	40
	Option of having coaches as a mode	35	65	95
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	80	100	180
	Day tourism spend	105	155	260
	Overnight tourism spend	55	60	120
	Inbound international tourism	-	-	10

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals. Due to data limitations, inbound international tourism is not available at a sub-regional level.

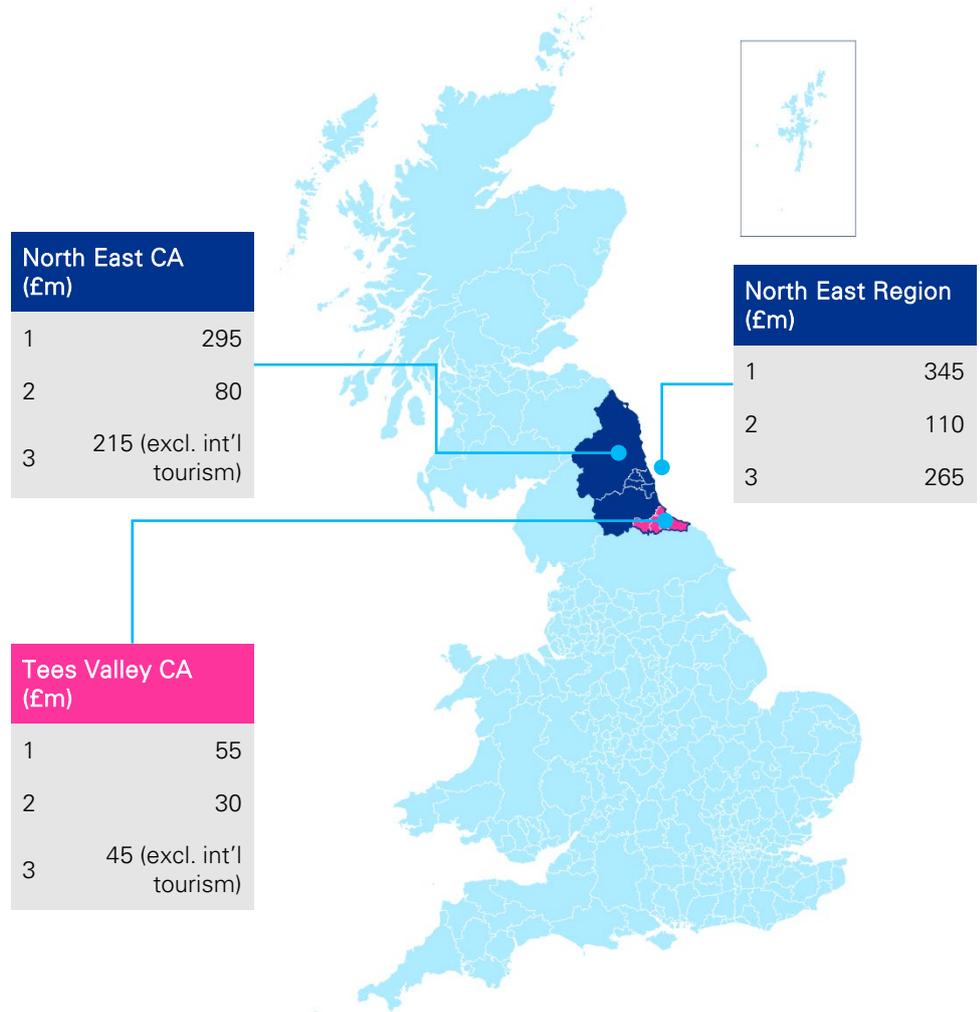
London



All values in £m		London
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	660
	Supply chain impact of fleet renewal and labour impact	250
	Spending by employees in operations and supply chain	300
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	110
	Impacts on other road users	70
	Option of having coaches as a mode	165
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	325
	Day tourism spend	630
	Overnight tourism spend	235
	Inbound international tourism	335

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals.

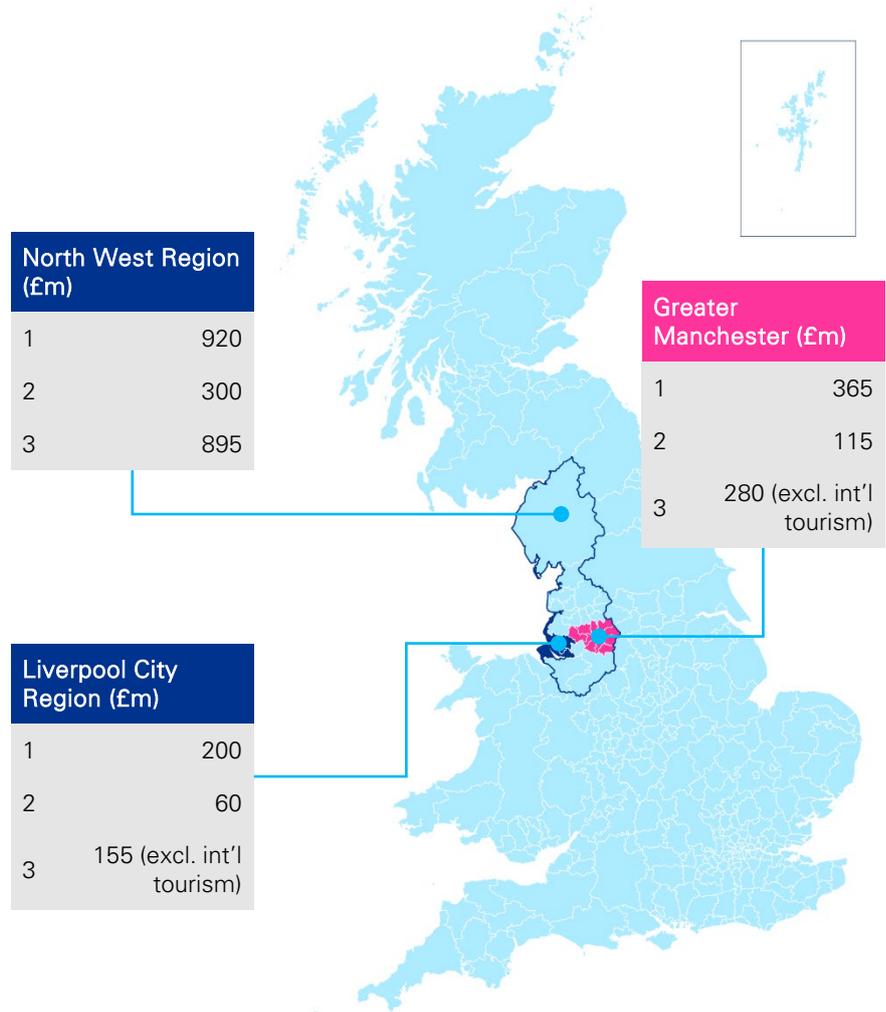
North East



All values in £m		North East CA	Tees Valley CA	North East Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	160	30	190
	Supply chain impact of fleet renewal and labour impact	60	10	70
	Spending by employees in operations and supply chain	75	15	85
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	25	10	35
	Impacts on other road users	15	5	20
	Option of having coaches as a mode	40	15	55
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	75	25	100
	Day tourism spend	85	15	100
	Overnight tourism spend	55	5	60
	Inbound international tourism	-	-	5

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals. Due to data limitations, inbound international tourism is not available at a sub-regional level.

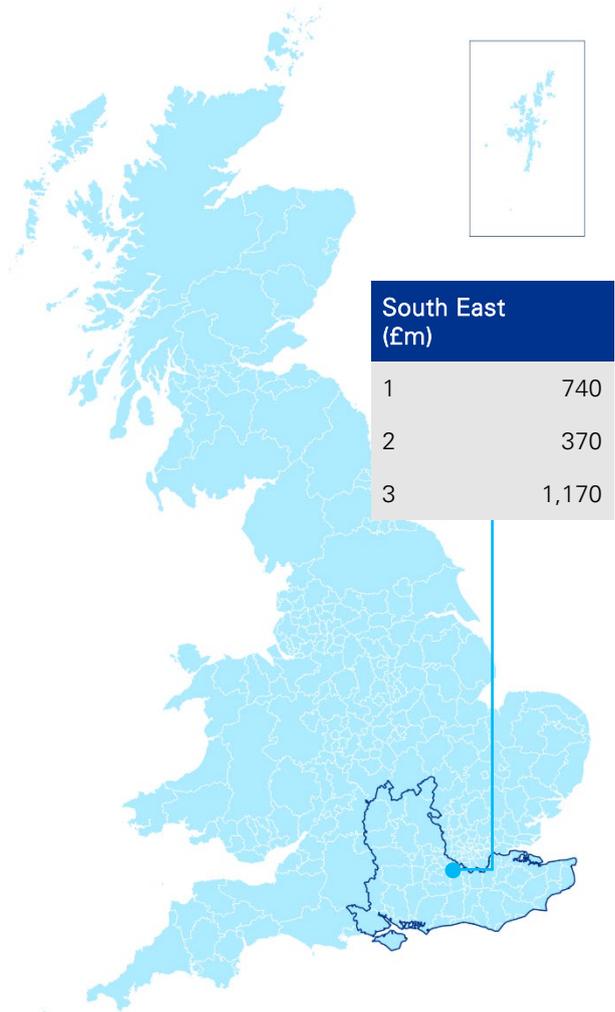
North West



All values in £m		Greater Manchester CA	Liverpool City Region CA	Non-CA areas	North West Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	200	110	195	500
	Supply chain impact of fleet renewal and labour impact	75	40	75	190
	Spending by employees in operations and supply chain	90	50	90	230
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	35	20	35	90
	Impacts on other road users	25	10	25	60
	Option of having coaches as a mode	55	30	65	150
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	105	60	110	275
	Day tourism spend	110	65	180	360
	Overnight tourism spend	65	30	120	215
	Inbound international tourism	-	-	-	45

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals. Due to data limitations, inbound international tourism is not available at a sub-regional level. Similarly, day and overnight tourism for Liverpool City Region only include spend in Merseyside.

South East



All values in £m		South East Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	400
	Supply chain impact of fleet renewal and labour impact	155
	Spending by employees in operations and supply chain	185
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	115
	Impacts on other road users	75
	Option of having coaches as a mode	180
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	345
	Day tourism spend	535
	Overnight tourism spend	240
	Inbound international tourism	50

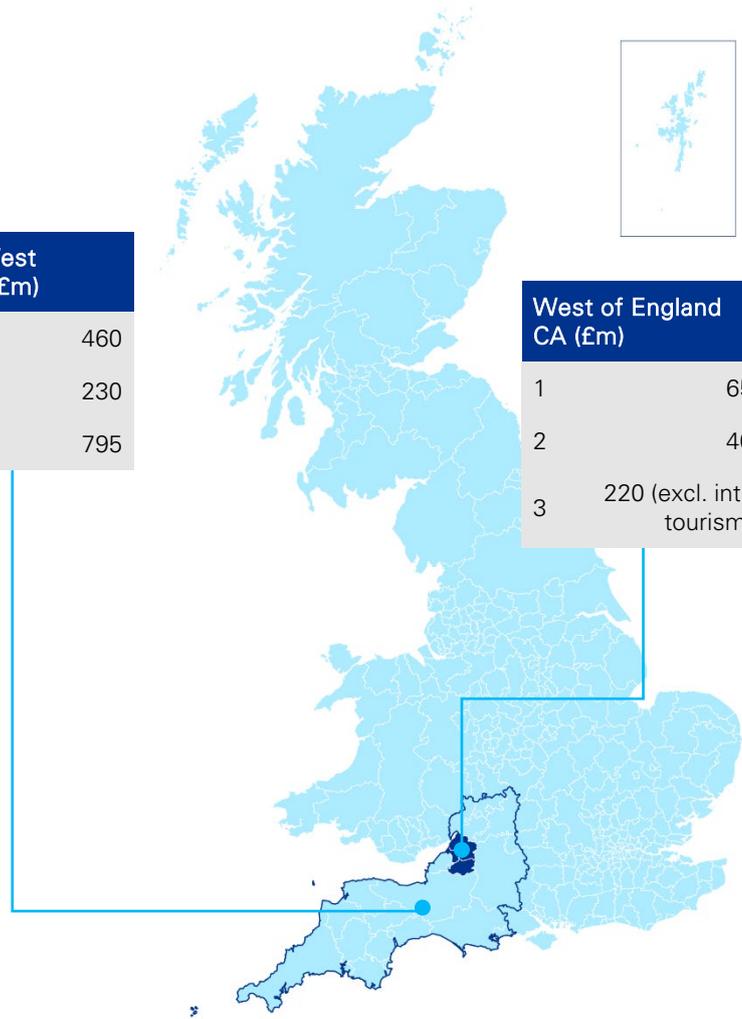
Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals.

South West



South West Region (£m)	
1	460
2	230
3	795

West of England CA (£m)	
1	65
2	40
3	220 (excl. int'l tourism)



All values in £m		West of England CA	Non-CA areas	South West Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	35	215	250
	Supply chain impact of fleet renewal and labour impact	15	80	95
	Spending by employees in operations and supply chain	15	100	115
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	10	60	70
	Impacts on other road users	10	35	45
	Option of having coaches as a mode	20	100	115
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	35	175	210
	Day tourism spend	105	195	305
	Overnight tourism spend	80	170	250
	Inbound international tourism	-	-	30

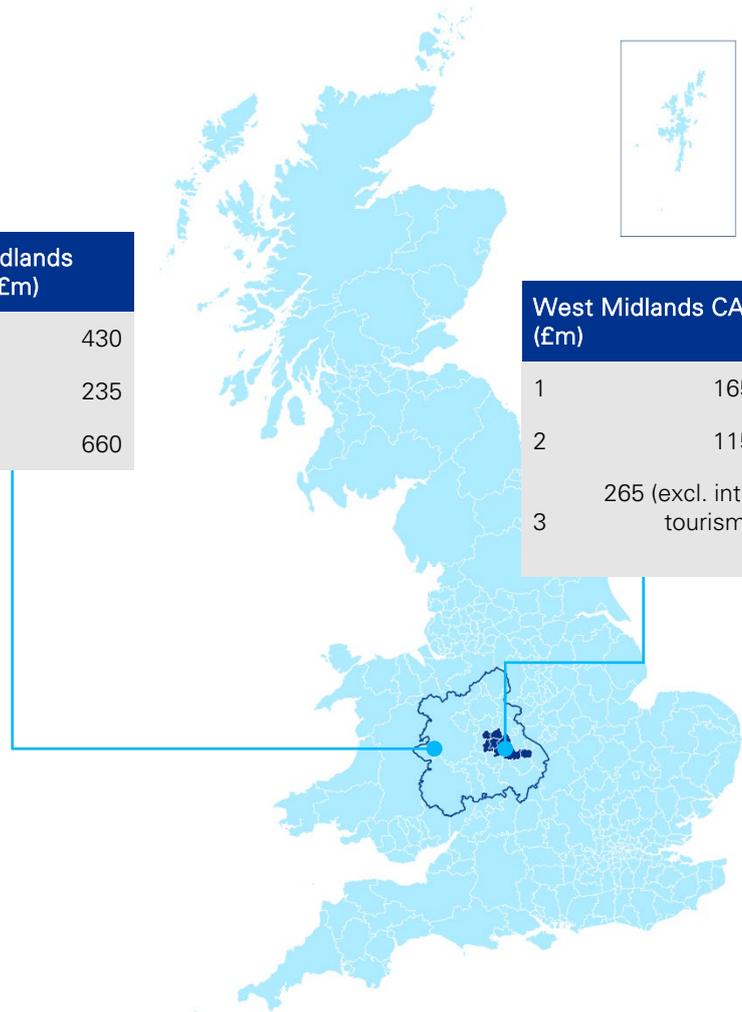
Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals. Due to data limitations, inbound international tourism is not available at a sub-regional level. Similarly, day and overnight tourism for West of England CA includes all spend in Bristol/Bath area, Somerset, and Gloucestershire.

West Midlands



West Midlands Region (£m)	
1	430
2	235
3	660

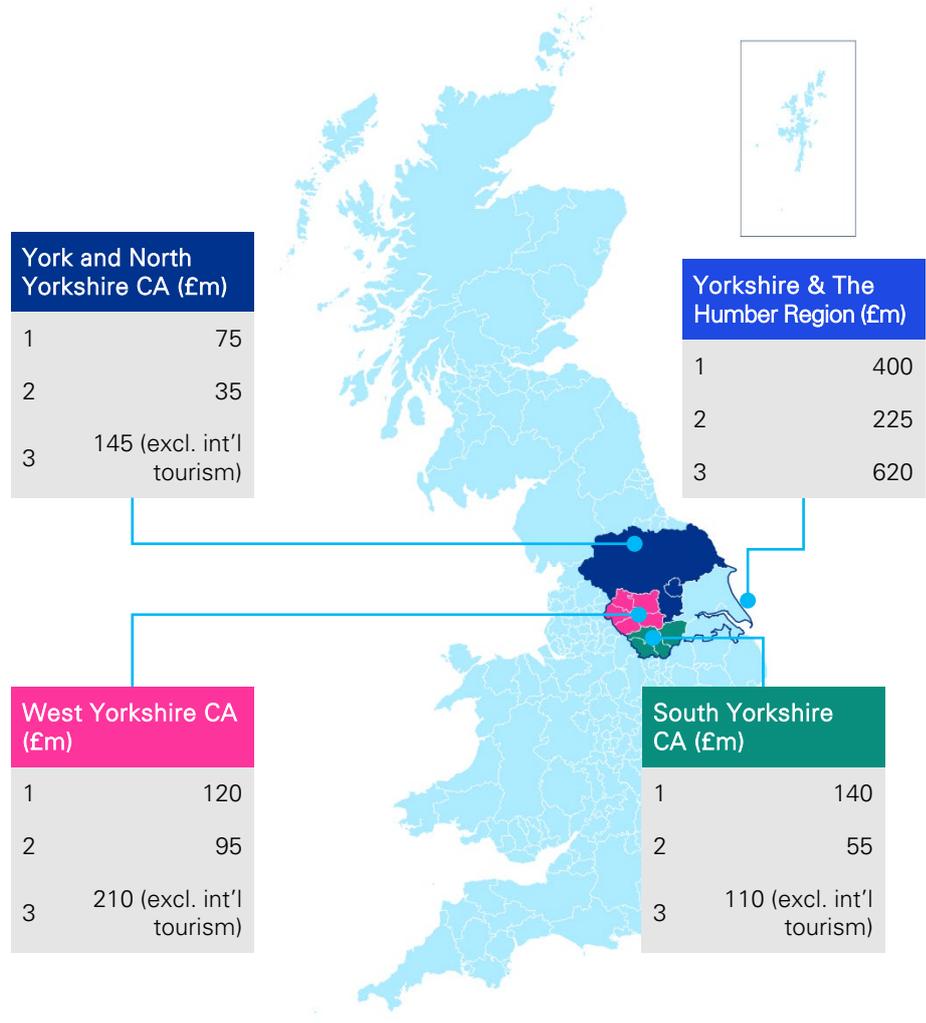
West Midlands CA (£m)	
1	165
2	115
3	265 (excl. int'l tourism)



All values in £m		West Midlands CA	Non-CA areas	West Midlands Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	90	145	235
	Supply chain impact of fleet renewal and labour impact	35	55	90
	Spending by employees in operations and supply chain	40	65	105
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	35	35	75
	Impacts on other road users	25	25	45
	Option of having coaches as a mode	55	60	115
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	110	115	220
	Day tourism spend	95	200	295
	Overnight tourism spend	60	65	125
	Inbound international tourism	-	-	20

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals. Due to data limitations, inbound international tourism is not available at a sub-regional level.

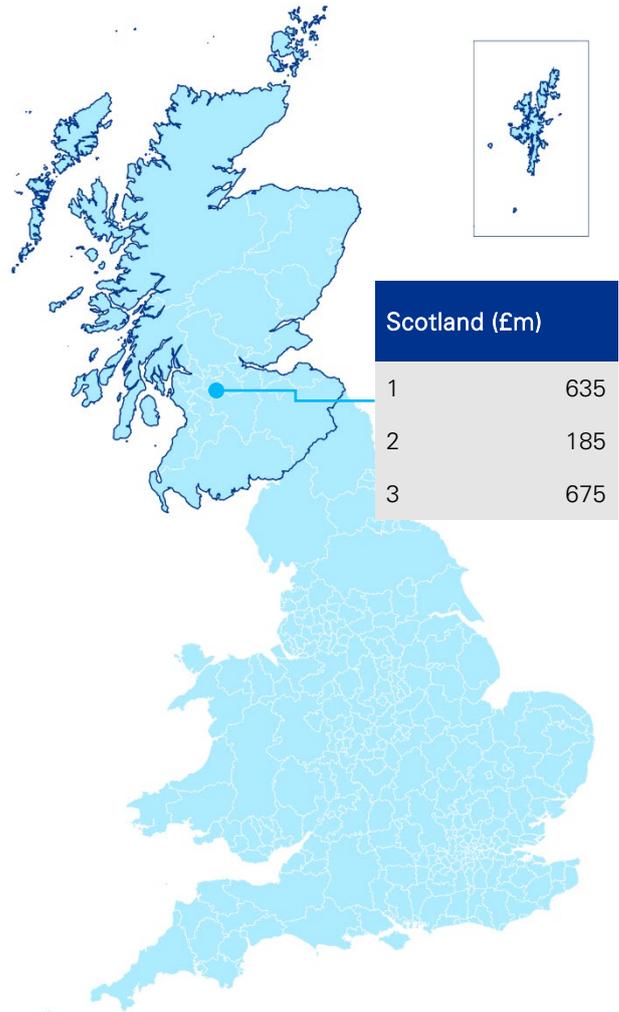
Yorkshire and The Humber



All values in £m		South Yorkshire CA	West Yorkshire CA	York and North Yorkshire CA	Non-CA areas	Yorkshire and The Humber Region
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	75	65	40	35	215
	Supply chain impact of fleet renewal and labour impact	30	25	15	15	85
	Spending by employees in operations and supply chain	35	30	20	15	100
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	15	30	10	10	70
	Impacts on other road users	10	20	5	5	45
	Option of having coaches as a mode	30	45	15	20	110
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	50	85	30	35	205
	Day tourism spend	45	75	60	85	260
	Overnight tourism spend	15	50	55	10	140
	Inbound international tourism	-	-	-	-	15

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals. Due to data limitations, inbound international tourism is not available at a sub-regional level.

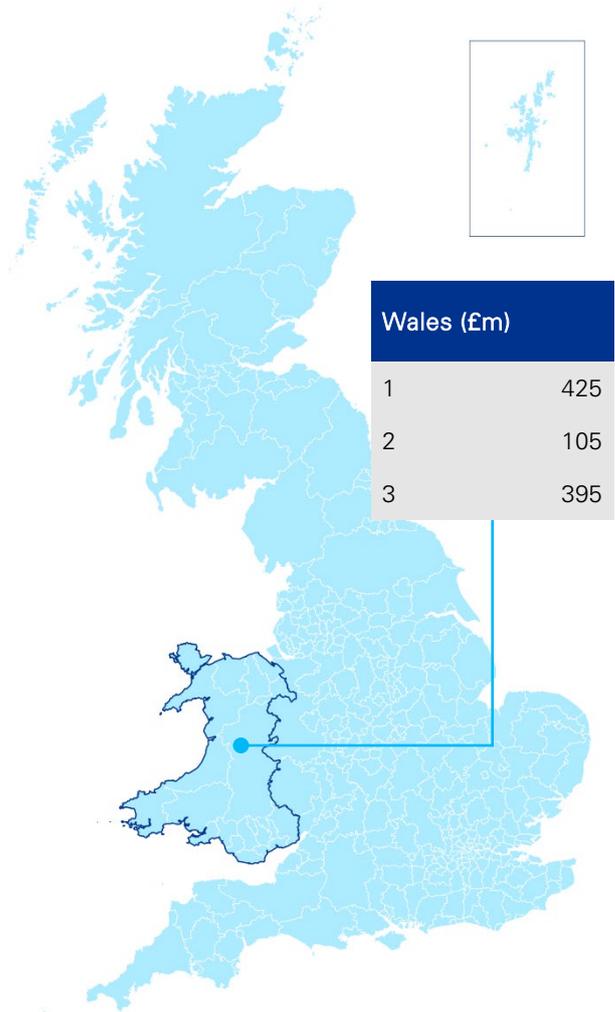
Scotland



All values in £m		Scotland
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	465
	Supply chain impact of fleet renewal and labour impact	80
	Spending by employees in operations and supply chain	90
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	40
	Impacts on other road users	25
	Option of having coaches as a mode	120
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	125
	Day tourism spend	280
	Overnight tourism spend	200
	Inbound international tourism	70

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals.

Wales



All values in £m		Wales
1. Economic activities of those involved in the provision of coach services	Taxes, wages and industry profit	230
	Supply chain impact of fleet renewal and labour impact	90
	Spending by employees in operations and supply chain	105
2. Economic and social activities of coach passengers	Increased connectivity and more affordable travel	25
	Impacts on other road users	15
	Option of having coaches as a mode	65
3. Economic impact of coach passengers interacting with local economies	Shopping and leisure spend	70
	Day tourism spend	180
	Overnight tourism spend	135
	Inbound international tourism	10

Please note that all values in the table and map are rounded to the nearest £5 million. This may cause slight discrepancies in totals.

Appendix

02

Economic impact methodology





Introduction

This appendix describes the analysis used to calculate the benefits set out in this report.

A summary of key inputs and evidence for the three analytical components is discussed below.

A1 Benefits from companies, employees and supply chain

This sets out the key inputs for the approach to estimating the economic benefits associated with purely the operation of coaches in delivering services to passengers, reflecting the direct, indirect, and induced impacts.

Economic impact of coach operations

The economic impact of coach operations has been estimated through bringing together data published in national statistics covering employment, wages, industry operating and revenue, government support, and manufacturing data.

Key sources of evidence are set out below.

Table 3: Data inputs – Employment, revenue, and cost

Analytical Component	Data sources
Employment and wages within sector	<ul style="list-style-type: none"> ONS (2022) Business Register and Employment Survey DfT Bus Statistics (2022/23) Table BUS07.
Operations Economic Output	<ul style="list-style-type: none"> CPT (2023) Bus Industry Costs in 2023 Figure 2-1: Breakdown of Bus Industry Costs, February 2023 DfT Bus Statistics (2022/23) Table BUS04 Benchmarked profit margins from coach companies from accounts published on Companies House.
Corporation tax paid on coach company profits	<ul style="list-style-type: none"> Corporation tax rate of 25% (for profits over £250,000).

Spend by supply chain

To estimate the impact of the supply chain the operating cost breakdown for coach companies has been used as a proxy, this is set out in the table below.

Table 4: CPT bus industry costs – Breakdown

Supply chain component		Proportion
Labour	Drivers	35.1%
	Engineers	6.4%
	Admin	4.2%
	On-Cost	4.5%
	Pensions	1.7%
Variable costs	Fuel	13.9%
	Parts	4.6%
Fixed costs	Overheads	19.9%
	Claims	2.1%
	Ownership	7.6%

This provides the direct operating costs spent within the supply chain. To obtain the associated Indirect expenditure we have applied then applied Type I expenditure multipliers to this for Land Transport, this multiplier is between 1.75 and 1.28 depending on the region, this means that for each £1 spent on the supply chain we would expect between £0.28 and £0.75 of additional spend in the wider economy.

Spend by employees in operations and supply chain

This component of the analysis explores the impact of spending by those directly employed by coach companies and those in the supply chain. We have applied Type II expenditure multipliers to this for Land Transport. The total (Type I and Type II) economic multiplier is between 2.78 and 1.45 depending on the region, this means that for each £1 spent by coach companies, we would expect between £0.17 and £1.04 to be spent by employees in the wider economy.



A2 Benefits from using coach services



This analysis explores the benefits from the use of coach services relative to other modes of travel that would need to be used if coach services were not available, reflecting benefits to users, non-users and the wider economy and society.

Coaches are not often subject to TAG style analysis and as such elements of the bus/rail evidence base has been used and applied.

Increased connectivity and more affordable travel

To understand the benefits that coach passengers gain from using the coach, an estimate of consumer surplus has been calculated. This represents the difference between the overall price (monetary and non-monetary) that consumers pay and the price that they are willing to pay.

This approach is based on TAG Unit A1.3 which sets out the formula for estimating consumer surplus:

$$\text{Change in consumer surplus} = \frac{1}{2} \times (T0 (\text{Trips without coach services}) + T1 (\text{Trips with coach services})) \times (P0 (\text{Price without coach services}) - P1 (\text{Price with coach services})).$$

To estimate this for the whole market, we have applied overarching assumptions discussed below:

- Existing market demand for coach travel including distance and journey purpose.
- Diversion factors, are used to estimate the proportion of new traffic on a mode that would otherwise have used another mode or that would not have travelled (called 'generated demand'). For coach, there is limited published research other than for 'Intercity bus services. The challenge is a significant number of journeys are unlikely to have an equivalent rail service (i.e. to/from school, or to/from rural or out of town tourist site). To reflect this expected difference, the following assumptions have been applied; Rail (40%), Car (40%), Generated (20%). This has a high degree of uncertainty.
- Generalised cost to travel based on distance using:



Monetary:

- Estimated average users charges across coach, car and rail.



Non-monetary:

- Estimated value of time impacts associated with changes in journey times for commuting and non-commuting purposes reflecting average speeds of journey by mode.

The evidence for this are set out in the table below.

Table 5: Data input – Journeys, distance, purpose, monetary and non-monetary costs

Input	Source
Journey Purpose splits	<ul style="list-style-type: none"> NTS, 2023, Table NTS0409
Population	<ul style="list-style-type: none"> ONS Population estimates by Local Authority
Vehicle kilometres travelled	<ul style="list-style-type: none"> NTS, 2023, Table NTS0409
Diversion factors	<ul style="list-style-type: none"> Assumptions reflecting insight from Rand and Systra (2018) Bus fare and journey time elasticities and diversion factors for all modes
Average user cost per KM	<ul style="list-style-type: none"> Car: HMRC (2024) Tax Relief for Vehicle Usage Rail: ORR (2022/23) Data Portal: Passenger Rail Usage Coach: Estimated based on review of published prices
Value of Time	<ul style="list-style-type: none"> TAG Table A.1.3.1
Average speeds	<ul style="list-style-type: none"> DfT Travel Time, 2023, Table CGN0503 NTS, 2023, Table NTS0303

Impacts on other road users

Non-user benefits are calculated on the principles set out in TAG unit A5.4. These reflect that without coaches, many trips would be undertaken via rail or car. This increase in overall car vehicle km creates impacts for non-users (i.e. increased congestion) whilst adjusting for occupancy rates between vehicle types. There is no occupancy rate for coaches within TAG, so an assumption of 25 has been applied, with an average car occupancy of 1.4 applied.

Table 6: Parameters to estimate traffic externalities

	Weighted average p/PSV km	Weighted average p/car km
Congestion	48.6	19.4
Infrastructure	0.0	0.1
Accidents	0.0	2.5
Local Air Quality	2.4	0.3
Noise	0.0	0.0
Green House Gases	26.4	4.3
Indirect Taxation	-20.1	-3.0

Option of having coaches as a mode

There are expected to be option and non-use values that accrue to households from knowing they have the option of a given transport mode or that other people in the community are able to access this mode. These types of impacts are included in TAG Unit 4.1 although with recognition that the evidence around these is limited, and there is no specific value attributed to coach.

These impacts are traditionally used to assess the removal or introduction of a new mode, and the assessment should be done at a per household level. The option and non-use values, for train and bus, as per TAG Databook are set out below.

Table 7: TAG option and non-use values per household

Mode	Option & non-use value (£ 2023 prices)
Train	£375
Bus	£190
Train and bus	£375

Given the lack of evidence, an overarching assumption has been applied to illustrate the potential benefits that could exist if 50% of households may benefit from these option and non-use values valued at 50% of the bus value. This is subject to a high level of uncertainty and would need further research to refine.

A3 Benefits from coach passengers spending in the local economy

In estimating the benefit that coach provides to local and national economy we have carried out the following analysis:

- Identified what shopping and leisure journeys add to the local economy by using the average spend per journey
- Assessed what domestic tourism trips add to the local economy, looking at day, and overnight trips
- Assessed what international inbound tourism adds to the local economy.

These three components are discussed below.

Shopping and leisure spend

This analysis utilises the number of journeys broken down by journey type as per NTS data using shopping and personal business trips. Trip rates for Scotland and Wales have been apportioned using the Scottish Travel Survey to reflect the fewer trips taken outside of England. As Wales do not have an equivalent travel survey, we have used Scotland as a proxy. Average spend rates across different sources have then been applied across all regions, a summary of this is set out below.

Table 8: Average spend per coach trip by reason for travel

Description	Sources	Range / Value (2023 prices)
Leisure trip spend (varies by region)	CPT (2023) Survey of Bus passengers	£28.20
Leisure bus trip spend	ITS Leeds (2012) Buses and Economic Growth	£40.00
Town Centre Spend	TfL (2016) Town centre report	£43.00

We have used spend information from bus journeys as a proxy for coach spend, as there are limitations with data availability on the spend of coach passengers. We used a range of values to calibrate our analysis and these are shown on **Table 8**. All prices were adjusted to reflect inflation.

Domestic tourism spend

This analysis pivots off the number of journeys broken down by journey type as per NTS data using leisure trips. Day tourism and overnight tourism trips are estimated using Visit Britain’s reported number of domestic day and overnight trips by British region for 2023. Average spend by trip is then applied to the total estimated number of return journeys. The table below outlines the range of data used for both day and overnight tourism below.

Table 9: Data inputs – Domestic day and overnight tourism

Description	Sources
Britain population	• ONS (2022) Population estimates – local authority based by five year age band
Propensity to use coach for leisure	• NTS (2023) Table NTSMY0409a
Number of tourism day visits and overnight trips	• Visit Britain Great British Tourism Survey 2023
Day trip spend	• Visit Britain 2023 (£44 per trip); RDG (£94 per trip)
Overnight trip spend	• Visit Britain 2023 (£91); RSM 2023 (daily rate of occupied rooms – £165); Visit Britain 2023 (daily rate of hotels in England – £116)
Average number of nights	• Visit Britain 2023

Inbound international tourism spend

This analysis pivots off the number of visits reported by Visit Britain by region. The proportion of these trips being made using coaches is estimated using Visit Britain’s estimation of coach users from VisitBritain Research’s Internal modes of transport reports using data from the ONS’s International Passenger Survey of 2018. Average spend by trip is then applied to the total estimated number of visits. **Table 10** outlines the range of data used for the estimation of inbound international travel below.

Table 10: Data inputs – Inbound international tourism

Description	Sources
Total trips by region	• Visit Britain (2023) – Visit Britain Quarterly and Annual Inbound Update UK’s Nations & Regions
Average spend per trip	• Visit Britain (2023) – Visit Britain Quarterly and Annual Inbound Update UK’s Nations & Regions
Coach as mode of transport	• Visit Britain (2020) Internal modes of transport foresight – issue 176

A4 Unlocking further economic value from additional coach services

For the assessment undertaken in **section 4**, we have used published capacity of the coaches in the fleets of a range of operators. The table below provides those considered.

Operator	Capacity Range	Sources
National Express Transport Solutions	24 – 87	https://nxts.nationalexpress.com/fleet
Cymru Coaches	36 – 59	https://www.cymrucoaches.co.uk/the-fleet/
Edwards Coaches	31 – 70	https://edwardscoaches.co.uk/coach-vehicle-hire/
Johnsons Coaches	19 – 89	https://www.johnsonscaches.co.uk/our-coaches/
Acklam's Coaches	29 – 85	https://acklamscoaches.co.uk/coach-hire/#fleet
Richmonds Coaches	19 – 79	https://richmonds-coaches.co.uk/bus-coach-fleet-hire/
Roselyn Coaches	33 – 77	https://www.roselyncoaches.co.uk/fleet/
Barnes Coaches	19 – 94	https://www.barnescoaches.co.uk/privatehire



Appendix

03

Scope of services



Scope of services

We have carried out a four-phase approach including a review of existing data, developing an analytical framework, and consulting with key stakeholders to produce our final report. These are expanded on below:



An initial **discovery** phase where we finalised the scope, summarised existing reports and assembled data and developed detailed project plan.



An **economic analysis** phase where we considered (a) the contribution of bus to GDP and (b) the economic benefit of a the provision of coach services.



An **engagement** phase with key stakeholders via four workshops across England, Wales and Scotland (held at KPMG offices) where we explored regional differences and priorities.



A **reporting** phase, anchored by a robust analytical framework, using charts, tables, and infographics to convey the results clearly, catering to diverse audiences.

The work uses data and assumptions with good provenance, and the analysis is structured according to best practice methodologies and described in a clear and transparent way.

We have looked at the overall contribution of coach to GDP. This involved looking at three areas:

- ▶ **Direct impacts:** economic impacts we can directly attribute and measure such including the value of services produced by coach operators, the jobs generated, and wages and taxes paid.
- ▶ **Indirect impacts:** economic impacts generated through partners and suppliers including vehicle manufacturers, technology providers and infrastructure providers.
- ▶ **Dynamic impacts:** economic impacts arising from the provision of coach services including the productivity gains associated by improved access to employment, education, retail and leisure activities, including supporting the vibrancy of town and city centres.

We have also assessed the economic benefit of provision of coach services. This involved:

- ▶ Estimating the economic, social and environmental impacts of each additional coach service.
- ▶ Following the Department for Transport guidance on transport analysis (TAG) which provides an opportunity to consider the value of a much wider set of benefits, not just those impacting the real economy. This includes, for example, decongestion benefits and environmental gains.

Our final deliverable is this fully designed report, with executive summary and technical appendix; supporting summary presentation and set of infographics plus underlying data and outputs.





References and notes



Notes:

- (1) ONS (2022), Business Register and Employment Survey, [Business Register and Employment Survey - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/business-register-and-employment-survey)
- (2) CPT (2023) Bus Industry Costs [Bus Industry Costs in 2023 \(cpt-uk.org\)](https://www.cpt-uk.org/)
- (3) ONS (2024), UK Input Output: Analytical Tables, [UK input-output analytical tables: product by product - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/input-output-analytical-tables-product-by-product)
- (4) Transport Analysis Guidance, downloaded from [Transport analysis guidance – GOV.UK \(www.gov.uk\)](https://www.gov.uk/transport-analysis-guidance) on 1 August 2024
- (5) Option and Non-Use values per household are provided in TAG for Bus and Rail.
- (6) ONS (2022) Business Register and Employment Survey. Includes both full time and part time employees as well as working proprietors.
- (7) DfT (2022), Data table RAS0601: Reported road casualties by road user type and vehicle involved, Great Britain, ten years up to 2022 and DfT Road traffic estimated table TRA0201: Road traffic (vehicle kilometres) by vehicle type in Great Britain, annual from 1949
- (8) Public Health England (2024), accessed on 12/07/24 at <https://www.gov.uk/government/publications/air-pollution-applying-all-our-health/air-pollution-applying-all-our-health#further-reading-resources-and-good-practice>
- (9) DfT (2022), Transport and environment statistics 2022
- (10) Rand and Systra (2018) Bus fare and journey time elasticities and diversion factors for all modes
- (11) ONS (2022), Business Register and Employment Survey, [Business Register and Employment Survey - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/business-register-and-employment-survey)
- (12) ONS (2022), Business Register and Employment Survey, [Business Register and Employment Survey - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/business-register-and-employment-survey)
- (13) ONS (2022), Business Register and Employment Survey, [Business Register and Employment Survey - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/business-register-and-employment-survey)
- (14) Welsh Government (2020), Review of School Spending in Wales
- (15) Welsh Government (2021), Learner Travel (Wales) Measure (2008) Review 2021



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