



Can zero-emission buses sit with low fares in making the mode more attractive to users?



CELEBRATE THE GOOD NEWS AROUND BUSES

Return of a £2 bus fare cap in England and ZE moves warrant celebration, says Zemo



Jonathan Murray
/ Managing Director,
Zemo Partnership

It was encouraging to hear the early announcement from the Burnham government of the £2 single bus fare cap in England outside London during 2027. Rather unusual, I think, for buses to be so high up a new administration's agenda!

The change only reverses the rise to £3 that took effect in January 2025, of course. It comes alongside confirmation of individual funding allocations for local transport authorities in England, part of a wider £100 million-plus package for the sector announced earlier this year.

The bus industry's response to the news appears to have been relatively muted so far. Surely it is positive, although a pity that the Treasury is understood to be covering part of the cost of the measure by converting international climate finance grants into loans.

The fare cap should encourage

modal shift towards buses, which is a positive step for the decarbonisation agenda, of course.

When the £2 cap was initially introduced in late-2022, Stagecoach framed it as being significant in terms of modal shift, stating that the incentive would help to move people out of cars and onto buses, which would improve air quality.

Stagecoach's earlier report in 2021 also said that introduction of zero-emission buses (ZEBs) would encourage more people to use the mode, but that the positive impact could be undermined if fare increases were introduced to fund that ZEB investment.

Transport for London (TfL) passed a fleet milestone in mid-June with over 3,000 ZEBs in service, representing around a third of the total TfL fleet. London's £1.75 flat fare – maintained independently of the national cap – coupled to a rapidly growing number of ZEBs in operation does seem to have

helped to maintain bus patronage in the capital.

It was interesting to see figures from the International Council on Clean Transportation, published at the end of July, which showed that zero-emission coaches and buses made up 28.6% of all new EU registrations in the first half of 2026, up 50% year-on-year. Battery-electric models accounted for over 60% of new city bus registrations in Q2.

Against this backdrop, UK progress on ZEB introduction looks respectable, but not exceptional.

As in London, urban bus electrification is accelerating sharply across Europe. There

too, however, interurban coaches remain overwhelmingly diesel, at 87% market share. Similar problems of a lack of zero-emission product options that fit some route profiles are hampering progress.

While coaches need to catch up with buses, the combination of rising numbers of ZEBs and a renewed fare cap has to be good for the industry and its customers. Let's celebrate the positive news while we can!

/FIND OUT MORE

For more about Zemo's work supporting the coach and bus transition, or to find out about membership, visit www.zemo.org.uk



London has now reached the milestone of 3,000 zero-emission buses in service

