

Bus Boost

How we can deliver more homes and better public transport services on every new masterplan in the country

This note sets out an opportunity to deliver more homes by densifying existing masterplans through a deal with developers and local authorities that sees a proportion of new homes income ringfenced for bus provision.

Situation

Many masterplans provide homes without an assurance of frequent and direct public transport. One-off Section 106 payment to local authorities does not ensure high-quality services are provided in perpetuity.

Many bus services are cut or reduced just years after developments are built out reducing access to affordable travel.

Many of these masterplans are low-density and could better contribute to our aim of building 300,000 homes per year.

Proposal

Developers can invoke a 'Bus Boost' deal with local authorities on existing masterplans where a 10 per cent increase in housing allocation is granted on condition that half of the new homes transferred to a community trust. These homes will be ringfenced for spending on a world class bus service in perpetuity either through a rental or sales providing an endowment for the trust.

Mechanism and aligned incentives

1. A developer or local authority can call for a Bus Boost allowing a 10 per cent uplift in homes on an allocation of homes at the masterplanning stage.
2. The freeholds of half of these homes will be transferred to a community trust who can rent them out¹ to provide funding in perpetuity for a world-class bus service.²
3. No extra land will be provided for extra homes. The densification of the existing masterplan would be delivered by more terraced housing and slightly reduced land for parking offset by increased bus use.
4. Services could either be procured directly from a local operator, or a subsidy could be provided to expand existing services via the local authority or Integrated Transport Authority.

¹ Homes could be sold with assets placed in an endowment to provide annual revenue.

² Funds will also pay for staff at the trust, providing local jobs and depending on values funds could be used to replace service charges and support local facilities such as post offices and sports pitches.

5. *New residents* will benefit from the knowledge world-class bus services are locked in perpetuity. Affordable travel will help out with the cost of living and allow some second or third cars to be replaced with sustainable travel.
6. *Developers* will receive profits for half the extra homes allocated and the development itself will benefit from better connectivity and facilities.
7. *Local authorities* will benefit from reduced need to gap fund bus services and routes through neighboring villages and towns will benefit existing residents.
8. *Nearby residents* concerned about extra homes will benefit from fewer car journeys on local roads from the entire development due to better buses. Its likely these buses will also provide better services to themselves too.
9. *Nationally* an extra 10 per cent of homes on existing land allocation would boost housing by tens of thousands annually.

Precedents in Surrey

The principle of ringfencing the value for homes has been established in two developments in Surrey. In the former Wisley airfield site:

- Just 40 homes from the 2068 allocation (2 per cent) provided a funding gap from ticket sales to operate buses every 12 minutes to buses per hour Horsley/ Effingham Junction and every 30 minutes to Guildford and Cobham.
- The homes would be endowed into a community trust governed by a mix of residents. This trust would also use funds to maintain parkland and potentially other community facilities.
- The planning appeals decision 2018 [letter](#) from the Secretary of State supported this principle.
- Extra buses would boost the service at local villages and help combat congestion.

In Dunsfold this principle was explored for a new development of 1800 new homes:

- Buses every 15 minutes to the nearby town as well as half hourly buses to larger towns of Guildford, Godalming and Horsham was selected as an exemplar option.
- This led to a £667k funding gap to be filled by transferring assets to a community trust that would provide this annual revenue.
- Assets could be a mix of commercial and residential.
- Bus services will be procured by the community trust.

We look forward to receiving feedback and further ideas on this proposal to both boost housebuilding in England and boost bus services to combat the cost of living and congestion.

David Milner, Deputy Director at **CREATE Streets**