

CABINET
23 SEPTEMBER 2021**WORCESTERSHIRE BUS SERVICE IMPROVEMENT PLAN**
(BSIP)

Relevant Cabinet Members

Cllr A T Amos

Relevant Officers

Strategic Director of Economy and Infrastructure

Recommendation

1. The Cabinet Member with Responsibility for Highways and Transport recommends that Cabinet;

- (a) commits to development of a Bus Service Improvement Plan (BSIP), setting out a vision and priorities for the future of bus services in Worcestershire and will be a high-level bidding document used to secure capital and revenue grant funding from the Department for Transport (DfT);**
- (b) authorises the CMR to approve the Bus Service Improvement Plan and operational policies with appropriate development and consultation schedules before adoption having regard to the National Bus Strategy and Worcestershire Passenger Transport Strategy;**
- (c) Authorises the CMR to approve the Statutory Enhanced Partnership, following the creation of the Bus Service Improvement Plan;**
- (d) acknowledges the potential impact on other DfT funding opportunities (not public transport related), should it be decided not to develop an Enhanced Partnership; and**
- (e) acknowledges that Worcestershire County Council's Bus Services Improvement plan will be based on the previously agreed Worcestershire Passenger Strategy.**

Why these decisions are important

2. Creation of a Bus Service Improvement Plan and Enhanced Partnership would allow both the County Council and bus operators to benefit from increased levels of Government funding. If these are not created and implemented, the Government will not release funding.

3. If Worcestershire County Council does not commit to delivering a Bus Service Improvement Plan and Enhanced Partnership the Department for Transport will cease £0.55 million per annum in Bus Service Operators' Grant (BSOG) funding, which the

National Bus Strategy is clear would be lost in the absence of a Bus Service Improvement Plan and Enhanced Partnership following the planned reform of BSOG. Loss of this funding would require the withdrawal of circa 20% of our current supported network, leaving a significant number of rural areas without any bus service.

4. All new road investments in England which receive Central UK Government funding are now required to either support bus priority measures or explain why doing so would not be necessary or appropriate in that instance. All funding bids now need to explicitly address this issue. Non-publication of the BSIP could result in reduced Local Transport Plan (LTP) and other government grant funding.

Background

5. The Department for Transport (DfT) has recently published the National Bus Strategy (NBS) outlining its ambition to improve bus services in England. Worcestershire County Council, as the Local Transport Authority, has decided that it wishes to enter an Enhanced Partnership with Local Operators by the end of March 2022. This decision will have implications for the local bus network in Worcestershire, the majority of which is currently operated on a commercial basis.

6. Worcestershire has seen many changes to bus services over the years, reflecting the difficulties that operators have in identifying and maintaining profitable services. At times, competition between operators has undermined their financial stability. First Bus has gradually reduced its network and completely withdrawn from operating in some parts of the county. Other operators have ceased to operate altogether. Added to this the impact of the Covid Pandemic, this has had a significant impact on patronage. In summary, the local bus sector is more fragile than ever.

7. Congestion in urban areas, particularly Worcester and Kidderminster, has impacted on bus services, increasing the costs of operation or leading to reduced frequencies, which in turn have reduced the attractiveness of services.

National Bus Strategy

8. On 15 March 2021, the Government published its National Bus Strategy for England “Bus Back Better”, announcing £3b transformational funding for those authorities that engage in the Strategy.

9. Its central aim is to get more people travelling by bus. The first step is to get overall patronage back to its pre-COVID-19 level, and then to exceed it. The only way to achieve this is to make buses a practical and attractive alternative to the car for more people. To achieve the goal, the strategy will make buses more frequent, more reliable, easier to understand and to be better co-ordinated with the overall aim to increase patronage and reduce car usage.

10. The Strategy acknowledges the decades-long decline in bus patronage nationally and is the biggest change to Local Bus provision since deregulation in 1986.

11. “Bus Back Better” sets out a significant step change in the Government’s approach to funding and delivering the bus network. Whilst the market remains deregulated, a more co-ordinated partnership approach between operators and local authorities is now required. The Strategy makes clear that there is a commitment to long term increased

funding for bus services, both for local authorities and bus operators alike. However, access to funding streams is contingent on the Council having a Bus Service Improvement Plan (BSIP) and entering either an Enhanced Partnership (EP) or franchising arrangement to deliver the objectives set out in the BSIP.

12. There is an expectation that all Local Transport Authorities will create BSIPs and enter EPs/ Franchising. Central Government is providing transformational funding to achieve this. Worcestershire County Council has received £0.387 million capacity funding to move these elements forward.

13. Critically we must publish our BSIP by end of October 2021 and commence our EP by 1 April 2022 if we are to access the £3billion funds available to Local Authorities and for current funding streams to continue.

14. To secure capacity funding, on 30 June, Worcestershire County Council published its Notice of Intent to Prepare an Enhanced Partnership Plan and Schemes. An EP is a formal agreement between the local authority and bus operators setting out what is expected of each party, and the standards that will be met. The basis for an EP is set out in the Bus Services Act 2017 and associated guidance.

Bus Services Improvement Plan (BSIP)

15. Bus Service Improvement Plans (BSIPs) are how LTAs, working closely with their local bus operators and local communities, address the central aims of the National Bus Strategy – by setting out a vision for delivering the step-change in bus services that is required by the Strategy.

16. A Bus Service Improvement Plan will be the extent of the ambition, delivered through an Enhanced Partnership or franchising, that will be critical in terms of how funding is allocated to Local Authorities.

17. A Bus Service Improvement Plan would include the following elements:

- a) Targets for journey times and reliability, at both County and city/town level. A progress report is required every six months.
- b) Identify where bus priority measures are needed.
- c) Set out pressures on the road network including air quality and carbon reduction.
- d) Passenger growth targets
- e) Plans for a fare strategy to support growth, including multi operator ticketing.
- f) Impact of roadside infrastructure – stops, shelters, real time information displays
- g) How the bus network should serve key destinations such as schools, health, employment etc.
- h) Local consultation
- i) Commitment to a bus passenger charter.

18. A clear expectation is set that a BSIP should be bold and ambitious with the Government expecting areas to consider the following options:

- a) Implementation of bus priority schemes to reduce bus journey times.
- b) More services expected to operate evenings / weekends / night and to smaller towns/villages.
- c) Higher frequency core services.

- d) Promotion and marketing significantly expanded.
- e) Bus Stations should be protected from closure and redevelopment and improved.
- f) Railway stations should be hubs for connecting services – including high quality stops close to station entrances.
- g) Better services to out of town employment
- h) Working with bus operators and energy providers to decarbonise the local bus fleet.
- i) Fares' policy to include lower fares in cities / towns, consideration of youth fares, multi-operator ticketing

19. There is also an expectation that whether funding is provided or not Local Authorities must consider and deliver on requirements set out within the National Bus Strategy.

20. There is a wide evidence base to support the positive benefits that flow from investing in high quality, comprehensive bus services.

21. Some of the key facts include;

- a) Nationally, 2.5 million commuters rely on the bus to get to work with a further 1 million needing the bus as a backup mode. Together, this equates to 12% of the working population or £64 billion of gross value added.
- b) Bus passengers account for £27 billion per annum of shopping and leisure spend, with around £22 billion of this being in town centres.
- c) KPMG found that targeted investment in bus priority measures generated £3.32 of benefits for each £1 spent.
- d) A diesel bus at current average occupancy emits 105g CO₂ per head per km compared to 158g for a car. An electric bus can reduce this to 36g with no change to occupancy, or 18g if occupancy were doubled.

Enhanced Partnership

22. The National Bus Strategy requires LTAs to follow either a statutory Enhanced Partnership (EP) or franchising to deliver the specific actions which will enable Bus Service Improvement Plan outcomes.

23. Worcestershire County Council's Economy & Infrastructure Directorate's Leadership Team confirmed their approval on 29 June 2021 to proceed with the development of an Enhanced Partnership.

24. An EP is a statutory partnership between one or more LTAs and their local bus operators that sets out how they will work together to deliver outcomes in the defined geographical area(s) set out in the EP. It is in two parts:

- a) **An EP Plan** - a clear vision of the improvements to bus services that the EP is aiming to deliver, mirroring the Bus Service Improvement Plan.
- b) **One or more EP schemes** – an accompanying document that sets out the requirements that need to be met by local services that stop in the geographical area defined in the Enhanced Partnership Scheme.

Worcestershire Approach

25. Prior to the pandemic Worcestershire delivered its Passenger Transport Strategy (agreed by Cabinet in November 2019). This will translate into the various aims of the

BSIP and will make it easier for WCC to achieve the deadlines set by the Department for Transport. Worcestershire is using the work carried out to deliver its Passenger Transport Strategy as the basis of its Bus Services improvement plan.

26. The Worcestershire Passenger Transport Strategy took a strategic and holistic view of all public and Community Transport provision, including Home to School transport arrangements, fares and ticketing, concessionary travel, infrastructure and information. The Strategy is informed by a Passenger Transport Review of needs and demands (including future development), together with an assessment of how well these are met by current services. This fits into the requirements for the creation of BSIP.

27. WCC Passenger Transport Strategy seeks to deliver the following outcomes:

- a) provision of a network which offers access to key services (rural and urban)
- b) a sustainable passenger transport network
- c) a robust procedure for deciding where, when and how we financially support services
- d) implementation of relevant parts of the Bus Services Act 2017 which will benefit Worcestershire's residents

28. WCC Passenger Transport Strategy includes the following strategic aims:

- a) **network commercialisation**: Worcestershire County Council is committed to developing and enhancing the ability for operators to provide their services commercially (without financial support from the County Council)
- b) **access to services**: Worcestershire County Council's aim is to provide good network coverage, operating times, frequency of the service and network integration; however, we also need to achieve best value
- c) **attractive and affordable services**: it is essential that transport services' costs are competitive; technology will play a key role in achieving this aim
- d) **quality of service**: Worcestershire County Council recognises that quality of service is essential in delivering successful passenger transport services
- e) **publicity and information**: the Worcestershire Passenger Transport Strategy ensures information about services is readily available and is easily understood, while balancing this with the cost effectiveness of production

29. The Strategy also includes the following more detailed objectives which support achievement of the strategic aims:

- a) **home to school and social care transport**: this objective will provide an opportunity to review current provision and enhance integration where appropriate
- b) **network prioritisation**: this objective focuses on where Worcestershire County Council will prioritise resources and ensure best value; this also places emphasis on the commercialisation of the network
- c) **Performance Management Framework Model**: performance of services is essential in terms of achieving best value with funding available and it is recognised that new ways of thinking are required: this enables services to be ranked for both existing and future service provision; the prioritisation of customer journeys formed an important part of the consultation
- d) **alternative service provision**: this objective considers other services which can complement the network
- e) **fares and ticketing**: this objective looks at ticketing options which allows passengers to undertake their journey using more than one form of transport: this will take account of available new technology

- f) **information and infrastructure:** this objective ensures information is provided in the most appropriate way and considers the requirements of the Bus Services Act (2017). We will also look at appropriate levels of infrastructure provision (e.g. Bus shelters) across the network
- g) **modal integration:** this objective focuses on the need to consider all methods of passenger transport to achieve improved integration; this includes consideration of accessibility of services and cost-effective passenger transport options

30. Critically, the core aims and objectives fit into the overall expectations set out by the Government for BSIPs. Targets will be set for each of these and will cover any missing areas that have been outlined as requirements for the initial BSIP document.

Legal, Financial and HR Implications

31. We note the following legal implications:

- a) Development of Enhanced Partnerships are governed by Bus Services Act 2017, which amended the Transport Act 2000. Under an EP, the Council is legally obliged to deliver those measures it commits to.
- b) Multi Operator Ticketing Schemes are governed by the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) Order 2001 (as amended) and the Transport Act 2000.
- c) Traffic Management Act 2004 - Statutory traffic management guidance will be updated to “expect enhanced bus reliability as an integral part of the highway authorities’ Network Management Duty”.

32. The National Bus Strategy sets out that bus operators would see their access to BSOG placed at risk unless they are part of an EP. It is stated in the NBS that the Secretary of State would only disapply these rules on “an exceptional basis”. This will have a significant impact on the current ‘commercial’ bus network in Worcestershire, which would be reduced to a core lower frequency network. Commercial BSOG within Worcestershire is worth several million pounds per annum in support for the network and the Council received £0.55 million directly in support of this.

33. Staffing resource will be required across several key teams to support the development and implementation of our BSIP / EP. The DfT have provided us with Capacity Grant funding of £0.387million towards the development costs of the BSIP and EP.

34. In view of the Bus Capacity Grant being made available, it is not envisaged that there will be any pressure on existing Council budgets associated with developing the BSIP or Enhanced Partnership.

Governance and Timeline

35. The timescales set by Government to develop and deliver the Council’s first BSIP by the end of October 2021 and activate the Enhanced Partnership by April 2022 are non-negotiable if we are to secure future funding and not reduce current funding streams.

36. The key milestones are:

- a) **June 2021** – Council published Notice of Intent to proceed with the development of an Enhanced Partnership

- b) **July 2021** – Gap Analysis of current Passenger Transport Strategy and National Bus Strategy requirements
- c) **August 2021** Informal stakeholder engagement round, data gathering and network baselining
- d) **September 2021** – Draft BSIP creation draft BSIP and full stakeholder engagement round 3
- e) **October 2021** – Publish first BSIP and EP formal discussion and notice
- f) **November 2021** – EP Statutory consultation
- g) **December 2021** – Finalise EP
- h) **January 2022** – Second EP formal notice (if required)
- i) **March 2022** – Formal making of the EP
- j) **April 2022** – Activate EP

Equality and Diversity Implications

37. The Council recognises that the Bus Services Improvement Plan is of relevance in the lives of individuals who share Protected Characteristics such as Age and Disability. The aims of the Public Sector Equality Duty (Advancing Equality of Opportunity for Protected Groups) are promoted through the provision of accessible and reliable public transport which forms a critical element of BSIPS. WCC Passenger Transport Strategy recognises the importance of public transport in the lives of protected groups and sets out the Council's approach to the delivery of efficient and integrated public transport which aligns with National Bus Strategy requirements.

38. WCC Passenger Strategy has been screened for a potential Equality and Public Health Impact Assessment which has indicated there is no adverse effect at this stage. Further assessments will be undertaken at the appropriate stages of the implementation process as BSIP funding is made available. The implementation of a Strategy which promotes consistent and transparent decision-making and planning is likely to benefit protected Groups.

39. All analysis will accord with data protection requirements. Additionally, any detriment to services that have potential to impact on Equality will also be assessed. As part of the implementation of the Strategy, the findings will be considered in future planning and decision-making.

Risk Evaluation

40. A comprehensive risk assessment has been carried out by the members of the Transport Strategy Board to identify the short, medium, and long-term risks. Production of a holistic Risk Register has enabled a thorough planning and mitigation process

Public Health Impact

41. Improving health and well-being through improving accessibility, reducing social isolation, and supporting people to maintain independent lives will be outcomes of the BSIP.

42. A Public Health Impact screening exercise has been carried out for the previous passenger strategy and will be updated throughout the implementation process.

List of Background Documents

- “Bus Back Better – National Bus Strategy for England” – <https://www.gov.uk/government/publications/bus-back-better>
- “The Bus Services Act 2017: Enhanced Partnerships Guidance” - <https://www.gov.uk/government/publications/bus-services-act-2017-enhanced-partnership-creation>
- Worcestershire Passenger Transport Strategy - <https://www.worcestershire.gov.uk/passengertransportstrategy>

Contact Points

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