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**Report to:** Transport Committee

**Date:** 18 November 2022

**Subject:** **Bus Service Improvement Plan and Enhanced Partnership updates and approvals**

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Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 1. Purpose of this Report

1.1 The purpose of this report is to:

- Update Transport Committee members on the Bus Service Improvement Plan (BSIP) revenue funding, the Mayor's Fares, the Bus Network Plan development, and the corresponding Enhanced Partnership scheme.
- Request approval of funding for delivery costs for the Mayors Fares scheme (to May 2023), for the Enhanced Safer Travel Partnership scheme, for the Business to Customer Sales and Marketing, (including behaviour change) and for the Travel Plan Network, plus development costs to develop the other schemes within the BSIP portfolio.

## 2. Information

### Background

- 2.1 In April 2022, the Combined Authority was notified by the Department for Transport (DfT) that it had been indicatively awarded £69,974,070 in revenue funding, over three financial years, to support delivery of its Bus Service Improvement Plan.
- 2.2 In agreeing what the funding should be spent on, the DfT advised that it wanted to see it prioritised towards 'cheaper and simplified fares' and 'increased service frequencies and new routes'; and that the delivery of

associated initiatives would need to be agreed with bus operators as part of a 'BSIP' Enhanced Partnership (EP) scheme before the funding would be released to the Combined Authority.

- 2.3 A BSIP funding package, outlined in in Table 1, was agreed by The Combined Authority as the basis for its spending submission to DfT and development of the corresponding EP scheme.

**Table 1 – BSIP revenue funding package overview.**

<b>Funding area</b>	<b>Schemes and interventions</b>	<b>Revenue cost (£m)</b>
<b>Clear and simple fares</b>	<ul style="list-style-type: none"> <li>• 'Mayors Fares' subsidy.</li> <li>• Business to customer sales and marketing.</li> <li>• Business to business sales.</li> </ul>	36.9
<b>New and improved services</b>	<ul style="list-style-type: none"> <li>• Evolution and growth of the bus network.</li> <li>• 'Superbus' town network enhancements.</li> <li>• Service innovation – Demand Responsive Transport and Mobility Hubs.</li> </ul>	30.9
<b>Supporting bus priority and safety</b>	<ul style="list-style-type: none"> <li>• Improvements to coordination of bus, urban traffic and passenger information.</li> <li>• Enhanced Safer Travel Partnership with the WY police.</li> </ul>	2.05
<b>Total revenue costs:</b>		<b>£69.9m</b>

BSIP Enhanced Partnership scheme

- 2.4 As per DfT requirements, the Combined Authority has been the developing an Enhanced Partnership scheme, which seeks commitment from all bus operators and District authorities to support development and delivery of BSIP-funded projects, as well as City Region Sustainable Transport Settlement (CRSTS) -capital funded bus priority schemes.
- 2.5 At its meeting in July 2022, the Combined Authority approved a draft Enhanced Partnership scheme for progression through the required statutory process to enable it to be legally agreed.
- 2.6 The Scheme has since successfully passed through the operator objection and statutory consultation periods without requiring any significant changes. The Combined Authority is in the process of signing the Scheme, alongside local authorities, with this due to complete in mid-November. Once the Scheme has been made it will be available to read online via the Combined Authority's [website](#).
- 2.7 The establishment of the Scheme means the DfT should imminently provide the Combined Authority with the BSIP funding and formal grant later.

## Mayor's Fares

- 2.8 As part of the BSIP, the Combined Authority set out a proposal to reduce the multi operator day ticket (MCard Daysaver) to £4.50 from £5.50 and setting the maximum single journey fare to £2. The Combined Authority meeting on 22 July resolved that 'arrangements to implement the cheaper fares proposal proceed in consultation with the Mayor and Chair of Transport Committee be agreed.'
- 2.9 The 'Mayor's Fares' were launched on the 4 September 2022. Given the current cost of living crisis, the Mayor felt that it was important that individuals and families obtained the benefit of this as soon as practically possible. Also, the start of the academic year is an opportune time to promote new fares as many people review and change travel habits at this time.
- 2.10 The Combined Authority is currently funding the Mayor's Fares subsidy ahead of receipt of the BSIP revenue funding. The cost of the first three months (September – November) of the scheme is estimated at £3 million. In the event of any circumstance whereby the BSIP funding does not become available, then the Combined Authority would need to consider whether to terminate or continue the initiative.
- 2.11 Early data analysis would suggest that bus patronage in September an increased by 5% compared with June 22. Bus travel by adult paying passengers in September 22 was around 10% higher than average monthly patronage in 2022. Three months' worth of data is required before a detailed analysis of take up of the scheme and the commensurate costs can be assessed. This analysis will inform the establishment of the reimbursement mechanism to be agreed annually with operators across the three-year funding period.

## Bus Network Plan - development update

- 2.12 The Combined Authority is continuing to develop its Bus Network Plan which will help determine how it invests the relevant portion of BSIP funding (approx. £30.9 million) to deliver new and enhanced bus services.
- 2.13 Core to the Combined Authority's ambitions, as set out in the West Yorkshire BSIP, is to support a safe and inclusive bus system that better connects communities across the region, particularly those in areas of high deprivation and rural areas. This means supporting bus passengers throughout their end to-end journeys and meeting people's different travel needs / demands.
- 2.14 Our ambition for the bus network in the future is for it to better meet people's more complex travel needs, supporting people such as parents and caregivers who travel to different locations / make numerous stops throughout their day's travel or shift workers who need to travel in the early morning or late at night.
- 2.15 Direction has been given from the Mayor, Leaders and Transport Committee members to prioritise investment in expanding the reach of the bus network and establishing new connections at all times of day, as well as improvement to the frequency of existing services. It has also been agreed to continue

development of the longer term 'aspirational' bus network as part of the development of the West Yorkshire Local Transport Plan, to ensure coordination with other modes and full alignment with the region's needs.

- 2.16 A long list of potential service improvements is currently in development and being prioritised before being packaged into a funded, three-year Bus Network Plan, which be presented for approval and subsequent procurement early in 2023 so they can be operational from April onwards. It is planned to engage Transport Committee members in this work in December.
- 2.17 Constrained fare revenue, uncertainty on funding, workforce challenges and rising costs are all risks impacting on the existing bus network. As previously advised to Transport Committee, bus patronage and therefore fare revenues have not returned to pre-pandemic levels and inflationary pressures are driving up the cost of bus operation. In August, Government announced an extension to pandemic-funding support through to March 2023. This prevented extensive service withdrawals in October, however this remains a concern when funding ends in April. The Combined Authority's costs in supporting the network are also challenged by increasing costs and constrained fares revenue and this will be a significant consideration in setting a budget for 2023/24.
- 2.18 These ongoing challenges will continue to be considered alongside development of plans for BSIP-funded network improvements in order to maximise the efficiency of Combined Authority investment in supporting our ambitions for the network and protection of the existing customer offer.

#### Funding assurance and approvals

- 2.19 A Strategic Outline Case has been submitted to the Combined Authority seeking approval of £16,823,176 from the £69,974,070 BSIP revenue funds when these are received from the DfT (expected by the end of November, subject to the EP Scheme being signed).
- 2.20 The approval for the requested funds covers both development work for the BSIP Portfolio as well as delivery of the Mayors Fares through to May 2023, the Enhanced Safer Travel Partnership scheme, the Business to Customer Sales and Marketing (including behaviour change) and the Travel Plan Network Team scheme.
- 2.21 A breakdown of the requested £16,823,176 is provided below.
- £2,430,000 for BSIP development costs,
  - £ 11,893,176 for delivery of the Mayors Fares scheme, through to May 2023,
  - £1,000,000 for the Business to Customer Sales and Marketing, including behaviour change (under the Clear and Simple Fares theme)
  - £500,000 for the Travel Plan Network team (under the Clear and Simple Fares theme)

- £1,000,000 for the for the Enhanced Safer Travel Partnership scheme with West Yorkshire Police (under the Supporting Bus Priority & Safety theme)

2.22 The approval requested from the Transport Committee is set out below. For more information, please refer to Appendix 1.

2.23 The Transport Committee approves, subject to the conditions set by the Project Appraisal Team and set out in the decision point certificate that:

- (i) The Bus Service Improvement Plan proceeds through decision point 2 (strategic outline case) and work commences on development of the relevant business case for each individual scheme.
- (ii) An indicative approval to the Combined Authority Costs of up to £69,974,070 is given. The total programme cost is £69,974,070.
- (iii) Approval to the delivery costs to May 2023 of £ 11,893,176 for the Mayors Fares scheme are given and work commences on activity 4 (full business case). The total scheme value is £33,974,070.
- (iv) Approval to the delivery costs of £1,000,000 for the Enhanced Safer Travel Partnership scheme (under the Supporting Bus Priority & Safety theme) are given and work commences on activity 5 (delivery)
- (v) Approval to the delivery costs of £1,000,000 for the Business to Customer Sales and Marketing, including behaviour change, (under the Clear and Simple Fares theme) are given and work commences on activity 5 (delivery).
- (vi) Approval to the delivery costs of £500,000 for the Travel Plan Network Team (under the Clear and Simple Fares theme) are given and work commences on activity 5 (delivery).
- (vii) Approval to the development costs of £2,430,000 is given.
- (viii) The Combined Authority provides funding to bus operators for the Mayor's Fares scheme under a formal Reimbursement Scheme similar to that used for concessionary fares. This Scheme determines the amount of funding paid to each bus operator based on ticket sales data. The operation of the Scheme is delegated to the Director of Transport & Property Services.
- (ix) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **3. Tackling the Climate Emergency Implications**

- 3.1 Climate and the environment are considered closely in the BSIP, through the cross-cutting theme of 'decarbonisation and integrated, sustainable travel', aligning with the Net Zero Strategy and West Yorkshire Climate and Environment Plan.
- 3.2 The Mayoral pledge of 'tackle the climate emergency and protect the environment' is also supported with the initiatives in this programme aiming to encourage more people to make sustainable travel choices and create modal shift away from the private car to bus, contributing to better air quality.
- 3.3 The scheme will contribute to tackling the climate emergency by creating a modal shift to bus from the private car, reducing the region's carbon emissions. The interventions within this programme aim to create a better bus system, which is a competitive and viable choice for people to travel over the private car.
- 3.4 The customer sales and marketing elements will seek to promote this offer and encourage behaviour change, ensuring people make the switch to bus a permanent choice.
- 3.5 Evolution and growth of the bus network through this initiative may also support travel to employment sites and jobs which are part of environmental industries. Mobility hubs will bring sustainable modes into one place, enabling better integration into the wider public transport system.
- 3.6 Currently transport emits the most carbon of any key sector in West Yorkshire, with more than 90% of transport emissions coming from cars and vans. Enabling more journeys by bus will be integral to reducing this. Buses must also be better integrated as part of a multimodal public transport offer so that alongside rail travel, cycling and walking, customers are able to make sustainable door-to-door journeys.
- 3.7 A Carbon Impact Assessment Stage 1 (Activity 1&2) has been completed for the BSIP Programme. The results of the Activity 1 assessment state that the BSIP Programme is 'presumed to be fully compatible' with WYCA's net zero future, however based on the appraisal it is more likely that it would be 'Conditionally Compatible' at this stage of scheme development.

### **4. Inclusive Growth Implications**

- 4.1 Interventions within this programme to make bus travel cheaper will support inclusive growth by enabling priority passenger groups such as young people, jobs seekers and people in education to more easily afford travel to education and employment opportunities. More deprived communities and those who are economically disadvantaged will benefit from reduced transport costs.
- 4.2 Initiatives in relation to providing new, integrated bus services aim to ensure the bus system provides a viable service for everyone, particularly for economically and socially deprived communities and connects more people to good, quality employment. This will be achieved by:

- ensuring more homes are in closer proximity to the core, high frequency network
- providing better consistency and regularity of service provision on non-core service to ensure the bus can still be relied on for travel
- exploring the provision of alternative models of service, such as demand responsive transport to provide connectivity where a traditional bus service may be less feasible.

## 5. Equality and Diversity Implications

5.1 Elements of this programme will support this as follows:

- **Fare subsidy** – implementation of cheaper fares may help to support individuals and families with lower incomes and who may be significantly affected by the current cost of living crisis, increasing their disposable income
- **Mobility credits through the MCard mobile app** – this intervention will expand on the existing mobility credits scheme, enabling free travel for those from diverse and vulnerable backgrounds e.g. those fleeing domestic violence, refugees etc
- **New and integrated services** – a review of the existing bus network provides the opportunity to reimagine how services are designed in order to attract passengers to the bus system so that it better serves more excluded and disadvantaged communities, and people other than just the traditional urban commuter.
- **Enhanced Safer Travel Partnership** –enhancement of the Safer Travel Partnership with West Yorkshire Police that will provide PCSO resource to help support women, girls and other vulnerable groups to feel empowered to travel by bus when they want to, without the fear of intimidation or anti-social behaviour

5.2 An Equality Impact Assessment has been undertaken and submitted in support of the BSIP SOC. The first stage of the assessment effectively states that a further stage 2 assessment can be screened out, however the promoters have carried out a stage 2 assessment. Individual scheme specific EqIA's to be produced as part of the Enhanced Partnership may identify further impacts for consideration in due course.

## 6. Financial Implications

6.1 The approvals within this paper seek £16,823,176 of BSIP revenue funding. The paper also seeks to approve an indicative allocation of £69,974,000 for the BSIP Portfolio with the funding to come from the DfT. This is subject to the funding being received by the Combined Authority from the DfT.

## 7. Legal Implications

7.1 The Combined Authority will be providing funding to bus operators under the Mayors Fares scheme. The funding will be provided by utilising existing

compensation arrangements with bus operators. The amount of funding allocated to each bus operator is to be delegated to the Director of Transport Services.

## **8. Staffing Implications**

- 8.1 The approval of £2,430,000 development funding sought within this report includes provision for the recruitment of staff resources to support delivery of the BSIP.

## **9. External Consultees**

- 9.1 No external consultations have been undertaken.

## **10. Recommendations**

- 10.1 That the Transport Committee notes the updates on the Enhanced Partnership and the implementation of the Bus Service Improvement Plan.
- 10.2 The Transport Committee approves the following subject to the conditions recommended by the Project Appraisal Team and set out in the decision point certificate:
- (i) The Bus Service Improvement Plan proceeds through decision point 2 (strategic outline case) and work commences on development of the relevant business case for each individual scheme.
  - (ii) An indicative approval to the Combined Authority Costs of up to £69,974,070 is given. The total programme cost is £69,974,070.
  - (iii) Approval to the delivery costs to May 2023 of £11,893,176 for the Mayors Fares scheme are given and work commences on activity 4 (full business case). The total scheme value is £33,974,070.
  - (iv) Approval to the delivery costs of £1,000,000 for the Enhanced Safer Travel Partnership scheme (under the Supporting Bus Priority & Safety theme) are given and work commences on activity 5 (delivery)
  - (v) Approval to the delivery costs of £1,000,000 for the Business to Customer Sales and Marketing, including behaviour change, (under the Clear and Simple Fares theme) are given and work commences on activity 5 (delivery).
  - (vi) Approval to the delivery costs of £500,000 for the Travel Plan Network Team (under the Clear and Simple Fares theme) are given and work commences on activity 5 (delivery).
  - (vii) Approval to the development cost of £2,430,000 is given.
  - (viii) The Combined Authority provides funding to bus operators for the Mayor's Fares scheme under an adopted Reimbursement Scheme the operation of which is delegated to the Director of Transport & Property Services.



- (ix) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in the Appendix to this report.

## **11. Background Documents**

- 11.1 There are no background documents referenced in this report.

## **12. Appendices**

- 12.1 Appendix 1 – Bus Service Improvement Plan Funding Approvals