

Project Approvals

Appendix 1 - Bus Service Improvement Plan Funding Approvals

<p>Bus Service Improvement Plan (BSIP) (Cheaper Fares, Improved Bus Services and Bus Priority and Safety)</p> <p>West Yorkshire</p>	<p><u>Scheme description</u></p> <p>The West Yorkshire BSIP is a multi-year programme of interventions (portfolio) that will work to radically improve the region's bus system - in line with the vision of the National Bus Strategy - and support both an increase in bus patronage and customer satisfaction with their local services.</p> <p>This portfolio specifically aims to deliver interventions in relation to fares reductions, bus network enhancements and bus priority to significantly improve the experiences of bus users in West Yorkshire and reverse declining passenger numbers.</p> <p>The BSIP portfolio will deliver interventions across five key areas, which work towards:</p> <ul style="list-style-type: none"> • An enhanced, fully inclusive, and more cohesive bus network – which takes people where they need to go, when they need to go. • Clear and simple fares – to make paying for bus travel more affordable, easier, convenient, and flexible. • Improved, more inclusive customer service and support – so passengers have the tools to travel with confidence and help they need if their journey does not go to plan. • Priority for buses on our road – so journeys by bus are quicker, with less time spent stuck in traffic, and are a viable alternative to the private car. • More green and better vehicles – to improve the onboard experience and make bus the sustainable choice for travel in West Yorkshire. <p>The BSIP portfolio comprises three themes, Clear and Simple Fares, New and Improved Services and Bus Priority and Safety, with ten interventions siting below these. Decision point 2 (strategic outline case) approval is sought via this report for the portfolio, further development costs to develop individual business cases and approval to those interventions which are ready to be delivered, as outlined in this report.</p> <p>The scheme is to be delivered through the Bus Service Improvement Fund.</p> <p><u>Impact</u></p> <p>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 portfolio aim to create a better bus system, which is a competitive and viable choice for people to travel over the private car.</p> <p>The portfolio will provide the following benefits:</p> <ul style="list-style-type: none"> • Increase bus patronage • Increase modal shift from bus to car • Improve customer satisfaction with bus services • Improve bus network accessibility to housing and employment opportunities
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The portfolio's interventions 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.

Tackling inequalities and supporting diversity is a key consideration within the BSIP and creating a safe and inclusive bus service is included as a primary cross cutting theme in the strategy.

An assessment of the probable benefits and Value for Money position for the full BSIP Programme has not been provided. This is to be considered as part of further development of the scheme.

Decision sought

The Bus Service Improvement Plan (BSIP) portfolio proceeds through decision point 2 (strategic outline case) and work commences on development of the relevant business case for each individual scheme.

Total value of the scheme - £69,974,070

Total value of Combined Authority funding - £69,974,070

Funding recommendation sought - £16,823,176

A decision by the Transport Committee using the delegated authority from the Combined Authority is sought as part of this report

Project Title	Bus Service Improvement Plan (BSIP) (Cheaper Fares, Improved Bus Services and Bus Priority and Safety)
Stage	1 (assessment and sequencing)
Decision Point	2 (strategic outline case)

1 Background

- 1.1 This scheme will be funded from funding provided by the DfT for the Bus Service Improvement Plan (BSIP) via the National Bus Strategy (NBS).
- 1.2 The National Bus Strategy (NBS) for England aims to resolve the failures of the bus industry country wide. The NBS required all local transport authorities to produce and submit a BSIP to government by October 2021 to be eligible for future funding support, including access to a dedicated BSIP funding stream (approx. £1.1 billion). The NBS sets out a number of priorities where Local Transport Authorities should work with bus operators to improve bus services and these are reflected within this programme:
- Cheaper and easier to use – low fares and daily price capping (links to fares support).
 - More frequent – turn up and go services and demand responsive vehicles (links to network enhancements theme).
 - More comprehensive - more services should operate in the evenings, weekends, and at night, and to smaller towns and villages (links to network enhancements theme).
 - Seen as a safe mode of transport – including more services in the evenings and late at night (links to network enhancements and supporting bus priority theme).
 - Faster and more reliable – promoting bus reliability and bus priority schemes (links to network enhancements and supporting bus priority themes).
- 1.3 The BSIP funding allocation has a number of requirements from government:
- Conditional of submission and implementation of an Enhanced Partnership
 - Priorities for investment must be in relation to:
 - “ambitious and eye-catching initiatives that reduce and/or simplify fares, at pace” – specifically pilot reductions that start as soon as possible during 2022/23
 - “increased service frequencies and new/expanded routes” - including better evening and weekend services, new routes that

serve identified priorities such as employment sites and services and new Demand Responsive Transport (and should not be used to support existing service levels and patterns)

- A clear plan for on-going monitoring and evaluation of progress against the delivery commitments and report at least six monthly against the wider BSIP targets
- 1.4 The Combined Authority submitted its Bus Service Improvement Plan to the Department for Transport (DfT) in October 2021.
 - 1.5 The Bus Service Improvement Plan gained decision point 1 (strategic assessment) approval in January 2022.
 - 1.6 In April 2022, the Combined Authority was advised that it had successfully been awarded an indicative settlement of £69,974,070 revenue funding over three financial years (2022/23, 2023/24, 2024/25) to support delivery. This was in comparison to the £168,000,000 the BSIP had requested from government.
 - 1.7 The DfT set out their expected key investment priorities of reduced and simplified fares and increased service frequencies/new and expanded routes. Therefore, the revenue programme has been refocused to address the refined key priorities within the specified funding envelope.
 - 1.8 As per DfT guidance, the Combined Authority proposed to prioritise this funding to subsidise fares (driving down the cost of single journey and day tickets / the 'daily cap') and invest in new routes and enhanced services, radically improving the local bus network and delivering significant improvements for local passengers.
 - 1.9 Other prioritised investments included improvements to network travel information, shared training for all customer facing staff, initiatives to support safer travel, and marketing and communications to promote and maximise the benefits / passenger uptake of the BSIP interventions.
 - 1.10 On 8 August 2022 the Combined Authority received a letter setting out that the £69,974,070 of funding was confirmed subject to a successful statutory consultation on the Bus Service Improvement Plan Enhanced Partnership scheme, which is due to conclude in mid-November 2022.

West Yorkshire BSIP

- 1.11 The West Yorkshire BSIP is a multi-year programme of interventions that will work to radically improve the region's bus system - in line with the vision of the National Bus Strategy - and support both an increase in bus patronage and customer satisfaction with their local services.
- 1.12 The portfolio specifically aims to deliver fares reductions, bus network enhancements and bus priority to significantly improve the experiences of bus users in West Yorkshire and reverse declining patronage.

- 1.13 The West Yorkshire BSIP set out a plan of interventions across five key delivery areas, which work towards:
- An enhanced, fully inclusive, and more cohesive bus network – which takes people where they need to go, when they need to go.
 - Clear and simple fares – to make paying for bus travel more affordable, easier, convenient, and flexible.
 - Improved, more inclusive customer service and support – so passengers have the tools to travel with confidence and help they need if their journey does not go to plan.
 - Priority for buses on our roads – so journeys by bus are quicker, with less time spent stuck in traffic, and are a viable alternative to the private car.
 - More green and better vehicles – to improve the onboard experience and make bus the sustainable choice for travel in West Yorkshire.
- 1.14 The BSIP portfolio comprises three themes, Clear and Simple Fares, New and Improved Services and Bus Priority and Safety, with ten interventions sitting below these themes. Decision point 2 (strategic outline case) approval is sought via this report for the portfolio, further development costs to develop individual business cases and approval to those interventions which are ready to be delivered, as outlined in this report.
- 1.15 The proposal is to prioritise £37,000,000 (53%) of the funding towards subsidising fares (driving down the cost of single journey and day tickets / the ‘daily cap’) and the remainder on investing in new routes and enhanced services, radically improving the local bus network and delivering significant improvements for local passengers.
- 1.16 As part of the BSIP the Combined Authority set out a proposal to reduce the daily cap on the MCard ticket to £4.50 from £5.50 and setting the maximum single day fare to £2. This is now known as the Mayor’s Fares and was introduced on 4 September 2022 so that individuals and families could feel the benefit as soon as possible, in response to the cost-of-living crisis.
- 1.17 As the DfT funding will not be released until the Enhanced Partnership has passed through the required statutory process to enable it to be legally agreed, the Combined Authority agreed on 9 September 2022 that payments to operators between September and November (three months) would be made from within current revenue budgets until such time as BSIP funding is available, to allow the Mayor’s Fares to start earlier.
- 1.18 The cost of the first three months of the scheme was estimated at £3,000,000. In the event that the BSIP funding does not become available, then the Combined Authority would need to consider whether to terminate or continue the initiative.

1.19 The Combined Authority also agreed on the 9 September 2022 that approval for the BSIP portfolio strategic outline case would be delegated to the Transport Committee to expedite delivery.

1.20 The table below sets out each of the interventions in the BSIP programme by theme. Each intervention will have its own individual pathway through the assurance process.

Theme	Intervention	Description
Clear and Simple Fares	Fares Subsidy	Reduce the price of the MCard Day Saver to £4.50 as the base fare and agree through the EP a max single fare of £2
	Business to Customer Sales and Marketing, including behaviour change	Marketing campaign to promote fares activities and encourage the public to switch to using the bus as their mode of choice
	Mobility Credits	Enhancement to the existing MCard app to enable organisations to issue free tickets direct to people's phones (e.g. charities for vulnerable people, colleges for students, employers for staff etc)
	Travel Plan Network team	Expand capabilities of existing Travel Plan Network team to extend beyond corporate travel offers and create partnerships with new types of organisations and better promote and encourage sustainable travel
New and Improved Services	Network enhancements - New and Improved Services	Evolution and growth of the bus network through a network plan to: <ul style="list-style-type: none"> · expand the frequency of some services to run every 15 minutes or quicker · extend through the early morning and evenings · improve regularity of less frequent services · improve provision of services in more rural and economically deprived areas
	"Superbus" – town network enhancements	Interventions on specific corridors which implement higher frequency services on networks alongside bus priority measures
	Demand Responsive Transport	Pilot of a digitally enabled Demand Responsive Transport service
	Mobility Hubs	Improvements to public transport, active travel and car club provision at identified locations, alongside existing community facilities to create a local 'hub'
Bus Priority and Safety	Bus, urban traffic management and passenger information interface	Improvements to coordination and linkages between bus, urban traffic and passenger information
	Enhanced Safer Travel Partnership with West Yorkshire Police	Appointment through service level agreement with West Yorkshire Police of additional PCSO's to monitor the bus network
	Internal capacity	Internal capacity to support fares activities, network and bus performance management

Outputs and Benefits

1.21 The following scheme objectives have been identified to be achieved by 2025:

- 15% increase in bus patronage by 2025
- 5% increase in weekday modal share of bus by 2025
- Improve passenger satisfaction with value for money to 70%
- Improve satisfaction with personal security whilst on the bus to 85%
- Improved housing accessibility via the core bus network to 55%

1.22 The scheme outputs are:

- Cheaper MCard Day Saver product - reduce the price of the MCard Day Saver to £4.50 as the base fare
- Cheaper operator single fares - maximum single fare of £2
- Comms and marketing plan - comms and marketing plan detailing planned promotional activity
- Marketing campaigns - marketing campaigns to promote the fares activities
- MCard Mobile App enhancement - technological enhancement to the MCard Mobile app to facilitate free tickets
- Travel Plan Network team - expand capabilities of existing Travel Plan Network team
- Bus Network Development Plan - evolution and growth of the bus network through a network plan
- New bus services - implementation of the services derived from the plan
- Superbus corridors - higher frequency, lower fare services on corridors with bus priority measures
- Demand Responsive Transport (DRT) service - a pilot of digitally enabled DRT service
- Mobility hubs - Improvements to public transport, active travel, and car club provision at identified locations, alongside existing community facilities to create a local 'hub'
- Bus & Urban Traffic Management Plan - Plan to address issues in relation to bus, urban traffic management and passenger information
- Bus & Urban Traffic Management Interventions - Interventions to co-ordinate and link bus, urban traffic, and passenger information to be confirmed.
- Police Community Support Officers Appointment of additional PCSO's
- Internal capacity Supporting fare activities, network management and bus performance management

1.23 The scheme benefits are:

- Increase bus patronage
- Increase modal shift from bus to car
- Improve customer satisfaction with bus services
- Improve bus network accessibility to housing and employment opportunities

1.24 An assessment of the probable benefits and Value for Money position for the full BSIP Programme has not been provided. This is to be considered as part of further development of the scheme. Evidence of comparable information from similar schemes has been presented for the fare reduction element of the programme. This suggests introducing a flat fare or cheaper fares could increase trip from between 27.8% and 142%.

Risks

1.25 The scheme risks include:

- BSIP interventions fail to drive an increase in passengers returning to bus services, mitigated by continual review of interventions to ensure they are effective and regular collaboration with transport services to understand operational impacts.
- Risks around fares delivery, where receipt of funding may be later than expected, mitigated by regular engagement with DfT and closely tracking any government announcements.
- Reputational risks if the BSIP interventions are not delivered, mitigated by close working with the Combined Authority's communications team, so that public perceptions are aligned with what is actually deliverable.
- Government funding might not go far enough to deliver the extent of interventions needed to drive an increased in passenger numbers, mitigated by careful management of spending to ensure funding goes as far as it can and exploration of further sources of funding.
- Potential for bus operators to raise objections to interventions, which could cause delays, mitigated by careful stakeholder management throughout the process, including monthly Bus Alliance Boards.

Costs

1.26 The total scheme costs are £69,974,070.

1.27 The Combined Authority's contribution is £69,974,070 from the BSIP Revenue Fund. There is no other funding for this programme.

1.28 At decision point 1 (strategic assessment) £1,000,000 of development costs were approved to develop the Strategic Outline Case (SOC).

- 1.29 Due to the launch of the Mayor's Fares on 4 September 2022, this SOC is now seeking retrospective approval for the delivery costs for this element. The total funding allocated for the Mayor's Fares element is £33,974,070.
- 1.30 Approval is sought for £16,823,176 at this stage, bringing the total BSIP approval to £17,823,176. This comprises:
- £2,430,000 for BSIP development costs
 - £11,893,176 for delivery of the Mayor's Fares scheme, from its launch on 4 September 2022 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 Enhanced Safer Travel Partnership scheme (under the Supporting Bus Priority & Safety theme)

Assurance Pathway and Approval Route

- 1.31 Each BSIP intervention will have its own individual pathway through the assurance process. The assurance pathway and approval routes below are only provided for the portfolio SOC and those interventions which are moving into the delivery stage via this approval.

Bus Service Improvement Plan (BSIP) - Portfolio

Assurance pathway	Approval route	Forecast approval date
1 (strategic assessment)	Recommendation: Strategic Assessment Priority (SAP) Group Decision: Director of strategy, Communications and Policing and Director of Delivery	03/02/2022
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	18/11/2022
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	31/03/2025

Clear and Simple Fares – Mayor's Fares

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team	18/11/2022

	Decision: Transport Committee	
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	26/05/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2025

Clear and Simple Fares - Business to Customer Sales and Marketing, including behaviour change

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	18/11/2022
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2025

Clear and Simple Fares – Transport Plan Network Team

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	18/11/2022
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2025

Bus Priority and Safety - Enhanced Safer Travel Partnership scheme

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	18/11/2022
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team	27/01/2023

	Decision: Combined Authority's Director of Delivery	
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2025

Other Key Timescales

Milestone	Date
Enhanced Partnership through the Bus Alliance published	01/04/2022
Mayor's Fares Launched	04/09/2022
Completion of Delivery/outputs	Various from 2022 - 2024
Outcomes to be achieved	2025 and 2030

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +10% of those stated in this report. Delivery (DP5) timescales remain within +6 months of those outlined in this report. Outputs remain within -10% of those outlined in this report

2 Appraisal Summary

- 2.1 The BSIP Programme aligns well with a number of the Mayor's Pledges and is central to addressing a number of the pledges around buses. The BSIP programme directly contributes to the Mayoral pledge to 'bring buses back under public control, introduce simpler fares, contactless ticketing, and greener buses,' particularly in relation to the 'simpler fares' element.
- 2.2 The West Yorkshire Bus Service Improvement Plan (strategy) was published prior to the announcement of funding from the DfT. This means that the BSIP strategy is aligned against a revenue cost of £168,780 and a capital cost of £230,842, however the funding received does not include capital funding and it includes a reduced revenue fund of £69,974,000. The BSIP strategy was also for a five-year programme whereas it appears that the BSIP Programme is only for 2 ½ years (2023/24 and 2024/25). It is therefore uncertain as to how the BSIP Programme can deliver against the full BSIP strategy.
- 2.3 There seems to be a mix in the SOC of elements which speak to the BSIP Plan or Strategy, which was published prior to the funding announcement, the BSIP programme interventions which make up the £69,000,000, but then other areas are more focused on the bus fares element in isolation. It is not clear that there is a distinction between the BSIP Plan or Strategy, and the

BSIP Programme i.e., the interventions in the SOC. There is a lack of clarity in the SOC as to how the scheme has responded to the changes in funding allocation and how this has impacted on the interventions, objectives, outputs, and potential outcomes.

- 2.4 As much of the SOC is aligned against the BSIP Plan or Strategy, however the BSIP Programme does not have the full funding to achieve the ambitious BSIP Plan, it is uncertain if the stated outputs or the benefits are achievable.
- 2.5 The SOC sets out seven distinct areas which show that there is a market failure in the current bus offer in West Yorkshire. The Case for Change identifies the three broad areas to improve the bus offer and which the BSIP Programme is based on, those of faster and more reliable services, cheaper fares, and ticketing and easier to understand. As no evidence is presented to demonstrate that the proposed programme interventions will correct the market failures it is not possible to assert if the short-listed interventions or the preferred way forward have the potential to address the market failures.
- 2.6 The City Region Sustainable Transport Settlement programme is cited as a key dependency, with some elements of the BSIP Programme part funded through CRSTS. The SOC does not provide any in depth details as to what this means or how this will work.
- 2.7 It is clear from the submitted SOC that optioneering was not done in a robust and proportionate manner. Although the fare element of the options appears to have undergone some assessment, non-fare elements of options appear to not have much clarity.
- 2.8 The SOC provides very high-level details on the reimbursement scheme to bus operators and further details were not provided to the appraiser. It is understood that the arrangements are currently being drafted and have yet to be formally agreed. This element would therefore present a financial risk to the Combined Authority, by entering into the fare's reduction scheme before the reimbursement scheme is set up and agreed. It is also recommended that a financial specialist (economist) is closely involved in the development and agreement of the reimbursement scheme.
- 2.9 As a number of the interventions may require additional or further consultancy support, development of a number of different programme level business cases will be required, that a programme support consultant should be procured in order to help develop the programme level information and then each of the programme business cases
- 2.10 There are potentially some operation and maintenance costs to be funded as a result of this programme, but these are not detailed. It is stated that the total cost cannot be calculated at this time and will be considered as part of further development work. It cannot be determined at this time whether ongoing costs are affordable within current budgets and whether there are any implications resulting from this programme.

2.11 A Project Initiation Document (PID) or any other similar document has not been provided with the SOC submission. The promoter states in the SOC that a PID is still to be developed. There is also no programme provided for the BSIP programme or even a high-level programme of the interventions to cover when each would be developed, start in delivery and complete. There is also limited details on the interventions apart from fairly high-level narrative.