

Brighton & Hove City Council

Environment, Transport & Sustainability Committee

Agenda Item 14

Subject: Bus Service Improvement Plan Update and Draft Enhanced Partnership Agreement

Date of meeting: 21 June 2022

Report of: Interim Executive Director for Economy, Environment & Culture

Contact Officer: Name: Owen McElroy
Tel: 01273 293693
Email: owen.mcelroy@brighton-hove.gov.uk

Ward(s) affected: All

For general release

Note: The special circumstances for non-compliance with Council Procedure Rule 7, Access to Information Rule 5 and Section 100B (4) of the Local Government Act as amended (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that...officers were unable to finalise the report as special meetings had been called at short notice by the Department of Transport (DfT), after the deadline for publication, which could have had material impact on the content of the report. The timetable for the process of creating an Enhanced partnership is set by the DfT and is extremely tight.

1. Purpose of the report and policy context

1.1 This report provides an update on the indicative funding awarded by the Department for Transport (DfT) for the Bus Service Improvement Plan (BSIP). It sets out the process required to secure this funding and the priorities officers recommend in response to the DfT's requirements.

1.2 The report also provides a draft of the Enhanced Partnership Agreement. This will be an agreement between the Council and bus operators setting out the measures each will deliver, including those enabled by this funding. The draft Enhanced Partnership Agreement will need to be submitted to the DfT by the end of June. Funding will only be released when this document has been reviewed by the DfT and it has agreed the commitments it will fund.

2. Recommendations

That the Environment, Transport & Sustainability Committee:

2.1 Notes the indicative allocation of £27.9m funding to deliver the BSIP and the steps needed to secure this funding.

2.2 Approves the draft Enhanced Partnership Agreement and Scheme.

- 2.3 Grants delegated authority to the Executive Director for Economy, Environment & Culture to approve any amendments to the Enhanced Partnership Agreement and Scheme that the Executive Director, in consultation with the Chair(s) of ETS and ETS Lead Spokespersons, considers appropriate or expedient or following any feedback that may be received from the DfT and responses from members of the Quality Bus Partnership.

3. Context and background information

Background to the BSIP and Enhanced Partnership

- 3.1 The requirement for Local Transport Authorities to produce a BSIP and enter an Enhanced Partnership with bus operators was announced by the government in its National Bus Strategy in March 2021.
- 3.2 The BSIP is a strategic document setting out the vision of the Council and operators for improved bus services. The Enhanced Partnership is a formal agreement between the Council and operators to deliver these improvements. This will replace the Quality Bus Partnership, which is a longstanding voluntary arrangement between the Council and operators. The main difference is that the Enhanced Partnership would place legally binding commitments on both.
- 3.3 The ETS Committee agreed to begin the process of forming the Enhanced Partnership in June 2021 and it approved a draft BSIP in September 2021. The final BSIP was then submitted to the DfT in October 2021. This can be viewed at www.brighton-hove.gov.uk/busserviceimprovementplan
- 3.4 To establish the Enhanced Partnership, the Council needs to follow a statutory process¹. This includes an objection period for bus operators and statutory consultation, including with passenger groups. The DfT had originally asked for Enhanced Partnerships to be established by April 2022. Officers had therefore expedited the process and carried out consultations on a draft of the Enhanced Partnership Plan and Scheme. The draft document was relatively light on commitments because these would be subject to funding. However, following the announcement of indicative funding, the DfT has asked successful authorities to incorporate into the Enhanced Partnership Scheme the interventions that the DfT will be funding.
- 3.5 Once the revised draft of the Enhanced Partnership Plan and Scheme has been agreed by the DfT, the statutory process for consulting on and adopting it will need to begin. It is only at the conclusion of that consultation process that the Enhanced Partnership Plan and Scheme will be adopted. At that point, the obligations within the Plan and Scheme would become binding for the Council and bus operators.

Indicative funding and DfT requirements

¹For full details see <https://www.gov.uk/government/publications/bus-services-act-2017-enhanced-partnership-creation>

- 3.6 All Local Transport Authorities submitted BSIPs to be reviewed by the DfT. Following that review, the DfT announced indicative funding in April 2022². The Council was one of only 31 Local Authorities / authority areas (out of 70) to receive indicative funding.
- 3.7 The indicative funding for Brighton & Hove is £27,854,330. Of this, £5,287,500 is capital, to be spent on infrastructure. The remaining £22,566,830 is revenue, to be spent on things such as fare offers and supported bus services.
- 3.8 This funding is indicative only and the DfT has set out a number of requirements that the Council needs to meet. The main requirements and restrictions are summarised below. The full letter from the DfT is provided in Appendix A.
- 3.9 To secure the funding, there are two additional requirements.
- The Council had to submit further details on the proposed priority measures and funding allocations. This submission was prepared in discussion with operators, the ETS Chairs and ETS Spokespersons and was required to be submitted, and was submitted, within a month of the funding announcement.
 - The Council must now submit a revised draft Enhanced Partnership Plan and Scheme to the DfT by the end of June 2022. This draft will need to incorporate the interventions that the Council proposes to fund using the BSIP funding. It will also need to be accompanied by letters of support from bus operators and a statement from the Council's Chief Finance Officer (Section 151 Officer) that the proposal represents value for money.
- 3.10 Feedback from the DfT is expected at any point in the process and such feedback is likely to require short notice responses and result in changes to the proposed documents. This may require officers to use delegated powers to make changes as set out in the recommendations.
- 3.11 The DfT has outlined its main priorities as:
- Bus priority – using the capital allocation specifically for bus lanes and bus restricted roads.
 - Fares – Reductions and simplification.
 - Services – Increased frequencies and new routes where these are needed and would be expected to increase bus use.
- 3.12 The reason for a focus on bus priority is to improve the experience of bus users but also reduce congestion which increases operational costs and, ultimately, bus fares. The need to go further with bus priority was also made clear during a clarification meeting and subsequent correspondence with the DfT in February 2022.

² Full details of the indicative funding announcement and the allocations made to each authority can be found at: <https://dft-newsroom.prgloo.com/news/cheaper-and-better-buses-in-gbp-7bn-package-to-level-up-transport-outside-london-1>

3.13 The DfT has said that the grant cannot be used for:

- The cost of new buses or equipment for existing buses. This would include zero emissions buses.
- Support for existing services such as covering existing council budgets or replacing government pandemic support funding (ending in October 2022) to prevent service reductions.
- Road schemes where buses are not the primary beneficiary.
- Generic marketing costs – funding for marketing should be for campaigns associated with new interventions, fare offers etc.
- Maintenance of existing infrastructure.

3.14 In addition, situations which will create a 'cliff edge' need to be avoided. This would be where there is a widespread withdrawal of services and/or increase in fares once the funding has ended. This is considered further under 'consideration of alternatives' in Section 4 below.

Summary of recommended priorities

3.15 The proposals recommended for prioritisation are consistent with those included in the BSIP approved by this committee in September 2021. They are also consistent with the Council's wider plans including the Local Transport Plan, Council Plan and 2030 Carbon Neutral Programme. It is also relevant to the recommendations of the Climate Assembly including:

- Recommendation 2 that the public transport system should be affordable/accessible.
- Recommendation 8 to make public transport a more convenient alternative to driving a car.

3.16 The remainder of this section summarises the priority area where funding has been requested from the DfT.

3.17 There is a package of measures proposed to provide **simpler and lower fares**. Proposals are being developed and subject to full costings and agreement of details with operators; however, priorities have been identified as follows:

- Free bus travel for accompanied children and young people. This would be an extension of the offer currently only available at weekends during Christmas and some school holidays; however, time periods and age restrictions are subject to further investigation.
- Reduction of fares and simplification of ticketing for young people, including price capping.
- Review zone-based fares (centreFare) to address fairness and reduce the cost of single fares for shorter journeys outside of the central area, including to suburban estates. However, this will mean that some users will inevitably pay a higher fare, at least initially

- Investigate and review how we can standardise the cost of fares by different payment methods (Contactless, mobile, and key card). This is to simplify fares and make it easier to get the lowest priced ticket. Currently contactless is the most convenient but more expensive than other non-cash payment methods. However it should be noted there is an advantage to incentivize cashless payment as this reduces dwell time as speeds up bus journeys
- 3.18 There have been additional requests to provide discounted travel for care workers and free travel for care leavers. This is being considered as part of the overall package of fare initiatives. It should be noted that the DfT has indicated that BSIP funding is intended chiefly as a measure to boost bus patronage rather than a cost-of-living mitigation
- 3.19 The funding would also be used to develop additional **bus priority infrastructure**. The projects identified are consistent with those in the BSIP, including those within the Council's Bus Network Review. These have been prioritised to reflect the DfT's request to focus on larger scale interventions that will have the most benefit for bus journey times and reliability. Funding has therefore been requested for the following locations:
- Western Road / Dyke Road junction (scheme already agreed).
 - A23 southbound bus lane extension between Patcham Village and Carden Avenue.
 - A23 southbound bus lane between Stanford Avenue and Preston Circus.
 - Extension to eastbound A259 bus lane between Roedean Road and Greenways (Ovingdean roundabout).
 - New westbound bus lane on A259 between Lower Rock Gardens and Brighton Palace Pier.
 - Review of traffic restrictions on Lewes Road south of the Vogue Gyrotory with a view to providing bus priority to feed into the existing Lewes Road bus lanes.
 - Redesign of junction with Portland Road, Sackville Road, Clarendon Villas and Blatchington Road.
 - Incorporation of bus detection and priority at traffic signals on Ditchling Road and Dyke Road.
- 3.20 Improvements to **supported bus services** will be subject to the outcome of procurement processes. However, funding has been requested for the following:
- Introduction of an 'Express' service from the west of the city.
 - Removal of the council-supported 57 Sunday service (Saltdean-Brighton Station) and replacement with a seven-day service on the 47 and 52.
 - Weekday service on the Breeze up to the Downs service 78 to Stanmer Village.
 - Potential improved frequencies on council-supported services currently operated by Compass and The Big Lemon.
 - Improvements to connectivity in East Brighton.

- Rescheduling of buses serving Longhill School to provide a later start.
- 3.21 Regarding improvements in East Brighton, this could be in the form of amendments to existing services or the introduction of a new service. A new service has been explored by officers previously; however, this would require significant funding that was previously unavailable. The BSIP funding provides an opportunity to progress this, and officers are currently exploring options. The outcome of this work will be shared with members of the ETS Committee and Ward Members as soon as possible.
- 3.22 Regarding the potential Longhill School improvements, it should be noted that there is a particular risk of taking on any new school services as any BSIP funding would be time limited and City Transport could not fund beyond March 2025.
- 3.23 Other proposals recommended for prioritisation are:
- **Bus stops review** on selected main bus routes. This is intended to speed up buses where stops are very frequent and improve bus stop facilities. Locations and the number of stops are subject to further investigation.
 - **'Superhub' bus shelters**, including features such as green rooves, interactive screens and wifi. It is expected these would be located at interchange locations, the number of which is subject to costs.
 - Funding of a **dedicated enforcement officer** to address obstructions on bus routes and stops for three years.
 - Support for the introduction of **red routes** on the A23 and Lewes Road.
 - Develop **improved printed information at stops**, including maps.
 - **Extend customer contact service hours** beyond 7pm.
 - **Marketing** to support the above interventions.
- 3.24 Aspirations included in the BSIP but not included in the above list, such as zero emissions buses, could still be included in the Enhanced Partnership Plan and Scheme as requirements for bus operators. Any commitments would however be subject to their agreement.

Draft Enhanced Partnership

- 3.25 Appendix B is a copy of the draft Enhanced Partnership documents. This includes:
- An introduction summarising how it reflects each of the aspirations included in the BSIP.
 - An Enhanced Partnership Plan setting out the purpose of and background to the Enhanced Partnership.
 - An Enhanced Partnership Scheme which outlines the commitments from the Council and bus operators. It also includes governance arrangements for the Enhanced Partnership.

- 3.26 A small number of measures for which funding can be allocated do not need to be included in the Enhanced Partnership Plan or Scheme. This applies mainly to the enhancements to supported bus services. The DfT instead require a separate document outlining the schemes and how they will be delivered. This is provided in Appendix 3.

4. Analysis and consideration of alternative options

- 4.1 There is not an option to spend the funding on other transport schemes that are not consistent with the BSIP, as this would not be in line with the DfT's requirements. The BSIP has also already been subject to scrutiny from the DfT and HM Treasury, as well as agreement with bus operators.
- 4.2 In relation to infrastructure schemes, the DfT's funding announcement letter states they will not fund "any schemes where it is not clear that the primary benefits accrue to buses – e.g. road schemes which increase network capacity with only a tangential or subsidiary benefit to bus services".
- 4.3 For active travel, the government's LTN 1/20 Cycle Infrastructure Design Guidance requires all government funded transport schemes to consider the needs of pedestrians and cyclists. The schemes proposed are deemed compatible with the Council's Local Cycling and Walking Infrastructure Plan (LCWIP) with scope for projects to at least be future proofed, although supplementary funding may be needed to deliver wider schemes.
- 4.4 One consideration could be to use the funding for the development of a park & ride scheme. No funding has been specifically requested or awarded for this on the basis that a commercially funded trial was to take place in summer 2022. Brighton & Hove Bus Company have since withdrawn from the scheme and the South Downs National Park Authority had said a planning application would be required, which they would be minded to refuse. However, funding has already been identified for a Feasibility Study. This is proposed to go ahead regardless of BSIP funding. It is not considered appropriate to request additional funding for implementation of a scheme at this stage and such a request is unlikely to be supported by the DfT.
- 4.5 From the revenue funding, it would be possible to fund other services or routes; however, this would be in place of other measures identified. As noted in paragraph 3.8 above, the measures that have been identified have been recommended as they reflect the approved BSIP and the DfT guidance. The BSIP does identify the potential for improvements to services to the north of Brighton & Hove to provide a better alternative for those travelling into the city. This need was also identified by East Sussex and West Sussex County Councils; however, their respective revenue allocations mean that they are no longer able to prioritise this. It remains in the BSIP as an aspiration, but it is not proposed to progress it further at this current time.

- 4.6 More funding could be used for school services which the Council has had requests for from some schools. However, this is not specifically the purpose of the funding and it should not be used to fund services that the Council has a statutory responsibility for or already funds. It would not be recommended to fund additional discretionary services. This is because new school services are unlikely to become commercially viable when funding has ended. Indeed, most school services are only possible as a result of their integration with existing commercial services. This would therefore result in the withdrawal of services which could be challenging, particularly if school choices had been made on the basis that the service was available. Alternatively, the Council would need to identify additional funding. Nevertheless, the BSIP commits to a review of school services at an appropriate time in the future. It is recommended that more time be allowed for post-pandemic patterns of demand to be established and identified, which should also be coordinated with any future review of school catchments.
- 4.7 The funding for fares could potentially be used to provide lower fares for all. However, despite the large sum requested to implement fare offers (£13.2m over three years), this would be spread thinly across a large number of bus journeys. The impact of any reduction would therefore be likely to be less noticeable and not provide the 'eye-catching' initiatives the DfT are looking for to entice more people on to buses. The proposed package of measures is intended to do this and all passengers would be expected to benefit from the simplification of payment options and savings as a result.
- 4.8 An alternative option to that in paragraph 4.7 above would be further targeting of the fare reductions to certain groups such as those on low income. This could include means testing. However, a key purpose of the funding is to increase bus use and make it attractive to all. The package of offers proposed as part of the Enhanced Partnership (see paragraph 3.17) would still benefit those on low incomes, whilst the draft Enhanced Partnership Scheme includes a commitment to do more to promote existing offers for these groups.
- 4.9 Another option to consider would be to reduce the number of revenue funded initiatives and focus the £22.6m funding on a single area. All of that funding could be used, for example, to provide free travel for under 18s at all times. However, this would not meet certain other purposes of the funding identified by the DfT so is unlikely to be agreeable in that respect. As noted above, the DfT has also said schemes with a likely 'cliff edge' need to be avoided. Even were the DfT to fund such measures, the impact on future Council budgets of sustaining them, or the negative public reaction resulting from their withdrawal, also needs to be considered. A scheme such as free fares for all young people would not be commercially viable and would therefore require a substantial annual subsidy from the Council were it to continue. It has previously been estimated that this would cost at least £6m per year, although this would be subject to further modelling and the costs of extra buses to service the additional demand.

4.10 A further option would be to do nothing and not accept the funding. Officers consider that this would represent a significant missed opportunity to implement much of the BSIP and, through this work, to support the city's recovery from the pandemic and efforts to achieve carbon neutrality by 2030. In addition, it is now a DfT requirement (see paragraph 3.1) that the Council enters into an Enhanced Partnership with bus operators and the DfT has said this will be a requirement of future bus and non-bus transport funding. It is considered that the overall benefits and long-term opportunities that the funding brings would outweigh the difficulties that may arise if any measures have to be withdrawn when funding ends.

5. Community engagement and consultation

5.1 The DfT did not require full public consultation to be completed when preparing BSIPs. The deadlines set by the DfT, combined with committee timescales, meant there was little time to produce the BSIP and, as such, a full public consultation was not undertaken. A reason for the deadlines set by the DfT was so that BSIPs and Enhanced Partnerships are in place to help bus services recover from the pandemic.

5.2 These timescales are not within the control of the Council and indeed a considerable amount of additional work has been done using existing resources. Nevertheless, officers engaged with representatives of bus users, disabled people, and business groups in accordance with DfT guidance. The BSIP was also developed in consultation with the Quality Bus Partnership. The Quality Bus Partnership is formed of all bus operators in the city and Brighton Area Buswatch who represent bus users. The BSIP also draws together other recent surveys including bus passenger surveys and results for Brighton & Hove from the annual National Highways and Transport survey.

5.3 These sources and a summary of the engagement undertaken is summarised in full in the BSIP (see Section 4).

5.4 For the further prioritisation work undertaken, one month was provided by the DfT to respond. Bus operators, ETS Chairs and ETS Spokespersons were consulted during this time.

5.5 The formation of the Enhanced Partnership will follow a statutory process once the draft Enhanced Partnership Plan and Scheme have been reviewed by the DfT in the summer (2022). In addition, specific schemes would be subject to public consultation and/or engagement with relevant stakeholders as the schemes come forward, depending on the nature of each scheme. For example, bus priority proposals would typically include a public consultation, whereas measures to improve bus accessibility would be subject to targeted engagement with bus users.

6. Conclusion

- 6.1 This report has provided an update on the indicative funding awarded for the BSIP. It has also summarised the draft Enhanced Partnership Plan and Scheme.
- 6.2 The reasons for requesting delegated authority to amend and submit the final Enhanced Partnership documents are to be able to incorporate any feedback received from the DfT and responses from members of the Quality Bus Partnership, and to comply with funding deadlines.
- 6.3 The DfT requires the BSIP to be updated annually with the first update due in October 2022. An update report on this will be presented to a future meeting of the ETS Committee.

7. Financial implications

- 7.1 The indicative funding for Brighton & Hove is £27,854,330. Of this, £5,287,500 is capital and £22,566,830 is revenue and is phased over the Bus Service Improvement Plan from 2022/23 to 2024/25. No grant agreement has been provided at this stage as funding confirmation is conditional on submission of a revised draft Enhanced Partnership Plan and Chief Finance Officer statement that the proposals represent value for money. The funding cannot be spent until the proposed interventions have been agreed by the DfT in accordance with the process outlined in this report.
- 7.2 The DfT has stated that it expects in return for the funding that the Council commits to maintaining planned 2022/23 levels of bus funding for the duration of the funding period from all sources and that base funding for buses is not reduced.
- 7.3 The funding cannot be used to pay for existing supported bus or commercial services. Were current supported bus service contracts to be extended beyond their current expiry dates (September or November 2022) on the current pandemic recovery contracts, an overspend on supported bus service budgets may occur. This is because of the increased costs of operating these services along with the council taking the revenue risk. However, the overspend would be lower if passenger numbers increase. The overspend could be higher if the Council is required to step in to fund commercial services that are withdrawn when DfT pandemic recovery funding for operators ends in October.
- 7.4 Although the BSIP funding cannot be used to support existing services, there is an opportunity to use it to fund changes to them. Any significant variations to budget will be reported as part of the council's monthly budget monitoring process.

Name of finance officer consulted: John Lack Date consulted: 26/05//22

8. Legal implications

- 8.1 The Enhanced Partnership Plan and Scheme will need to be prepared and implemented in accordance with the requirements of the Transport Act 2000 and the Bus Services Act 2017.

Name of lawyer consulted: David Fairfield Date consulted: 17/05/22

9. Equalities implications

- 9.1 The Council is a strong advocate for supporting access to sustainable and efficient public transport for all its residents and visitors. It facilitates this through substantial funding for concessionary travel and supported bus services across the city.
- 9.2 The commitments proposed in the Enhanced Partnership Scheme will be expected to further improve access to public transport for a number of groups protected under the Equality Act 2010. This includes an accessibility standard to be applied to all buses operating in the city. It also contains a commitment for bus operators to provide a guaranteed taxi ride home in the event that a wheelchair space is occupied. The proposed fare offers and improvements to supported services will also be expected to benefit a number of groups protected under the Equality Act 2010. An Equalities Impact Assessment is provided in Appendix C.

10. Sustainability implications

- 10.1 Returning the proportion of trips undertaken by bus to pre-pandemic levels and growing this further will be important in helping the Council to meet its climate change targets, including commitment to a carbon neutral city by 2030. The aspirations of the National Bus Strategy and report recommendations are consistent with these aims.

11. Other implications

- 11.1 None identified.

12. Social Value and procurement implications

- 12.1 The procurement process for new and enhanced services is to be confirmed with the process dependent on the final funding award and interventions to be taken forward. Social value will be considered as part of this process.

13. Crime & disorder implications:

- 13.1 None identified.

14. Public health implications:

- 14.1 Reducing the number of trips made by private car has benefits for air quality whilst bus use has the potential to encourage active travel through walking to bus stops and reducing the need for car ownership.

Supporting Documentation

1. Appendices

- A. DfT Letter outlining the indicative funding allocation and requirements
- B. Draft Enhanced Partnership Plan and Scheme
- C. Equalities Impact Assessment

2. Background documents

Bus Service Improvement Plan:

www.brighton-hove.gov.uk/busserviceimprovementplan