

WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE

19 JULY 2019

REPORT SUMMARY SHEET

BUS INFRASTRUCTURE DELIVERY UPDATE

Purpose

The report seeks in-principle agreement for the recruitment of a project management post to support the delivery of the bus infrastructure and complementary schemes.

The report also provides an update for members on progress with the West of England bus strategy and the proposed next stages related specifically to bus infrastructure.

Summary

This report includes the following key information:

- Background on the work undertaken so far on the bus strategy.
- Details of the approach to managing a programme of bus infrastructure improvements.
- Information about other measures in development which would support the region's offer as part of the emerging bus partnership framework.

Recommendations

Members of the Combined Authority Committee are asked to:

1. Endorse the approach to progress the bus infrastructure proposals.
2. Approve the recruitment of a senior project manager to co-ordinate the delivery of the bus infrastructure proposals in the short to medium term.
3. Note the proposed draw down of £200k to resource the bus programme, bus deal principles and progress the further development of the bus strategy in advance of public consultation; and delegate approval of the detail of the award through a Feasibility and Development Funding Application to the West of England Combined Authority Chief Executive in consultation with the West of England Chief Executives.

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REPORT TO: WECA COMMITTEE

DATE: 19 JULY 2019

REPORT TITLE: BUS INFRASTRUCTURE DELIVERY UPDATE

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1. Purpose of Report

- 1.1 To seek in principle agreement for the recruitment of a project management post to support the delivery of the bus infrastructure and complementary schemes.
- 1.2 To update members on progress with the West of England bus strategy, and the proposed next stages related specifically to bus infrastructure.

2. Background

2.1 The Bus Strategy is a Mayoral function and is an integral element to the draft Joint Local Transport Plan 4 (JLTP4). A working group chaired by WECA and made up of officers from all the local authorities, including North Somerset Council, are producing the Bus Strategy document.

2.2 The strategy is one of three interlinked projects which support the delivery of bus services within the region:

- Bus Strategy;
- Bus Infrastructure delivery; and
- Integrated Ticketing.

All three projects are progressing in parallel, and although complementary, are not critical path dependent upon each other at the current time.

2.3 In addition, powers available to Local Authorities through the Bus Services Act 2017 permit WECA to take a proactive role in the bus service provision for the Region. As a minimum, this is likely to initially entail WECA and the Constituent Authorities entering into an agreement with bus operators regarding joint (authority and operator) investment in bus infrastructure and services.

Bus Strategy - Update

2.4 Progress with the bus strategy was last reported to WECA Committee on 30th November 2018, and further progress is summarised below.

Stage 1 of the bus strategy was commenced in Summer 2018, with the following work areas:

- Confirmation of strategy objectives (linked to the JLTP objectives);
- Commissioning of consultant support (Arup);
- A first round of operator engagement, to clarify operator opinion at an early stage on the issues they face;
- An assessment of the performance of the current network;
- The production of an operating cost model (to provide an independent understanding of network operating cost and revenue levels);

- A high-level assessment of delivery mechanisms; and
- Production of an overview document alongside the Joint Local Transport Plan.

2.5 The second phase of the work is currently underway and includes the following work areas:

- Completion of the network review;
- An assessment of options for changes to the network, including rural and inter-urban networks and analysis of the current local market and further operator engagement;
- Bus information and ticketing strategies;
- The subsequent production of a strategy document to support consultation on key principles; and
- Consultation and subsequent adoption.

2.6 It is clear that the level of detail involved in elements such as the route analysis, operator engagement and assessment of operating cost models has required considerably more detail than the joint officer working group had envisaged. In addition, it has recently been agreed to widen the scope of the current strategy to include developing the understanding of the rural bus provision, supported services and community transport across the region and the potential for these to be adjusted to reflect current stakeholder aspirations.

2.7 The review of the network has estimated total operating costs for the network at around £105 million per year. There is a relatively small amount of service competition between operators, but no evidence of excess profiteering. Although detailed analysis has not been possible, FirstGroup's recently published accounts indicate an operating profit of around 7.5% for Firstbus as a whole.

2.8 Journey times are unpredictable due to traffic congestion (including roadworks) and there has been a progressive reduction in the number of urban cross-city services as a result. Services to rural areas have been historically reliant on revenue support and financial risks to operators have increased pressure on local authority budgets. Bus fares are broadly comparable with other equivalent areas of the UK, although passengers relate to specific routes rather than a network as a whole, which suggests untapped demand.

2.9 An appraisal of alternative network options forms a key part of the work programme. Arup have suggested that the promotion and operation of an interchange-based network has significant potential to boost passenger numbers, by opening up a wider range of potential trips, simplifying the network and passengers' awareness of it and normalising the concept of transfer. However, an interchange-based network, where passengers can access wider destinations outside of the central areas, will require a significantly higher proportion of cross-city services than is currently the case, (operators have tended to split cross-city services in the city centre due to reliability issues). This will require the provision (and enforcement) of further bus priority measures together with improvements in ticketing and information provision. Work on network options to date has focussed on the wider Bristol urban area and further assessment and funding is required to cover inter-urban corridors, rural areas, free-standing towns and city centres.

2.10 The need for bus revenue support is expected to remain for the foreseeable future, and the strategy will include a review of how supported services are prioritised to take better account of issues such as links to economic output, available alternatives, rural isolation and the need to provide socially-necessary/inclusive services. The network review will also consider the role and extent of community transport operations.

2.11 The appraisal of delivery frameworks to date has involved assessments of franchising (where local authorities and/or WECA would specify fares and frequencies and bus operators tender to provide them), alongside an Enhanced Partnership Plan (which provides some additional powers to current arrangements), and existing operating arrangements.

- 2.12 Franchising allows an authority to specify and tender for bus services provision and receive the fare box related to the services. This allows greater control over service levels but transfers the risk regarding revenue generation from fares (from which to pay the operator) to the Authority, rather than this resting with the bus operator as a commercial venture. Operators tendered rates will inevitably still include a commercial profit and franchising itself does not generate additional patronage or revenue into the system. Hence it is also important to highlight that any franchising recommendation may have significant implications for revenue support budgets which would need to be underwritten by the constituent authorities.
- 2.13 Following engagement with operators, and the expansion of scope to cover subsidised services and community transport, consultation on key principles is now scheduled to be undertaken in late 2019, including soliciting views on an interchange-based network approach, support for reallocation of road space from car to bus, cross-subsidy between routes and priorities for bus revenue support.
- 2.14 Work areas have proved to be substantial and interlinked, and a total of £100k further funding is required (included in the funding request within this report) to complete the appraisal to a sufficient standard to support public consultation later in the year.

3 Bus Infrastructure

- 3.1 Significant investment has been made in public transport infrastructure improvements across the region over the past 10 years. This has contributed to the significant recent growth in bus passenger numbers, against a declining national picture. To capitalise and build upon this success, additional bus infrastructure options are being developed by the UA's, their consultants and the operators.
- 3.2 To progress the delivery of these infrastructure improvements across the region, there is a need for centralised co-ordination / programming. This will allow infrastructure schemes to better complement each other authority boundaries and for the infrastructure to better align with the bus strategy and integrated ticketing programme. This will bring more effectiveness to negotiations with operators in relation to potential enhance quality partnerships and / or a regional 'bus deal'.
- 3.3 The proposals are primarily corridor based and can be broadly categorised as looking at introducing / improving bus lane infrastructure, upgraded stop infrastructure and traffic management improvements.
- 3.4 As the proposals have been developed by different organisations, they have been completed to varying levels of detail. To enable a delivery programme to be developed, there is a need to undertake further assessment and appraisal on the long list, with specific focus on fast track schemes which can be constructed within the next two years. The appraisal criteria for the fast track schemes are to be confirmed but are likely to focus on proposals which improve journey times through, for example, re-phasing of traffic signals, remodelling of bus stops and pedestrian crossing facilities or more modest infrastructure changes at local congestion hot-spots.
- 3.5 There is also a need to develop and coordinate other elements of the 'bus deal';
- Further develop and refine overall strategy and direction of Bus Deal;
 - Co-ordinate with integrated ticketing strategy;
 - Develop strategic bus governance processes;
 - Co-ordinate complimentary measures, such as branding, communications etc; and
 - Co-ordinate the approach to future constraint measures such as private car access to central areas, cost and availability of central parking etc.

3.6 The successful delivery of the tasks outlined above, which are essential to the success of the overall bus deal over the next 2 to 5 years will require procurement of a dedicated officer resource. They will primarily co-ordinate the bus infrastructure programme, but will also take a lead role in agreeing the terms of partnership working and associated agreements with bus operators.

Alignment with other work

3.7 There are multiple major bus schemes proposed for the region as well as numerous complimentary work strands in development, such as:

Example potential bus schemes:

- The consolidation of existing metrobus routes;
- The rollout of future metrobus routes;
- Bath area bus improvements
- Strategic park and ride sites
- Greater Bristol Bus Network II

Example complimentary work strands:

- MetroWest and urban rail improvements.
- The completion of the West of England Mass Transit Early Phase Options Report.
- Greater Bristol Area Feasibility Study, (at the sub national / regional level): WECA/DfT;
- BSWEL (Bristol South West Economic Link): North Somerset Council;

The Integrated Ticketing report on this agenda provides further detail of one of the complementary projects within the emerging bus partnership framework.

Timescales and resources

3.8 Assessment / appraisal work is required to collate potential bus schemes across the region and to identify schemes which provide opportunities to fast track some key elements of infrastructure. There may also be the need to potentially remove / rescope undeliverable schemes, or schemes with limited benefit to a negotiated partnership arrangement with operators. Given the nature and scope of the work required, it is anticipated that WECA will need to procure support from consultants to develop the detail of any schemes to allow assessment / appraisal to be undertaken. Further support to develop the associated businesses cases may also be required.

3.9 This assessment / appraisal work is to be progressed over next few months, with the developed programme and supporting business case to be presented to the committee later this financial year for approval.

3.10 The development and formation of the Strategic bus governance is to be scoped and delivered over the next few months, with the aim of implementing revised and co-ordinated governance in 2019. This governance will be agreed with Directors across the region but is likely to replicate the current Programme Board arrangement for rail schemes, where a single board oversees and co-ordinates, at a high level, a range of significant individual projects each with its own project team and project board.

4 Consultation

4.1 The objective of step change in public transport mode share is clearly stated within the current draft JLTP. The Draft JLTP was approved for consultation by the West of England Joint Committee on the 18th January 2019 and public consultation undertaken through February

and March. It is anticipated that the JLTP would be adopted in 2019.

4.2 It is proposed to consult on the bus strategy towards the end of 2019. Individual schemes developed by UA's would still be subject to the current WECA business case submission and approval process. Any approved schemes would still be subject to usual design and public consultation processes

4.3 North Somerset Council will be involved in the discussions regarding the developing bus strategy and consideration of rural transport solutions so that consistency and (where possible) co-ordination can occur across the region. In addition, North Somerset Council will also be involved in any discussions regarding a Head of Terms Agreement with bus operators so that a consistent template could be applied across the West of England region in the future.

5 Other Options Considered

5.1 An increase in bus mode share within the region is a central pillar to the identified strategic approach within the draft JLTP. A do-nothing approach would leave a significant portion of the JLTP requirements underdeveloped and unable to be progressed.

5.2 In addition, the approval of this work would be timely in providing reassurance to stakeholders as part of the JLTP consultation and as part of the Joint Spatial Plan Examination in Public, that key projects are being taken towards delivery.

6 Risk Management/Assessment

6.1 Risks exist in relation to a do-nothing approach and the effect this will have on restricting development and growth as well as the impact that the lack of forward planning could have on the confidence around both the Joint Local Transport Plan and Joint Spatial Plan.

6.2 Risks also exist around the current high level of scheme designs and the affordability / ability to deliver the proposals. The requirement to develop scheme designs to undertake further appraisal will manage the risk of unaffordable / undeliverable proposals being advanced. The requirement for a scheme Benefit Cost Ratio (BCR) > 2.0 also ensures value for money in relation to the capital investment.

7 Public Sector Equality Duties

7.1 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

7.2 The Act explains that having due regard for advancing equality involves:

- Removing or minimizing disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

- 7.3 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
- 7.4 An Equality Impact Assessment and a Health Impact Assessment has been undertaken as part of Environment Report for the new JLTP4.

8 Finance Implications, including economic impact assessment where appropriate

8.1 The prioritisation report (WECA committee 14.06.2019, Item 13) provides a provisional funding allocation of £200k for the Bus Strategy and Deal.

8.2 The bus infrastructure proposals within this report have a number of financial implications:

- Funding of officer resources to coordinate and programme works.
- Further scheme development and appraisal will need to be undertaken for majority of schemes, together with associated costs, to work up proposals.
- Scheme construction costs will also be required for schemes approved at full business case.

8.3 An initial sum of £200k is required to complete the bus strategy and establish early project support to develop the governance, programme and agreement of bus deal principles. This funding will be released through the completion and approval of a Feasibility and Development Funding Applications.

8.4 The outcome the long list appraisal work, the developed scheme programme and supporting business cases will be brought to committee as part of future business case approvals related to allocation of the WECA Investment Fund.

Advice given by: Malcolm Coe, Director of Finance

9 Legal Implications

- 9.1 The development of any partnership arrangement will require legal consideration with regard to the content of potential agreements and alignment with the Bus Services Act 2017. It is anticipated that initially a Head of Terms agreement would be entered into with the bus operators in advance of future agreement on the more details content relating to bus infrastructure provision and funding.

Advice given by: Shahzia Daya, Director of Legal

Land/Property Implications

- 10.1 None arising from this report. Land/property implications arising from the overall project or individual elements / schemes will be managed through their respective design processes.

Human Resources Implications

- 11.1 Initially it is anticipated that a senior project manager would be appointed to develop and lead the bus infrastructure programme. This will require a level of seniority and mix of skills

consistent with the complexity of the project. Given the timescale of the post, this will require selection through an open recruitment process. The first 12-18 months of this post will be funded from the allocation being requested in this report and it is expected that ongoing costs, as the bus infrastructure programme develops, will be funded through the capital programme.

Advice given by: Alex Holly, Head of Human Resources

12. RECOMMENDATION:

- 12.1 The Committee is asked to endorse the approach to progress the bus infrastructure proposals.**
- 12.2 The Committee is asked to approve the recruitment of a senior project manager to co-ordinate the delivery of the bus infrastructure proposals in the short to medium term.**
- 12.3 The committee is asked to note the proposed draw down of £200k to resource the bus programme, bus deal principles, progress the further development of the bus strategy in advance of public consultation, and delegate approval of the detail of the award through a Feasibility and Development Funding Application to the WECA Chief Executive in consultation with the West of England Chief Executives.**

Appendices

None.

Background papers:

West of England draft Joint Local Transport Plan 4, WECA committee 18th January 2019

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: democratic.services@westofengland-ca.gov.uk