

REPORT TO: Environment & Urban Renewal
Policy & Performance Board

DATE: 22 September 2021

REPORTING OFFICER: Strategic Director Enterprise, Community
& Resources

PORTFOLIO: Environment & Urban Renewal

SUBJECT: Bus Service Improvement Plan (BSIP)

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 This report provides an overview on the recent publication of the Bus Back Better Bus Strategy for England (the “Strategy”), the associated funding from the Department for Transport (DfT), and the requirement for Bus Service Improvement Plans (BSIPs).
- 1.2 It is important to note that it is the Liverpool City Region Combined Authority is the Local Transport Authority for Halton. A BSIP covering the City Region area will be submitted to the DfT by the Combined Authority in October 2021.
- 1.3 This report sets out Halton’s ‘ask’ of Government in relation to bus service improvement in Halton that will feature in the CA BSIP.

2.0 RECOMMENDATION: That

- 1) the proposals set out in Appendix 1 for frequency improvements to the current bus network be supported; and**
- 2) the proposals for highway and infrastructure improvements to tackle bus service delay hot-spots (Appendix 2) be endorsed.**

3.0 SUPPORTING INFORMATION

- 3.1 On the 15th March 2021, the Government launched the Bus Back Better Strategy. Funding of £3 billion has been announced to help deliver changes to the bus network across England. A key driver in the wake of covid is to avoid a car led economic recovery.
- 3.2 The Strategy sets out an ambition for a high frequency, reliable, punctual, and low cost passenger bus network. In addition, there is a desire to address the decarbonisation agenda. The implications of the Strategy reach further than the bus operators; in that the Government wishes to

see Local Transport Authorities (LTAs) make ambitious highway improvements which prioritise buses in terms of road space.

3.3 The Strategy describes how funding can be secured by providing high frequency services that reach into and continue in the evenings and weekends, to reflect people's 24-hour lives and to provide safe, reliable transport for key workers, residents and visitors. A key expectation on LTAs is to explore either a franchise arrangement (similar to London) or an enhanced partnership agreement to deliver the bus network improvements. There is also a requirement to improve transport links from rural areas and out-of-town business parks. Solutions may be demand responsive services with smaller vehicles to meet needs.

3.4 The Strategy indicates that doing nothing is not optional, with the Government blocking access to funding and the continued Covid Bus Subsidy Support Grant (CBSSG) if no action is taken. The Government only gives two options for improving the bus network within the Strategy: these are 'franchising' or 'enhanced partnership'.

3.5 Franchising

3.6 Franchising is an arrangement similar to that currently operated in London whereby the LTA takes control of all the bus routes and invites bus operators to submit a cost under a competitive tender process to operate services on behalf of the LTA.

3.7 Operators can provide bids/costs to operate either the whole network, or individual routes. This type of arrangements allows the LTA full control of the network including routing, scheduling, fare levels, ticketing arrangements and vehicle types.

3.8 A major risk is that the full operating costs and revenue risks would be carried by the LTA. However, the LTA does receive all ticket revenue, concessionary travel revenue, and the bus service operator grant. Any shortfall created by a drop in passengers or any of the revenue streams would need to be met by the LTA.

3.9 Enhanced Partnership

3.10 An Enhanced Partnership is a statutory arrangement under the 2017 Bus Services Act that can specify criteria such as timetables, multi-operator ticketing, and allows the LTA to take over the role of registering bus services from the Traffic Commissioners. The main difference to franchising is that operators in an Enhanced Partnership have a much greater role, working with LTAs to both develop and deliver improvements for passengers and having input into how bus services should be improved. Enhanced Partnerships also offer significantly more flexibility than franchising.

3.11 Bus Service Improvement Plan (BSIP)

- 3.12 Halton will feed into the Liverpool City Region Combined Authority BSIP. The BSIP is to be developed in collaboration with local bus operators, community transport bodies, and local businesses. It is recommended that consultation with existing passengers and non-users be sought. Improvement targets would be set such as frequencies, reliability and punctuality, and passenger growth. Highways and infrastructure improvements are identified to aid rapid transport for buses and provide safe and accessible boarding and alighting areas for passengers. Initial fact-finding meetings have taken place to identify these areas.
- 3.13 Appendix One of this report shows a comparison between the current bus network and the proposed enhancements. The enhancements predominantly improve the reduced level of services in the evening and increase the frequency on all services across the day. The proposal also seeks to reduce the journey time to and from Liverpool. Rural areas would benefit from enhancing the current demand responsive transport offer to operate on a more frequent basis. The service would also provide improved access to medical, retail, education and employment facilities.
- 3.14 Appendix Two of this report, identifies hotspots where bus services experience significant levels of delay. Initial investigation with bus operators has identified that bus priority measures should be deployed at these locations with a view to reducing the delay times and improving punctuality and reliability. This will involve some significant changes at key locations including Green Oaks Way and Runcorn Town Centre including, the possible re-configuration/upgrade of Runcorn Town Centre Bus Station. Although, it should be noted that bus priority may be deployed at further locations to help with bus punctuality and reliability.
- 3.15 The current fare structure in operation across the borough is wide ranging with an adult journey costing £2.30, £2.60, £2.90, £3.40 or £3.60, depending on the length of journey. The proposal would seek to remove the current fare structure and replace it with a single fare of £2.20 for Adults and £1.30 for children across all journeys regardless of length, as is currently in use in Merseyside. Further improvement would include the availability of a multi journey, multi operator ticket that can be used cross boundary therefore reducing the cost of travel, significantly increasing flexibility and convenience for the user. This type of ticket should be made available for daily, weekly and monthly travel both for adults and children.
- 3.16 Importantly, the BSIP will also seek to attract funding to enhance the current Real Time passenger Transport Information system in the Borough which already connects to the system in operation across

Merseyside. Funding will also be sought to continue investment to improve the bus stop infrastructure across the Borough.

- 3.17 Halton is also working with the Combined Authority (CA) to create a levelling up 'ask' to place Halton on an equal footing with the other members of the CA. This union has previously been cost prohibitive due to legacy issues of Halton being part of the Cheshire County and the other Merseyside districts subscribing to Mersey Travel. For Halton to fully joining the CA, with a view to franchising the current network, the cost to the Council is estimated to be an additional cost of £1.7m annually over and above current budgets, but could be greater depending on ticket prices and passenger numbers. The 'ask' of Government is to fund this gap for a period of five years to allow levels of patronage in new services to become established. Further details are given in the 'Financial Implications' section below.

4.0 POLICY IMPLICATIONS

4.1 Current Service Levels

- 4.2 Currently, Halton carryout the procurement of the supported public transport operating within Halton, and hold the associated budget.
- 4.3 Halton is served by operators who provide 70 buses covering 24 routes. The frequencies of services range from every 10 minutes to hourly. The proposals in Appendix 1 allow for bus services operating on hourly frequencies to be increased to every 30 minutes and increasing the evening tendered services to 30 minute frequencies. Implementing these improvements would require a further 27 vehicles increasing the number of vehicles to 97. Increasing frequencies further would require more resources.
- 4.4 The fleet operating in the Borough is ageing and will require significant investment. The Strategy seeks to reduce the environmental impact of the operation of the bus network by using cleaner vehicles to reduce carbon and pollution. Currently the majority of the network is operated using diesel powered vehicles with after market particulate trap devices fitted. The remaining vehicles are powered using compressed natural gas. The level of investment will depend on what method of fuel is adopted. For example, on average the current euro 6 diesel powered bus will cost approximately £160,000 per vehicle and in comparison a cleaner hybrid/electric bus could cost upwards of £230,000 per vehicle. Addressing this issue under a franchised agreement would result in full costs of vehicle purchase being passed to the Council.

5.0 FINANCIAL IMPLICATIONS

- 5.1 Both franchising and enhanced partnership will place financial implications on the Council.

- 5.2 In the case of a franchised service, the indicative cost of operation could be in the region of £15.5 million per annum. This relates to the operation of 97 vehicles at £160,000 per vehicle per annum. It should be noted that the Council would receive all on bus revenue including concessionary travel and BSOG. It is anticipated that the combined revenue stream would generate approximately £13.8 million per annum, leaving a potential short fall annually of £1.7 million in revenue. Revenue assumptions have been made using the current average adult fare of £2.20. This assumes that 100% of pre-covid passenger journeys (5.2 Million) are made once travel patterns return to normal. However, there are currently only 74% (3.8 million) of passenger journeys being undertaken in Halton. Initially, this would increase the potential short fall in annual revenue by approximately £3.08 million.
- 5.3 Financially, an Enhanced Partnership is less onerous than a Franchise, in that the revenue risk remains with the bus operator. There will be a financial commitment for the Council to consider in making the required improvements such as bus priority measures at signalled junctions. There would also be the ongoing cost of the maintenance of improvements that are implemented. It is difficult to place a cost on this at present until the required level of improvements have been identified.
- 5.4 The possibility of a change in travel patterns which could adversely affect passenger numbers presents a risk. For example, as places of employment move towards home working, possible increases in unemployment and peoples perceived confidence towards public transport reduces as a result of the pandemic.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

It is widely recognised that good quality and affordable public transport services can help to improve access to key facilities for children and young people within the Borough. The network also provides children and young people with a degree of independence.

6.2 Employment, Learning and Skills in Halton

The local bus network is fundamental to the residents of Halton accessing employment and education facilities not only within the Borough but also in neighbouring Boroughs.

6.3 A Healthy Halton

Access to health care facilities is acknowledged as a key priority. Public transport particularly the local bus network plays a vital part in accessing

these facilities not only within Halton but also further afield in neighbouring districts.

6.4 A Safer Halton

No Direct implications

6.5 Halton's Urban Renewal

Improving access to key regeneration areas or providing access to a range of facilities by sustainable forms of transport including public transport, walking and cycling, is widely acknowledged as playing a key role in sustainable regeneration and urban renewal.

7.0 RISK ANALYSIS

Failing to deliver any of the improvements via franchising or enhanced partnership may result in the Council being unable to attract future funding and current Covid 19 funding will be withdrawn. As outlined in the 'Financial Implications' section, there is a risk that passenger numbers mean that ticket revenues do not cover the cost of services.

8.0 EQUALITY AND DIVERSITY ISSUES

Best practice will be followed wherever possible to ensure equality and diversity issues are addressed in any of the proposed improvements.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.