



Transport Delivery Committee

Date	9 th April 2018
Report Title	Bus Business Update
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Report has been considered by	Cllr Hartley, Cllr Akhtar, Cllr Hanif, Cllr Stanley: Putting Passengers First

Recommendation(s) for action or decision:

- To note the contents of this report.

1.0 Purpose of Report

1.1 To report matters relating to the performance, operation and delivery of bus services in the West Midlands. This report includes:

Section A **Bus Services Performance Summary**

- Punctuality and reliability January 2018
- Patronage November 2017
- Highway and network investment

Section B **Tendered Bus Services Contracts – April 2018**

Section C **Bus Operational Matters and Passenger Impacts**

- Rotala plc
- Solihull Advanced Quality Partnership Scheme (AQPS)
- Wolverhampton AQPS consultation
- Network Resilience
- South Birmingham review
- Dudley consultation
- National Express West Midlands £1 concessionary fare
- Clean Bus Technology Fund 2017-2019

2.0 Section A Bus Services Performance Summary

2.1 Growing traffic and congestion continue to impact on bus service reliability and punctuality. Since the end of the recession, bus speeds have fallen 1 per cent on average every year, with record breaking traffic volumes seen in each of the last two years. Slower buses mean increased journey times, reduced reliability and

fewer bus passengers, with reduced access to jobs, leisure and other retail opportunities. Bus reliability for January 2018 is below target at 96 per cent against a target of 97 per cent. Punctuality is below target, standing at 81 per cent against a target of 82 per cent.

- 2.2 The latest bus patronage data for November 2017 stands at 255.9 million. This is a 2.5 per cent reduction on the previous 12 months figure (November 2016: 262.5 million). This decline in local bus passenger journeys is less than the national trend, where we have seen a 4.3 per cent decrease in England (outside of London).
- 2.3 Through the West Midlands Bus Alliance, over £10 million has been secured for bus based highway schemes to tackle growing congestion across the network. Knowing our investment priorities and being shovel ready has borne significant benefit and the funding is a clear indication of the Bus Alliance's commitment to tackling the congestion challenge. It includes capital funding from partner contributions by Transport for West Midlands, local authorities and National Express West Midlands, as well as government funding for significant capital projects:
- National Productivity Investment Fund 1 (NPIF): A4124 Willenhall Road traffic signal upgrade with selective vehicle detection.
 - NPIF1 – Journey Time Reliability to Birmingham Growth Points.
 - NPIF1 – A34 Stratford Road Growth Corridor – Journey Time Reliability.
 - South Birmingham Bus Network Review Highway Mitigation Package.
 - NPIF2 – Birmingham Growth Point Public Transport Package.
 - Solihull Lode Lane bus priority scheme.
 - Birmingham city centre traffic management and bus priority enhancements.
 - Birmingham City Centre Road Improvements.

3.0 Section B Tendered Bus Services Contracts – April 2018

- 3.1 Bus Service Contracts to commence on 29 April 2018 include the award of:
- a. 8 contracts that went out to tender to all operators that expressed an interest in TfWM's bus tenderer's list;
 - b. 3 contracts on an extendable basis for a further period of 104 weeks and 1 for 52 weeks from 29 April 2018; and
 - c. 2 contracts on a de-minimis basis for a further 104 weeks, 8 for 52 weeks, 5 for 20 weeks and 10 for 21 weeks to commence on 29 April 2018.
- 3.2 This commits Transport for West Midlands (TfWM) to a total cost of £2.964 million of which £1.677 million will be incurred in 2018/19, which is funded from within the overall agreed Subsidised Bus budget. This represents a proportional increase of 6.2 per cent in comparison to current contract costs. All services are required to meet TfWM Access Standards.
- 3.3 Following the receipt and analysis of the contracts that were issued for tender as part of April 2018 tender round, there was a notable reduction in the level of bids received per tender contract. The reduction in competition for the April 2018 tender round is highlighted by a total of only three different operators submitting bids at an average of 1.6 bids per tender contract. In the previous tender round, October 2017, an average of 2.7 bids per tender contract was received and as recently as 2012 many tender rounds would receive an average of 4 to 5 bids per contract. This has contributed to some increases in contract costs and has resulted in forecast cost pressures on the tendered bus budget in the current and future years.

- 3.4 There are two significant factors that have contributed to this rise in tender prices:
- During the course of the past 12 months, there has been further consolidation of the local West Midlands bus market with three acquisitions of local bus operations by Rotala plc. All three of the acquired local bus operations operated tendered bus services for TfWM, which has reduced the number of available bidders for TfWM tendered bus contracts.
 - All bus operators are experiencing challenging operating conditions due to worsening congestion. Increased congestion and increased bus journey times has a direct correlation with increased bus operating conditions.
- 3.5 TfWM will review the contracts that are due to expire in October 2018 with the objective of maintaining a local bus network that adheres to the TfWM accessibility standards whilst seeking opportunities to minimise cost. This will be carried out by ensuring a data led review of existing contract performance, creative service and tender design and seeking to encourage new entrants into the West Midlands tendered bus market and negotiating competitive contract extensions.

4.0 Section C Bus Operational Matters and Passenger Impacts

4.1 Rotala plc

4.2 Rotala plc (trading as Diamond Bus Ltd.) has completed the acquisition of CEN Group Limited trading as Central Buses ("Central") for £1.95 million. Completion of the Business Purchase Agreement occurred in late February, following compliance by CEN Group Limited with its obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

4.3 Central Buses is a well-established operator of commercial and contracted bus services in the northern part of the West Midlands area. The acquisition sees Central Buses entire bus business, including its staff, bus brand, and 31-strong vehicle fleet integrated into Rotala's existing depot infrastructure in the West Midlands. Existing tender contracts of Central Buses with Transport for West Midlands have been transferred to Diamond Bus operation.

4.4 Solihull AQPS

4.5 The Solihull Advanced Quality Partnership Scheme (AQPS) became operational on Sunday 26 November 2017. The scheme manages the operation of buses at 33 bus stops in the town centre and will drive up air quality through improved emission standards.

4.6 The AQPS covers Station Approach, Poplar Road, Station Road, Warwick Road within the town centre, Homer Road, New Road, Lode Lane as far as Solihull Hospital, Blossomfield Road, Monkspath Hall Road, Church Hill Road and Dury Lane. A key feature of the scheme is that bus operators running within the scheme area have to take any layover waiting at the railway station bus stands rather than in Station Road and Poplar Road. This is to ensure town centre traffic keeps moving on these roads and supports the investment made by Solihull Metropolitan Borough Council, TfWM and National Express West Midlands in the Solihull Gateway and the Lode Lane bus priority schemes.

4.7 Due to the work taking place on Station Approach to improve pedestrian safety through the early part of 2018, the scheme has not been fully enforced as yet. Vehicle recovery is taking place in different locations, including a small number of stops in the town centre, during these works.

4.8 Wolverhampton AQPS consultation

4.9 The significant investment currently going into Wolverhampton City Centre with new retail developments, improvements in public realm and the start of the construction of the Midland Metro extension to the rail station means there is a need to use the powers of an AQPS to further drive up the overall quality of the bus product, including air quality through setting minimum emission standards, as well as protecting the significant levels of bus investment by City of Wolverhampton Council and TfWM in recent years.

4.10 The proposed AQPS will cover 70 bus stops/stands and shelters (including the stands in the West Midlands Combined Authority owned Wolverhampton Bus Station) that are within the city centre Ring Road.

4.11 Formal consultation on the scheme commenced on Monday 22 January 2018 and is open for a 13 week period, until Monday 23 April 2018. TfWM has been working closely with local bus operators and the City of Wolverhampton during the consultation, to address concerns and challenges during the consultation, before the final scheme is made. The final scheme will be brought to Transport Delivery Committee for approval, before it is made and becomes operational in late 2018.

4.12 Network Resilience – Broad Street

4.13 Midland Metro Alliance (MMA) works are ongoing on Broad Street. Plans are being developed, including the associated traffic management and impact for bus routes, regarding the phasing of MMA work from September 2018 to June 2019, which will include work to strengthen the canal bridge on Broad Street, and lay track from Victoria Square into Centenary Square across Paradise Circus Queensway.

4.14 In conjunction with Birmingham City Council and Transport for West Midlands (TfWM) a public consultation on Birmingham city centre road improvements was undertaken from 1 to 21 March 2018, regarding complementary highway schemes for bus priority on nearby roads that will be of benefit to buses and bus passengers during the continued works and once the Metro track is installed.

4.15 The schemes are scheduled to start from summer 2018 and will see new bus priority measures, including at Bath Row where some bus services will divert, and at Great Charles Street Queensway. There are four proposed schemes, which would be introduced at different times during the works:

- Sheepcote Street bus gate
- Paradise Queensway/Great Charles Street Queensway/Margaret Street bus lanes
- Islington Row Middleway/George Road/Bath Row bus gate
- Bath Row/Holloway Head bus lane

4.16 Bus routes will be confirmed once the details of the works programme and complementary highways schemes have been finalised following the public consultation.

4.17 Network Resilience – HS2

4.18 TfWM is working closely with National Express West Midlands (NXWM) regarding route changes during the HS2 enabling work being undertaken to the east of Birmingham city centre. The work will affect Lawley Middleway at Curzon Circus and Garrison Circus and will require the number 14 and 97 bus services to be diverted away from these locations because certain exits from the junctions and movements across the junctions will be temporarily removed. Bus route diversions will be publicised once the full details have been agreed with NXWM. It is expected that there will be disruption in this area for a period of 12 months with the bus route diversions being in place during the construction of the junction improvements.

4.19 Work on the ring road will be followed by the permanent closure of Park Street to allow for the construction of Curzon Station. Birmingham City Council (BCC) are currently looking at options for the removal of general traffic from Moor Street to make it bus and taxi only limiting the number of vehicles using the road.

4.20 As per the assurance given to TfWM, BCC and NXWM by HS2, discussions continue with HS2 with regards to the closure of Saltley Viaduct and the resulting transport plan to mitigate any impact on bus services.

4.21 Network Resilience – Wolverhampton Metro Extension Pipers Row

4.22 As part of the extension of the Midland Metro line between Birmingham and Wolverhampton, the route will be extended to Wolverhampton Railway Station via Pipers Row and Railway Drive.

4.23 TfWM have led an operations group of key stakeholders over the past 18 months to ensure that the needs of bus passengers and all stakeholders are considered as a priority whilst planning the works programme and associated traffic management. This has covered the duration of the Bilston Road track replacement programme and has continued to cover the Pipers Row extension.

4.24 The next phase of this extension will see the track being installed on Pipers Row, with the project work underway from the 18th March 2018 for an estimated 3 month period. The associated traffic management will see the requirement for Pipers Row to close to all traffic whilst the works are completed. As part of the works, there will be changes to the city centre for bus users.

4.25 Bus services affected are: 1, 2, 3, 4, 6/6A, 9, 10, 22, 25, 26A, 27/27A, 53, 59, 61, 79, 81, 82, 89, 126, 255/A, 256, 529, 713 and 891. More information is available on the Network West Midlands website or from the Wolverhampton Bus Station.

4.26 South Birmingham Review

4.27 NXWM launched a further round of public consultation for proposed bus service changes in South Birmingham in January 2018. Over the course of the three consultations, NXWM have now received over 10,000 responses. The further

phase of consultation has now closed and NXWM is reviewing all the feedback. Any service changes arising from the consultation are likely to be introduced in the summer 2018, with updates to be provided to local councillors and other key stakeholders following the review of the consultation feedback, after the local elections. It is anticipated there will be a requirement to amend some subsidised local bus services in response to the review.

- 4.28 NXWM continues to meet with TfWM and Birmingham City Council to discuss complementary mitigation measures across the network, to help speed up services, and has received assurances regarding signal validation in the area.

4.29 Dudley Consultation

- 4.30 NXWM are reviewing their Dudley area bus services. NXWM opened public consultation in September 2017 and this sought the views of current passengers and potential new users. Working in partnership with Dudley Council and Transport for West Midlands, a key stakeholder briefing with all 72 Local Councillors was organised prior to the public launch of the consultation.

- 4.31 Following the public consultation, NXWM have been reviewing the feedback and have discussed potential service changes with TfWM. TfWM are working with NXWM to encourage a communication exercise for key stakeholders, current passengers and potential passengers. Due to forthcoming local elections and the associated purdah period, the earliest such a communication exercise can take place is in early May, after the local elections. This would provide details of the service changes ahead of the July 2018 implementation date. It is anticipated there will be a requirement to amend some subsidised local bus services in response to the review.

4.32 National Express West Midlands £1 concessionary fare

- 4.33 NXWM has introduced a £1 single fare for concessionary's travelling by bus before their free travel pass becomes valid at 9.30am each week day. This is in addition to Diamond Bus Limited who already sell this product.

- 4.34 TfWM already provides older and disabled people with free travel after 9:30am on not just buses but also local trams and trains. This new £1 single fare will help many older people, who need to travel by bus before 9.30am. The £1 single fare will be available to anyone with an English concessionary pass, including the disabled person's pass.

- 4.35 Around 20 per cent of the West Midlands population is made up of senior citizens - that's higher than the UK average of 17 per cent. So more than 500,000 pensioners qualify for this new pre-9:30am £1 single fare.

4.36 Clean Bus Technology Fund 2017-2019

- 4.37 On the 11th September, DEFRA released details to award grant funding to local authorities (including Combined Authorities) for the delivery of projects to retrofit buses with Accredited Technology (via the Clean Vehicle Retrofit Accreditation Scheme), and remote monitoring, to reduce tailpipe emissions in 2017/18 and

2018/19. Local authorities could submit one application for up to £1.5m in each year with a maximum of £3m across the two years.

- 4.38 The primary aim of the fund is to help local authorities to reduce roadside concentrations of nitrogen dioxide in the shortest possible time. Air quality considerations are an important part of the assessment criteria, so Birmingham and Coventry with persistent air quality exceedance identified by DEFRA, are more likely to rank higher in an assessment.
- 4.39 On the 8th February at the UK Bus Summit, Transport Minister Nusrat Ghani MP announced the 20 successful authorities to receive funding from the Clean Bus Technology Fund 2017-2019. TfWM and Coventry City Council have both been successful, receiving £3 million and £1.5 million respectively.
- 4.40 The funding will be matched by £3.16 million from four local bus operators – National Express West Midlands, Diamond Bus, Claribels and First. This will see 468 vehicles retrofitted with accredited technology to reduce tailpipe emission of nitrogen dioxide, as part of the local drive to ensure that bus contributes to improving local air quality in the region.

5.0 Financial Implications

- 5.1 There are no direct financial implications as a result of this update report. Any costs incurred or support provided by TfWM from undertaking activity referred to in this report will be from within agreed overall budgets and resources.

6.0 Legal Implications

- 6.1 This report is for information only and there are no new legal implications arising.

7.0 Equality Implications

- 7.1. This report is for information only and there are no new equality implications.