

Board Report Guidance

This document provides guidance and support to aid the completion of the WMCA Report for WMCA Board, Investment Board, Economic Development Board and other committees

Key Points to Consider:

- Board Reports must be completed with input from WMCA enabling services
- Input from Finance and Legal is mandatory for all Board Reports
- Input from Programme Assurance and Appraisal, Procurement, Equalities, Inclusive Growth and HR/IT is required if deemed applicable
- Executive/accountable director's must be sighted of the draft Board Report to allow their input and must also be sighted of the final Board Report before it is submitted.
- The Board Report must be updated by Project/Programme personnel between Panel and Board meetings to ensure 'endorsements' from each level are included i.e., at Investment Board, the Board Report should state if Investment Panel endorsed the proposal or not.
- The 'ask' of Panel / Board should be succinct and clear i.e., how much funding is this proposal/project requesting, from what funding source/s, what will the funding deliver and by what date.
- All recommendations and decision requests should be aligned to the delegated authority for the Board or Committee in question, as set out within their individual Terms of Reference.
- The Board Report has been a mandatory WMCA governance requirement since the creation of the Combined Authority, if it is not supplied, decision-makers are not able to make an informed decision and the item will not be discussed at Board level.
- Mandatory fields are marked (*)

<Guidance is provided for each section of the Board Report in **blue text** below>

WMCA Board

Date	15 th March 2024
Report title	West Midlands Bus Service Improvement Plan Phase 3 Funding 2024 / 2025 – Spending Approval
Portfolio Lead	Councillor Mike Bird
Accountable Chief Executive	Anne Shaw – Executive Director TfWM
Accountable Employee	Pete Bond – Director Integrated Transport Services (TfWM) Jon Hayes – Head of Bus (TfWM)
Report has been considered by	Bus Alliance Board EP Reference Group

Recommendation(s) for action or decision:*

The WMCA Board is recommended to:

- (1) Agree the proposed allocation of the additional £16.6m of BSIP funding as outlined in paragraph 2.11. WMCA Board are advised that this is additional funding to the £87.8m previously approved by WMCA Board on 10th June 2022 referred to in paragraphs 2.1 – 2.2.
- (2) Note the submission of the Project Adjustment Request (PAR) sent to the Department for Transport (DfT) on the 29th February 2024 defining the areas of spend for the West Midlands Phase 3 Bus Service Improvement Plan (BSIP) funding pending this approval.
- (3) Delegate the responsibility for approving any changes to the final revenue funding allocation for the West Midlands BSIP to the Executive Director for Transport for West Midlands in consultation with the Mayor, Portfolio Lead for Transport and the Portfolio Lead for Transport.
- (4) Approve the WMCA Section 151 Officer accepting this additional BSIP funding, subject to the Terms and Conditions of the funding being acceptable to the WMCA Section 151 Officer.

- (5) Delegate the responsibility for approving further revisions to the West Midlands Bus Service Improvement Plan and making the Enhanced Partnership to the Executive Director for Transport for West Midlands, WMCA Section 151 Officer and WMCA Director of Legal and Governance in consultation with the WMCA Cabinet Member for Transport, and subject to completing the statutory process.

1. Purpose*

To further deliver the aspirations set out within the West Midlands BSIP in enhancing and improving bus provision and services for the customers within the West Midlands.

2. Background*

- 2.1 In 2022 the West Midlands Combined Authority secured £87,857,760 of Phase 1 funding to deliver defined projects within the scope of the West Midlands Bus Service Improvement Plan (BSIP).
- 2.2 Initial guidance from the DfT was for this grant to be utilised on defined projects in the region to bring about transformation to the bus network aligned to the governments National Bus Strategy. The original objectives of the scheme included £39m towards a passenger led recovery program through incentivising new long-term customers through offering initial free or reduced fares, nearly £24m for bus network transformation and £18.5m towards a fares freeze. DfT were explicit in their guidance that this transformation funding could not be used to support the existing bus network in the recovery from the Covid pandemic. The WMCA Board approved this original allocation to support the delivery of the BSIP at its meeting on 10th June 2022.
- 2.3 From July 2023 wider funding from DfT for supporting bus operators in the recovery from the pandemic came to an end. Operators indicate that there was a significant risk that up to 40% of all bus service would be at risk in the region, this was replicated in all parts of England. DfT subsequently revised their guidance such that Authorities in receipt of BSIP phase 1 funding could then seek to use the funding to support their existing networks.
- 2.4 To prevent a 40% reduction in Bus Services and following a change control mechanism with the DfT through their Project Amendment Report (PAR) process, the Phase 1 BSIP funding was amended to deliver the following;
 - Fares freeze to July 2023 - £7.708m
 - Bus Passenger Incentive Programme - £23.3m (£19.8m for operator reimbursement of discounted ticketing and £3.5m to support the scheme, through software development, marketing and promotion and staff time).
 - Bus Service Transformation - £10.781m
 - Bus Service Network Support - £39.953m
 - Introduction of Transport Safety Officers (TSO's) - £0.7m
 - Network Performance - £3.2m

- Bus Network Scheme Development - £1m
- BSIP Delivery Support - £1m
- Customer Charter and Monitoring - £0.216m

2.5 Delivery of these schemes is underway and on program and subject to monitoring and reporting to the DfT the West Midlands Bus Alliance, West Midlands Enhanced Partnership Reference Group and WMCA governance processes.

2.6 On 23rd October 2023, the Government announced the indicative allocation of a further £150 million of 2024-25 funding for LTAs to improve bus services, as set out in their BSIPs and as part of Network North. This is part of the third phase of BSIP funding and is intended for transformation rather than network support

2.7 WMCA have provisionally been allocated up to £16,604,000 of revenue funding to support delivery of the West Midlands BSIP in 2024/25. This is additional to the £87.9m Phase 1 funding.

2.8 Through discussions with the DfT it is expected that there will be further allocations of funding from Government towards the delivery of the Bus Service Improvement Plans including funding to support networks from April 2025 onwards. It is expected this will be confirmed in early 2025 and subject to Terms and Conditions.

2.9 WMCA were required to submit a PAR to DfT on 29th February 2024 outlining how it intends to spend the Phase 3 funding allocation of £16.6m.

2.10 Guidance from the DfT states Local Transport Authorities may use the funding on interventions that we, and local operators through the Enhanced Partnership, expect will deliver the best overall outcomes in growing long term patronage and revenues (thus maintaining service levels), whilst maintaining essential social and economic connectivity for local communities. As required by the DfT Governance for the West Midlands BSIP is directed through the West Midlands Bus Alliance, the Enhanced Partnership Reference Group, inclusive of Local Authorities

2.11 Through engagement with West Midlands Bus Alliance Partners and members of the Enhanced Partnership Reference Group, inclusive of Local Authorities, it is proposed the funding is allocated as follows.

Ref.	Description	Allocation
1	Bus Priority at Traffic Signals Pilot – work in partnership with Coventry City Council and Warwickshire County Council to pilot Bus Priority at key signalised junctions on the Coventry – Bedworth – Nuneaton corridor using intelligent technology linked to the buses real time location. The system will seek to give greater priority to traffic movements supporting the flow of late running buses. If successful, and subject to available funding, the technology can then be considered for junction improvements across the wider network.	£180,000

	Part of the allocation is also to review and amend the phase 1 sprint signal amendments to ensure they are optimised to give priority for buses.	
2	Transport Safety Officers – increase the number of Transport Safety Officers by 6 additional officers. Funding will be targeted at increasing presence on the Bus Network including on buses and at unstaffed interchanges including Birmingham City Centre, Sutton Parade, Solihull Town Centre and Rail Station, Chelmsley Wood and Bearwood Bus Station to address perception around personal safety and Anti-Social Behaviour.	£350,000
3	Marketing and Engagement – work in partnership with Local Bus Operators and stakeholders to implement a comprehensive and sustained marketing campaign, to increase awareness amongst hard-to-reach groups and encourage modal shift to bus. The principal objectives are to grow patronage to support the passenger led recovery of the sector, tackle localised air quality issues and the impacts of congestion. This project sits alongside the Bonfire of Bus Tickets and Ticket Incentives Program from Phase 1.	£1,500,000
4	West Midlands on Demand – extend the West Midlands on Demand DRT service in Coventry. To continue to deliver the 'co-mingled' service providing a fully accessible door to door transport service to those that require it and a DRT service for all residents and visitors to the area. The project will seek to retain the existing service following the end to section 106 contribution funding via Coventry City Council and funding from Warwick University. The longer-term delivery of the service will be considered as part of the implementation of the new Target Operating Model for DRT / R&R services in the region from early 2025.	£390,000
5	Demand Responsive Transport (DRT), Ring & Ride, Community Transport capacity enhancements - Our BSIP seeks to integrate CT, R&R and DRT services into the wider integrated network. The existing R&R and DRT services are tailored to provide travel for individuals. These services have not currently designed and do not have capacity to provide travel to group sessions designed for adults with specific needs or requiring support such as Age Concern, Church Community Support Groups, Stroke Recovery / rehabilitation groups, mental health support networks etc. Due to the cost of providing transport we are aware that a number of these groups are no longer meeting and supporting these passengers. Whilst we can provide travel for individuals to these group activities, we can't guarantee it due to the limited capacity and demand responsive nature, we are seeking to use BSIP funding to provide dedicated additional capacity through our 3 rd Sector partners to meet this demand to March 2026.	£480,000

6	<p>Passenger Information (Static Information) – Market research with existing and potential passengers has identified that bus passenger information and all contact points including displays at stops and interchanges around the region could be further enhanced to provide more accessible and easier to understand information. This includes timetable information, onward travel information including wayfinding, fare information, availability of local services etc.</p> <p>This project seeks to develop and pilot static information to explore options for what can be provided on the core network, at bus stations and key interchanges.</p>	£625,000
7	<p>Passenger Information (Real Time Everywhere) – The Transforming Real Time Information (RTI) program has included the ability to provide RTI for every bus stop in the region. This information can be readily accessed from smart mobile devices by following a QR code displayed at every stop. This project will seek to develop a proposal through engagement with passengers to optimise the visibility of the QR code at each of the 12,500 bus stops in the region and roll out the preferred method of delivery.</p>	£375,000
8	<p>Independent Ticket Sales Team - Utilising BSIP support we have undertaken a 'bonfire of bus tickets' in the region to provide ticketing and fares simplicity for passengers and have also implemented targeted ticketing incentives to citizens to encourage use of bus, aid accessibility, grow opportunity and encourage modal shift etc. It is hoped the incentivisation will encourage sustained passenger led recovery and growth. TfWM and Bus Operators, including National Express, have dedicated teams who are seeking to grow sales and encourage use of the network. Utilising BSIP Phase 3 funding we are seeking to combine these teams with the objectives;</p> <ul style="list-style-type: none"> • To deliver some independence to retailing – this is particularly important now given the bonfire of tickets. • To combine forces with NXWM BSIP team to ensure we get the best coordinated effort. • To share and grow collective knowledge of the Sales functions. • To provide the Sales Team with new opportunities – new ticket types (nTrain for example) and MaaS so they can maximise their output and grown new commission streams for us. • To encourage greater take up of Swift to grow the customer base and patronage. • To improve the technologies to make it easier and more efficient for the sales teams. • To update scheme documentation to reflect changes providing clarity to operators and clear path for the sales team. 	£1,000,000

9	Monitoring, Market Research and Evaluation reporting resource to align with reporting requirements of the BSIP.	£100,000
10	Bus Network Support / Transformation – we are working with Local Bus Operators and Stakeholders to develop proposed enhancements to the local bus network to deliver the outcomes of the West Midlands Bus Service Improvement Plan. Additionally, we will continue to work with operators through the network review process to establish the financial sustainability of the current network and seek to ensure the network is optimised and deliverable using the available funding. Areas under consideration include simplified services, increases in service frequency and extensions to the operating day.	£11,604,000
TOTAL		£16,604,000

2.12 Through early dialogue with the DfT BSIP Relationship Manager we have provisional support for the above projects. The draft Project Adjustment Request (PAR) was submitted on 29th February 2024, which sets out how we intend to spend this additional funding, and subject to agreement at this WMCA Board The PAR proposals may be subject to amendment following review by the DfT. Once approved funding will be paid alongside the rest of the BSIP funding for the year.

2.14 The additional expenditure proposed in this report will be monitored and evaluated in line with the existing BSIP delivery process. This will ensure it remains in-line with the original outcomes and objectives of the BSIP including a value for money, future deliverability and longer term sustainability targets.

2.13 WMCA are required to update the West Midlands Enhanced Partnership, in draft, to reflect the projects to be delivered with the Phase 3 funding. The scheme will be “made” once DfT have approved the PAR and subject to the statutory process.

2.14 The new schemes will also be included in a revision to the BSIP which needs to be completed during the Summer 2024.

3. Strategic Aims and Objectives

3.1. The West Midlands BSIP is a requirement of Government, as set out in the National Bus Strategy. The BSIP also closely aligns with WMCA aims to: -

1. Promote inclusive economic growth in every corner of the region
2. Ensure everyone has the opportunity to benefit.
3. Connect our communities by delivering transport and unlocking housing and regeneration schemes.
4. Reduce carbon emissions to net zero and enhance the environment

5. Secure new powers and resources from central government

4. Financial Implications*

- 4.1 The provisional allocation of £16.6m of revenue funding will provide the WMCA with the ability to financially support some vital areas of Bus activity. The proposed workstreams to be supported are included in the table in the report together with proposed budget allocations. As with the initial allocation of £87.8m of BSIP funding, the grant will be provided to Authorities to support transformational work rather than business as usual activity. However, if the investment is successful in helping to transform and grow the Bus market, it could help to alleviate some of the mounting pressures on the Bus budget in the future.
- 4.2 The 2024 Revenue budget does not include any budget for Bus marketing campaigns and any marketing activity has to be funded from specific project budgets. The proposed funding will facilitate a significant marketing campaign and targeted engagement with customers with a view to driving-up patronage and revenue on the network.
- 4.3 The revenue budget for passenger information can only support business as usual activity rather than any enhancements to information provision. A capital project is underway to develop information software and replace some hardware on the network. The aim of providing QR codes across the network would help to ensure that customers have continued access to up to date information in a more financially sustainable manner.
- 4.4 The other proposed allocations aim to generate patronage through the provision of appropriate ticketing products to customers, improving perceptions of safety, enhancing services on the network and supporting the continued transformation of Ring and Ride, combining it with DRT services. If successful, targeted resource in these areas could result not only in a better quality of service to customers but also in a reduction in future public subsidy for the network if patronage on these services grows..

5. Legal Implications*

- 5.1 There are no direct legal implications arising from the recommendations made in this report. The WMCA has the power to accept the grant under its General Power of Competence (S.113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009.
- 5.2 The WMCA is the Local Transport Authority and has a statutory responsibility to implement policies and strategies that co-ordinate and promote the use of public transport in the West Midlands. The West Midlands Combined Authority its legal powers for this function through the Transport Act 2000 (as amended by the Local Democracy Economic and Construction Act 2008 and Bus Services Act 2017).

6. Single Assurance Framework Implications

The funding allocation is provided by DfT and is in addition to the Phase 1 BSIP funding already received. The existing Memorandum of Understanding in place for the BSIP funding applies to this additional funding. The additional funding provides a change in scope to the approved Phase 1 BSIP, this will be recorded through a change control with the SAF team.

7. Equalities Implications

An Equality Impact Assessment was conducted on the BSIP for the original WMCA Board Decision in 2021 and remains relevant (after recent review) for this additional funding decision. Improving accessibility to bus services through BSIP funding assist people with access to education, training and employment as well as other public services particularly for those with no other means of transport ensuring we are delivering an equitable transport system.

8. Inclusive Growth Implications

The investment in identified projects within this decision paper and will be positive for inclusive in the West Midlands by supporting the following inclusive growth themes - Economic Growth; Health & Wellbeing; Employment & Skills and Environment.

The continued delivery of the BSIP has been heavily informed by the WMCA Inclusive Growth Framework. The LTP is of most positive relevance to the Connected Communities fundamental of this framework.

9. Geographical Area of Report's Implications

The BSIP and current Enhanced Partnership covers the area of the West Midlands Combined Authority, as defined by in the West Midlands Combined Authority Constitution. Engagement has been held with neighbouring local transport authorities.

10. Other Implications

None.

11. Schedule of Background Papers

11.1 West Midlands Bus Service Improvement Plan

11.2 DfT letter of 7/12/23 Network North: Phase 3 BSIP funding allocation for West Midlands Combined Authority