



**West Midlands**  
Combined Authority

## **WMCA Board**

<b>Date</b>	28 June 2019
<b>Report title</b>	Vision for Bus Next Steps - Part A: Delivery Options and Air Quality
<b>Portfolio Lead</b>	Transport - Councillor Ian Ward
<b>Accountable Chief Executive</b>	Laura Shoaf, Managing Director, Transport for West Midlands tel: (0121) 214 7444 email: laura.shoaf@tfwm.org.uk
<b>Accountable Employee</b>	Pete Bond, Director of Integrated Network Services, Transport for West Midlands tel: (0121) 214 7388 email: pete.bond@tfwm.org.uk
<b>Report has been considered by</b>	TfWM Leadership Team - 29 April 2019 STOG - 13 May and 3 June 2019 Senior Leadership Team - 15 May 2019 Programme Board - 14 June 2019

### **The WMCA Board is recommended to:**

- (1) Approve the development of an Outline Business Case to assess powers within the Bus Services Act 2017 to help improve bus services in the West Midlands.
- (2) Endorse a commitment for a minimum Euro VI bus fleet by April 2021 to improve air quality in the area of the West Midlands Combined Authority, subject to funding.
- (3) Note the level of investment secured for improving bus emissions standards and partnership working undertaken to date to achieve one of the cleanest bus fleets of any metropolitan area in the UK.

## **1. Purpose**

- 1.1 The Vision for Bus was adopted by the WMCA Board on the 9 November 2018. This report seeks the endorsement and approval of members for the next stages of development following progress TfWM have made on identifying some of the key requirements to assist in achieving the vision.

## **2. Background**

- 2.1 At the request of WMCA Leaders, a strategic Vision for Bus in the West Midlands was produced to develop a clear vision of what the region requires from its bus network. This was adopted by WMCA Board at its meeting on 9 November 2018.

- 2.2 This Vision sets out nine bold objectives for improving bus travel in the region. TfWM committed to developing these further as part of a delivery plan to ensure the objectives can and will be achieved. The nine objectives are:

- Objective 1: UK leading low emission bus fleet with zero emission corridors serving areas most affected by poor air quality.
- Objective 2: Fully integrated bus network including local demand responsive and rapid transit services supporting rail, coach and Metro interchange as one network.
- Objective 3: Simple, convenient and easy to use payment options, including full capping, providing a network which is value for money and affordable for customers.
- Objective 4: Fewer private car journeys by making bus the mode of choice and creating better access to jobs and long-term change.
- Objective 5: Creating a safe, secure and accessible mode for all and tackling long held barriers and perceptions.
- Objective 6: Accountable network performance management – tackling issues causing congestion and reliability problems.
- Objective 7: World-leading customer information utilising 5G and all available technologies and platforms.
- Objective 8: Younger people supported by discounted travel, as well as addressing barriers for excluded groups.
- Objective 9: Evolve a network to support the 24/7 thriving economy, connecting people to new and developing destinations and attractions.

## **3. Delivering the Vision**

- 2.3 TfWM were tasked with delivering the objectives in the Vision for Bus and assessing the best mechanisms to do this. Delivery of some of these objectives are already commencing within current frameworks, partnerships and agreements without any further assessment. Some of these interventions are being delivered through current activities inside the West Midlands Bus Alliance. Such interventions include but are not limited to:

- TfWM's Fares & Payment Strategy that will help to simplify payments and make fares more affordable for users across the network (**Objective 3**);
- Development of highway investment schemes to improve bus journey time predictability across key routes and communities (**Objective 4**);
- Development of the Safer Travel Partnership, which continues to explore ways to make public transport safer and help overcome perceived and actual barriers to greater public transport usage. A significant strand of achieving this will be through the Bus Byelaws which were recently considered (**Objective 5**);
- The establishment of a Network Performance Board through the Bus Alliance, to monitor patronage, journey speeds and reliability, with accountability for intervention where required from relevant stakeholders (**Objective 6**); and
- Continuation of developing Network Development Plans through the Bus Alliance, taking an area-by-area approach to exploring ways to reduce congestion on the roads, improve bus travel times, and ensure bus travel is seen as affordable and reliable (**Objective 9**).

2.4 Additionally there are 2 key areas that work has been progressing on that require the approval or endorsement of the WMCA Board and are the focus of this report. These are:

- Further exploration of the powers in the Bus Services Act 2017 through an Outline Business Case (OBC).
- Endorsement of further bus air quality targets that will include the introduction of the region's first high frequency electric bus services and the objective to transform the region's entire bus fleet to Euro VI or better by April 2021.

A further update on the wider deliverables of the Vision for Bus will be provided to the WMCA in late 2019.

### **Bus Services Act 2017 – Further Investigation of Powers**

2.5 The Vision for Bus proposed that the WMCA would explore the powers made available to Mayoral Combined Authorities through the Bus Services Act 2017. The Act aims to improve bus services for passengers by providing local authorities, the Secretary of State and bus operators with a new toolkit of options to enable improvements to be made to bus services. The new options are:

- Advanced Quality Partnership Schemes;
- Enhanced Partnerships; and
- Franchising.

A summary of these new options can be found in Appendix A.

2.6 An initial assessment of these options was undertaken through a high level study in 2018. This study provided a strategic overview of the new legislation but did not provide a robust understanding of full opportunities, costs, risks and mitigations of the new legislative tools.

- 2.7 Whilst TfWM has a series of successful partnership schemes in place using powers available within previous Acts including the current West Midlands Bus Alliance, the new legislation provides for a new range of powers that have, to date, not been tested or implemented since their creation. TfWM commissioned an independent Strategic Outline Business Case (SOBC) to better assess the opportunities and impacts of the powers available in the Act. This assessment considered mechanisms that the WMCA could implement to intervene in the market with the intention of improving customer satisfaction and driving up bus patronage. The preparation of the SOBC was developed in line with HM Treasury Green Book Supplementary Guidance.
- 2.8 The SOBC highlights that the West Midlands has a clear case for further intervention in the bus market to assist in improvements to customer satisfaction and halting the decline in bus patronage, and potentially reversing it. The report generally assumes that the greater the level of control and influence the transport authority takes over the bus network, the greater the cost and risk as control increases.
- 2.9 Whilst the SOBC highlights some risks and opportunities associated with the delivery of the mechanisms on a network wide basis, it also confirms that detailed investigation and assessment of those risks will be fully assessed at OBC stage to effectively inform the strategic, economic, financial, commercial, and management case. On the basis of analysis undertaken during the SOBC, it is proposed and recommended that the following three mechanisms should be assessed within an OBC:
- Voluntary partnership based on Bus Alliance (including associated Advanced Quality Partnership Schemes and other Qualifying Agreements);
  - Enhanced Partnership; and
  - Franchising.
- 2.10 The OBC process will continue to follow HM Treasury Green Book Supplementary Guidance. This will build on the SOBC development of options and will set out specific applications of the policy mechanisms available to the WMCA through the Act. This will allow a preferred option to be chosen, having obtained further data from bus operators in the region using the new powers under the Act to provide a detailed understanding of risks, costs, opportunities and legal implications.
- 2.11 It is estimated that the OBC will take between 18 to 22 months to complete. On completion of a detailed assessment of the options listed above, there will be recommendations of the most appropriate mechanism or mechanisms for delivering the Vision for Bus objectives in the longer term, which can then be used to further implement the wider Vision for Bus Delivery Plan across the wider network.
- 2.12 It should be noted that without moving to the OBC and the requirement for operators to provide data that supports the full assessment, TfWM would be unlikely to be able to provide a detailed assessment of the deliverability of the powers within the Act. This is particularly relevant given that the option to consider franchising within the proposed OBC is considered to be an area that would likely draw legal challenge and should be fully assessed and rigorously investigated, before any decision would be taken to consider its wider implications and implementation timescales.

- 2.13 Having identified the options within this report and recommendation for moving to OBC, it should be noted that the options to deliver the initial Sprint phase one corridors (A34 and A45) have been assessed separately and are subject to a request for approval within the Vision for Bus – Part B report to the same meeting. The OBC will consider options for Sprint future phases within the scope of the work outlined within this report.

## **Air Quality**

- 2.14 Objective 1 in the Vision for Bus seeks to deliver an ultra-low emission bus fleet, with zero emission corridors, helping to tackle the problems of air quality and pollution in the region.
- 2.15 TfWM have been extremely active in seeking inward investment to the region alongside local authority partners and bus operators, and have secured over £20m of investment to new or retro-fitted vehicles, as well as directly investing £2.7m to generate an additional £11m of investment from commercial bus operators during 2018/2019. This investment means that the region is already on course to achieve over 85% of vehicles to be of Euro VI emission standard or better by April 2021.
- 2.16 The opportunity to get the fleet to 100% has been supported by bus operators, the West Midlands Bus Alliance, and the Mayor and this report seeks the endorsement of the WMCA to aim for a target of 100% of the current bus fleet to be Euro VI or better by April 2021.
- 2.17 During 2020 the region will also see the largest scale investment from commercial operators to create the first electric bus services in the region. More than 25 full electric buses will be ordered to operate within the region which requires investment in infrastructure from bus operators to support the grant money secured by local authorities and TfWM.
- 2.18 The WMCA Board is asked to endorse the Bus Alliance ambition for the entire fleet of buses in the West Midlands to be a minimum Euro VI emissions standard by April 2021 as well as the introduction of the region's first electric bus services. Adopting this timescale will help TfWM to secure further investment levels from bus operators and continue to bid for further funds and investment to make this a reality. It will also help to bring the focus of the supply chain to help bus operators. The supply chain is limited in the United Kingdom and will be encouraged to mobilise in light of bold decisions by city-regions to achieve these targets. This report does not seek the funding to deliver the objective, but the endorsement that will mobilise further bids from operators, local authorities and TfWM to achieve this.
- 2.19 Locally this decision will help to reduce the risk of cleaner vehicles being implemented in Birmingham and other Clean Air Zone locations at the detriment of the other local authority areas that are not mandated to introduce such measures. It also helps to ensure that other parts of Birmingham and other authorities implementing Clean Air Zones in central parts of the city do not disproportionately affect outer areas of the same authority.

- 2.20 TfWM are also requiring Euro VI vehicles on many of the tendered services across local authority areas to additionally support this objective. Combined with the introduction of the region's first electric bus services this will ensure that the bus will play a core role in bringing improved air quality to those areas it serves, as well as providing the large scale transit services that will help improve air quality where people choose to switch from single occupancy private car journeys to bus in light of CAZ measures.

### **3 Next Steps**

- 4.1 Some elements of the Vision for Bus are progressing well as set out in paragraph 3.1. To be able to fully understand the powers available in the Bus Services Act 2017 and how they might be used to achieve the remaining Vision for Bus objectives and inform longer-term decisions, it is recommended that an OBC is undertaken to assess options. Without a full assessment of options, there would not be adequate clarity and understanding of the most appropriate option to take forward in the long term. Whilst this work will take between 18 and 22 months to complete as reported in 3.9, it will provide the comprehensive assessment of the legislative opportunities from untried and untested legislation.
- 4.2 Further work and investment is needed to deliver the longer term objective of a zero exhaust emission network. To progress the objective in the short term the WMCA Board is asked to endorse the Bus Alliance ambition of all Euro VI buses by April 2021 to ensure the whole region benefits from lower emission vehicles more quickly.
- 4.3 A further report on the wider Vision for Bus next steps will come back to the WMCA Board later in 2019 to update on other developments, and give visibility to the Vision for Bus Delivery Plan.

### **5. Financial Implications**

- 5.1 The above recommendation to develop an Outline Business Case will cost up to £750k. This will be funded from a prioritisation of existing revenue and capital resources. However delivering the Vision for Bus will require a combination of public and private sector investment which will be considered and form a separate work package as different delivery methods for the Bus Network are explored.

### **6. Legal Implications**

- 3.1 Part 7. 22(3) of The West Midlands Combined Authority Functions and Amendment Order 2017 confers on the Mayor powers under Section 113A (1)(a) of the Local Democracy, Economic Development and Construction Act 2009 providing the Mayor with a general power to support the carrying-out of any of the CA's functions. The provisions of the Bus Services Act 2017 shall be used to improve services for the West Midlands region.
- 3.2 The Legal / Procurement Teams will support the activities set out in this report in relation to any legal/ commercial/ procurement requirements and any legal agreements that may be required, together with any necessary Partner Agreements as the full Delivery Plan for Vision for Bus develops.

## 7. Equalities Implications

- 4.1 The Vision for Bus highlights the important role that bus plays in addressing key strategic equality and inclusion challenges. Young people, BAME groups, disabled people and other protected groups, as well as lower socio-economic groups, are more likely to rely on the bus network to access education, employment and other opportunities. Affordable, accessible and well connected services are vital in ensuring these groups are not excluded and marginalised.
- 4.2 The vision document includes commitments to improve affordability for young people and to deliver solutions that will help address inequality barriers for other groups. An equality impact assessment of the document will help identify short, medium and longer-term equality related solutions and initiatives.
- 4.3 There are no equality implications specifically in relation to the proposals in this report.

## 8. Inclusive Growth Implications

- 8.1 In considering the inclusive growth implications, two of the four Inclusive Growth Tests are relevant: Future Generations, and Universal Design.
- 8.2 **Future Generations:** The two elements of this report have positive implications for future generations.
- 8.2 In committing to a minimum Euro VI standard for the bus fleet, children and young people will have cleaner air to breathe across the region, thereby reducing their likelihood of developing asthma and other life-limiting conditions. Efficient and electric buses also have positive implications for the region meeting its carbon reduction targets, and in so doing, averting climate breakdown.
- 8.3 Undertaking the Bus Services Act OBC work is a key step to assessing how the powers contained within the Act can make a bus service that is comprehensive, safe, easy to use, and therefore, a viable alternative to using the car.
- 8.4 **Universal Design:** reduced patronage notwithstanding, buses are the mode of public transport of choice for most citizens, particularly women. Making them work for the population is the fastest route to improving city travel for everyone. It is relatively easy to create new or additional bus routes, and there is untapped potential for greater accessibility – including more stop announcements, and more flexibility in the configuration of the deck at ground level, to accommodate people with mobility aids, or people with pushchairs and bikes.
- 8.5 Space allocation on roads is a key element of unlocking the added value of buses, and it is unlikely that the positive implications of this work can be realised unless they receive adequate space and priority.

## **9. Geographical Area of Report's Implications**

- 9.1 The vision covers the constituent area of the Combined Authority but due to the importance of cross boundary services - into and out of the constituent area – partnership working with Non-Constituent and Shire Authorities will be crucial for the further development and delivery of the vision for bus.

## **10. Appendices**

- 1.1 Appendix A: Bus Services Act 2017 Guidance