

## Purpose

To provide a brief overview of the powers and opportunities within the Bus Services Act 2017.

## Background

The Bus Services Act 2017 was introduced on 19th May 2016 in the House of Lords and received Royal Assent on April 27 2017. The aim of the act is to improve bus services for passengers by providing local authorities, the Secretary of State and bus operators with a new toolkit to enable improvements to be made to bus services in a specified area.

Transport for West Midlands (TfWM) were engaged in the process either directly with the DfT or through the Urban Transport Group to shape the Act and ensure that provisions are made within the Act to allow TfWM to pursue its future aspirations and assist in delivering the objectives of the West Midlands Bus Alliance.

In summary the 2017 Act has:

- Strengthened arrangements for partnership working between operators and local authorities, including new Advanced Quality and Enhanced Partnership schemes;
- Introduced bus franchising powers;
- Modernised previous ticketing legislation; and
- Provided the powers necessary to implement significant improvements to passenger information through the provision of open data for specified data including timetables, fares and RTI, and requirement for on-board audio and visual information.

In addition to the Act the DfT have also provided a suite of documents to provide additional guidance to support local authorities and bus operators in the development of Advanced Quality Partnership Schemes (AQPS), Enhanced Partnerships (EP) and franchising schemes. These are available at the following link;

<https://www.gov.uk/government/collections/bus-services-bill-overview>

Further guidance on open data and Advanced Ticketing is expected to be issued in due course.

## The New Options

### Advanced Quality Partnership Schemes – main features

Services continue to be operated by commercial bus operators.

New standards are set which some or all of the bus operators in the area are required to meet. The authority commits to take steps to support local bus services and in exchange the bus operators are required to meet specific local standards. These can be specifically service related (service frequency and maximum fares) or can include softer measures such as the provision of free wi-fi.

The local authorities 'side of the bargain' can involve providing bus-related facilities (such as bus stops, shelters, bus stations or even depots) and/or committing to take measures that directly or indirectly encourage bus patronage. This could include;

- Parking policies that encourage the use of public transport;
- Traffic management policies that prioritise buses; and
- Advertising and marketing campaigns to promote the use of local bus services.

TfWM have made use of these powers and have introduced AQPS schemes covering Birmingham City Centre, Wolverhampton City Centre and Solihull Town Centre. The principle objectives of these schemes are to seek to improve:

- Vehicle quality and emissions standards;
- Passenger waiting facilities and information;
- Road and passenger safety; and
- Overall passenger experience and satisfaction.

### Enhanced Partnerships – main features

An Enhanced Partnership (EP) is an agreement between a local transport authority and the local bus operators to work together to improve local bus services. It includes a clear vision of the improvements that the EP is aiming for (known as an EP Plan) and accompanying actions to achieve them (set out in one or more EP schemes).

The range of outcomes that can be achieved through an EP is broader than can be delivered through an AQPS. Once agreed these standards become requirements of all bus services operating in the relevant area, whether new or existing. The local authority can in certain circumstances also become responsible for registering local bus services - taking on responsibilities from Traffic Commissioners - and enforcing those standards.

Where they differ to AQPS is that you can factor into an Enhanced Partnership:

- Environmental standards;
- Better routes in communities (*e.g. serving health and education services*);
- Multi operator tickets, including price setting;
- Route / Area Branding;
- Common ticket rules and fare zones; and
- Uniform discounts for apprentices and other groups.

As with an AQPS, authorities that make EPs can agree to provide either or both facilities or bus improvement measures which directly or indirectly encourage bus patronage.

EPs can vary considerably in scale or scope. An EP could address a particular issue with services in a local high street or be used to improve services across the entirety of a city region. It could cover all, or parts of, the area of a local transport authority, and it is also possible for more than one local authority to be involved.

### Franchising – main features

Franchising is an established model for providing bus services used in London and in many cities and regions across Europe. In a franchising scheme, local authorities will determine the details of the services to be provided – where they run, when they run and the standards of the services. Bus operators essentially provide their services on behalf of the local authority. No other services can operate in the franchised area without the agreement of the franchising authority.

How the contracts would be let would be at the discretion of the transport authority: typically this is done either on a route-by-route basis or can cover a wider area.

Whilst franchising can give a great deal of control over bus services through allowing local authorities to determine exactly what services operate and when and also to determine all fares, it also exposes the local authority to significant financial risk, and should not be undertaken lightly.

Any franchising decision would need to be undertaken by the Mayor, who would then be the head of the service operation. This decision needs to be based upon robust evidence and analysis with the needs of passengers, existing operators and the affordability of the plans firmly in mind.

What cannot be done through franchising is setting up a municipal bus company, and it is imperative that services continue to be operated by a commercial operator. Commercial services may be able to continue to operate into and out of the franchising area and to spot and fill any gaps in service provision that the authority may have overlooked - providing they do not adversely affect the franchised arrangements.

The process for setting up a franchise can be summarised as follows:

- I. Authority produces an assessment of its proposed franchising scheme – akin to a business case. The authority can obtain data from incumbent operators to develop this assessment.
- II. Key elements of the assessment will need to be assured by an independent auditor.
- III. Authority consults on proposals – the Act sets out further detail on the parties to be consulted.
- IV. Decision taken by Mayor.
- V. 6 month transition period.
- VI. Franchise Implemented.

### Advanced Ticketing Schemes

New powers known as ‘Advanced Ticketing Schemes’ allow the establishment of multi-operator and multi-modal ticketing schemes so that local authorities can specify, among other things, the technology to be accepted.

However the powers do not allow local authorities to set the price of multi-operator or multi-modal tickets which will need to be agreed with the relevant operators.

### Identifying the Best Option

Much of what can be specified in an AQPS and an EPS can be delivered through a voluntary partnership such as the West Midlands Bus Alliance. However these formalised partnership arrangements will be beneficial to ensure certainty through legal commitments, for all parties, or where the voluntary partnerships are not working.

In developing the legislation the DfT have envisaged that an AQPS would be best used where;

- There is broad support from operators for the scheme; and/or
- Operators and the authority feel it would help for both the authority and the operators to have a legislative obligation to deliver ‘their side of the bargain’;
- The geographical area to be covered is comparatively limited; and
- The desired outcomes are relatively modest and could be met through an AQPS.

An Enhanced Partnership would most likely be used where;

- It was important the requirements applied to all operators in an area concerned;
- The majority of bus operators are likely to agree to the scheme, but a minority of operators would oppose some or all of the package;
- Where the scope of the scheme is likely to be more ambitious than an AQPS; and
- Where the local authority wishes to take over the registration and enforcement responsibility of local bus service registrations from the Traffic Commissioner.

Deciding on which approach to choose first requires an understanding of what is to be achieved. The 2017 Act specifies that local authorities must complete an options assessment exercise when assessing the case for franchising.

## Next Steps

TfWM, local authorities and operators are continuing to deliver an aspirational programme of bus service improvements through the West Midlands Bus Alliance. The signatories to which are committed to this programme to 2020. Some of the new powers specified in the act may indeed be used to help deliver some of these aspirations. Indeed TfWM were the first authority in England to use the new powers to introduce the Solihull AQPS from the 1st October 2017.

The new powers in the Bus Services Act 2017 open further opportunities to improve services for passengers and also to introduce legally binding commitments to deliver specific schemes such as Sprint, bus priority measures or tackle issues affecting bus service provision and modal shift such as congestion, poor passenger information and air quality issues.

TfWM will explore these opportunities to fully assess how they might be used to deliver the objectives set out in the Vision for Bus and help to further support the West Midlands districts in bringing about a stepped change in bus service provision and tacking some of their wider policy objectives.