



West Midlands
Combined Authority

WMCA Board

Date	17 September 2021
Report title	West Midlands Bus Service Improvement Plan
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Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Authorise the principles for the West Midlands Bus Service Improvement Plan (BSIP), set out in the Background Papers.
- (2) Note that the scope and delivery of the West Midlands BSIP continues to be refined with key partners including local bus operators and local highway authorities, taking account of the desire for ambition to be shown.
- (3) Note that if principles cannot be agreed with bus operators, a further regulatory options of franchising exists to support delivery of the Authority's objectives, subject to understanding risks and mitigations, and these will be considered by the WMCA Board in November 2021 once the finalised BSIP is submitted.
- (4) Note the estimated cost of the BSIP ambition that will be submitted to Government.
- (5) Authorise the publication of the West Midlands BSIP once completed, as required under the National Bus Strategy for England to be published by the 31 October 2021.
- (6) Authorise the public consultation on a revised West Midlands Enhanced Partnership Plan, following publication of the West Midlands BSIP.
- (7) Delegate the responsibility for approving the final Bus Service Improvement Plan to the Mayor and Portfolio lead for Transport Portfolio Holder for the WMCA following engagement with the Strategic Transport Board relating to integration with CRSTS and wider bus policy, and with Transport Delivery Committee to ensure full understanding of impacts to the wider bus network, and integration with other services and modes.

- (8) Note the interdependency between the BSIP and the City Region Sustainable Transport Settlement (CRSTS) which is being reported separately.
- (9) Note the direct link between the funding from BSIP and the support required to maintain the existing bus network across the West Midlands beyond March 2022, as well as developing new services.

1 Purpose

- 1.1 The purpose of this report is to seek approval for the West Midlands Bus Service Improvement Plan principles, ahead of the BSIP publication required under the National Bus Strategy for England (NBS) by the 31st October 2021.

2 Background

- 2.1 The NBS published in March 2021, sets out the requirements for all Local Transport Authorities (LTAs) to access transformational funding from April 2022. TfWM is the LTA for the WMCA constituent area. The first step was to publish a notice of intent to pursue an Enhanced Partnership (EP) and/or franchising by the end of June 2021. By 31st October 2021, TfWM must publish a BSIP. By 31st March 2022 the LTA should have either an EP in place or be following the statutory processes for a franchising assessment.
- 2.2 The BSIP will aim to deliver a step change in bus services required to achieve the objectives of the NBS. Government will use our, and other Authorities' BSIPs to determine how to allocate the £3 billion of funding for bus to deliver the objectives of the NBS – covering both revenue and capital. As required by Government, our BSIP should:
 - Be developed by LTAs in collaboration with local authorities and bus operators, community transport bodies and local businesses, services and people.
 - Focus on delivering the bus network that LTAs (in consultation with operators) want to see, including how to address the under provision and overprovision of bus services and buses integrate with other modes.
 - Set out how it will grow bus use.
 - Set out how it will be delivered.
 - Be updated annually and reflected in the Local Transport Plan (LTP).
- 2.3 TfWM has an existing EP in place for the region and is also undertaking an assessment of the wider bus service reform options available through the Bus Services Act 2017. This ongoing assessment includes bus franchising options, and a report outlining the outcomes of this will be considered by WMCA Board in November 2021. The BSIP will set out the bus vision for the West Midlands. The current EP will be updated (by 31st March 2022) to reflect delivery of the BSIP vision. A separate franchising assessment detailing how, the BSIP vision could be delivered and pursued, will also be included. This is a requirement of the BSIP guidance, as WMCA have both options available for delivery. Through delivery, if the BSIP vision and outcomes cannot be delivered in partnership, franchising is identified as a mechanism which authorities can turn to deliver the BSIP.

- 2.4 The BSIP guidance encourages, LTAs, local authorities and bus operators to work at pace with communities to plan and deliver a fully integrated bus service with simple, cheaper, multi-modal tickets, more bus priority measures, maintaining high-quality information for all passengers in more locations and more zero emission buses and better turn-up-and-go frequencies including during evenings and weekends.

Current bus offer to passengers

- 2.5 The region's bus network has an indisputable, but often undervalued, role in our transport system. It reaches every corner of our region, providing an essential mobility service to access employment, education, leisure and other key facilities as well as providing integration with other modes of transport. The West Midlands has the largest bus network in the UK (outside London) with 2,000 buses and 265 million boardings in 2019, across over 300 bus routes. Bus is the backbone of the West Midlands transport network accounting for around 80% of all public transport trips.
- 2.6 Over a third of residents in the West Midlands do not have access to a car and therefore rely heavily on bus and the wider integrated public transport system. As we recover from the pandemic, bus will play a role in supporting access to jobs, promoting inclusive economic growth and helping to achieve WM2041 goals.
- 2.7 Unfortunately, our public transport network including bus services and their passengers currently face numerous external challenges (i.e. perceived cost of travel and parking management) that we must tackle if we wish to increase patronage and provide support for the long term sustainability of services. The recent Covid-19 pandemic has also exacerbated many issues and with uncertainty on how our transport system will recover, it is difficult to know whether changes will last. In the short-term, and through the NBS, bus is flexible enough to adapt to changing travel patterns and accommodate the return in travel demand, providing critical connectivity for citizens.
- 2.8 With so many people within the West Midlands relying on the bus network, and a major aspect of our emerging LTP being to shift peoples travel behaviours to more sustainable modes, the BSIP offers scope to make the necessary changes and improvements to our bus services to enhance bus patronage and satisfaction levels.

Supporting Bus Operators

- 2.9 Throughout the Covid-19 pandemic local bus operators have been financially supported by the DfT and WMCA to maintain the existing bus network. TfWM have continued to provide support in the form of maintaining contract payments for tendered services at pre-covid levels as well as payments for the English National Concessionary Travel Scheme (ENCTS) at the predicted rate assuming the pandemic hadn't occurred. It is likely that additional financial support will continue until the end of March 2022.
- 2.10 Commercial bus operators and TfWM have received funding from the DfT Covid-19 Bus Services Support Grant (CBSSG) which was designed to ensure bus services can continue to operate to full-service levels during the pandemic despite reduced patronage levels. This grant has been provided through to the end of August 2021.

- 2.11 From 1st September 2021, the DfT will support operators and local authorities based upon a grant formula rather than 'topping up' operators to cover their costs. Under the revised conditions for this grant operators are required to maintain a minimum of 90% of mileage of pre-covid levels, will be able to make a profit and also make commercial service changes.
- 2.12 The period of this new Bus Recovery Grant (BRG) will be from September 2021 to the end of March 2022. Beyond March 2022 the required revenue support to maintain the existing and baseline network will need to be the absolute priority within the BSIP. The level of support required will be dependent upon commercial revenue received and therefore passengers. If insufficient revenue support is provided through the BSIP then this could result in significant reductions to the commercial network unless additional local funding can be identified.
- 2.13 This supported baseline network will form the basis for any further improvements identified in the BSIP and also the base network for supporting the delivery of the Commonwealth Games in July 2022.
- 2.14 The BSIP will seek revenue support to maintain the current level of service as a minimum from April 2022 to end March 2023. During this period the network will remain under review and look to meet changing travel patterns and demand. From March 2023 we will seek to work with operators to revise the network based upon passenger recovery from that point forward.
- 2.15 Any revenue funding will be in addition to the WMCA continuing to provide funding for socially necessary subsidised services across the region for the period of the BSIP.

Targets

- 2.16 The BSIP is required to have targets for improvement, with mandatory requirements, and additional targets for improvement proposed for our region:

Mandatory

- Bus journey time for the region as a whole and for strategic centres
- Reliability improvements for the region as a whole and for strategic centres
- Passenger numbers and growth
- Average passenger satisfaction

Additional

- Affordability of fares
- Safety and personal security
- Carbon and other bus emissions
- Bus operating costs
- Modal share (bus)

Longer-term transformation

- 2.17 Many of the initiatives in the BSIP can be considered transformational and are intended to make the bus more attractive. Whilst improving the bus offer will be important, external issues will also need to be addressed, as set out in the recently

published local transport plan green paper. Behaviour change is critical, and we need to do more to shift journeys to public transport alongside other changes to travel patterns and behaviours. Bus has the greatest capacity and coverage to support modal shift up to 2030. This will require introducing the right mix of supporting policies to make public transport the most attractive option for certain journeys including reducing the need for parking and repurposing space for sustainable modes of travel and people as we respond to our Motives for Change.

- 2.18 The BSIP will be a 'live' document that must be reviewed at least every 12 months and reflecting our emerging Local Transport Plan. The review and updates to the BSIP will be managed by TfWM through the existing governance of the West Midlands Bus Alliance, with local bus operators, local highway authorities and other key stakeholders representing passengers and industry.

3. Financial Implications

- 3.1 The current estimated cost of the proposed areas of delivery in the BSIP, over the first 3 years to March 2025 is £542.49 million.

Area of Delivery	Estimated Revenue Cost (£m)	Estimated Capital Cost (£m)	Total Estimated Cost (£m)
Maintaining existing network of services (Apr 2022 – Mar 2023)*	84		84
Improve bus service provision	105		105
Improved network management	5.25		5.25
Bus priority/interventions		200	200
Ticketing/fares improvements**	0.8		0.8
Buses and decarbonisation		107	107
Information and branding (inc. RTI at all stops, replacement & branding of assets across the network)		39.8	39.8
Customer Charter inc. monitoring performance	0.28		0.28
Safer Travel	0.36		0.36
TOTAL	195.69	346.8	542.49

*based on 80% recovery in Yr 1, 90% recovery in Yr 2 and full recovery in Yr3. This also includes an assumption that Concessions will not fully recover by April 2022 and the WMCA

**cost is based on assumption that cost of sales will be met by operators

- 3.2 The BSIP will set out the Region's ambitions to improve customer experience and address key barriers to Bus travel. However, there are currently considerable additional pressures on the Bus market and the WMCA due to Covid-19, particularly around maintaining the existing network. Operators have been supported financially by a package of measures from both the DfT and from the WMCA, including the continued support through Concessionary payments whereby operators are currently being paid at assumed levels if Covid had not occurred rather than on actual patronage. If Bus patronage does not recover to pre-Covid levels, the Region will need significant financial support simply to maintain the status quo. If that support is not provided, there will be a significant risk to the WMCA that commercial services will no

longer be viable and there will, therefore, be increasing pockets of the network without sufficient bus service provision. Increasing pressure will be placed on the Authority to subsidise further routes as a result. Therefore, part of the BSIP funding will be earmarked to support existing services if the network has not recovered sufficiently by April 2022.

- 3.3 The figures shown above will continue to be refined over forthcoming weeks and prioritised according to the BSIP funding requirements guidance, as it is expected the available funding will be lower than the costs set out. The funding bid based on the BSIP will seek the maximum investment, whilst allowing new, agreed measures to be brought forward where not currently identified. The DfT cannot confirm specific funding allocations beyond April 2022 until the Spending Review later this year.
- 3.4 The proposed areas of delivery outlined in the BSIP complement the investment being sought through the CRSTS. In order to access the funding, there may be expectations on Authorities to continue to invest similar levels in areas such as Tendered and Demand-Responsive transport services to match the Government investment.
- 3.5 Once the level of West Midlands NBS funding is known, a further report will be brought to the WMCA Board to outline specific work packages that will be undertaken or prioritised with any revised costs.

4. Legal Implications

- 4.1 There are no immediate legal implications flowing from the contents of this report

5. Equalities Implications

- 5.1 An Equality Impact Assessment has been conducted on the BSIP. The workstreams identified within the BSIP, if successful are likely to have a positive impact across the equality groups. Whilst there are some considerations that need to be given to mitigate any potentially negative impact, the BSIP overall showcases a clear goal in overcoming inequalities across the existing transport network.

6. Inclusive Growth Implications

- 6.1 The investment in new zero emission vehicles and associated infrastructure will be positive for inclusive in the West Midlands by supporting the following inclusive growth themes - Economic Growth; Health & Wellbeing; Employment & Skills and Environment.

7. Geographical Area of Report's Implications

- 7.1 The BSIP and revised Enhanced Partnership will cover 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.

8. Other implications

None.

9. Schedule of Appendices

- 9.1 West Midlands Bus Service Improvement Plan – Principles.
- 9.2 BSIP Equality Impact Assessment.