



West Midlands
Combined Authority

Transport Delivery Committee

Date	10 October 2022
Report title	Bus Service Improvement Plan Implementation
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Report has been considered by	STOG, STB Discussion at TfWM LT

Recommendation(s) for action or decision:

Transport Delivery Committee is recommended to:

- 1) Endorse the proposed approach and activities set out to enable effective implementation of the Bus Service Improvement Plan, recognising the detailed delivery arrangements will be subject to agreement with bus operators
- 2) Endorse the proposal to adopt bus service registration powers from 1st January 2023 to align with the proposed amendment of the Enhanced Partnership to include the introduction of route requirements within the West Midlands on or after this date.
- 3) Approve Enhanced Partnership variation 002
- 4) Note the intent to revoke existing Advanced Quality Partnership Schemes given they will be superseded by a further updated EP (variation 003) later this year, and approve public consultation to facilitate this

1. Purpose

To provide an update on the delivery of the West Midlands Bus Service Improvement Plan (BSIP) in the context of wider challenges faced in the bus market and seek approval to make variation 002 of the region's Enhanced Partnership Scheme.

2. Background

- 2.1 In 2021 Transport Delivery Committee approved submission of the West Midlands Bus Service Improvement Plan (BSIP). All Transport Authorities were required to submit BSIPs to government in Autumn 2021 in response to the National Bus Strategy, setting out ambitious plans to transform the delivery of bus services in the region. All BSIPs were assessed by the DfT and in February 2022 TfWM was indicatively advised that it was one of 31 Authorities who's plans would be funded by Government, with £87.858m secured to support delivery.
- 2.2 This funding was confirmed in August 2022 and TfWM advised this would be phased over three years:

Financial Year	Funding
2022/23	£18,352,626
2023/24	£36,686,987
2024/25	£32,818,147
Total:	£87,857,760

The 2022/23 allocation will be received following satisfactory responses to a number of detailed clarifications received from the DfT which at time of writing are currently being worked through, and the making of the EP scheme variation 002. Future years' allocations will be dependent upon TfWM demonstrating to the DfT that it has made effective progress in delivery against BSIP commitments.

- 2.3 The Bus Service Improvement Plan (appendix 1), includes many far-reaching commitments that TfWM, Local Authorities and bus operators will work together to deliver. Underpinning this will be a statutory Enhanced Partnership Scheme, which will place binding commitments on partners to adhere to measures within the Scheme. The existing Scheme was implemented in June 2021, specifically covering the A34/A45 Sprint route. An EP scheme variation 001 following the expiry of the Birmingham Advanced Quality Partnership Scheme (AQPS) was made in June 2022, and will be varied (variation 002) to include the committed improvements across the wider network for the BSIP Funding. The updated scheme has been subject to close partnership working and detailed negotiation with bus operators and Local Authorities and is current being formally approved through individual Local Authorities' own governance processes. Formal approval is also required by Transport Delivery Committee. The latest proposed document is included in Appendix 2 and the version submitted to the DfT was published on the [TfWM website](#) in June 2022 for comment.

Ticket Simplification

- 2.4 A key deliverable within the BSIP is for an extensive ticket incentivisation programme, intended to provide free or reduced priced travel for a wide range of groups in order to promote bus use, grow patronage and reduce reliance on cars. More details of these proposals are included in Appendix 3. Bus ticketing is currently complex and each operator has their own suite of tickets. The multi-operator 'nBus' ticket enables passengers to use all operators' services in the region but has an associated price-premium so usage is limited. The complexity of ticketing can lead to difficulties in promoting clear, consistent messaging about bus fares to users and this acts as a barrier to use, particularly for those not currently familiar with bus use which the incentivisation schemes will primarily be aimed at.
- 2.5 In order to address this, the BSIP commits to the removal of the price-premium on the multi-operator nBus ticket, such that the price will be reduced to mirror that of single-operator tickets. As a result, this is likely to result in the removal of many operators' individual ticket products and simplify ticketing across the region significantly. Effectively nBus will replace the majority of operators' own day tickets and season tickets and allow for much clearer messaging. It is proposed to implement this in January 2023.

Managing the Network

- 2.6 A potential consequence of this might be a significant influx of on-the-road competition as operators seek opportunities to benefit from the high numbers of passengers that will have tickets that can be used on any bus. Whilst competition is healthy and necessary in a thriving deregulated environment this may lead to a degree of 'over-bussing' on some routes, with consequential environmental impact and destabilisation of the network. Discussions are ongoing with operators to establish how this can be mitigated, maintaining opportunities for competition whilst limiting adverse consequences through implementation of 'route requirements'. This is the process in which limits would be placed on the number of buses that can use certain stops.
- 2.7 In order to legally implement route requirements, the Bus Services Act 2017 requires TfWM to acquire bus registration powers from the Traffic Commissioner. There are a number of benefits to this which mean TfWM would be able to:
- ensure service standards and route requirements, set out in the West Midlands BSIP, are met by bus operators
 - enable better use of local knowledge within TfWM as opposed to the national body of the Traffic Commissioner. TfWM officers will be better able to scrutinise registrations as they come in allowing prompt action where needed for non-compliance with the Enhanced Partnership.
 - allow for a longer period of notice ahead of service changes to better update publicity and information. TfWM can also enforce the conditions by which short notice applications are received to ensure that operators only submit these as a last resort.
 - Provide reassurance that the services formally registered align with those previously agreed with TfWM during any service consultation stage.
- 2.8 Further detail on the proposal to acquire registration powers, including cost and resource implications is included in Appendix 4.

- 2.9 Given the detail to enable the removal of the nBus premium and route requirements is still being developed it is proposed that these be included within a further iteration of the Enhanced Partnership Scheme (variation 003). This will also include proposals for a Customer Charter and a further report will be brought to TDC for approval in November 2022.
- 2.10 Legislation does not enable a geographical area to be covered by both an Enhanced Partnership and an Advanced Quality Partnership Scheme (AQPS). Central Wolverhampton and central Solihull both have an AQPS in place so are not currently covered by the Enhanced Partnership Scheme. Legislation only permits TfWM to take on registration powers for services that operate wholly within an EP area. Therefore, to facilitate TfWM acquiring powers for the whole region it is proposed to revoke the AQPS schemes in Wolverhampton and Solihull and transition the content into the Enhanced Partnership scheme. Formal consultation is required to enable this and it is proposed to implement this change within variation 003 of Enhanced Partnership Scheme.

Network Review

- 2.11 Whilst the BSIP is intended to bring about transformational improvement, this is against a backdrop of challenging times for bus operators as outlined in another report to this committee on the proposed bus Network Review. Government have been clear that funding provided through the BSIP cannot be used to prop up services which the network review may propose will be withdrawn. The initiatives included within the BSIP (such as the ticket incentive scheme) are planned to generate additional patronage which will increase the profitability of services in the longer term but this funding cannot be used to directly increase the bus subsidy budget.

Programme

- 2.13 Summarised below are the key activities associated with the delivery of the BSIP, and there are critical dependencies associated with many of these, as outlined in the report:

By 1st January 2023

- Complete a region-wide Network Review
- 'Bonfire of Bus Tickets' – significant simplification of region's bus tickets
- Fares freeze (ongoing and started in April 2022)
- Passenger incentive programme
- Maximum frequencies on services (through Bus Services Act 2017 legislation)
- Registration powers from Traffic Commissioner
- Termination of remaining AQPS agreements in the region and absorbed into EP
- Appoint 9 additional TCSO's to improve safety and security across the network.

Activities to follow after 1st January 2023 *(not detailed within this report)*

- Customer charter
- Additional services procured aligned with BSIP commitments
- Monitoring and performance improvements

3. Financial Implications

- 3.1 The confirmed available budget allocation of £87.858m and its phasing across the 3 Financial Years has been outlined in paragraph 2.2 of this report. The budget has been allocated across a number of workstreams designed to have the maximum impact for the customer. These include a fares freeze, the funding of an incentivisation programme by providing simplified and discounted tickets, additional service support for the network and targeted promotional activity.
- 3.2 The WMCA will be required to report back on progress to the DfT on a regular basis to demonstrate that the money is providing value for money and is meeting the aspirations of the fund. In addition, budget has been allocated to introduce a customer charter to set out what can be expected from the programme and there will be ongoing monitoring and evaluation to ensure that the funding is meeting agreed objectives.

4. Legal Implications

- 4.1 The legal implications are included within the report. As has been identified in Appendix 4 of the supporting information, a Bus Registration Appeals process will need to be established which will involve elected members considering appeals by bus operators against cancellations or enforcement action. Details of this will be reported to the TDC in November.

5. Equalities Implications

- 5.1 An Equality Impact Assessment on the BSIP identified key equality, inclusion and access considerations. These have been embedded within action planning and within the BSIP strategy document. Bus is the main mode of travel for some of the most deprived/disadvantaged communities in the region and the plan proposals are likely to have overall positive impact on different protected characteristics including people from lower socio-economic backgrounds (e.g., through schemes such as ticket incentivisation). Individual BSIP proposals will go through additional impact assessments at design and development stage. The Enhanced Partnership Scheme has also been amended to include enhanced provisions that are likely to have positive impact on bus users. Finally, given the external climate, there are significant equality and access risks as a result of potential reduction in network coverage. Network reviews will need to undergo extensive equality impact to help identify relevant considerations. While Ring and Ride may be able to help mitigate negative impact, the core function of Ring and Ride (supporting disabled people unable to use public transport) cannot be compromised

6. Geographical Area of Report's Implications

This report impacts on all seven constituent districts of the Combined Authority.

7. Schedule of Background Papers

Appendix 1 – West Midlands Bus Service Improvement Plan
Appendix 2 – West Midlands Enhanced Partnership Scheme Draft (Variation 002)
Appendix 3 – BSIP Ticketing Incentive Scheme
Appendix 4 – Details of proposals to acquire bus registration powers