

Future Bus Delivery Options Next Steps

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Background

In Jan 2022, WMCA Board considered future West Midlands bus policy:

- Noted risks in the future delivery of bus services that TfWM are working with Government, bus operators and other partners to mitigate.
- Noted opportunities associated with Enhanced Partnership but also the level of commitment and process that it will place on all partners, particularly TfWM, Local Authorities and bus operators.
- Supported continued assessment of the Business Case for Franchising as a possible mechanism to address these challenges should Enhanced Partnerships fail to effectively deliver the Authority's ambitions.

2022: The Risks Grow

- Patronage remains below pre-covid levels, impacting revenue
- High inflation, notably fuel and wages
- Staff recruitment challenges impacting service delivery
- Further reduction in number of operators bidding for TfWM contracts
- Continued uncertainty relating to ongoing government funding support
- Difficulties in negotiating agreed commitments within the Bus Service Improvement Plan

2022: Risk Mitigation

- Regionwide Enhanced Partnership adopted, committing partners to things that will improve buses
- Secured BSIP funding to help deliver growth, through ticket incentives, fares freeze and new services
- Ongoing review of TfWM role in depot and fleet ownership, particularly during transition to Zero Emission
- Commissioned Full Franchising Assessment
- Ongoing development of new Local Transport Plan, advocating necessity for much greater bus use to meet wider societal and environmental challenges (against background of long-term decline).



Delivery in Partnership

Bus Service Improvement Plan contains ambitious proposals to transform the bus network, which if delivered in full could make Franchising irrelevant. Many of these are enshrined in our Enhanced Partnership, including:

- ‘Bonfire of Bus Tickets’ – significant simplification of bus tickets
- Three year fares freeze (ongoing from April 2022)
- Passenger incentive programme, free or heavily discounted travel for many
- Nine extra TCSO’s to improve safety and security across the network.
- Customer charter
- Additional services procured aligned with BSIP commitments
- Monitoring and performance improvements
- Investment in over 100km of new bus priority

Franchising Assessment Activities

- Consider size of future network and resource requirement
- Determine fleet and depot ownership model
- Consider lotting strategy, contract lengths and areas
- Agree ticketing strategy and where revenue risks should lie
- Consider contractual terms, KPIs, role of Authority / operators
- Consider transitional arrangements ensuring service continuity & how appropriate staff capacity and capability is provided
- Consider governance and change management processes
- Develop consultation strategy

Timelines

- January 2023:
Consultants appointed to support Franchising Assessment
- Summer 2023:
Finalise framework against which options will be assessed
- December 2023:
Interim (Draft) Franchising Assessment complete
- June 2024:
Franchising Assessment concluded for CA / Mayoral consideration



Summary

- Continued focus on outcome-driven tasks to support delivery of BSIP, regardless of future regulatory approaches (e.g. network design, service performance, ticketing simplification, decarbonisation)
- Develop processes that could be compatible with either Enhanced Partnership or adapted to enable Franchising
- Develop Franchising to a point where it could be activated if Enhanced Partnership fails to deliver
- Major risks to bus network exist regardless of regulatory approach.

