



DERBYSHIRE COUNTY COUNCIL

ECONOMIC PROSPERITY COMMITTEE MEETING

7th October 2021

OVERVIEW OF NATIONAL BUS STRATEGY AND PROGRESS ON DEVELOPMENT OF BUS SERVICE IMPROVEMENT PLAN FOR DERBYSHIRE

1. Purpose

- 1.1 To provide the D2 Joint Committee with an overview of the National Bus Strategy and an update on the development of the Bus Service Improvement Plan being produced in response.

2. Discussion / Decision Required by the D2JC

2.1 The D2 Joint Committee is recommended to:

- i) **Note the strategic implications of the National Bus Strategy.**
- ii) **Note the progress being made locally in developing an appropriate response to the challenges set out and in driving low carbon transport solutions for Derbyshire.**
- iii) **Identify key areas for potential development within the Bus Service Improvement Plan going forward.**

3. Information and Analysis

3.1 Background

On 15 March 2021, Government published the first National Bus Strategy for England. The main objective of the Strategy is to reverse the long-term decline in bus use nationally which has been exacerbated by the

impact of the COVID-19 pandemic. It aims to achieve this by making bus services more frequent, reliable, better co-ordinated and cheaper.

- 3.2 To enable this to happen, Government wants to see major improvements in a variety of areas including bus priority measures, vehicle emission standards, the provision of service information, simplified ticketing arrangements and the joint marketing of services. Government has committed to provide £3bn of new transformation funding nationally to help drive forward these improvements.
- 3.3 Central to these changes, the Strategy expects all local transport authorities (LTAs) in England, such as Derbyshire County Council and Derby City Council, to play a much bigger role than they do currently in the way bus services operate in their area. Under the existing deregulated model of bus provision which has been in place since the 1986, most services are provided on a commercial basis. This means it is the bus companies themselves who decide the route of the service, the timetable, fares, types of vehicle used etc, based on what they think makes the best commercial proposition.
- 3.4 It is only when bus companies feel there is not a commercial case to operate a route in a particular area, or time of day, that LTAs can become involved by specifying and funding additional services to fill gaps in commercial provision. Prior to the pandemic, approximately 80% of bus passenger journeys in Derbyshire were made on commercially operated services, with the remaining 20% of journeys taken on routes directly funded by the Council. In Derby City, this figure was approximately 99% of passenger journeys on commercial services and 1% on Council funded routes.
- 3.5 The Strategy expects all LTAs in England to replace this deregulated model in their area with one of two options: Franchising or an Enhanced Partnership.

Franchising - Under a franchise model, LTAs determine all the bus services which should be provided in their area, with bus operators bidding for the right to run them on a contractual basis. As a result, there would be no specifically commercial network. Although the franchising model gives LTAs full control of where and when buses operate, the fares charged etc, it also means the LTA is required to meet the overall cost of providing all the services in their area that are not met by passenger fares and other income.

Under current legislation, only Mayoral Combined Authorities (MCAs) have an automatic right to use franchising powers. For franchising to be

introduced in Derbyshire, the LTAs would need to develop a full business case setting out the reasons why this arrangement was desired and then apply to the Secretary of State for Transport for permission to receive these powers. To date, no non-MCA has decided to pursue this model and the franchising system is only operational in London. Greater Manchester is, however, actively developing plans to introduce franchising but it has taken nearly four years of work by Transport for Greater Manchester (TfGM) to reach the point where the final decision to commit to the franchise model has now been taken. It is anticipated that the first franchised services will start operating in Manchester in 2023 with the process being completed by 2025. TfGM anticipate the cost of introducing franchising in its area will be £135m.

Enhanced Partnerships - Enhanced Partnerships (EPs) are a new type of arrangement between LTAs and bus operators. The purpose of the EP is to create a formal, collaborative agreement between LTAs and bus operators to deliver bus improvement objectives. As part of an EP, the LTA and operators can set service standards, including the frequency of services along specific routes, the type of vehicle to be used and the availability of ticket products and payment methods.

Enhanced Partnerships also allow for integration between different modes of travel such as bus and rail, with more joint ticketing arrangements and better timetabling to allow interchange. An EP would therefore bring many of the benefits of a franchise in terms of providing a more joined up bus network, but would be cheaper to introduce for LTAs as the financial risk for running commercial services would still remain with the bus operators.

EPs would, however, still place significant obligations on the LTAs with the National Bus Strategy making it clear they would need to invest in significant bus priority measures, as well as upgrades to bus stop infrastructure. Other elements of EPs, such as establishing integrated ticketing arrangements, joint marketing of the network and improvements to information provision would also inevitably result in additional costs to the LTA.

At the Cabinet meeting on 17 June 2021 it was agreed that Derbyshire County Council would enter into an EP arrangement with all of the bus operators who provide services in Derbyshire. To meet the Government's requirements a formal notice of intent to do this was then published on the County Council's website and in a number of local newspapers. Similarly, Derby City also agreed to enter an EP arrangement in June.

3.6 Bus Service Improvement Plan

Prior to the EP starting on the 1 April 2022, councils must publish a Bus Service Improvement Plan (BSIP) by the end of October 2021. A BSIP needs to set out a high level vision for bus services in Derbyshire, the key interventions needed to deliver it and how these will achieve the overarching goal of increasing bus patronage after the pandemic as set out in the National Bus Strategy. The BSIP will also be used by the DfT to judge how much of the £3bn Transformation Fund each LTA in England will be allocated for future bus projects and support. In assessing the overall quality of BSIPs, the DfT will give particular weight to measures which support local bus markets as they emerge from the pandemic, such as proposals to improve service reliability.

- 3.7 As the DfT has given LTAs less than 6 months to produce a BSIP, its guidance has made it clear these do not need to be a very long or detailed documents. Therefore, information on issues such as timetable and route changes to specific services, proposed works at particular groups of bus stops or the introduction of a bus lane between point A and B should not form part of the BSIP. Instead its main purpose is to get partners thinking about what issues need to be addressed in the LTA area, to explore possible answers, and to provide an early basis for funding decisions in the autumn and winter in preparation for the financial year 2022/3 when transformational funding begins.

Derbyshire

- 3.8 In relation to Derbyshire, officers from the County Council's Public Transport Team are working in collaboration with bus operators, specialist transport consultants Systra, and other stakeholders to produce the BSIP. As part of process detailed discussions have taken place with officers from all the Borough and District councils across Derbyshire, Derby City and the Peak District National Park Authority to get a better understanding of their views on what is required. A public survey was also undertaken in July and August to find out the kind of improvements existing and potential new bus passengers would like to see.

3.9 Implications

Whilst a copy of the final draft of the Derbyshire BSIP is not yet available due to the constraints of the timetable set by the DfT, a summary of the key interventions proposed for inclusion are detailed below:

- A major expansion of the existing system which provides bus priority at traffic signals.
- A significant increase in the number of roadside Real Time Information signs at bus stops across Derbyshire and upgrades to

the joint D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) back office system which supports it.

- Measures to improve integration between different bus services and between bus and rail including improved information and the development of transport hubs at key locations to help bring services together.
- The introduction of a Bus Passenger Charter setting out what customers can expect on all services across Derbyshire; linked to this a Bus User Forum will be established.
- Joint marketing and information to create a unified Derbyshire wide network highlighting the breadth of services which are available.
- The introduction of new ticketing arrangements to make bus travel more affordable including a bus only county-wide all operator joint ticketing scheme and an enhanced young person's offer which will give improved benefits to more people than the current b_line card.
- Significant improvements to roadside shelters and other stop infrastructure including whole route upgrades with new arrangements to maintain, repair and clean bus stop infrastructure.
- Improvements in the frequency and hours of operation of key core services.
- An expansion in the number of areas where Demand Responsive Transport services are available.
- Introduction of more environmentally friendly buses including hydrogen powered vehicles.
- Review of car parking charges and action to reduce inconsiderate roadside parking and enforce traffic restrictions on bus routes, stops and at bus lanes.

3.10 A draft programme of how these different elements are introduced will form part of the BSIP but it is inevitable the interventions will take a number of years to fully implement. Whilst the BSIP document is being developed by the County Council it is not something that can be imposed on different groups – particularly the bus operators. Without their full and active support many of the proposals will be difficult, if not impossible to implement. The BSIP and EP arrangements must therefore be a true partnership between the various organisations. This will include the Borough and District Councils who have a particular role to play in relation to a number of key issues including parking policy, long term land use planning and in some cases roadside bus shelters.

3.11 At the same time as the BSIP has been developed, work has also been taking place to progress the formal Enhanced Partnership arrangements in Derbyshire. The National Bus Strategy requires each

EP to be jointly run by a board that represents the LTA, local bus operators and other stakeholders led by an independent chairperson.

3.12 Due to the very tight timetable set by Government for the submission of the BSIP it was decided, following discussions with the County Council Cabinet Member - Highways Assets and Transport, that the initial makeup of the board would be:

- Six representatives from the County Council, including the Cabinet Member and Support Member for Highways Assets and Transport and the Executive Director – Place.
- Six representatives from the bus companies who operate services across Derbyshire. These are Stagecoach Yorkshire and Trent Barton as the two largest operators in the County, Hulleys of Baslow and Midland Classic who are medium size companies and Ashbourne Community Transport and Derbyshire Community Transport representing third sector providers.
- An Independent Chair - Professor Margaret Bell from Newcastle University has agreed to take on this role. Professor Bell has significant academic and practical understanding of the transport sector in the UK and overseas. As a former resident of Long Eaton, she also has a good knowledge of Derbyshire and has been working with the Council and partners in the Transport and Infrastructure Covid Recovery Group for the last 16 months.

3.13 Once the BSIP is submitted, it is anticipated that the membership of the Board will change to include representatives from a variety of other stakeholders including representatives from passenger groups and borough and district councils.

3.14 The BSIP will be a living document, and the DfT guidance makes it clear that it should be revised at least every 12 months to ensure it remains relevant and that the plans are working as intended.

3.15 **Derby City**

Derby City has also employed consultants to work on its BSIP and final drafting of the document is now at an advanced stage. Many of the measures being proposed mirrors those in the Derbyshire BSIP including-

- Additional bus priority measures
- Enhanced information provision
- Measures to improve integration between different bus services and between bus and rail
- More integrated ticketing arrangements

- The introduction of a Bus Passenger Charter
- Improvements in the frequency and hours of operation of key core services.
- An expansion of Demand Responsive Transport services
- Introduction of more environmentally friendly buses

An enhanced partnership board has also been established with representatives from the City Council, the main bus operators Arriva, Notts and Derby and Trent Barton and passenger user groups.

Implications Going Forward

3.16 Clearly there is scope within the context of the EP for greater and better strategic discussion with all partners on how to improve bus travel across the D2 geography and in particular, how to ensure proposals deliver the intervention areas highlighted in the Economic Recovery Strategy. These include:

- The creation of mobility hubs in key locations across the county to support the integration of low carbon transport interchanges – pilot areas in Buxton and the Hope Valley have been identified and potential support from Midlands Connect has been secured.
- Opportunities for expansion in demand responsive travel across the whole D2 area
- Opportunities to install hydrogen refuelling infrastructure in key locations – this work is currently being overseen by the Low Carbon Task Force, chaired by Tony Walker and reporting to the D2 Economic Recovery Board.

3.17 It is also recognised that bus passengers pay no account to council boundaries when they make their journeys. So to ensure future cooperation between the County and City councils on the implementation of BSIP and EP arrangements, a draft Memorandum Of Understanding has been drawn up committing both organisations to work together to ensure account is taken of the impact cross boundary journeys when making decisions bus interventions – in particular, this would have great merit on proposals such as cross-boundary ticketing.

4 Recommendations

4.1 That the D2 Joint Committee is recommended to:

- i) Note the strategic implications of the National Bus Strategy.
- ii) Note the progress being made locally in developing an appropriate response to the challenges set out and in driving low carbon transport solutions for Derbyshire.

iii) Identify key areas for potential development within the Bus Service Improvement Plan going forward.

5 Background Papers

Bus Back Better, the National Bus Strategy for England
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf