



Agenda Item

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

14 October 2021

Report of the Executive Director - Place

**Enhanced Partnership Arrangements for Bus Services in Derbyshire and
the Bus Service Improvement Plan
(Highways Assets and Transport)**

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is a key decision because it is likely to result in the Council incurring expenditure which is significant, having regard to the budget for the service or function concerned and it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

3.1 To update Cabinet on the development of the Enhanced Partnership arrangements for bus services in Derbyshire and the various measures which are recommended for inclusion in the Council's Bus Service Improvement Plan to support the delivery of the partnership.

4. Information and Analysis

4.1 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 easier to use. 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.

4.2 Central to these changes, the Strategy expects all Local Transport Authorities (LTAs) in England to play a much bigger role than they do currently in the way bus services are operated 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. It is only when bus companies consider 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 financially supported by the Council.

4.3 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 (EP). In the Strategy, the Department for Transport (DfT) has made it clear that adoption of either Franchising or EPs is essential if LTAs are to receive future funding, not only for bus related activities but for transport projects more generally, such as new roads or cycle schemes. Future Government funding to bus operators is also dependent on them taking part in these arrangements.

4.4 At the meeting of the 17 June 2021, Cabinet agreed to enter into an EP arrangement with all of the bus operators who provide local bus services in Derbyshire and with other relevant stakeholders (Minute No. 99/21 refers). A formal notice of intent to prepare an EP Plan, which is a

legal requirement of the Transport Act 2000, was subsequently published with copies appearing in a number of local newspapers across the region and on the Council's website.

4.5 **Progress to Date**

The DfT has set a very challenging timetable in the Strategy to introduce these changes. By 31 October 2021, the Council must publish a Bus Service Improvement Plan (BSIP). This will be developed by the Council in collaboration with bus operators and other stakeholders including district and borough councils and passenger groups. It will focus on what needs to be done to deliver the bus network that the LTAs and others want to see. The BSIP will also be used by the DfT to judge how much of the £3bn Transformation Fund each LTA will be allocated for future bus projects and support. The DfT has made it clear that it wishes to see ambitious proposals in the BSIP and this ambition will be funded. To allow the DfT to monitor the progress over the longer term and decide on future funding levels, the BSIP also needs to include a number of performance targets which will need to be reported every six months. Following the submission of the BSIP, more work to formally agree the terms of the Partnership will then take place to allow an EP to be in place covering all of Derbyshire from the 1 April 2022.

4.6 Since June 2021, staff from the Council's Public Transport Unit and external consultants, Systra, who have been employed to develop the project, have been drawing up the detailed proposals which will form the EP agreement and BSIP. As part of this, detailed consultation has taken place with all bus operators who provide services across Derbyshire. This is to understand, in greater detail, what they perceive to be the main issues which need to be resolved to support the revival of bus services, not only from the short term reduction in passengers following the pandemic, but also from the more general decline in use which has taken place over many years.

4.7 Discussions have also taken place with a number of other key stakeholders including representatives from bus user groups, the borough and district councils, disability groups, the Peak District National Park Authority, neighbouring LTAs and special interest organisations. There has also been wider consultation with members of the public via a survey which ran for five weeks up until 23 August 2021. The survey asked existing passengers and non-users what they thought would improve local bus services and encourage them to use them more often in the future. This survey had a good response rate with 2,038 responses being received.

4.8 From this process, it is apparent that there were a number of broad themes where improvements were considered to be required including:

1. Changes to improve the overall quality of bus travel to make it the first choice mode for more journeys.
2. Changes to make buses easier to use and more welcoming for passengers.
3. Measures to expand the reach of services to allow buses to be used for more types of journeys.
4. Changes to ticketing arrangements to make bus travel more affordable.
5. Measures to make the bus network more environmentally sustainable.
6. Measures to reduce isolation and increase social inclusion.

4.9 Work has taken place to develop a range of proposals to be included in the BSIP and deliver the improvements identified. Whilst a copy of the final draft of the BSIP is not yet available, due to the constraints of the timetable set by the DfT for LTAs to produce their plan, the key interventions proposed for inclusion in it 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.

4.10 To monitor what impact the BSIP is having, it also needs to contain a set of targets on a wide range of issues. From the improvement proposed above, the Council anticipates these will include:

- Punctuality of services compared to timetable.
- Reliability of services in terms of cancellations and scheduled mileage lost.
- Number of passenger journeys.
- Customer satisfaction on a number of different aspects including journey time, value for money, and vehicle cleanliness.
- Percentage of buses in Derbyshire which have engine emissions of Euro 6 standard or above.
- Number of bus stops with Real Time Information displays.

4.11 At the moment, the DfT has not confirmed how it will score the BSIPs it receives and how this will translate into the amount of funding each LTA in England will receive for 2022-23 and in future years. The Council currently estimates its proposed measures will cost between £85m and £95m over a five year period from 2022-23. Should the DfT decide not to make available the full amount of funding requested in the Council's BSIP, then the proposed programme of measures and targets would need to be altered to prioritise those which were seen as most important.

4.12 There is also likely to be a requirement for additional Council capital and revenue funding to support buses as the DfT has asked for details of current and future local spending on services to form part of the BSIP. The DfT has said that LTAs which commit more of their own funding as part of this process are likely to receive more from the Government for their BSIP.

4.13 At the same time as the BSIP has been developed, work has also been taking place to progress the formal EP arrangements. 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.

4.14 Because of the very tight timetable set by the Government for the submission of the BSIP, it was decided, following discussions with the 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.

4.15 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.

4.16 The Board met for the first time on 17 August 2021 and subsequent meetings have concentrated on agreeing what measures should be included in the BSIP and the associated targets. To help this process, a number of workshops have also been held with Board members to work through the details. Following the submission of the BSIP at the end of October 2021, the Board's focus will change with a particular emphasis on finalising the details of the EP agreement and an implementation plan for what measures should be introduced during the first year of the new arrangements in 2022-23.

5. Consultation

5.1 Consultation on the proposals in the BSIP have taken place with all of the bus companies who operate bus services in Derbyshire, the community transport operators who run the Derbyshire Connect

Demand Responsive Transport services, bus passenger user groups, disability organisations and other special interest groups. There has also been consultation with representatives from the borough and district councils, the Peak District National Park Authority and neighbouring LTAs.

5.2 A public consultation was also undertaken to understand what improvements the public would like to see introduced as part of the BSIP. A total of 2,038 responses were received of which 58% identified themselves as regular bus passengers and 42% as infrequently or non-users. When asked what three measures they thought would encourage more bus use, the four most popular responses were:

- Improved connectivity with other bus routes and rail services, which was chosen by 40%.
- Improved reliability and quicker journey times, which was chosen by 31%.
- A range of simple low-cost day, weekly and monthly tickets allowing travel on all bus services in Derbyshire including those into neighbouring authority areas, which was chosen by 31%.
- More Real Time Information screens at bus stops and interchanges which was chosen by 31%

5.3 A summary of the consultation results is attached as Appendix 2 to this report.

6. Alternative Options Considered

6.1 The following alternative options have been considered:

6.2 **Do nothing and continue with current arrangement** – The National Strategy makes it clear that unless an LTA agrees to introduce an EP or franchising in their area by 30 June 2021 and then submits a BSIP by 31 October 2021, they will not receive future discretionary funding from the DfT, for bus related activities or for transport projects more generally. Cabinet agreed on 17 June 2021 to introduce an EP arrangement. Doing nothing is therefore not considered a practical option.

6.3 **Introduce Franchising rather than an Enhanced Partnership** – Franchising would bring with it considerable financial risks for the Council as it would be responsible for meeting the overall cost of providing all the services in Derbyshire not covered by passenger fares and other income. Currently, estimating this cost would be very difficult due to the significant impact of the pandemic on bus passenger

numbers over the last year. Also, the Council does not have the automatic right to introduce franchising as, under the existing legislation, only Mayoral Combined Authorities have these powers. To gain this authority from the Secretary of State for Transport and start the process within the timetable set down by the DfT is not considered a practical option.

7. Implications

- 7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

- 8.1 Cabinet Report - Impact of the National Bus Strategy on the Future Development of Bus Services in Derbyshire, dated 17 June 2021

9. Appendices

- 9.1 Appendix 1 - Implications.
- 9.2 Appendix 2 - Consultation survey results summary.

10. Recommendations

That Cabinet:

- a) Notes the work undertaken on the development of the Enhanced Partnership including the formation of the Board.
- b) Notes the measures which are likely to form the key elements of the Bus Service Improvement Plan (BSIP) and the estimated funding bid to the Department of Transport (DfT) associated with it.
- c) Grants the Executive Director - Place in consultation with the Cabinet Member - Highways Assets and Transport delegated powers to agree the final wording of the BSIP which will be submitted to the DfT by 31 October 2021.
- d) Notes the requirement for an increased commitment to revenue and capital funding from the County Council for public transport to support the Enhanced Partnership and BSIP over the medium term.

11. Reasons for Recommendations

11.1 At the meeting on 17 June 2021, Cabinet agreed to enter into an Enhanced Partnership arrangement, as required by the National Bus Strategy. This includes the establishment of a board to manage the Partnership.

11.2 The BSIP is central to the future development of the Enhanced Partnership as it sets out the various measures necessary to bring about the improvement in bus services required by the National Bus Strategy. It also provides the DfT with details of the level of funding they will need to provide to the Council to allow these measures to be introduced.

11.3 Because of time constraints, the final version of the BSIP is not yet available for Cabinet to approve.

11.4 Enhanced Partnership arrangements will require the Council to consider future budget implications, the planning of which needs to commence at the earliest opportunity as part of the Medium Term Financial Strategy.

12. Is it necessary to waive the call in period?

12.1 No.

Report Author: Chris Hegarty

Contact details: 36721

Implications

Financial

- 1.1 The Council has a total of around £35m committed revenue expenditure per annum across all transport services, including statutory Home to School (HTS), Special Educational Needs or Disabilities (SEND), and Adult Social Care Transport. This includes around £10m of concessionary fare payments which is a statutory duty. In 2021-22, the Council is also committing £1.2m from its capital programme on public transport infrastructure schemes. To implement the measures set out in the BSIP, the Council anticipates that the funding requirement from the Department for Transport (DfT) will be between £85m and £95m over the initial five years of the programme starting from 2022-23.
- 1.2 Presently, it is difficult to estimate what changes will be needed to Council funding arising from the creation of the Enhanced Partnership (EP) as this will depend on how much funding the DfT decides to award following its consideration of the Council's Bus Service Improvement Plan (BSIP) and what investments the local bus operators make. However, the DfT has made it clear that it expects Local Transport Authorities (LTAs) to increase the level of funding they provide locally to support bus services as part of their commitment to the National Bus Strategy. If, for example, the Council did employ two additional grade 10 staff to undertake some of the extra work required to implement some of the measures in the BSIP, this would equate to approximately an extra £80,000 a year in staffing costs.

Legal

- 2.1 Section 63(1) of the Transport Act 1985 places a duty on Derbyshire County Council to secure the provision of '*such passenger transport services as the Council considers appropriate to meet any public transport requirement within Derbyshire which would not, in its view, be met, apart from any action taken by them for that purpose*'.
- 2.2 A formal notice of intent to prepare an Enhanced Partnership Plan, which is a legal requirement of the Transport Act 2000, was published in June 2021 with copies appearing in a number of local newspapers across the region and on the Council's website.

Human Resources

- 3.1 The work to prepare the BSIP has been undertaken by existing staff from the Passenger Transport Unit and their consultants. It is, however, recognised that the level of additional work proposed in the BSIP is beyond the capacity of the existing Passenger Transport Unit to accommodate. It is estimated that, a dozen extra staff will be required to implement all the measures being proposed. Therefore, as part of the BSIP submission, funding is being

requested to cover the cost of most of these additional staff. However, it is recognised that the DfT expects a local contribution from LTA towards any additional staff costs, and as a result it is proposed that at least two of these extra posts are funded directly by the Council. The additional staff it is provisionally proposed the Council recruit include:

- A BSIP implementation project manager.
- Three posts in the roadside infrastructure team which will include bus priority measures.
- Two posts with responsibility for improving information provision including an expansion in the number of Real Time Information signs.
- Two posts with responsibility for community engagement and marketing and promoting the use of bus services.
- Two posts to manage bus service changes including the expansion of demand responsive transport and transport hubs.
- One post to deliver the new ticketing and youth concessionary fares arrangements.
- One post to monitor and report on the various performance measures in the BSIP and to support the Enhanced Partnership Board.

3.2 It is proposed that the two posts with responsibility for community engagement and marketing of services should be directly funded by the Council. Whilst no detailed job evaluation has yet been undertaken, it is been assumed that these roles would be of a similar level as the existing Community Rail Partnership Officer who undertake a comparable function for the rail sector. Currently, these posts are classified at grade 10 level.

Information Technology

4.1 There are no direct information technology implications to this report.

Equalities Impact

5.1 Bus services are particularly important to a range of disadvantaged groups such as young people, older people, women and those from economically deprived communities, all of which make a higher proportion of their journeys by bus than the population as a whole. The introduction of an EP and the measures associated with the BSIP will not only enhance the quality of bus services available but will support the wider levelling up agenda across all communities and ambitions for driving 'good growth'. Particularly, it will improve the opportunity for these people to access a variety of key opportunities such as education, employment and health care provision.

Corporate objectives and priorities for change

6.1 This proposal will help deliver the following Council Plan priorities: Resilient, Healthy and Safe Communities; High Performing, Value for Money and Resident-Focused Services; A Prosperous and Green Derbyshire.

Specifically, creation of an Enhanced Partnership will also enable the delivery of Place Directorate priorities around sustainable transport and travel.

- 6.2 The main aim of the BSIP and EP is to generate additional use of bus services and in turn encourage modal shift away from the private car. If this happens it will have a positive impact on the Council's wider environmental sustainability objectives and support the targets set in the Climate Change Strategy: Achieving Net Zero. Specific measures such as introducing low emissions buses is a key element of the BSIP proposals with the number of vehicles with Euro 6 or better emissions standards forming one of the targets progress is monitored against.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 N/A

Appendix 2 - Consultation survey results summary

Table 1 - % of bus users and infrequent /non users responding to survey

Response rate summary		
Frequency	Count	%
# Users	1191	58%
# Non/Infrequent Users	847	42%
Total	2,038	100%

Key

Users = people who travel by bus 1 or more days a week on average

Non/infrequent users = people who travel by bus less than 1 day a week on average or not at all

Table 2 – Age range of respondents to the survey

Age Band	
Frequency	%
18-34	13%
35-49	17%
50-64	29%
65+	33%
Prefer not to say	7%
Base	100%

Table 3 - % of respondents to the survey who do and do not has a concessionary travel pass

Concession Status	
Frequency	%
No	62%
Yes	36%
Prefer not to say	2%
Base	100%

Key –

No = People who do not have a Gold Card concessionary pass and pay a fare to travel.

Yes = People who do have a Gold Card concessionary pass.

Table 4 - Modes of travel used by the respondents prior to the pandemic

Q1a. Modes of transport used pre-Covid-19	
Frequency	%
Walk	70%
Cycle	17%
Bus	58%
Rail	36%
Private car / van (as a driver, without passengers)	54%
Private car / van (as a driver, with passengers)	40%
Private car / van (as a passenger)	38%
Car club / hire car	1%
Taxi (including companies such as Uber)	19%
Motorcycle / Moped	2%
Other	2%
Base	100%

Table 5 –Top 3 improvements which would encourage respondents to use the bus more

Q5a. Improvements to encourage bus use - Times selected in respondents 'Top 3'					
Frequency	Total %	Frequent %	Infrequent %	Concessions %	Farepayers %
Improved reliability and quicker journey times, with more bus priority measures (bus lanes etc.)	31%	35%	26%	32%	32%
Up to date bus service information that is clear, easy to understand, and readily available	26%	27%	25%	32%	23%
Improved connectivity with other bus services and rail services	40%	40%	42%	45%	38%
A reduction in the number of times that changes are made to bus timetables and services each year	9%	12%	6%	12%	7%
Improved accessibility for passengers such as raised kerbs / better wheelchair access	4%	5%	4%	6%	3%
More integrated and innovative services such as flexible, bookable, demand-responsive transport services	13%	10%	18%	11%	15%
Buses with on-board Wi-Fi, USB charging and next stop announcements	9%	12%	6%	11%	8%
Better bus stop waiting facilities, such as regularly cleaned and more modern bus shelters	14%	18%	8%	17%	12%
A range of simple, low-cost, day, weekly and monthly tickets that can be paid for using contactless card, Apple Pay, etc; allowing travel on all bus services (including into neighbouring counties) and many rail services	31%	29%	33%	9%	43%
Real time bus information at bus stops and interchanges	31%	34%	26%	37%	27%
A single public transport app for Derbyshire, providing a range of information relating to timetables, disruptions, and ticketing information for all operators	19%	17%	21%	19%	19%
Investment in greener and more environmentally friendly buses	20%	20%	19%	20%	20%
Capped daily charge for using bus services	11%	10%	12%	3%	15%
None of the above would encourage me to use the bus / use the bus more often	7%	4%	10%	7%	6%
Base	-	-	-	-	-

Key

People taking part in the survey were asked to rate what of the options provided were the top 3 improvements to bus services they would like to see. These results have been further sub divided by frequency of bus use and if the person answering has a concession pass or not.