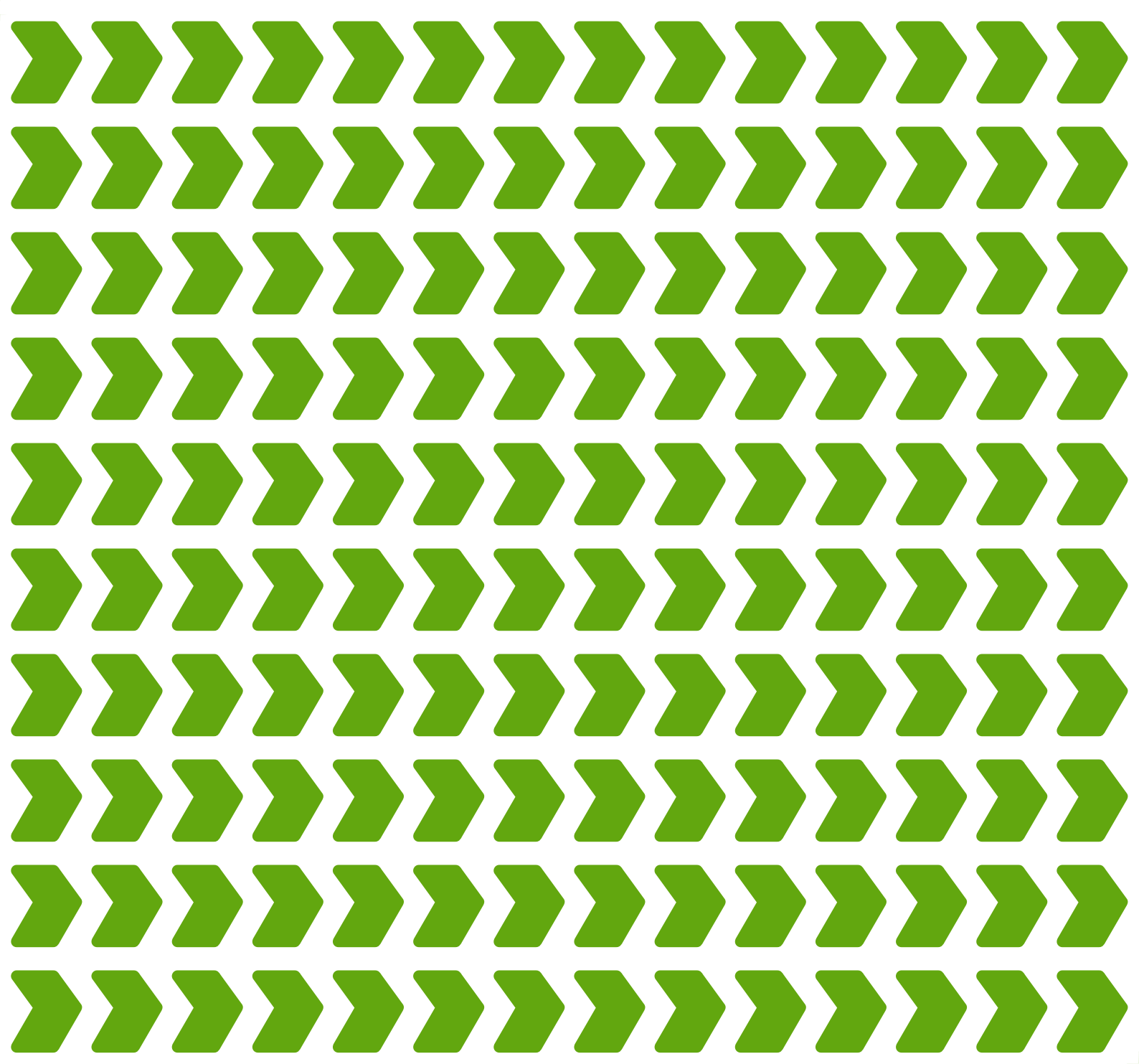




Department  
for Transport

# The Bus Services Act 2017

## New powers and opportunities



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# 1. Foreword

Buses are England's most used form of public transport, accounting for more than 60% of all public transport trips. For millions of people, the bus is a fundamental part of each and every day. Buses help commuters get to work, students to school and shoppers to the high street, and help people, wherever they are, to enjoy a wide range of services and leisure opportunities.

However, the picture of bus usage across the country is mixed. While bus patronage has increased in London, other areas have seen a decline in passenger numbers. The benefits of a reliable and innovative bus service are clear: less congestion, greater productivity and communities that are connected rather than apart. But we need more people to benefit from them.

The Bus Services Act 2017 presents local authorities with new powers to bring about change, and unlock the potential for the bus industry to achieve more for passengers than it does today.

New enhanced partnership and advanced quality partnership powers provide the framework for authorities to work side by side with operators to set a shared vision for bus services in their area.

Regulations made under the new open data provisions and new ticketing powers should make it easier for passengers to use buses, move between different modes of transport and access timetables, fares and routes.

And the new franchising provisions will provide Mayors of combined authorities with equivalent powers to those available in London.

Powers in legislation do not help anyone unless they are put into practice. We would ask every local authority to consider how bus services can help achieve their economic, environmental and social objectives and whether the powers in the Act will help to do this.

The guidance the Department has produced here is the starting point for local authorities. In 2019, we will be looking to see what has been achieved and how the bus industry stands two years after the Act received Royal Assent. The potential for change is there.

**Jesse Norman MP**

**Parliamentary Under Secretary of State for Roads, Local Transport and Devolution**

## 2. Introduction

- 2.1 Buses support our economy and connect our communities to the workplace, and to vital public services such as healthcare and education.
- 2.2 Buses are England's most used form of public transport, accounting for over 60% of all public transport trips, with over 4.5 billion passenger journeys every year. Passenger satisfaction levels are at 87%, but there remains room for improvement.
- 2.3 The Bus Services Act 2017 (the 2017 Act) was introduced on 19 May 2016 in the House of Lords and received Royal Assent on April 27 2017. The aim of the Act is to improve bus services for passengers by providing local authorities, the Secretary of State and bus operators with a new toolkit to enable improvements to be made to bus services in their areas.
- 2.4 In particular, the 2017 Act:
  - strengthened arrangements for partnership working between bus operators and local authorities in England, introducing new Advanced Quality and Enhanced Partnership schemes;
  - introduced, in England, bus franchising powers to replace previous Quality Contract Schemes;
  - modernised previous ticketing legislation and
  - provided the powers necessary for a step change in the information available to passengers through audio and visual on-board information (across Great Britain) and through the provisions of open data on timetable, fares and bus service arrival times (in England).
- 2.5 The purpose of this document is to outline the new schemes and the opportunities that they offer. It provides:
  - a short overview of the different types of schemes which can be introduced locally through the powers in the Act: Advanced Quality Partnerships (AQPS), Enhanced Partnerships (EP), Franchising and Advanced Ticketing schemes;
  - general guidance for a local authority planning improvements to bus services. This addresses a range of important issues, which could be relevant to the use of some or all of the powers in the Act, many of which were raised during the legislation's passage through Parliament and on which the Government undertook to issue appropriate guidance.
- 2.6 Separate, more detailed, guidance documents have also been produced to support local authorities and bus operators who are involved in the development of AQPS, EP or franchising schemes. Further guidance on Advanced Ticketing Schemes will be issued in due course.
- 2.7 All of these guidance documents were produced following consultation with the bus industry, passenger representatives, local authorities and other key stakeholders. We

will monitor the use of this guidance and how individual schemes are developed and implemented to ensure that it remains fit for purpose.

# 3. The new options

## The main options

- 3.1 The 2017 Act provides a new legislative framework to help bus operators and local authorities to improve local bus services and realise untapped growth potential in our cities, regions and rural areas. These powers have the potential to lead to better journeys and value for taxpayers and passengers. The powers in the 2017 Act could be used to achieve any, or all of the outcomes listed in Table 1 below:

### Better journeys

- New buses - potentially with WiFi and USB sockets.
- Better bus networks - serving more or different locations, operating at night or weekends.
- Easier, contactless payment
- More tickets that work across operators and modes
- A step change in information - know when your bus will arrive and how much it will cost
- Services that are more accessible for passengers with disabilities

### Better places

- New and better links to job opportunities
- Increased productivity
- Fewer car journeys in congested town centres
- Low emissions buses - improving air quality
- Thriving community transport services

### Better value

- Different types of discounts, for apprentices, job seekers and other groups
- Better competition between operators
- Fares that are easier to compare
- Services provided by commercial operators who remain free to innovate.
- More joined up services - bringing regular bus services, school services and health transport together

3.2 Local transport problems require local transport solutions. There are two main new types of powers in the 2017 Act - partnership and franchising schemes - and it is up to local authorities to work with their local bus operators to decide which of these tools (if any) will best improve local services in their area. Paragraphs 3.3 to 3.24 of this document provide a brief overview of the four main schemes. Authorities and operators remain free to negotiate informal partnership arrangements.

## Advanced Quality Partnerships

3.3 Under a bus partnership services continued to be operated by commercial bus operators (whether private sector or local authority owned and whether providing contracted services to a local authority or not). But new standards are set which some or all of the bus operators in the area are required to meet.

The sorts of outcomes which could be achieved with an AQP are summarised in Table 2 below:

### Better journeys

- Better buses (e.g. Wifi, lower emissions)
- Minimum Service frequency or evenly-spaced timings
- Improved passenger information
- Route or area branding and/or marketing
- Smart cards and contactless payments

### Better places

- Better transport connections
- Low emissions buses

### Better value

- Maximum fares for given routes or services

3.4 The success of any bus partnership arrangements depends on good working relationships between the local authority and bus operators. There needs to be consensus on what needs to be done and a degree of trust that everyone will deliver "their part of the bargain".

3.5 Within this context, an Advanced Quality Partnership Scheme (AQPS) is made by a local authority. The authority commits to take steps to support local bus services and in exchange the bus operators are required to meet specific local standards - such as those outlined in the table above. These standards usually apply to a specific route or corridor, but it is possible for an AQPS to cover a wide geographical area, such as an entire local authority or city region. Any operator who does not meet the required standards is unable to use infrastructure provided by the local authority and specified in the scheme.

3.6 Some of the standards which can be set, such as service frequency and maximum fares, can only be implemented if there are no outstanding objections from operators



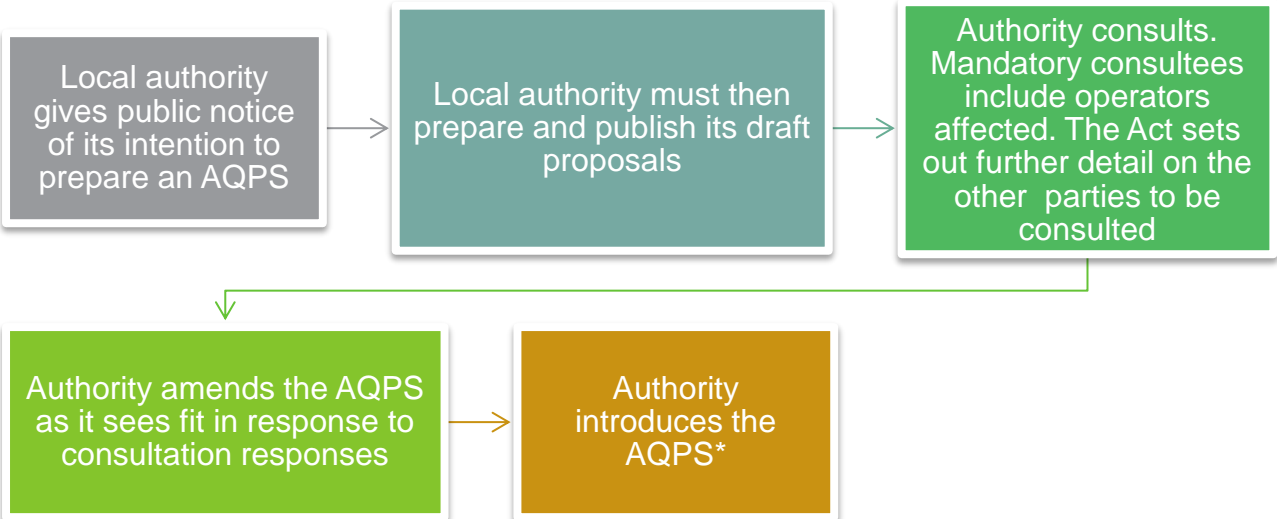
who would be affected by the scheme. This gives every affected operator a clear say in the proposals, but - as a result - can be a time consuming process.

3.7 The local authority's "side of the bargain" can involve providing bus-related facilities (such as bus stops, shelters, bus stations or even depots) and/or committing to take measures that directly or indirectly encourage bus patronage. Such measures could include - but are not limited to:

- parking policies that encourage the use of public transport;
- traffic management policies that prioritise buses; and
- advertising and marketing campaigns to promote the use of local bus services.

**What is the process for setting up an Advanced Quality Partnership?**

3.8 The way in which an Advanced Quality Partnership proposal should be developed and implemented is summarised in the flow chart below:



## Enhanced Partnerships

- 3.9 An Enhanced Partnership (EP) is an agreement between a local transport authority and the majority of their local bus operators to work together to improve local bus services. It includes a clear vision of the improvements that the EP is aiming for (known as an EP plan) and accompanying actions to achieve them (set out in one of more EP schemes).

The differences between an EP plan and EP scheme are set out in Table 3 below:

### Enhanced Partnership Plan

- Analyse performance of the local bus market
- Sets the geographical area or areas of application
- Sets bus improvements objectives
- Explains how long the proposals will last
- Explains how the related scheme will achieve the objectives

### Enhanced Partnership Scheme

- Sets out the detailed actions to be taken by the authority
- Sets out the operations requirements for services in the area, for example:
  - a. Vehicle specifications
  - b. Branding
  - c. Payment methods
  - d. Ticketing structure
  - e. Real-time information requirements
- Sets out the route requirements for services in the area, potentially such as:
  - a. Frequency of services
  - b. Timetables

- 3.10 EPs can vary considerably in their scale or scope. An EP could address a particular issue with services in a local high street or be used to improve bus services across the entirety of a city region. It could cover all, or parts of, the area of a local transport authority, and it is also possible for more than one local authority to be involved.
- 3.11 No legislation can ensure that the trust and consensus required to develop a successful partnership is achieved. But it can set a framework which gives authorities and operators the best possible opportunity to do so. That is why local bus operators have to be given an opportunity to participate in the development of an EP and have a formal say on the process at several key stages. At these points the EP cannot proceed unless formal agreement from a defined proportion of operators is obtained. Meanwhile the local authority - as the body responsible for formally making the EP - also has to be content with what is proposed.
- 3.12 The range of outcomes that can be achieved through an EP is broader than can be delivered through an AQPS. They include those outlined in the table below. Once agreed these standards become requirements of all bus services operating in the

relevant area, whether new or existing. The local authority can in certain circumstances also become responsible for registering local bus services - taking on responsibilities from Traffic Commissioners - and enforcing those standards.

The sorts of outcomes which could be achieved with an EP are summarised in Table 4 below:

### Better journeys

- Better buses (e.g. Wifi)
- Service frequency
- Route/area branding
- Smart cards and contactless payment

### Better places

- Links to employment
- Better transport connections
- Environmental standards
- Better routes in communities (e.g. serving health and education services)

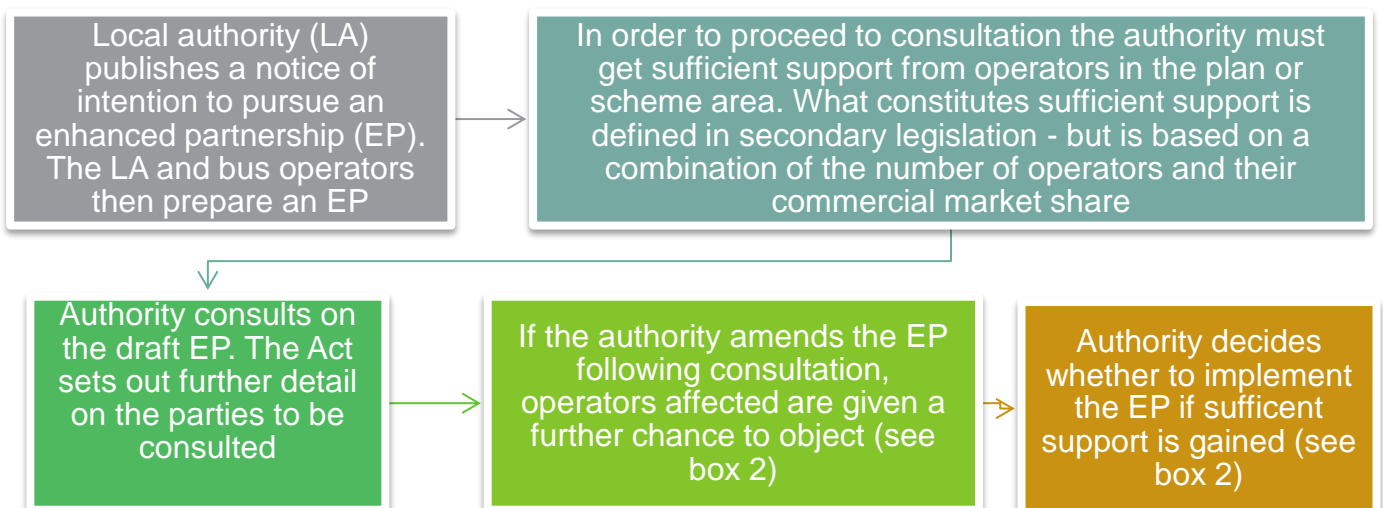
### Better value

- Multi operator tickets, including price setting
- Common ticket rules and fare zones
- Uniform discounts for apprentices and other groups

3.13 As with an AQPS, authorities that make EPs can agree to provide either or both facilities or bus improvement measures which directly or indirectly encourage bus patronage.

### What is the process for setting up an Enhanced Partnership Scheme?

The way in which an enhanced partnership proposal should be developed and implemented is summarised in the flow chart below:



## Franchising

- 3.14 Franchising is an established model for providing bus services used in London and in many cities and regions across Europe. In a franchising scheme, local authorities will determine the details of the services to be provided – where they run, when they run and the standards of the services. Typically bus operators provide their services under contract to the local authority who can let whatever sort of contract they feel is appropriate. No other services can operate in the franchised area without the agreement of the franchising authority.
- 3.15 Franchising authorities have considerable scope in determining how services are specified and provided. In London contracts are generally let on a route-by-route basis, whilst in Jersey there is one contract for the whole of the island and some European cities have a small number of franchises covering different areas. The sorts of outcomes which could be achieved are summarised in Table 5 below:

### Better journeys:

- Giving Local Government the power to decide:
  - a. what buses services run where and when.
  - b. the types of ticket available including discounts for apprentices or other passengers as required.
  - c. what types of payment must be accepted including smart and contactless.
  - d. what information is available to passengers.

### Better places:

- Putting responsibility for key local roads, and deciding which bus services run, in one place.
- Giving Local Government the power to decide what sorts of buses must be used – including their emissions standards or technologies.

### Better value:

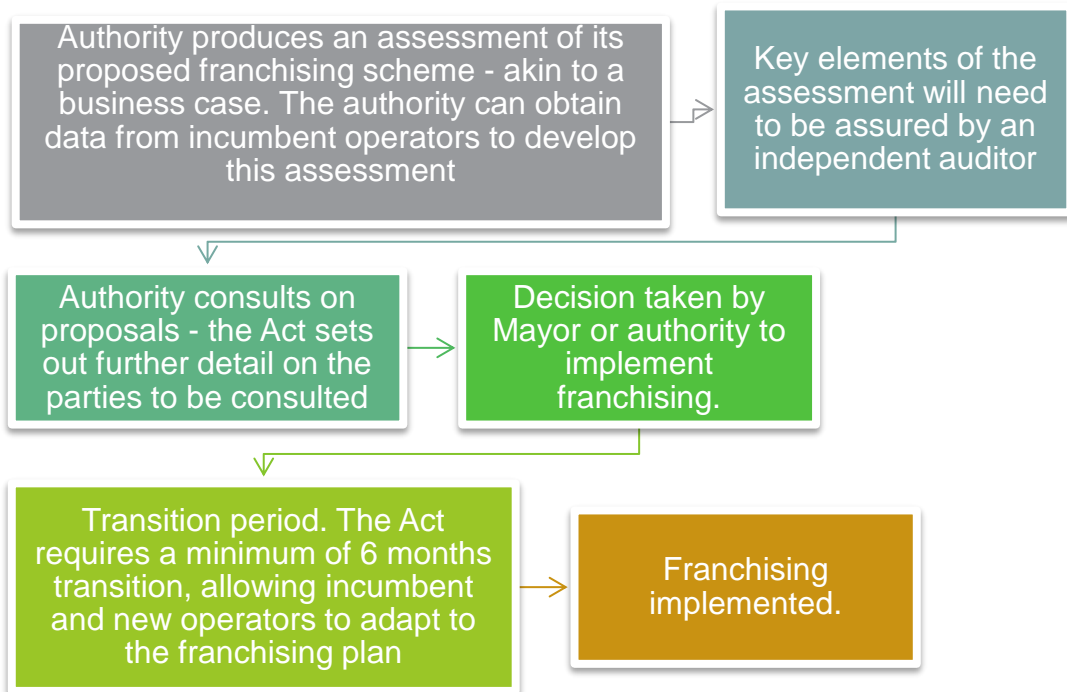
- Local Government accountable to local people – setting all fares.
- Giving Local Government the central funding for bus services that is currently provided directly to operators.
- Taking a more strategic view of what services are needed and where and focusing services where they are most needed – rather than where the best commercial opportunity may be.
- Creating effective competition to run bus services in areas where there is little on-road competition today.
- Local Government joining up their planning of local transport services across modes and types of provision (including school and health transport).
- Allowing commercial bidders for franchises to innovate too.

- 3.16 The core principles underpinning the bus franchising powers in the 2017 Act are that:

- franchising is a big decision which - as well as creating new opportunities - can have significant implications for existing bus operators and passengers and potentially expose local authorities to significant financial risks.
- franchising powers are therefore only available automatically to Mayoral Combined Authorities. Other types of authorities can request franchising powers for which secondary legislation is necessary. In addition these other types of authorities need the consent of the Secretary of State before they can begin to use the new powers. They will need to demonstrate, amongst other things, their capability to deliver, as well as their track record in delivering transport improvements and plans to make a difference for passengers.
- the decision on whether or not to introduce a franchising scheme should be taken locally and a named individual, such as a Mayor, should be clearly accountable for it.
- these decisions need to be based on robust evidence and analysis - with the needs of passengers, including those who travel into and out of the franchising area, the impacts on existing operators and the affordability of the plans firmly in mind.
- bus services should continue to be provided by commercial operators, not local authorities. Local authorities cannot set up new municipal bus companies to compete for franchised services with existing operators or any new private sector providers.
- commercial services should be able to continue to operate into and out of the franchising area and to spot and fill any gaps in service provision that the authority may have overlooked - providing they do not adversely affect the franchised arrangements.
- plans to implement franchising must take account of the needs of small and medium sized operators; and
- non-commercial community transport operators should not be adversely affected by franchising.

### What is the process for setting up a franchising scheme?

3.17 The way in which a franchising proposal should be developed and implemented is summarised in the flow chart below. This applies to Mayoral Combined Authorities, and those other types of authority that have obtained franchising powers from the Secretary of State:

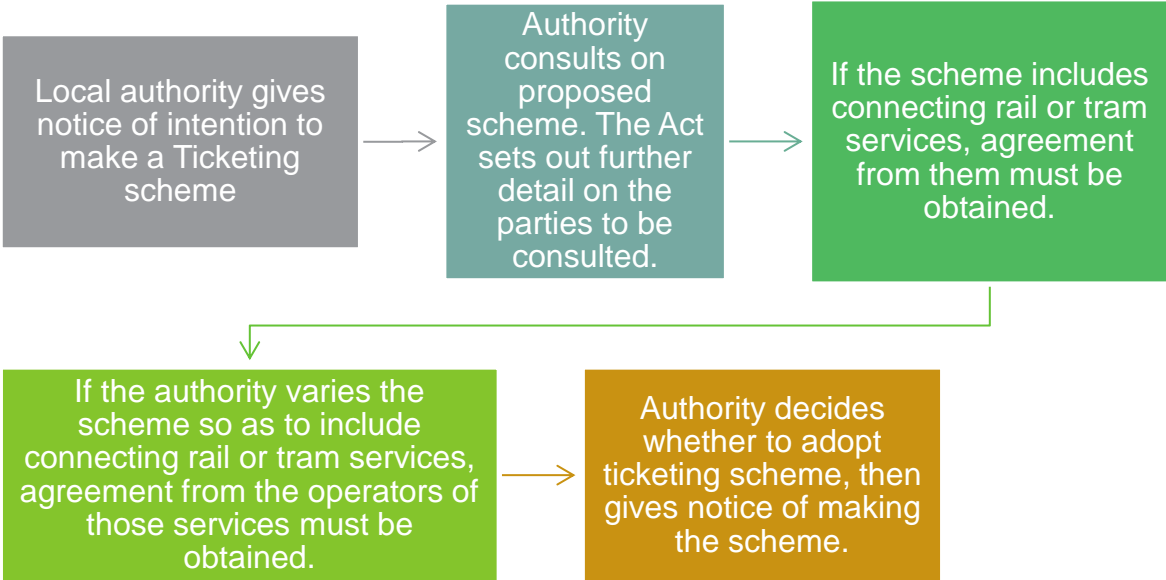


# Advanced Ticketing Schemes

- 3.18 New technologies, such as contactless payment, can increase patronage, offer passengers better value for money and ultimately encourage use of public transport.
- 3.19 The Act replaces in England existing ticketing scheme powers. The new powers, known as 'Advanced Ticketing Schemes', allow the establishment of multi-operator and multi-modal ticketing schemes so that local authorities can specify, among other things, the technology to be accepted (e.g. contactless bank cards, mobile technology, smart cards). The Act also ensures that an authority developing new advanced ticketing arrangements thinks about the need to facilitate journeys to and from other nearby authorities and whether their scheme might make it easier for nearby authorities to adopt similar arrangements. .
- 3.20 These powers do not, however, allow local authorities to set the price of multi-operator or multi-modal tickets which will need to be agreed with the relevant operators. There are established arrangements to achieve this in several parts of England which generally involve a local ticketing company of which both the local authority and relevant operators are members.

## What is the process for setting up an Advanced Ticketing Scheme?

- 3.21 The way in which a Ticketing scheme should be developed and implemented is summarised in the flow chart below: If the scheme includes connecting rail or tram services, agreement from them must be obtained.



# Identifying the best option

3.22 It is up to local authorities, working with their local bus operators, to determine which of the partnership schemes, if any, could improve local bus services in their areas. Deciding on which approach to choose first requires an understanding of what a local authority hopes to achieve. The 2017 Act specifies that local authorities must complete an options assessment exercise when assessing the case for franchising.

## Choosing the right type of partnership

3.23 Most of what can be specified in an AQPS and an EPS can be delivered through a voluntary partnership – which can involve some, but not all, of the local bus operators - provided there is full agreement between the authority and all of the affected operators. Good examples of this include the West Midlands and Liverpool City Region Bus Alliances, both of which are voluntary partnership arrangements.

3.24 An AQPS or EP will be useful where either party are looking to ensure certainty through legal commitments, or where voluntary partnership are not seen to be working.

3.25 In developing the legislation we envisaged that an AQPS would be best used where:

- there is broad support from operators for the scheme; and/or
- operators and the authority feel it would help for both the authority and operators to have a legislative obligation to deliver ‘their side of the bargain’; and
- the geographical area to be covered was comparatively limited; and
- the desired outcomes were relatively modest and could be met through an AQPS.

3.26 We envisaged that an Enhanced Partnership would be most likely to be used where:

- it was important the requirements applied to all operators in the area concerned; and
- the majority of bus operators are likely to agree to the scheme, but a minority of operators would oppose some or all of the package; and;
- where the scope of the scheme is likely to be more ambitious than an AQPS - for example: by including a zonal-based multi-operator ticketing scheme that may also set the prices of the ticket; and/or;
- where the local transport authority wishes to take over the registration and enforcement of local bus service registrations from the traffic commissioner.



The different options for ticketing and the requirements that can be put on operators are outlined in the table below:

Can a requirement be put on bus operators to:	Ticketing schemes	Advanced Quality Partnership	Enhanced Partnership	Franchising
Sell and accept a multi-operator or multi-modal ticket (including in a specific format, such as on a smart card)?	✓	✓	✓	✓
Market particular tickets in a certain way (including promoting multi-operator tickets not just their own tickets)?	X	✓	✓	✓
Set all their tickets and fares on a standard set of 'zones' that apply to all operators?	X	X	✓	✓
Follow common ticket rules for their own tickets (such as a standard length of 'period' tickets or age to qualify for a youth concession if offered)?	X	X	✓	✓
Sell or accept any ticket on a particular technology (such as a smart card)?	✓	✓	✓	✓
Charge a set price for a multi-operator ticket?	X	X	✓	✓
Charge a set price for their own, single-operator tickets?	X	X	X	✓

## 4. Guidance for authorities when planning improvements to bus services

- 4.1 This part of the document seeks to bring alive some of the outcomes that the powers in the 2017 Act could be used to achieve. It outlines how partnership and franchising schemes could be implemented in ways which address important local challenges, provides important context in each of these areas and links the new powers in the 2017 Act to the wider responsibility of local authorities.
- 4.2 In particular, this section covers how the 2017 Act's provisions can contribute to:
- providing an inclusive service for passengers;
  - improving environmental outcomes;
  - maximising social value;
  - improving the safety of bus services;
  - tackling congestion; and
  - meeting the needs of rural communities.
- 4.3 Not all of these areas will be relevant to every local authority or potential scheme. But we would encourage local authorities and bus operators to consider which of these areas are most relevant to them and to reflect on this guidance in developing their proposals.

### Providing an inclusive service

- 4.4 On average, disabled people take ten times as many trips by bus as they do by rail. With one in twelve people being disabled, it is essential that bus services meet the needs of everyone wishing to use them.
- 4.5 This section describes steps which local authorities can take to ensure that services are accessible and that disabled people have the information they need in order to travel with confidence.

### Designing an inclusive service

- 4.6 Where authorities are involved in the design of services, such as when establishing franchising or partnership arrangements we recommend that they:
- Consult at an early stage with disabled people and groups that represent them;
  - Ensure that vehicles meet acceptable accessibility standards and that the roadside infrastructure provided is consistent with equality legal duties and accessibility best practice;

- Consider requiring or encouraging the provision of enhanced accessibility features, such as:
  - A second wheelchair space or additional flexible spaces on-board vehicles;
  - Acceptance of assistance cards to assist passengers with impaired communication;
  - Audible and visible information identifying routes and upcoming stops; and
  - Acceptance of mobility scooters consistent with the Confederation of Passenger Transport Scooter Code of Practice.
- Ensure that ticketing systems, such as websites or ticket vending machines are accessible to those needing to use them.

4.7 Further information and advice may be found on:

**Accessible infrastructure and streetscape design:**

- Inclusive Mobility: <https://tinyurl.com/baq8h9s>
- Manual for Streets: <https://tinyurl.com/adgr344>

**Equalities legal requirements may include:**

- Equality Act 2010 Duty to make reasonable adjustments: <http://tinyurl.com/nxp6bbm>
- Equality Act 2010 Public Sector Equality Duty: <http://tinyurl.com/oqfyc29>

**Driver Disability Awareness**

- 4.8 In order to respond to the needs of disabled people and those with reduced mobility, bus drivers should be adequately trained. The Department is fully supportive of the principle of all drivers being trained in disability awareness and the majority already receive such training as part of their Certificate of Professional Competence (CPC). This will become a mandatory requirement from March 2018.
- 4.9 Many local bus operators already provide training of this nature on a non-statutory basis recognising the benefits it brings to passengers and their own businesses. We would encourage all franchising authorities to consider whether such training should be a requirement of their franchise contract requirements. Local transport authorities pursuing partnership arrangements would benefit from discussing current provision and the potential for improvements with local bus operators and representatives of bus users. Franchising authorities can consider making such training a requirement of the contract.

**Information for bus passengers**

- 4.10 Anecdotal evidence suggests that many disabled people lack the confidence to use public transport. This is often due to a lack of information on the services available to help them complete journeys safely and in comfort.
- 4.11 We recommend that authorities require or encourage bus operators to make publically available information on features of their service which assist disabled passengers, or that the authority makes available such information itself. In particular, such information should include:

- Descriptions of transport networks including, where possible, the locations of accessible bus stations and stops;
- Accessibility features of vehicles, including those required by law and any additional enhancements such as audible and visible announcements or the acceptance of mobility scooters;
- Information on the acceptance of national concessionary bus passes and local discretionary concessions, and on the accessibility of ticketing facilities including websites and ticket vending machines;
- Information on disability awareness training provided to drivers and other customer facing staff;
- Information on what assistance will be provided in the event of travel disruption; and
- Contact details to obtain help or further information.

4.12 We recommend that such information should be provided online, and made available in hard copy and alternative accessible formats (such as Braille or large print) upon request. In all cases, information should be provided consistent with best practice in accessible digital and print design.

#### Further information:

4.13 ODI guidance on accessible communications is available at <http://tinyurl.com/mub2agv>

### Improving environmental outcomes

- 4.14 Buses have a key part to play in addressing some of the country's air quality problems. Diesel buses, which make up the majority of bus fleets, contribute to the UK's level of carbon and nitrogen dioxide (NO<sub>2</sub>) emissions, with the latter contributing to poor air quality in many of our towns and cities.
- 4.15 Poor air quality is the largest environmental risk to public health in the UK. It is known to have more severe effects on vulnerable groups and people already suffering from pre-existing health conditions such as respiratory and cardiovascular conditions.
- 4.16 We therefore want to create a healthy and growing market for low and ultra-low emission buses in this country, speeding up the eventual transition to an entirely ultra-low emission bus fleet. At present, these buses only represent around 9% of buses in service in England. We are determined to increase that share, and for the UK to be at the forefront of the design, development and manufacturing of these buses.
- 4.17 Under the Green Bus Fund, Government funding has helped put over 1,200 low carbon buses on our roads since 2009, and the £30m of Low Emission Bus Scheme funding announced in July 2016 should deliver over 300 buses with an enhanced emissions performance. In addition, another £100m is to be made available between 2017/18 and 2020/21 to help purchase new low emission buses or to retrofit existing buses; more details of how this will be spent will be announced later in 2017.

4.18 Government has also recently announced plans to improve air quality in cities through the introduction of Clean Air Zones to discourage the use of older, more polluting vehicles. Government expects five cities in England outside London to implement Clean Air Zones, and local authorities already have the power to introduce zones voluntarily should they choose to do so.

### How can the Act improve local air quality?

4.19 The Department would encourage all authorities to think about how they can use the tools in the Act to improve air quality in their local areas. Authorities forming a scheme that will operate within an Air Quality Management Area should certainly consider how the powers contained within the Act could improve air quality - as part of their wider efforts for tackling this issue. Further detail on the Government's approach to tackling nitrogen dioxide concentrations can be found on the GOV.UK website.<sup>1</sup>

4.20 Any authority developing a franchising proposal or an Advanced or Enhanced Partnership Scheme should consider whether their proposed approach could be used to improve local air quality. The authority's view on the suitability, or otherwise, of attempting to improve local air quality through the implementation of their franchising or partnership approach should be recorded in consultation materials. As well as the benefits offered, this might include consideration of the cost effectiveness of such an approach and the potential implications for bus operators and service provision.

### Partnership

4.21 Through partnership approaches, authorities can work with bus operators in their area to deliver a set of agreed outcomes. One of the areas that local authorities can look to improve through partnerships is that of the quality of the bus fleet used in the area and the associated emission standards.

4.22 If, working with operators, an authority is of the opinion that they want to improve the emission standards of the buses used in their area they can establish either an Advanced Quality Partnership Scheme or Enhanced Partnership to help deliver those outcomes. An authority could, for example, specify that all buses used in the partnership area must comply with certain international engine emission standards, which would require bus operators to either purchase newer, less polluting vehicles, or retro-fit their existing vehicles with technologies to help improve the emission standards. This could help authorities improve air quality in their towns and cities, and provides a useful tool for tackling problem areas.

4.23 It is important to remember that these tools are designed to help authorities work together with operators in partnership. Purchasing newer, cleaner vehicles or retrofitting vehicles with new technologies will be costly, and authorities may find that the best way forward is to begin by discussing with operators options to deliver better outcomes. It may be, for example, that the authority could agree to provide funding towards delivering the higher standards, for example on their tendered network, or determine realistic timescales with bus operators for implementation. Effective use of bus priority measures can also improve air quality by reducing 'stop start' congestion.

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<sup>1</sup> <http://tinyurl.com/y7qp8pyd>

4.24 The Department would encourage authorities to proactively work with operators in their area to determine whether improvements can be made, and also to develop future plans and strategies which could potentially be part-funded by Government should future funds become available.

## Franchising

4.25 Similarly, franchising authorities can look to improve the emission standards of the bus fleet in the area. Authorities will be able to set certain standards as part of the contracts that they would issue to bus operators, and they would need to consider whether the standards set in those contracts were achievable and affordable.

4.26 Where an authority chooses to set vehicle emission standards as part of a franchising or enhanced partnership proposal, with the aim of improving local air quality, they should use standards or thresholds that already exist internationally or are otherwise recognised by the bus manufacturing or emissions reduction sector.

## Maximising social value

4.27 The Public Services (Social Value) Act 2012 requires authorities who commission public services to think about how they can also secure wider social, economic and environmental benefits. Authorities commissioning public services should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area and for local people.

4.28 The Act is a tool to help get more value for money out of procurement. It also encourages those who commission public services to talk to their local providers and communities to design better services, with the aim of finding new and innovative solutions to difficult problems.

4.29 Local authorities regularly commission and procure local bus services where they feel that the needs of the local community are not being met by the existing services. In addition, any authority that pursues franchising will be responsible for commissioning and procuring most local bus services in their area. We would encourage local authorities who are commissioning and procuring local bus services, be that through franchising or by tendering for supported services, to consider the provisions in the Social Value Act and the steps they could take to secure wider social, economic and environmental benefits for their local area. Even where the provisions of the Social Value Act do not apply because the procurement value falls below relevant thresholds, local authorities should still look to apply the core principles of the Social Value Act when procuring services.

4.30 In 2015, Lord Young conducted a review of the Social Value Act. His report contains a number of useful case studies, practical guidance on how to apply the Act, and a framework and principles for measurement. The report is published on the GOV.UK website.<sup>2</sup> The Department would encourage authorities to consider this report when applying the principles of the Act when procuring local bus services.

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<sup>2</sup> <https://tinyurl.com/lwztnde>

## Improving the safety of bus services

- 4.31 The Department would encourage local authorities to think about how they could implement bus safety measures as part of their overall scheme. In particular, the Department would encourage local authorities to consider the benefits of an independent confidential reporting system (ICRS), and release of bus safety incident data, when they are forming a partnership or franchising scheme.
- 4.32 An ICRS, such as the Confidential Incident Reporting & Analysis System (CIRAS), provides employees with an avenue in which they can anonymously report safety incidents to an independent safety organisation. Employees may use this system if they feel their safety concerns have not been addressed through internal operator safety procedures. It is for the investigator in the relevant ICRS to determine whether a genuine safety concern has been reported and if action by an operator is appropriate. If so, a report may be sent by the independent organisation to the operator from where the report originated. It is then up to the operator to act upon the contents of that report. It should be noted that operators are not legally required to act upon reports from an ICRS, unless the incident reported is in contravention of the law.
- 4.33 Local authorities should also consider releasing bus safety incident data from the operators in a partnership or franchising scheme. Operators could be required to provide incident data – such as data on incidents involving pedestrians, vehicles and cyclists - at specified intervals. The authority may publically release this data, in a format that it sees fit, at specified intervals, such as once a quarter.

## Tackling congestion

- 4.34 Congestion has a major effect on the attractiveness of bus services, both to new and existing passengers. The time taken to make a journey drives mode choice, determines the cost and efficiency of bus networks and is vital to customer perceptions and satisfaction. But buses do not operate in a closed network, they form part of a dynamic and increasingly busy road system. In the UK road traffic has risen seven-fold since 1950 and on local A roads the trend over the last five years has been decreased average speeds and increased delays and journey times. We therefore expect authorities proposing franchising and partnership schemes to consider, as part of the overall package, what measures should be taken to minimise the effects of congestion on the service to passengers and how bus services could be used to help reduce congestion more generally.

### Measuring and monitoring congestion

- 4.35 Congestion means different things in different contexts. It can mean unreliable journey times (20 minutes one day and 40 minutes the next), or that the journey is too slow, or in times of exceptional disruption (road works, public events) traffic levels are significantly affected.
- 4.36 The degree to which congestion is caused by road works, events, accidents, etc., is not well understood nationally, but local level data is helpful in pinpointing causes. Reliable, specific, real time data provision can improve travel behaviours and traffic management and help to tackle congestion.

- 4.37 Bus operators and LTAs that are seeking to reduce the effect of congestion on local bus services will need to monitor bus services to identify routes that are prone to delays. This can be done using existing data from real-time passenger information systems and/or GPS monitoring systems used by bus operators for routing, tracking and security purposes. Not all bus operators will use this technology, but where franchising or partnership agreements are in place the sharing of this information between operators and LTAs can be used to identify congestion 'hot-spots'.
- 4.38 Local authorities should also consider the value of the datasets they hold and how these could be used to tackle congestion. As a minimum they should share with bus operators local data on traffic management, including planned roadworks.

### Tackling congestion

- 4.39 No single measure is likely to tackle congestion alone. Instead, a range of measures are required, with the precise mix dependent on local factors. Bus use can significantly reduce congestion, but to do so requires high levels of occupancy (particularly during peak times). To maximise the benefits of bus services in reducing congestion, bus operators and LTAs will need to work in partnership in order to deliver services attractive enough to create a shift away from car use. A number of long standing pro-bus options exist which can help to encourage increased ridership and modal shift, such as:
- Setting realistic bus timetables and scheduling services appropriately, without making journey times unattractively long in typical conditions.
  - Bus pricing – ensuring pricing is clear and encourages frequent use, that services are affordable and seen to represent value for money when compared with other means of travel.
  - Better integration – a bus journey is usually only one stage of a door to door trip. Buses need to integrate with other forms of transport, with the transition made as seamless as possible.
  - Park and ride schemes – More than 80% of users of the park and ride schemes previously travelled by car in to Leeds centre.
  - Parking controls – often used in conjunction with park and ride schemes to encourage modal shift. This option includes increasing the cost of parking in congested areas, reducing supply in congested areas, reducing allocation to permitted users (e.g. residents) and the enforcement of rules about illegal parking.
  - Bus lanes and other priority measures such as signal priority - making bus use faster, more reliable and more attractive.
  - The literature on influencing behaviour change suggests that the optimal times for seeking to influence peoples travel choices are when they are young (i.e. before they hold a driving licence and have access to a car), and after they have changed house/occupation. Focusing efforts on specific groups (new housing or business developments, and schools) could therefore encourage increased bus use.
  - Smart transport innovations can be used to tackle congestion in new ways, in line with local needs. These innovations include: Data initiatives – to enable users to make informed travel choices through the provision of reliable real time, user specific information.



- Cooperative Intelligent Transport Systems – using technology to allow vehicles to communicate with other vehicles, traffic signals and roadside infrastructure.
- Busways and other dedicated rights of way.
- Demand responsive, flexible mass transit.

## Meeting the needs of rural communities

### Rural bus services - the challenges

- 4.40 Local buses help commuters get to work, students to school and ensure people can access a wide range of services and leisure opportunities. The loss of a local bus service, particularly in rural areas, can leave people isolated or dependent on friends and family to help them travel. But it can also be in rural areas that commercial services are the most difficult to provide, because the critical mass of passengers required for a regular service can be difficult to achieve.
- 4.41 Where bus services are not provided commercially by bus operators, local authorities are able to step in and subsidise additional services. Local authorities are best placed to decide which services are needed in their local areas, reflecting local needs and the available budget. In England, local authorities have spent an average of £330 million a year over the past three years supporting bus services.
- 4.42 The Department is aware of the many challenges facing local authorities in ensuring rural communities have access to regular bus services - including the concentration of amenities in town and cities and ongoing financial pressures – and it is important that authorities are able to get the most out of the funding that is available to ensure the needs of local communities can be met.
- 4.43 Through the provisions in the Bus Services Act, the Total Transport initiative and its support for community transport, the Department provides a range of tools and options to help local authorities deliver better local bus services, particularly in rural areas. More details on these tools are set out in this section as well as the methods that local authorities can use to consider and take account of the impacts of their policy choices on rural areas.

### Rural Proofing

- 4.44 Rural proofing of new policies has been applied across central government for over a decade. It requires policy-makers to consider impacts of their policies and programmes on rural areas and, where necessary, to make adjustments to achieve equally effective and successful outcomes for individuals, communities and businesses.
- 4.45 During the development of the provisions of the Bus Services Act, consideration was given to the impact on rural areas. We therefore strongly recommend that local authorities undertake a rural proofing exercise when they are reviewing their transport provisions or considering using the new powers available to them under the provisions of the Bus Services Act. Following the exercise, local authorities should adapt their policies as necessary to ensure their approach achieves equally effective and successful outcomes for individuals, communities and businesses in rural areas.
- 4.46 In deciding how to support rural bus services, or when considering the impact of potential policy choices on rural areas, local authorities should undertake a rural proofing exercise. The Department recommends this is done not only when

authorities are considering implementing franchising or the partnership provisions in the Act, but for any authority reviewing its transport provisions. Where franchising or partnership approaches are considered, rural proofing should be undertaken both at an early stage, to shape the proposals, and before the final arrangements are implemented.

4.47 Rural proofing does not require exactly the same outcome, or the provision of exactly the same level of service, in rural as in urban locations. This would not be practical in many cases, as the costs would be prohibitive. Rural communities should expect government policies and programmes to be sufficiently flexible to apply fairly in their areas and to deliver quality services that meet their everyday needs.

4.48 Further information on rural proofing can be found at:  
<https://www.gov.uk/guidance/rural-proofing-guidance>

### **How can the Bus Services Act improve rural bus services?**

4.49 The Bus Services Act provides a wide range of tools for local authorities to use to help improve bus journeys for local passengers in a way that meets the needs of their local communities. These powers include the ability to work more effectively with bus operators through advanced quality partnerships or enhanced partnership schemes, and the potential to establish a system of franchising.

4.50 The powers contained in the Act have been designed for use across England – in both rural and urban areas. It is up to local authorities to decide whether and how to use the powers in the Act. However, when considering the most appropriate approach, we recommend that local authorities give full consideration to the needs of rural areas.

### **Franchising and rural bus services**

4.51 Franchising powers allow local authorities to determine and specify the local bus services that should be provided in their area. Through the implementation of bus franchising, authorities are able to determine:

- which bus services run and when;
- the types of ticket available;
- the fares that should be charged;
- the types of payment that must be accepted;
- the information that is available to passengers; and
- the standards of buses that must be used – including their emissions standards or fuel technologies.

4.52 Under a franchising scheme, local authorities can design the procurement process in a way that makes the most out of the existing resources. This could, for example, involve packaging some less profitable routes in rural areas together with those which are likely to be more commercially viable. It will be down to each authority to determine the most effective way of delivering local services.

4.53 Franchising could be used by an authority to help balance-out the provision of services across the area, potentially diverting some services from more urban areas,

where the authority may consider that there is over-provision of services, to rural areas.

### **Partnership working and rural bus services**

- 4.54 The advanced quality partnership and enhanced partnership provisions in the Act enable local authorities and bus operators to work together to set out and deliver improvements to local bus services in the area. Through partnership working, authorities and operators can agree standards for local bus services – including vehicle specifications, branding, ticketing and service frequencies.
- 4.55 Partnership working provides the opportunity for authorities and bus operators to work together to identify the bus services needed in an area, including thinking about the best mix of services to meet the needs of passengers throughout the area, including in rural communities.
- 4.56 Partnerships provide a useful mechanism through which to discuss and determine the optimum network of services for the area, and it may be that there are efficiency savings that could be made, or a re-deployment of existing resources. As discussed below, it is also possible through partnership to coordinate the timing of services so, for example, supported rural services can act as feeder services to commercial routes running into, say, the centre of a town.
- 4.57 This, coupled with comprehensive passenger information (including real-time data) can make a real difference - cutting costs and journey times for supported services whilst giving passengers confidence that their connecting service will arrive.
- 4.58 The Department would encourage any authority considering how best to target support for local bus services in their area, particularly in rural areas, to engage with local bus operators to discuss what might be possible, either through a statutory partnership, or a voluntary approach.

### **Other options for improving rural services**

- 4.59 Whilst the Act provides some useful tools, there are other ways that local authorities can look to make the most out of their resources and deliver more efficient bus services in rural areas. Alongside, or together with, the tools available in the Act, the Department strongly recommends that local authorities consider the opportunities offered by encouraging the local community transport sector and through the application of Total Transport principles.

### **Community Transport**

- 4.60 Community transport operators can play a major role in the solution to transport issues in rural areas. Community transport operators run Demand Responsive Services and also operate scheduled services on fixed routes. They provide crucial services that both encourage growth and reduce isolation by linking individuals and communities to existing transport networks, work, education, shops and services. Where commercial bus services are not viable, the community transport sector can offer bespoke services that address local needs, and the sector is well placed to

serve more isolated communities, with approximately 8 million passenger trips taking place in rural areas<sup>3</sup>.

- 4.61 When reviewing the provision of local bus services in rural areas, the Department recommends that authorities consider how best to encourage and integrate community transport services into the wider network of commercial and supported services. The Community Transport Association is a good source of practical advice and help on how to achieve this.
- 4.62 This applies equally when authorities are considering introducing a franchising scheme or a partnership approach, as community transport can be used effectively to complement the wider network under any of the models available through the Act.

### Total Transport

- 4.63 In most areas, particularly rural ones, the transport mix includes a variety of public sector funded transport services that cater for a range of transport needs. These can include:
- non-emergency patient transport;
  - adult social care transport;
  - school bus services;
  - community transport services, such as dial-a-ride; and
  - subsidised local bus services
- 4.64 These services can overlap and it is important that they are provided in a joined up way, especially in rural areas where they often provide a vital link to those who would otherwise have little or no access to transport.
- 4.65 The Total Transport concept seeks to achieve this through joint commissioning of public sector funded transport that is more effective, avoids unnecessary duplication and provides a better service to passengers overall.
- 4.66 In April 2015, the Department allocated £7.6m to 37 schemes run by 36 local authorities in England to pilot Total Transport solutions in their areas. These pilots were focused on rural areas and have indicated that integration is possible and has the potential to deliver the following benefits to passengers:
- The creation of a 'one-stop shop' – avoiding the need for passengers to deal separately with different service providers that have inconsistent and confusing processes and restrictions.
  - Better management of transport availability so that passengers receive a more responsive service better suited to their needs – for example, integrated IT for journey booking. This has the potential to open up the transport options for individual passengers due to a wider fleet of vehicles being available.
  - A single and consistent standard – for example, eligibility for dial-a-ride, adult social care transport or patient transport.
  - The scope for efficiency savings through better use of existing drivers and vehicles.

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<sup>3</sup> <http://tinyurl.com/ojppgym>

- 4.67 In rural areas, there is connectivity between this sort of transport and ‘mainstream’ local bus services. For example, a public sector funded demand responsive service could carry passengers from a series of villages to a bus stop or interchange where they can then use a commercial local bus service to complete their journey into, for example, the centre of a market town. This arrangement has the potential to keep the running costs of the demand responsive service down as well as helping to maintain the commercial viability of the connecting commercial local bus service.
- 4.68 Adopting Total Transport principles has the potential to greatly improve the services that are provided to passengers of public sector funded transport – such as non-emergency patient transport and adult social care transport – and also result in cost savings to those that fund this type of transport. The most effective Total Transport approach will require co-operation between public bodies such as local authorities and NHS Clinical Commissioning Groups.