

## **Divisions Affected - All**

### **CABINET**

**19 OCTOBER 2021**

#### **National Bus Strategy – Bus Service Improvement Plan**

**Report by CORPORATE DIRECTOR FOR ENVIRONMENT & PLACE**

### **RECOMMENDATION**

1. **Cabinet Members are RECOMMENDED to**
  - a) Approve the Bus Service Improvement Plan, including the bidding list of schemes and other interventions proposed for inclusion in the document, to be submitted to Government by the end of October 2021, subject to further refinement before submission.
  - b) Support the increased priority and investment to promote buses and the need for much closer joint working required in the forthcoming Enhanced Partnership, recognising the requirements for increased Council staffing and budget to support this area.
  - c) Delegate authority to the Corporate Director Environment and Place to make any necessary changes to the Bus Service Improvement Plan in consultation with the Cabinet Member for Highways Management and the Cabinet Member for Travel and Development Strategy.

### **Executive Summary**

2. This report updates Cabinet on the Bus Service Improvement Plan (BSIP) being prepared for submission to Cabinet at the end of October. This is the Council's response to the requirements set out in the National Bus Strategy, with the aim of significantly enhancing the Oxfordshire bus offer, and addressing the main issues affecting passenger transport by bus in Oxfordshire, which will contribute significantly to Administration priorities for transport, carbon reduction and social inclusion. It also identifies an indicative bid profile for the funding element of the BSIP document to be presented in late October, which illustrates the proposed capital funded projects (up to nine schemes directly aimed at supporting bus travel, along with other measures) alongside revenue funded elements (including up to six new rural bus services) of the Bid to Government. Progress to date on the various elements of the Bus Service Improvement Plan is contained in an Annex 1 to this Report.

## Current Situation

3. In 2019/20, Oxfordshire's buses carried 40.8 million passengers, which represents a gradual reduction in bus patronage since 2013/4 when the total was 43.2 million. The number of bus journeys made is still the highest for any English shire county.
4. However, it is very important to note the current context of very-depressed levels of bus usage across Oxfordshire, with patronage levels well below the national average, especially for local journeys within Oxford (running at about 60% of pre-pandemic levels, well below the national average) and for Park and Ride services. Reduced levels of financial support from Government started at the beginning of September, and there are already some indications that operators will reduce frequencies on many routes over the next six months, prior to the commencement of the Enhanced Partnership (EP) arrangement and the arrival of Government funding for the Bus Service Improvement Plan (BSIP). It may be necessary to provide some financial support for a very limited number of services, for a short period of time, to ensure continuation of provision.

## Importance of the BSIP

5. On 22 June 2021, Cabinet approved a proposal to develop a BSIP and work towards the adoption of an Enhanced Partnership Plan and Scheme, in order to meet National Bus Strategy (NBS) requirements. This paper describes progress with development of the BSIP to date and outlines the likely shape of the document and bid for funding. The BSIP document needs to be approved by Cabinet on 19 October 2021, prior to submission to government by 31 October 2021, to enable the Council to continue to access the up to £3bn of national funding identified to support buses.
6. The NBS sets out several aspects of bus service provision which need to be addressed in the County's Bus Service Improvement Plan. Government wants more people using more attractive bus services through revisions to fares, routes, hours of operation and availability of information, and to see improvements to indices of reliability, punctuality and journey speeds.
7. From a County Council perspective, the aims of the NBS directly support the ambitions of the Oxfordshire Fair Deal Alliance, including '*investing in an inclusive, integrated, and sustainable transport network, tackling inequalities and addressing the Climate Change Emergency*'.
8. Achieving shared aims and objectives requires both the Council and bus operators to work more closely together to achieve improvements in operating performance. This had already been happening, as evidenced by joint work undertaken to agree a high-level set of deliverables for buses, which have informed the development of this BSIP. Bus operators will need to agree the contents of the BSIP before submission to Government, and it is crucial to recognise that these Plans and the Enhanced Partnership structure are joint activities which require commitments from the Council and operators.

9. Given the constraints of a congested road network with many competing demands for limited road space, coupled with the Council's commitment to invest in significant upgrades in infrastructure to support Active Travel, utility maintenance requirements and the impact of new developments, achieving and sustaining the improvements necessary will be challenging. Yet achieving modal shift from the car to public transport is of fundamental importance in making more efficient use of limited road space around the county. The BSIP document sets out a way forward for the role of the bus and the outcomes required by measuring current performance and by setting targets for both the Council and the operators to achieve in future years.
10. Oxfordshire has many different geographies and economies. The proposed BSIP measures reflect this diversity with different types of bus service planned for established urban areas, for areas of new development and for rural and low-density areas. Increased connectivity is proposed, not only between bus services linking with residential areas, retail centres, education, and workplaces, but also with other travel modes and with some hubs outside the county.
11. The NBS envisages much greater inclusion in the planning of bus services, with higher levels of engagement with different groups of people. There has already been a process of engagement with neighbouring Local Authorities, a range of bus service providers and District/City Councils. An engagement exercise has been undertaken with Councillors, Town and Parish Councils, the public and other stakeholders. The results are set out in Annex 3.
12. This BSIP proposes a much more inclusive, integrated and sustainable bus network than the current arrangements, meeting the Council's vision of a **'high-quality bus network which is easy to use and offers competitive journey times to ensure buses are a natural first choice for all users'**.
13. A description of the various measures proposed by both the Council and by bus operators is included in the attached Annex 1. These have been developed from a jointly compiled list of over 50 'deliverables' which both organisations recognise the need to progress. Indicative funding bid levels and what they could deliver are summarised below.
14. The BSIP document also acknowledges the need for many other supporting measures for bus travel across Oxfordshire, many proposed to be agreed with partner City and District Councils. These include the planned location of many of the growth areas adjacent to the strategic inter-urban bus network, which will bring additional demand and so need to be complemented by negotiated Section 106 agreements to support new or enhanced bus services.

## Indicative Bid Structures

15. It is difficult to be precise about the funding likely to come forward through BSIP, but our estimate of a pro-rata allocation for Oxfordshire would be £25m over three years. However, as a consequence of the partnership working to put together the BSIP plan, it has become increasingly evident that a 'minimum level' £25 million bid would be insufficient to meet the ambition and opportunity

the BSIP provides for Oxfordshire or addresses the scale of issues currently facing the Oxfordshire bus market, and would not begin to fund the changes needed to fulfil the County's ambition to 'build back better'.

16. The current elements of the BSIP document/bid add up to £56.1million, pending refinement and revision. In the current £56.1 million bid, £18.4 million would be for revenue support, which would require ongoing Council support of £3.1 million per annum, to continue programmes after 2024/2025.

These ongoing revenue- supported programmes are proposed to be:

- Bus fare initiative – youth fares £1.0 million per annum
- New rural bus support £0.5 million per annum
- SBSG bus routes (started 2020) £0.5 million per annum
- Cross boundary bus support 300k per annum, reduces to 0k
- Additional staff (including on-costs) 500k per annum
- Operational budget (Information/RTI) 300k per annum

	2022/3	2023/4	2024/5
<b><u>Capital</u> (referenced in Annex 1)</b>			
C1 – C9 'Bus priority' schemes	10.3	10.4	10.4
C10 Mobility Hubs	0.5	0.5	0.5
C11 On-bus equipment	0.3	0.2	0.1
C12 RTI replacement/new signs	0.8	0.7	0.7
C12 Bus stop improvement	0.5	0.5	0.5
R1 Rural bus purchase	0.8		
	<u>13.2</u>	<u>12.3</u>	<u>12.2</u>

**Capital total** £ 37.7 million

### **Revenue**

		2022/3	2023/4	2024/5
R1	Rural flexible bus	650,000	650,000	600,000
R2	New cross-boundary	400,000	350,000	300,000
R3	SBSF services	500,000	500,000	500,000
R4	Youth fares	1,000,000	1,000,000	1,000,000
R4	Low paid NHS	1,350,000	1,200,000	1,000,000
R5	Improved information	300,000	300,000	300,000
R6	Staffing	500,000	500,000	500,000
R7	Future network reshaping	2,100,000	1,400,000	700,000
R8	Eastern Arc Rapid Transit		840,000	
R9	Journey planning	100,000		
	<b>Totals</b>	<b>6,720,000</b>	<b>6,740,000</b>	<b>4,900,000</b>

**Revenue Total** £ 18.4 million

**Total BSIP bid** £ 56.1 million

17. The BSIP process offers a real opportunity for Oxfordshire to demonstrate its ambition for and commitment to bus travel. A successful bid for a higher award would result in much more finance being available for capital projects. In particular, there is the opportunity to further develop and bring forward projects in the 'Connecting Oxford' programme which would directly support buses and the investment proposed in the Government's Zero Emission Bus Regional Areas (ZEBRA) project which this Council has bid into. In line with recommendation (c) this would be an opportunity to secure higher levels of BSIP funding matched by OCC contributions.
18. Whilst further discussion and information are required to revise the indicative bidding profile, details of schemes which could be included in the Bid are included in Annex 1 to this report.

### **Bus operator commitments**

19. This BSIP and subsequent Enhanced Partnership agreement will result in much more collaborative working arrangements between bus operators and the Council. The operators will agree to:
  - Work with the Council in identifying optimum frequency levels,
  - Introduce a Passenger Charter, protecting user interests
  - New Vehicle investment and increased standards.
  - Work collaboratively with the Council on information and marketing
  - Provide regular information and data, for example on operating (speeds, delays) and patronage levels

### **Corporate Policies and Priorities**

#### **Sustainability**

20. A more effective bus network will reduce car travel, traffic congestion and harmful carbon emissions. Furthermore, the planned introduction of electric buses in the Oxford city area will also make a significant difference to air quality and emissions, which will reduce this County's contribution to climate change.

#### **Equality and Inclusion**

21. The BSIP process enables this Council to take some very effective steps to improve the quality of life for Oxfordshire's residents through enabling the provision of a more comprehensive and attractive bus service, linking them with the many opportunities available across the county. A survey of Oxfordshire's public has been undertaken to gauge the appetite for change.
22. A comprehensive and affordable Oxfordshire bus network is particularly valuable for those members of society who are less mobile or who are unable to travel by other means, including the 17.5% of households who do not have access to a private vehicle. This will result in greater integration into the County's cultural and economic life, linking people with more choices of employment, education, and social interaction. More travel by bus into local centres will also assist in regenerating local economies.

## Financial Implications

23. A successful BSIP process should result in the award of considerable funds to Oxfordshire. Of the headline £3 billion announced by Government for buses, it is probable that £1 billion has already been sliced off for other funding streams, such as ZEBRA and transitional support for the bus sector. On a pro-rata population basis for England, Oxfordshire might therefore receive around £25 million, notionally over three financial years. This can be used either for revenue support or for capital investment. This could be taken as a 'minimum' bid level.
24. Most of the proposed scheme costs would be met through Government BSIP funding that would be allocated following submission of the Plan, but that the Oxfordshire BSIP bid would be strengthened by the inclusion of funding for specific interventions already included in the Council's capital programme. Similarly, increased staffing costs would be met partly by current Capacity Building grants, and partly from the Bus Service Improvement Plan funding.
25. As the BSIP is also a competitive bidding process, then there is an opportunity to increase the amount to be received. Indications so far suggest the Council should submit an ambitious bid, which currently totals £55.9 million. The amount agreed by Government will depend on the quality of the ambition that is articulated in the bid, and the clear linkage to the interventions proposed.
26. Part of the bid award will be for revenue support, and here the Council must consider the possible financial implications beyond 2025. However, there may be further Government funding initiatives for the bus sector during this period.
27. The BSIP bid as currently written and presented in Annex 1 has an ongoing revenue implication for this Council of £3.1 million per annum, following the end of the BSIP funding period in March 2025. Efforts will be made to find revenue from other sources (such as section 106 contributions) and to negotiate lower costs, where this is possible.

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## Legal Implications

28. Capital schemes proposed for funding from the BSIP bid would require separate approvals through Cabinet decision. It may be the case that some proposed schemes do not proceed, so proceeds from the bid would then be allocated to another scheme on the bid priority list.
29. The subsequent Enhanced Partnership process requires this Council to enter a Legal Understanding with Bus Operators, regarding delivery of projects and programmes. Details are contained in the 2017 Bus Services Act, which amended the Transport Act 2000, by insertion of paragraphs 138A-138S. A further paper on the Enhanced Partnership arrangements will be brought before

Cabinet during the Winter of 2021/2, before submission of the final document to Government at the end of March 2022.

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## Staff Implications

30. There are currently relatively few staff resources currently devoted to supporting and developing Oxfordshire's bus network. Further resource will be required to fulfil the requirements of the planned Enhanced Partnership, particularly for the delivery of better information (including an expanded estate of Real Time Information signs, the delivery and maintenance of improved bus stops and interchanges, improved liaison and coordination for bus-related matters in the Network Management area, also to design and implement bus priority schemes and bus-responsive traffic signals.
31. The revenue estimates in the bid structure assume that the following additional staff are required: Public Transport information (2), Public Transport Infrastructure (2), Network Management (1), Traffic Signals (1) and Capital Scheme Design (1). Certain posts could be time-limited. The Council has received some Public Transport Capacity Building funding from the Government which would reduce the call on BSIP funding in the early years of the bid.
32. The staffing requirement and structure of a future public transport team is the subject of current discussions arising from the proposed restructure of the Environment & Place directorate.

## Risk Management

33. Government clearly expects Oxfordshire to present an ambitious and well-considered Bus Service Improvement Plan, as other authorities will be doing so. The COVID pandemic has caused a significant reduction in the numbers using Oxfordshire's bus network, from which it has not yet recovered, which has negatively impacted its commercial viability and threatens a negative spiral of service reductions. There is significant risk, including reputational risk, in allowing the bus network to decline further.
34. At the same time the BSIP process presents an opportunity to make a significant improvement to the quality and coverage of the public transport network. The Plan includes some proposals to tackle rural isolation, to provide a more integrated ticketing system with much better information available through various media. The Plan aims to improve the quality of bus stops and interchanges where different travel modes can be better integrated.
35. There may be some risks inherent in delivery of specific projects and programmes to be delivered through BSIP funding. These schemes and projects will be presented separately to Cabinet, or the Cabinet Member in due course, where any specific risks can be assessed, especially considering potential long term revenue funding commitments.

## Consultation and Engagement

36. Due to the exceptionally tight timescales associated with production of the BSIP, the level of engagement has been proportional to the time available. Discussions have already taken place with Bus Operators, District/City Councils and with neighbouring Local Authorities.
37. Engagement surveys were undertaken with four different groups within Oxfordshire: County Council Members, Town/Parish Councils. Stakeholders (County-based Organisations) and the general public.
38. Similar priorities for bus-related improvements were received from all four groups, with the highest rankings being for 1) More Frequent Buses 2) New Bus Routes and 3) More Reliable Buses. More analysis is required of written comments and of different demographic characteristics, and this will be reported to Cabinet in due course. The survey results are shown graphically in Annex 3.
39. Following Government guidance, full consultation will take place at the Enhanced Partnership stage.

## Next steps

40. Following feedback from Cabinet, the approved BSIP will then be submitted to Government by the end of October deadline.
41. Improvements will be made to the presentational quality of the Plan during late October. Work will then begin on preparing the Enhanced Partnership documentation. There will also be more details, of planned bus priority capital schemes and financial costs, for example.

Bill Cotton, Corporate Director for Environment & Place

Annex 1	Draft BSIP document/bid
Annex 2	Finance form to accompany the BSIP bid
Annex 3	Engagement Survey results

Background papers:	Department for Transport, National Strategy for Bus Service Improvement Plans. Guidance for Local Authorities, 2021
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