

Southend-on-Sea Borough Council

Report of Corporate Director of Enterprise, Tourism & the
Environment

To

Cabinet

On

6th November 2012

Agenda
Item No.

Report prepared by: Paul Mathieson (Group Manager) and
Roy Skinner (Senior Transport Policy Officer), Strategic
Transport and Planning Policy Group

**“Better Bus Area Fund” DfT Grant and
Department for Transport paper – Green Light for Better Buses
Economic & Environment Scrutiny Committee
Executive Councillor: Councillor Cox
A Part 1 Public Agenda Item**

1. Purpose of Report

- 1.1 To advise Members that the Council was awarded £1.577m from the Department for Transport’s ‘Better Bus Area Fund’. The deadline for the submission to DfT was on 24th February 2012 and the Council’s bid was therefore submitted via SO46, and;
- 1.2 To provide Members with a summary regarding the ‘Green Light for Better Buses’ paper, setting out Central Governments’ proposals for changes to the bus industry and in particular proposed changes to Bus Service Operators Grant (BSOG), to ensure better value for money and to give local authorities more influence over their local bus networks.

2. Recommendation:

- a. That Members note that the “Better Bus Area Fund” submission was successful in obtaining £1.577m of funding from DfT;
- b. That Members agree the proposal in Appendix 1.
- c. That Members note the ‘Green Light for Better Buses’ summary and be aware of the public consultation that is due to come out in late Summer 2012

3. Background

- 3.1 The Department for Transport invited bids for the Better Bus Area Fund (BBA Fund) from local authorities for up to £5 million over two years (2012/13, 2013/14). The Fund is intended to support those local authorities who take a partnership approach to bus services in congested urban areas, where

increasing bus occupancy and achieving modal shift can free up valuable road space and reduce carbon emissions; the Fund is solely for bus-related measures to create growth and cut carbon. ***The Fund is not intended to be used to provide bus subsidies.***

3.2 Proposals were required to be submitted in partnership with key local bus operator(s) and judged on the strength of evidence and analysis used to demonstrate:

- growth,
- reduction in carbon emissions,
- partnership working,
- value for money,
- deliverability,
- financial sustainability; and
- affordability.

3.3 Consultations were held with the main bus operators in Southend – Arriva Southend and First Essex Buses to identify bus congestion “hot spots” and improvements to interchanges.

3.4 DfT Guidance stated “*preference will be given to bids which demonstrate financial commitment or match-funding from either the local authority or bus operators, but this is not an essential requirement*”.

3.5 The bid comprised four key elements which are summarised below:

Element 1 – Smarter Travel

To improve reliability, punctuality and increase attractiveness to the bus user and reduce carbon, working in partnership with Essex County Council and bus operators we will introduce a Smart Card System within Southend and Essex. The requirements of this element is:

- provision of software and infrastructure to allow the use of smartcards which we will be able to deliver in partnership with the operators;
- Remove barriers to allow extension of smart card use, to introduce more flexibility in terms of the use of smartcards in areas such as home to school transport in liaison with Education;

Element 2 - Better Interchanges & Bus Stops

To increase attractiveness and improve safety, security and transport information working with the bus operators we will enhance the following interchanges;

- Leigh Rail Station
- Travel Centre
- Chichester Road/Southchurch Road bus stop improvements
- Cliffs Pavilion
- Southend Hospital

Appendix 1 provides further information on these proposals.

Element 3 – Tackling Local Congestion

Encourage Growth and reduce carbon by promoting modal shift from the car to the bus by developing with the bus operators a programme of small traffic management measures to reduce congestion, improve bus reliability and punctuality.

Working to reduce congestion and delays to buses improvements at locations where we consider (together with the operators) there are delays at certain times focusing on the following:-

- Review of parking restrictions at congested areas – requested by the operators
- Capacity constraints - bus stop locations and other network problems
- Signing – regulatory signing etc
- Lining review – adjustments to lining

Element 4 – Sustainability Management

- Monitoring the 3 elements with the Bus Operators
- Meet with the bus operators to help raise customer awareness with their staff
- Contribute towards timetable changes and service improvements as a result of the above 3 elements.

4. Green Light for Better Buses – command paper

4.1 Following the Council's successful bid, it was awarded £1.577M funding from the Better Bus Area (BBA) Fund. Central Government set the fund up as a way of helping to create growth and cut carbon through partnerships with bus operators.

4.2 The Government have announced that they intend to build on the success of the bids with a further round of funding, in context of their proposals for decentralisation.

4.3 In March this year the Government issued a paper in which it proposed to make a series of improvements to local bus subsidy and regulation in England. The new proposals are a response to the need to reform bus subsidy (Bus Service Operator's Grant (BSOG)) and the Competition Commission investigation into the bus market.

4.4 The document sets out a package of measures that will allow local transport authorities and commercial bus operators to be efficient, innovative and creative in coming up with joint solutions to the transport needs of local people.

Central Government has set out a programme of action which will:

- Reform the way in which Bus Service Operators Grant (BSOG) is paid to bus operators, to ensure taxpayers get better value for the money.
- Incentivise partnership working between local transport authorities and operators to improve the quality of bus services and attract more passengers.

- Improve competition in English local bus markets, and bring local transport authorities and bus companies together to help develop effective multi-operator ticketing schemes.
 - Support local transport authorities in their ability to procure non-commercial services, including more flexible, innovative options such as community buses.
- 4.5 Government's aim is for the majority of public transport journeys to be undertaken using smart ticketing technology by December 2014, of which a significant proportion will be on bus.
- 4.6 It is also recognised that a bus trip can be just one part of a much longer public transport journey. Passengers are more likely to use public transport if their whole journey, from end to end, is seamless and convenient as possible. Central Government is working with larger bus companies, which are part of wider parent groups that also include train companies, passenger bodies and ticketing companies to develop initiatives that will make it easier and more practical to make end-to-end journeys by public transport.
- 4.7 The Government is already providing funding to local authorities in 2012/13 and 2013/14 through the BBA Fund.
- 4.8 Government now intends to take the concept of BBAs a stage further by setting up a longer term BBA fund. Under this new fund, local transport authorities can bid to be designated as a BBA, where they can show that they have a clear path for improving bus services in their area that is being developed locally in partnership with bus companies. A BBA could cover either part or all of an authority's area, or two or more authorities could join together to create a BBA across part or all of their joint areas.
- 4.9 Where a BBA is established, the Government will calculate how much Bus Service Operators Grant (BSOG) is paid each year to all the bus companies operating services within the area covered by BBA. For as long as the BBA continues, that amount will be paid to that authority – or – authorities in order to allow them to introduce a wide range of measures to improve bus services within the BBA.
- 4.10 A key consideration in the designation of a BBA will be the ambition of the local council to use its traffic management powers to help make buses more punctual.
- 4.11 Each year, every BBA will also receive a share of a new 'top-up' fund which is being set up to support BBA's. Although bus companies in BBA areas will no longer have BSOG paid directly to them, local transport authorities will have to work very closely with them in order to decide how best to spend the money. One of the criteria to be used in deciding which areas to award BBA status to would be evidence that the bid is supported by local bus companies. The creation of the top up fund means that each BBA will receive significantly more funding than the area would have been paid under the existing BSOG system. This also means that the extra funding will be available to improve bus services in an area straight away, alongside the devolution of the BSOG funding to councils.

4.12 Initially the Government is looking to set up relatively small numbers of BBAs – perhaps up to a dozen. It is expected that the first areas will be formed during 2013. An areas BBA status would last for around four years, but if it makes good progress, this could be extended.

4.13 The Council could make an expression of interest to become a BBA.

5. Possible medium term changes to Bus Service Operators Grant (BSOG)

5.1 The great majority of BSOG funding (outside of London) is paid to bus companies who operate commercial services. The Government had considered whether it would be better for this funding to be devolved to individual transport authorities rather than paid direct to the bus companies. It was considered that there could be serious implications for those people who live where bus routes and services are only just commercially viable at the moment. It was decided that at the current stage Central Government do not plan to devolve BSOG funding for commercial services to those local councils which are not in Better Bus Areas.

5.2 Government believe that given the uncertainty affecting the bus sector at the moment, it would be unwise to embark on open-ended, wholesale change. They therefore will monitor how effective individual BBAs are in improving bus services in their areas. They then plan to review in 2014 both the case for further devolution of funding, as well as the options for a move away from paying BSOG on the basis of fuel use.

5.3 Real Time Passenger Information (RTPI) on bus services play an important role in addressing passengers' concerns about reliability and punctuality. The incentive aimed at encouraging operators to fit and maintain Automatic Vehicle Location (AVL) systems and share data generated with local councils for use in real-time information systems and punctuality partnerships will continue at least until the end of 2014/15.

5.4 The payment of BSOG is designed to help support local bus services. However, over the years some of the funding has been used to fund other services. In order to make sure that the money goes where it is needed most, the Government will tighten the rules to make sure that only truly local services are entitled to receive BSOG.

6. Implementing the Changes

6.1 Central Government will work with local transport authorities, bus companies and others over the next few months to work out details of the new subsidy regime and how far there needs to be transitional arrangements put in place to ease the change to the new regime. As part of this there is soon to be published more information on the new arrangements and a public consultation, which the Council will respond to.

7. Other Options

7.1 The Council does have the option not to proceed with the project. However, if this course of action was pursued it would not be possible to deliver the expected improvement to bus services across Southend without significant additional Council funding.

8. Reasons for Recommendations

- 8.1 The funding is only available to related bus projects which supports growth and reduce carbon emissions by improving bus patronage. The Better Bus proposals are a package of measures to ease congestion and improve bus punctuality. The proposals will improve bus patronage, encourage growth of the Borough and reduce carbon emissions.
- 8.2 Southend is working in partnership with Essex County Council on the introduction of an Advance Vehicle Location System (AVL) which is scheduled to be in place by March 2013. The AVL system will replace the existing Real Time Passenger Information system (RTPI) which is near the end of its' working life, and support for the system will stop and will not be maintained after 2013. The Smart Card Element within the bid is an enhancement of the AVL system.
- 8.3 By emphasising the infrastructure improvements we will be able to focus our efforts on those pinch points that cause the most delays and problems.
- 8.4 The summary on the 'Green Light for Better Buses' informs Members about proposed changes within the bus industry by Central Government.

9. Corporate Implications

9.1 Contribution to Council's Vision & Corporate Priorities

- 9.1.1 The elements within the Better Bus bid contributes to the Council's vision, particularly in terms of creating a thriving and sustainable local economy.

9.2 Financial Implications

- 9.2.1 The grant is a mix of revenue and capital resources with a Southend revenue contribution of £48,000 for the next two years.

Better Bus Bid Funding Sources		2012-13	2013-14	Total
		£000's	£000's	£000's
Proposal Element 1				
Installation of ticket machines, smartcard readers and cards, software interfaces and upgrades to connect with ticket machines, software interfaces for smart cards, provision of software to small bus operators.	Grant Revenue	40	80	120
	Grant Capital	0	80	80
	SBC Revenue	12	12	24
	Local Contribution	222.3	0	222
Total Element 1		274.3	172	446
Proposal Element 2				
New formalised crossings, increased footways, access point for cyclists, new bus shelters, connection to taxis,	Grant Revenue	0	0	-
	Grant Capital	440	290	730

realignment of carriageway, improved lighting and real time passenger information.	SBC Revenue	12	12	24
	Local Contribution	0	0	-
Total Element 2		452	302	754
Proposal Element 3				
Review of on street parking, introduction and review of bust stop clearways and traffic management to allow bus movements, relocation of bus stops, new bus bays, review of traffic signals, new footways, minor alterations to the highway and junctions.	Grant Revenue	57.5	57.5	115
	Grant Capital	147	335	482
	SBC Revenue	12	12	24
	SBC Capital	0	0	-
	Local Contribution	200	0	200
Total Element 3		416.5	404.5	821
Proposal Element 4				
Marketing of bus network, training, monitoring of element the three to improve customer service and perception	Grant Revenue	25	25	50
	Grant Capital	0	0	-
	SBC Revenue	12	12	24
	Local Contribution	5	5	10
Total Element 4		42	42	84
DFT Grant Funding	Revenue	122.5	162.5	285
	Capital	587	705	1,292
		709.5	867.5	1,577
SBC Contribution	Revenue	48	48	96
	Capital	0	0	0
		48	48	96
Local Contribution	Revenue	227.3	5	232.3
	Capital	200	0	200
		427.3	5	

				432
Total Project Funding	Revenue	397.8	215.5	613
	Capital	787	705	1,492
		1184.8	920.5	2,105.3

9.3 *Legal Implications*

9.3.1 Spending in accordance with the provision of funding from the grant is a requirement of accepting the funding. Some of the traffic management features will require the advertisement of Traffic Regulation Orders.

9.4 *People Implications*

9.4.1 The scheme programme affects the lives of all those who live, work and visit the town. The implications are positive as the intention is to provide an improved reliable bus network to enable better journey times, reduce congestion and provide a reduction in carbon emissions.

9.5 *Property Implications*

9.5.1 Nil

9.6 *Consultation*

9.6.1 Residents will be consulted on the Better Bus proposals with the opportunity to provide their feedback. This shall be carried out in three locations within the borough (Shoebury, Leigh and Southend Town Centre).

9.6.2 The report was considered by Member of the Economic & Environmental Scrutiny Committee on 20th September 2012 as part of Pre Cabinet Scrutiny. Members of the Scrutiny Committee were given reassurance that the smart card proposals would involve cross boundary discussions with neighbouring authorities and that there would be opportunities for Ward Members to visit particular sites in their ward as part of the pre work consultation.

9.6.3 Members of the Committee endorsed the report for consideration by Cabinet at its meeting on 6th November 2012.

9.7 *Equalities and Diversity Implications*

9.7.1 Best practice will be adopted in the proposals with the aim to improve access for transport users including bus users, pedestrians and cyclists.

9.8 *Risk Assessment*

9.8.1 A risk assessment was prepared for the bid proposal and will be updated and monitored by the Project Board.

9.9 *Value for Money*

9.9.1 The processes set out secure value for money for the Council.

9.10 *Community Safety Implications*

9.10.1 The Better Bus programme will improve access to bus stops and provide improved lighting at bus shelters giving a perception of increased safety to bus passengers.

9.11 *Environmental Impact*

9.11.1 The Better Bus programme will help deliver an improved local environment and contribute positively towards sustainable transport objectives.

10. Background Papers

10.1 Better Bus Area Fund: Guidance for Bidders – December 2011

10.2 Better Bus Area Fund Application – February 2012

10.3 Green Light for Better Buses – March 2012

11. Appendices

11.1 Appendix 1 – List of Element 2 and 3 Better Bus Area Proposals.