

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	18 September 2023
Title:	Bus Service Improvement Plan Plus
Report From:	Director of Universal Services

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Purpose of this Report

1. The purpose of this report is to seek approval to spend the County Council's allocation of 'Bus Service Improvement Plan (BSIP) Plus' funding for 2023/24 and 2024/25, on measures to improve bus services, as set out in Hampshire's BSIP.

Recommendations

2. That the Executive Lead Member for Universal Services gives approval to enter into the necessary contractual arrangements, in consultation with the Head of Legal Services, for receipt of the County Council's allocation of £7,158,924 Department for Transport (DfT) Bus Service Improvement Plan (BSIP) Plus grant funding for 2023/2024 and 2024/2025.
3. That the funding be allocated to measures that will support and improve local bus services and associated infrastructure, consistent with the objectives set out in Hampshire's BSIP.
4. That the Executive Lead Member for Universal Services gives authority to spend and enter into contractual arrangements (in consultation with the Head of Legal Services) with transport operators in Hampshire in accordance with the principle set out in paragraph 3 above, up to the value of the BSIP Plus grant awarded to the County Council by the Department for Transport (DfT).
5. That the Executive Lead Member for Universal Services delegates authority to the Director of Universal Services, in consultation with the Executive Lead Member for Universal Services and the Head of Legal Services, to determine the principles for the award of the funding which will be allocated to support the objectives of the Hampshire BSIP.
6. That the Executive Lead Member for Universal Services notes the terms of the BSIP funding attached to the County Council's allocation of £7,158,924 Department for Transport (DfT) Bus Service Improvement Plan (BSIP) Plus grant funding for 2023/2024 and 2024/2025 as set out in the Exempt Appendix, and agrees they are acceptable.

Executive Summary

7. This report sets out the County Council's allocation of BSIP Plus funding from DfT for 2023/24 and 2024/25 and gives recommendations on how the funding should be spent in order to contribute to the delivery of Hampshire's BSIP objectives.
8. Hampshire's BSIP was co-developed by the County Council and Hampshire's bus operators in response to the publication of the first ever National Bus Strategy for England, published in March 2021. The BSIP describes how the County Council will work with bus operators to improve local bus services in several ways, including but not limited to:
 - More frequent bus services
 - More early morning and evening services
 - Bus priority measures to speed up buses that are delayed by traffic congestion
 - De-carbonising Hampshire's bus fleet
 - Promoting the bus network as a single system, integrated with other modes of public transport
 - Innovation in rural public transport e.g. Demand Responsive Transport (DRT)
 - Better value for money bus fares with integrated ticketing
 - Development of more Bus Rapid Transit (BRT) routes
 - Improved bus stations and interchange facilities at rail stations
9. Following Hampshire's initial zero financial settlement for its BSIP, the County Council and bus operators have continued to develop plans to improve bus services and have delivered a number of low-cost projects through the BSIP governance, alongside delivery of larger bus improvement projects through other funding streams, e.g. Southampton and Portsmouth City Region Transforming Cities Fund schemes, Farnborough Gold Grid, extension of the Bus Rapid Transit route in Fareham and Gosport.
10. The second tranche of BSIP funding (BSIP Plus) was announced in May 2023 by DfT for the financial year 2023/24 and 2024/25. This report sets out how the funding for 2023/24 and 2024/25 should be spent.
11. The 2023/24 funding provides the opportunity to implement a range of 'quick-win' schemes from the BSIP and to carry out development work for larger schemes that would be delivered using the 2024/25 allocation and other future funding streams.
12. The total funding of £7,158,924 over two years is subject to a number of terms and conditions set out by DfT – these are highlighted in paragraphs 32-37 of this report.

Contextual Information

13. In March 2022, the County Council and Hampshire's bus operators approved the establishment of their Enhanced Partnership (EP) and associated governance arrangements, a new statutory requirement that would oversee the development and implementation of schemes set out in the Hampshire BSIP.
14. In April 2022, Hampshire was one of 47 of the 79 Local Transport Authorities (LTAs) to receive a zero financial settlement in the first round of BSIP allocations. The funding made available to deliver the National Bus Strategy had been significantly reduced due to wider Government funding pressures. Nevertheless, the Hampshire EP group has continued to develop its plans to improve bus services and has delivered several low-cost projects from the BSIP, e.g. a new Customer Charter, marketing programmes to promote bus use and improvements to traffic signals to allow the service to run more efficiently.
15. The County Council continues to deliver a number of other bus improvement projects that were in train prior to the BSIP, e.g. Southampton and Portsmouth City Region Transforming Cities Fund schemes, Farnborough Gold Grid and extension of the Bus Rapid Transit route in Fareham and Gosport. These projects are delivering improvements to bus journey times and to the passenger experience along a number of Hampshire's busiest bus corridors.
16. In May 2023, DfT announced the second tranche of BSIP funding allocations for 2023/24, called 'BSIP Plus'. Hampshire's allocation is £3,579,462 per annum for two years, subject to local transport authorities maintaining their funding at the same levels for local bus services.
17. The 2023/24 funding provides the opportunity to implement a range of 'quick-win' schemes from the BSIP and to carry out development work for larger schemes that would be delivered using the 2024/25 allocation and other funding opportunities.
18. The ten key themes of Hampshire's BSIP are:
 - a. Investment in flagship corridors.
 - b. Bus priority measures.
 - c. Simpler and more affordable ticket options.
 - d. Expansion of multi-operator and multi-modal tickets.
 - e. Better links with ferry and rail services.
 - f. Bus network presented as a single system.
 - g. Modern, low-carbon bus fleet with good on-board facilities.
 - h. Customer Charter and better customer engagement.
 - i. Innovation in transport for rural areas.
 - j. Expansion of Bus Rapid Transit networks e.g. South East Hampshire Rapid Transit, Basingstoke Mass Rapid Transit.
19. Detailed discussions have taken place between the County Council and bus operators, setting out detailed proposals for the allocation of the BSIP Plus funding that will ensure best value for money. Final decisions will be approved by the Director of Universal Services as set out in the Recommendations.
20. The areas of spend will focus on:

- a. Feasibility work and bid development for zero-emission bus operations.
 - b. Pump-priming new or additional bus services where enhancements are likely to become commercially viable after the pump-priming period.
 - c. Development work for bus priority, bus station and interchange infrastructure schemes.
 - d. Multi-operator promotional campaigns to promote bus use.
 - e. Maintaining existing bus services where they have become marginally unviable following the pandemic, but where there is a high chance of services returning to commercial viability following short-term financial support and promotional activities.
 - f. Improvements to existing bus passenger infrastructure, e.g. accessibility around bus stops, Real Time Information screens, bus shelter improvements.
21. Investment in these areas is consistent with, and will build on, the current Government initiatives to increase bus use, e.g. the £2 single fare cap which will run from January 2023 to the end of October 2023, when the cap increases to £2.50 until November 2024. It is also consistent with Government support for the bus industry during and since the pandemic through Coronavirus Bus Service Support Grant, Bus Recovery Grant and Local Transport Fund, which are all designed to maintain existing bus networks at a time when passenger numbers and therefore bus operator revenues have not recovered to pre-pandemic levels.
22. The proposed areas of spend are also consistent with the County Council's decision in March 2023 to ringfence the concessionary travel underspend from 2022/23 and the anticipated underspend in 2023/24 to similar initiatives, i.e. supporting existing services and promoting better bus services and infrastructure.

Finance

23. The County Council's BSIP Plus allocations for 2023/24 and 2024/25 are £3,579,462 per annum. These allocations are subject to LTAs maintaining their current levels of financial support for the bus network, as the BSIP+ funding is additional to previously agreed council budgets.
24. It is noteworthy that the timescale is short for spending the 2023/24 allocation, therefore funding will be focused on 'quick-wins' where bus services and infrastructure can be improved in the short term.
25. The funding will be invested in those areas that do not create a long-term additional funding liability on the County Council, e.g. funding for enhanced bus services will be focused on those services where there is a strong chance of commercial viability at the end of the funding period.
26. It should be noted that this one-off funding comes at a time of financial pressure for the County Council where it is likely that spending will need to be reduced in order to manage the £132m budgetary shortfall the Council will face by April 2025.

27. Hampshire County Council has a duty, as set out by the Transport Act 1985, to identify and consider funding socially necessary transport. It is for the County Council to determine what is socially necessary and in doing so must have regard to the purpose of the Act which provides this duty. In this context, the financial support for passenger transport services is considered an area of discretionary spend. As part of Hampshire County Council's Budget Consultation in June and July 2023, reductions in spend on Passenger Transport services were identified as an example of where savings could be made. Whilst no decision has been made to make savings in this area, accepting and using BSIP + must be undertaken with awareness that savings could be made in this area beyond the funding period set out by DfT.
28. To ensure value for money for the BSIP+ funding and to ensure that the County Council focusses only on services with longer term viability, it is proposed that the following principles are applied to the BSIP+ funding spent on bus services;
 - a. Funding will be focussed on pump priming services that have a strong chance of commerciality in the longer term.
 - b. Remaining funding will be utilised to maintain the supported network, at existing levels, by meeting cost increases caused by inflation.
 - c. Other complimentary measures which support the long term viability of Hampshire's bus network such as improvements to existing infrastructure, fares initiatives, promotional activities.
29. For robustness, any mechanism developed to allocate this funding would be reviewed by the County Council's Audit Officers.
30. Any BSIP Plus funding given either through a grant stream or contract will be subject to terms and conditions to ensure that this funding is spent as intended and achieves best value for the County Council.
31. These terms and conditions will be monitored in a number of ways;
 - a. Through regular liaison meetings with operators
 - b. Through a standard agenda item at the Enhanced Partnership Working Group
 - c. Through escalation to the Enhanced Partnership Board where necessary.

This three-pronged governance structure provides assurance that funding is spent in accordance with Hampshire's BSIP and offers best value for the County Council and its residents.

Terms and Conditions of the BSIP Plus Funding

32. DfT has set out a number of terms and conditions for this funding in a Memorandum of Understanding (MoU) which must be signed and returned by the County Council before funding is released. These include:
33. The County Council must maintain its bus budgets from all sources. This must demonstrate that BSIP+ funding is additional to previously agreed council budgets.

34. To be eligible for future funding, including 2024/25 BSIP+ funding, the overall authority bus budget must be maintained at least at the same level.
35. If concessionary travel reimbursements to bus operators are reduced, the corresponding budget must be reinvested in other bus measures.
36. Should the terms and conditions not be met, DfT may require the repayment of the whole or part of the grant. DfT reserves the right to withhold BSIP Plus funding, or any other grant funding provisionally awarded by DfT to the County Council, should the conditions of the MoU not be met.
37. The terms and conditions mean that the County Council's bus budgets could not be reduced during the funding and delivery period of this BSIP Plus funding.

Performance

38. This investment will deliver better bus services for Hampshire's residents and visitors, encourage more people to travel by public transport and therefore contribute to County Council's strategic objectives around sustainable economic growth, accessibility, climate change and air quality. Better bus services help people to live safe, healthy, independent lives.
39. BSIP measures will help the transport network operate more efficiently, helping to reduce congestion, improve air quality and reduce carbon consumption.

Consultation and Equalities

40. Significant consultation with stakeholders has taken place through the development of Hampshire's draft Local Transport Plan (LTP) 4. Stakeholders and the public are clear that public transport and bus services should be a focus for the County Council's policies, supporting the principle of 'reducing dependence on the private car'.
41. In line with guidance issued by the Department for Transport at the time the National Bus Strategy was published, the County Council has undertaken consultation to gain the views and support of stakeholders both on the existing bus network and potential improvements that could be made through the BSIP and Enhanced Partnership.
42. Following the original submission of the BSIP, the government required the County Council to engage with stakeholders on both a formal and informal basis around the development of the EP Plan and EP Scheme. The informal consultation took place between October 2021 and January 2022 and consisted of a range of initiatives including a Passenger Transport Forum, meetings with district and parish councils and a series of virtual drop-in sessions that any interested stakeholders could sign up to. Two focus groups were also conducted, the first group consisted of regular bus users and the second group consisted of infrequent or non-bus users. In addition to this there were regular meetings with all local bus operators and neighbouring local authorities. Overall, there was strong support for the scope and direction of the BSIP as well as support for the priorities the County Council has identified.

43. The outputs of the BSIP and EP will have a particularly positive outcome for those groups who are statistically more frequent users of public transport including younger and older people, women, those with the protected characteristics of disability, race, pregnancy and maternity, those living in rural locations and those on lower incomes. Residents with the protected characteristic of religion or belief could also be impacted positively through improved services supporting access to religious events or places of worship.
44. In terms of equality impacts, there is a higher reliance on buses for commuting amongst particular sectors of the population: females, younger age groups (16–19-year-olds), part-time workers, those in manual occupations, and those on low incomes. 18.9% of households in Hampshire have no access to a car or van.
45. In light of this, there is a need to support the most socially excluded residents who are disproportionately represented as bus passengers. Around one in three bus journeys in Hampshire are made by concessionary pass holders.
46. The BSIP commitments to work towards more frequent, more reliable, easier to understand and use, and better co-ordinated bus services which would enable people to access essential services and lead independent lives for longer within their own communities.

Climate Change Impact Assessments

47. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
48. The climate change tools will be utilised for this BSIP Plus funding when detailed information on the schemes to be delivered is available.

Carbon Mitigation

49. By increasing the modal share of journeys made by bus and decreasing the share made by private car, BSIP measures would support a reduction in carbon emissions from transport. Buses also make more efficient use of road space – a double decker bus can take up to 75 cars off the road. Bus operators will continue to invest in their bus fleets, which already perform well in terms of nitrogen dioxide and particulate matter emissions. On average, each journey made by bus generates a 50% reduction in carbon emissions over a journey made by private car. Bus operators, in partnership with the County Council will continue to seek funding from the Government towards zero carbon buses, which could be either electric or hydrogen buses. This will see the number of diesel buses progressively reduced over time.

Conclusions

50. The recommendations within this report are consistent with the policy objectives of the existing LTP 3 and the emerging LTP4 and will contribute to Hampshire's Climate Change Strategy and the County Council's aims of promoting strong and resilient economic growth and enabling people to live safe, healthy, independent lives.
51. Delivery of BSIP measures will help make bus services more frequent and operate over a longer span of the day. Investment will be made in passenger facilities, bus infrastructure and marketing, collectively improving the customer proposition and attracting more people to public transport.
52. The recommended approach will help meet the objectives of Government's National Bus Strategy and Hampshire's BSIP which was co-developed with bus operators and a wide range of stakeholders. It builds on the existing positive relationship between the County Council and its bus operators which has enabled Hampshire to deliver passenger growth prior to the pandemic against a national backdrop of decline in passenger numbers.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Bus Service Improvement Plan Bus Service Improvement Plan-2021-10-28-ELMETE Decision Day (hants.gov.uk)	28 Oct 2021
Hampshire's Bus Enhanced Partnership Plan & Scheme Hampshire's Bus Enhanced Partnership Plan & Scheme-2022-03-10-ELMETE Decision Day (hants.gov.uk)	10 March 2022
Concessionary Travel Reimbursement Update Concessionary Travel Reimbursement-2023-03-13-ELMUS Decision Day (hants.gov.uk)	13 March 2023
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Bus Back Better – A National Bus Strategy for England https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf	March 2021

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

- 2.1. The outputs of the BSIP and EP will have a particularly positive outcome for those groups who are statistically more frequent users of public transport including younger and older people, women, those with the protected characteristics of disability, race, pregnancy and maternity, those living in rural locations and those on lower incomes. Residents with the protected characteristic of religion or belief could also be impacted positively through improved services supporting access to religious events or places of worship
- 2.2. In terms of equality impacts, there is a higher reliance on buses for commuting amongst particular sectors of the population: females, younger age groups (16–19-year-olds), part-time workers, those in manual occupations, and those on low incomes. 18.9% of households in Hampshire have no access to a car or van.
- 2.3. In light of this, there is a need to support the most socially excluded residents who are disproportionately represented as bus passengers. Around one in three bus journeys in Hampshire are made by concessionary pass holders.

2.4. The BSIP commitments to work towards more frequent, more reliable, easier to understand and use, and better co-ordinated bus services which would enable people to access essential services and lead independent lives for longer within their own communities.