

SURREY COUNTY COUNCIL**CABINET****DATE: 26 OCTOBER 2021****REPORT OF CABINET MEMBER: MATT FURNISS, CABINET MEMBER FOR TRANSPORT AND INFRASTRUCTURE****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT & INFRASTRUCTURE****SUBJECT: NATIONAL BUS STRATEGY – BUS BACK BETTER - A BUS SERVICE IMPROVEMENT PLAN FOR SURREY****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ ENABLING A GREENER FUTURE****Purpose of the Report:**

A new National Bus Strategy for England (Bus Back Better) was published by the Government on 15 March 2021. Bus Back Better requires a Local Transport Authority to consider its role in encouraging more people to travel by bus post-Covid 19 and sets out aspirations for bus services that are more frequent, more reliable, easier to understand and use, better-co-ordinated, cheaper to use and with high quality information for passengers.

This report explains the next stage of this council's response to Government, namely the creation of a Bus Service Improvement Plan (BSIP). The BSIP sets out the interventions and investment proposed by this council and the bus industry to deliver Bus Back Better in Surrey, alongside the funding ask from Government. The BSIP aims to deliver on the core aim of getting more people travelling by bus post-covid and is essentially this council's bid to Government for a share of a £3bn national fund. The report also recommends a governance structure to oversee the delivery of the BSIP.

Recommendations:

It is recommended that Cabinet:

1. Welcomes the level of aspiration and the proposed initiatives set out in the draft Bus Service Improvement Plan for Surrey, including the proposed measures aiming to ensure buses can operate reliably on Surrey's roads.
2. Agrees that the draft Bus Service Improvement Plan for Surrey be submitted to the Department for Transport by the 31 October 2021 deadline, with authority delegated to the Executive Director for Environment, Transport and Infrastructure in consultation with the Cabinet Member for Transport and Infrastructure to agree the final document.
3. Support the proposed draft governance arrangements that will oversee the delivery and further development of the draft Bus Service Improvement Plan.
4. Requests a further report once levels of Government funding are confirmed, setting out the interventions and improvements to be delivered in partnership with Surrey's bus operators.

Reason for Recommendations:

The Government's aspirations in the National Bus Strategy, to be delivered through Bus Service Improvement Plans and Enhanced Partnership schemes, support the Council's own intentions within the emerging new Surrey Transport Plan, to encourage modal shift and a deliver a reduction in carbon and other emissions from the transport sector.

A Cabinet Member for Highways & Infrastructure report on 29 June 2021 gave approval to proceed with the development of Enhanced Partnerships with bus operators and to issue a notice of intent to prepare Enhanced Partnership Schemes, as set out in section 138F of the Transport Act 2000.

The Bus Service Improvement Plan in the next task, to be completed and submitted to the Department for Transport (DfT) by 31 October 2021.

This council and our bus operator partners will then develop and enter into formal Enhanced Partnership arrangement, to commence on 1 April 2022.

Executive Summary:

National Bus Strategy – Bus Back Better

1. Bus Back Better requires a Local Transport Authority to consider its role in encouraging more people to travel by bus post-Covid 19 and sets out aspirations for bus services that are more frequent, more reliable, easier to understand and use, better-co-ordinated, with understandable fare structures and with high quality information for passengers.
2. A BSIP will set out the local measures proposed for achieving the objectives of Bus Back Better and for encouraging greater bus use as part of the county's 'building back better' more sustainably. A BSIP needs to be developed in collaboration with bus operators, community transport providers, adjoining Local Transport Authorities and other stakeholders, and it will be guided by issues in connection with bus services that have been identified by residents' feedback.
3. The BSIP will act as a framework to secure part of the £3bn funding allocated to Bus Back Better by Government, with each BSIP to be reviewed at least annually. The share of the funding obtained will depend on the ambition contained in the BSIP, as judged by the Department for Transport.
4. Creating a BSIP will also secure access to proposed new powers for traffic enforcement. A BSIP needs to contain plans for ambitious bus priority schemes on the highway to secure an improvement in bus journey times and reliability, inclusive of target setting to be monitored by Government. It will identify where such priority measures are needed and consider air quality issues and carbon reduction targets that buses could help address.
5. The shared ambition of Surrey's 12 local authorities is that our residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities. In support of this ambition – and the UK's commitment to achieving net zero carbon emissions by 2050 – our collective commitment is to do our part to tackle climate change. Key to delivering on this ambition will be shifting residents out of their cars onto more attractive public transport, with our BSIP setting out how this will be achieved.

Bus Service Improvement Plan – Building on a Solid Existing Partnership

6. A full list of ambitions is being developed and enhanced through discussion with bus operators. This will be formed of a mix of improvements already planned that we aim to stretch and expand, alongside a range of new initiatives, which together will deliver enhanced outcomes for residents. Delivery will depend on the amount of funding that the Council is awarded from Government's new National Bus Strategy Fund. Overall, a number of key areas have been identified that will improve the bus service offer in Surrey, as summarised below.
7. The relative strategic importance of bus routes will be defined by a route hierarchy. Whilst each bus route is important to those residents using it, a route hierarchy will allocate routes to primary, secondary, or tertiary categories, along with routes operating to help children access schools and colleges. This route hierarchy will inform decisions for selected service frequency enhancements, especially on the primary network of key bus routes. It will include consideration of evening and weekend enhancements.
8. An expansion of demand responsive transport in some rural areas such as Tandridge, Waverley and Guildford is also being developed. A new demand responsive transport offer could replace certain low-frequency conventional bus services with more comprehensive and flexible services, building on the current project in Mole Valley funded by the Government's Rural Mobility Fund.
9. Bus priority measures where necessary and deliverable will be proposed, evidenced by operator feedback on congestion pinch points on the highway network. It will be further evidenced through the data available from the Council's real time bus information system. £9m for bus priority measures has already been allocated within the Council's capital pipeline, which will be highlighted to Government in our BSIP.
10. There is an ambition to expand the availability of multi-operator, multi-journey ticketing schemes, which offer savings to bus users. This will build on the successful 'Acorn' ticketing scheme introduced by the Council in north Surrey. This initiative would be further enhanced through the introduction of contactless payment for all fares. For individual fares, in the longer term, there would be an ambition to facilitate 'tap in and tap out' technology to improve bus boarding times and give more detailed passenger data.
11. A half-fare scheme and a free fare scheme for young people under 20 years of age, irrespective of whether in full time education is also being costed for potential inclusion in the BSIP.
12. A proposal to support businesses looking to recruit staff to build back to pre-covid levels of operation or encourage staff to use sustainable transport to travel is being considered. Working with major employers, such as Gatwick Airport, and DWP Job Centres, the scheme will provide support for the first month's travel.
13. A limit on the age of buses operating in the county is being considered, the aim being to improve the quality of the bus offer and overall user experience. There is a supporting ambition for all buses to be fitted with an audible and visual 'next stop'

announcement facility to help all bus users, including though who maybe visually or hearing impaired.

14. The introduction of ultra-low and zero emission buses and community transport vehicles is being developed to replace older diesel buses. This is part of the Council's Greener Futures programme in response to the declared climate change emergency. £32.3m for ultra-low and zero emission buses alongside £6.3m for ultra-low and zero emission community transport minibuses has been allocated to this initiative from the Council's capital pipeline. This will supplement operator investment to help the Council tackle decarbonisation of the transport sector.
15. An expansion of the Council's real time information system that gives details of bus arrival times to on-street displays and to journey-planning websites and applications is proposed. £1.4m has been allocated from the Council's capital pipeline to support this work.
16. Enhancements to bus shelter provision and passenger waiting environments, including an increase in accessibility for passengers is also proposed for inclusion in the BSIP.
17. A Passenger Charter will be drafted. This will set out what bus users can reasonably expect from bus operators and the Council in terms of the way services are provided. It will include improved signposting to pathways for recourse when problems are encountered, something specifically request by Government.
18. Experience of previous bids to Government indicate that our chances of success in securing Bus Back Better funding will increase if matched funding can be used to enhance outcomes and 'do more' in delivering the BSIP, beyond what Bus Back Better funding would deliver alone. The BSIP will therefore set out funding from a range of sources to boost the ask of Government, including capital pipeline funding as already referenced, bus operator commitments, our local bus budget revenue, developer and other funding. Together this will facilitate the ambitions in the BSIP, noting that the Council may also choose to allocate further funding as part of the implementation of the emerging Surrey Transport Plan.
19. The BSIP will contain measures to support and strengthen the commercially operated bus network to be delivered through positive partnership working. This will minimise future potential need for Council bus service revenue support, especially after the Government's Bus Recovery Funding scheme ends in April 2022.
20. The draft BSIP is attached at Annex 1.

Enhanced Partnership Governance

21. An Enhanced Partnership Governance Board for Surrey will be established to oversee and champion the development and introduction of the Enhanced Partnership (EP), whilst also prioritising enhancements and improvements set out in the BSIP based on the funding received from Government. Membership of this strategic decision-making Board will be comprised of the Cabinet Member for Transport & Infrastructure (chair) and representatives from large and smaller bus operators in Surrey.

22. A Stakeholder Reference Group will also be established to provide external insight and constructive challenge the work of delivering the BSIP, ensuring that the voice of bus users is clearly heard. It is proposed that membership will be comprised from Members and officers of the County Council, borough and district councils, bus operators, bus user groups and other key stakeholders. Both the Board and the Stakeholder Reference Group will be established in the Autumn of 2021.
23. Alongside this core governance, efforts will be made to encourage Bus User Groups representing specific areas of the county to be established, feeding into the Stakeholder Reference Group. However, these have historically proven to be extremely challenging to establish and keep going. In learning from previous experience, we will work with interest groups, residents and bus operators to ensure new Bus User Groups have every opportunity to emerge and flourish.
24. A summary of the draft governance arrangements is displayed in Annex 2.
25. Overall, the BSIP is intended to be a high-level plan and be ambitious in its outlook. The BSIP will outline what the Council and partners see as success and how that will be measured in terms of targets against baseline data of the existing bus network, inclusive of delivery timescale. Pre- and post-Covid data supplied by bus operators will establish a benchmark for metrics such as mileage operated, passenger numbers, journey time and reliability data. This will enable monitoring and reporting of future improvements, supporting the at least annual review of the BSIP.
26. The detail of the enhancements and improvements outlined in the BSIP will be further developed following submission of the draft plan contained in this report, with delivery subject to the level of funding received from Government. The development of the detail will be overseen by the Enhanced Partnership Board with reference to the Stakeholder Reference Group and in accordance with the Council's required approval processes. The BSIP will also be reviewed at least annually, a Government requirement, enabling it to be further developed and refined.

Consultation:

27. Because of the tight timeline the Government has set for Local Transport Authorities to submit their BSIPs, the county council has needed to take a pragmatic approach to capturing 'local views' as required by the DfT.
28. Letters have been sent to all boroughs and districts, all county councillors and all VCFS and disability groups in the county. This asked for their support in submitting the BSIP and, importantly, views and feedback on what they would like to see in the BSIP for themselves or for groups or residents they represent.
29. A report was also taken to the Communities, Environment and Highways Select Committee. This outlined the approach to developing the BSIP as well as engagement activity undertaken and to happen.
30. A short survey was published on 'Surrey Says' asking people to give input on what they think is important to support and promote bus travel. The survey ran from 30 July to 10 September 2021. A total of 544 people completed the survey, with additional and more detailed comments also received by email. A summary of the survey is given in Annex 3. In summary it is clear that reliability (the bus turns up on

time and gets me to my destination on time), better information, more evening and weekend services, simpler fares and ticketing structures, along with better service frequencies (so residents don't have to be concerned about long waiting times) are key factors in shaping the decisions of residents to use buses. This accords closely with responses to previous Surrey and national surveys.

31. This new information is being used alongside historic consultation feedback, with the latter as reflective today on people's views on bus travel as when the consultations were run. The main areas of concern expressed by residents in previous surveys undertaken as part of Surrey Bus Reviews and the Local Transport Reviews were:
 - a. A desire for cheaper fares
 - b. A desire for more bus priority measures to deliver more reliable services, i.e. make sure the bus turns up when it is supposed to
 - c. A request for better information on times and fares with more real time information
 - d. A desire to see improvements to the overall journey experience and customer service
 - e. Demand for more services in the evenings and at weekends
 - f. A request for simpler, more flexible fares and 'smart ticketing'.
32. Resident feedback on what they feel is important will inform the content of the BSIP as it is developed and help shape our priorities for investment.
33. Future engagement will play a key part of the success of the Enhanced Partnership. This will take place using the Stakeholder Reference Group that is being created as part of the proposed governance arrangements and also through regular passenger and wider resident surveys. By listening to residents and addressing these issues through the BSIP we have an opportunity to grow bus patronage and deliver on the ambition set out in Bus Back Better.

Risk Management and Implications:

34. With no certainty over the amount of funding that the Surrey EP might receive from Government, there is obvious risk associated with creating a level of expectation with bus users and residents that we may not be able to meet, particularly on having network wide service enhancements and blanket reductions in fares, because the likelihood of receiving all the funding being asked for is low.
35. This will need to be managed through the Stakeholder Reference Group being created, bus user groups, social media and other information available to the public.
36. Another risk is around planning the delivery of interventions and the impact that capital investment has on bus route reliability. For example, road works, even those that will ultimately support bus services, may cause delays to bus services whilst they are underway. This could be compounded if there are other residential development or utility work in the same area.
37. To mitigate this risk, the delivery of the capital investment plan will need to be well managed. For example, officers will seek to prioritise off carriageway capital investment, such as Real Time Information or bus stop accessibility improvements, in areas where on carriageway works are already planned.

38. Longer term risks are around the availability of revenue to support service enhancements. This could be from further BSIP investment after the life of the current Parliament or through increasing patronage to a level where services can become fully commercial.
39. The latter can result in revenue being redistributed to support other services. However, should patronage not increase to sufficient levels where enhanced services are affordable in the long term, a decision on whether to retain the enhancement/s will need to be made by the EP Board.

Financial and Value for Money Implications:

40. The BSIP presents a significant opportunity for investment in more ultra-low and zero emission buses, bus priority measures, a higher quality passenger waiting environment, better passenger information and service enhancements. Packaged together, all of the above will help build patronage back to pre-covid levels and beyond. Increasing patronage on bus services will provide greater opportunity for more services to move into full commercial operation. This, if possible, can free up revenue funding for reinvestment in other services, further improving the network offer to residents.
41. The measures outlined in paragraphs 5 to 19 and totalling £49m are included in the Council's approved capital programme, with those measures in the capital pipeline subject to future approval. The measures not in existing council budgets will form the BSIP bid to Government's £3bn funding allocation, alongside potential third-party investment, for example from bus operators.
42. New infrastructure delivered through the BSIP will require future maintenance, alongside other new revenue costs, for example increased costs to support the operation of an expanded Real Time Passenger Information system. These costs will need to be fully understood and subsumed within the relevant Group Budget.

Section 151 Officer Commentary:

43. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
44. The County Council provides financial support to socially necessary bus services where they are not commercially sustainable. The bus sector in Surrey has suffered from reduced patronage due to the pandemic, and has required additional financial support from the Government through the Covid Bus Service Support Grant. The Bus Back Better strategy aims to revitalise the sector, increasing patronage and therefore the financial sustainability of services, which could potentially reduce the need for the Council to subsidise services in the future as well as stimulating economic recovery. The investments outlined in this report are included in the Council's approved capital

programme, or form the Council's BSIP bid to Government. Some measures may have ongoing revenue cost implications, which would need to be managed within existing budgets.

Legal Implications – Monitoring Officer:

45. The Bus Services Act 2017 introduced amendments to the Transport Act 2000 giving new powers to local authorities to facilitate improvements to bus services in their areas. There are a number of schemes available including Enhanced Partnerships which is the scheme of choice for Surrey County Council (Cabinet Member for Highways and Infrastructure Report 29.06.21). This is an agreement between the local authority and the majority of its local bus operators to work together to improve bus services in the area. The implementation of an Enhanced Partnership is dependant upon sufficient support being obtained from the bus operators.
46. This report sets out at high level the nature of the improvements that could be made under the scheme but the extent of what can be achieved will be subject to the amount of funding secured from Central Government. Working in a partnership of this nature will assist the Council in maximising opportunities to promote equality , improve environmental outcomes and overall bus safety and maximising social value.

Equalities and Diversity:

47. An Equalities Impact Assessment (EIA) has been completed for the BSIP submission. This covers all the possible actions and interventions across all the protected groups.
48. Because of the lack of certainty of funding that will be allocated to the Surrey Enhanced Partnership, the EIA has had to be written in a more general. This means that we cannot properly assess the positive impacts from delivering the Enhanced Partnership until we have clarity on what can be funded.
49. Once funding known and a delivery programme is confirmed, the EIA will be updated focusing on the specific actions and interventions in the delivery programme. This will then focus on local impacts on people with protected characteristics.

Other Implications:

50. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No direct Implications Identified.
Safeguarding responsibilities for vulnerable children and adults	No direct implications identified.
Environmental sustainability	Public transport is a key pillar to building a sustainable economy and sustainable county. The expansion of ultra-low and zero emissions vehicles will remove tonnes of carbon from transport each year.

	Improvements to bus services, encouraging more people to use public transport rather than their car, will further result in carbon reductions from transport.
Compliance against net-zero emissions target and future climate compatibility/resilience	As mentioned above, the delivery of improvements to bus services through the Enhanced Partnership will reduce emissions from transport. The Plan is a key initiative that will contribute to the county achieving its net zero carbon emissions target. Once we have certainty of funding and subsequent decisions on targeted investment, calculations on carbon reductions will be made to contribute towards the organisation's net-zero ambitions.
Public Health	Where locations have an air quality issue, and in conjunction with other measures, reducing transport emissions will help mitigate such issues.

What Happens Next:

51. Below sets out key dates and actions required, should Cabinet approve the recommendations in this report:

- a. By 31 October the BSIP is submitted to the DfT for their consideration and review
- b. Post BSIP submission, draft the legal agreement for the Enhanced Partnership to be signed by the council and bus operators, who have a right of appeal
- c. By 1 January 2022, set up and agree the governance arrangements and hold initial meetings of the EP Board, Delivery and Stakeholder Reference Groups
- d. As of 1 April 2022, the Enhance Partnership starts in Surrey

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Consulted:

All Surrey borough and district councils, all county councillors, along with VCFS and disability groups have been asked for their support in submitting the BSIP and, importantly, views and feedback on what they would like to see in the BSIP for themselves or for groups or residents they represent.

Communities, Environment and Highways Select Committee, who considered the approach to developing the BSIP as well as engagement activity undertaken and to happen.

Surrey residents via a short survey published on Surrey Says asking for input on what they think is important to support and promote bus travel.

Annexes:

Annex 1 - The draft Bus Service Improvement Plan (BSIP)

Annex 2 – A summary of the governance arrangements

Annex 3 – Engagement feedback summary

Sources/background papers:

Bus Back Better: National Bus Strategy for England – Department for Transport, 15 March 2021.