

29 APRIL 2024

BUS SERVICE IMPROVEMENT PLAN: AN UPDATE

Purpose of report:

To provide the Communities, Environment and Highways Select Committee with an update on progress in delivering and revising the County Council's Bus Service Improvement Plan to meet the requirements and timescales of Department for Transport's recently published new guidance.

Introduction

1. In responding to the challenges set by the National Bus Strategy: Bus Back Better published in March 2020, the County Council drafted, consulted on and approved a Bus Service Improvement Plan (BSIP) in October 2021.
2. In late January 2024 the Department for Transport (DfT) published new guidance to Local Transport Authorities (LTAs) requiring them to update their BSIPs, which must be submitted to the DfT by 12 June 2024. Failure to meet this deadline puts future BSIP funding at risk. For Surrey, this would put at risk the second instalment of BSIP Phase 2 funding, previously called BSIP+.
3. This report asks the Communities, Environment and Highways Select Committee to:
 - a. Review progress and delivery against the 2021 BSIP;
 - b. Provide views on future BSIP priorities as part of the current review, taking into account of the views of operators, stakeholders and residents; and
 - c. Suggest new or additional initiatives that may be included in the revised BSIP and how they may be funded.

Background

4. When new BSIP guidance was published in late January 2024, the DfT stated that for the DfT to have effective conversations with the Treasury, revised BSIPs should be:
 - More consistent across LTAs;
 - Shorter and easier for residents and stakeholders to understand;
 - Be clear about what has been delivered, when and how it was funded; and
 - Be clear about what will be delivered and priorities from 2025-29, when and how they will be funded.
5. This more standardised approach is to be supported by BSIP templates to be completed by LTAs. These are currently awaited.
6. Along with a change to the format of BSIPs, the DfT also want to see a greater focus on:
 - How operators and stakeholders (which includes Members) have been involved with the development of the 2024 BSIP update;
 - Delivery against the original BSIP from 2021, including how initiatives have been funded;
 - A delivery plan for 2024/25, including how initiatives have been funded; and
 - Clear ambitions for 2025-2030, including any outline delivery plans and how these initiatives will be funded.
7. The DfT also want LTAs to have a greater focus on the 12 priority areas covered in the 2021 National Bus Strategy, in that buses are:
 - More frequent;
 - Faster and more reliable;
 - Cheaper;
 - More comprehensive;
 - Easier to understand;
 - Easier to use;
 - Better integrated with other modes and each other;
 - Better to ride in;
 - Greener;
 - Accessible and inclusive;
 - Innovative; and
 - A safe mode of transport that is seen as safe.

8. Unlike the first BSIP development process in 2021, the DfT has stated that there is no Government funding to bid for. Instead, revised BSIPs will be used by the DfT as a tool for discussions with the Treasury on future national bus funding.
9. The full list of all BSIP ambitions and which of the 12 priority areas of the National Bus Strategy they meet is attached to this report as **Annex A**.
10. As part of the BSIP we are expected to publish bus routes in the county, showing those routes that operate commercially and those that receive support from the County Council.
11. Routes in Surrey, both commercial and supported, are split into categories. These are Category 1, 2 and 3. As stated in the current, May 2023, version of the BSIP, below is a short explanation of how routes are categorised.

| Category | Description |
|----------------------------|---|
| Category 1 funded services | Top up funding for commercial services. Core strategic network - as important as commercial services. All journey purposes (commuting, school, shopping etc.) |
| Category 2 funded services | Very important to communities. All journey purposes. Includes routes for school journeys (single morning and afternoon journeys) |
| Category 3 funded services | Least strategic importance but high social mobility value and relatively small proportion of overall budget. |

12. The list attached as **Annex B** is the current category route list with subtotals for those routes that receive County Council funding.

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| Delivery of BSIP ambitions since 2021 |
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13. The expectation from Government was that LTAs should progress with the delivery of their BSIP ambitions regardless of whether they received funding in 2021 (BSIP Phase 1). Where LTAs did not receive any funding, they were encouraged to look at their own budgets to see if there was scope to reallocate funds towards BSIP initiatives. Also, LTAs were asked to prioritise low and no-cost initiatives such as developing and agreeing a bus Passenger Charter.
14. Whilst the County Council was not allocated any BSIP Phase 1 funding, the council was in a more favourable position to deliver against the 12 priority areas in the BSIP compared to other LTAs.

15. This was due to the decisions made to allocate funds towards initiatives prior to the announcement of the National Bus Strategy (NBS) and their subsequent inclusion in the BSIP. Also, in 2023 the decision to increase the base service budget to support local bus services and promote new initiatives such as the Surrey LINK Card.
16. The funding position is set out in more detail later in this report.

Capital delivery summary table

| BSIP priority area | What was / is being delivered | Funding source | Delivery date |
|-----------------------------------|--|---|---|
| Greener Buses / Better to ride in | 54 Hydrogen Fuel Cell Buses, in partnership with Metrobus | SCC and Metrobus | Estimated delivery of all buses by the end of the 2024/25 financial year. |
| Greener Buses / Better to ride in | 19 battery electric buses, in partnership with Falcon Coach and White Bus | SCC, bus operators and ZEBRA 2 Government funding | Estimated delivery of buses by the end of the 2024/25 financial year. |
| Faster and more reliable | Reigate / Redhill / Horley A23 Bus Priority Corridor | SCC and developer contributions | Feasibility is complete. Construction to start Q4 2024 for completion in 2026. |
| Faster and more reliable | Guildford and Woking (including surrounding environment) Bus Priority Programme Area | SCC | Feasibility to be completed in the 2024 calendar year. Construction start estimated in 2026/27 |
| Faster and more reliable | Blackwater Valley Bus Priority Programme Area | SCC | Feasibility to be completed in the 2024 calendar year. |
| Faster and more reliable | Wider Elmbridge Bus Priority Programme Area | SCC | Feasibility to be completed in the 2024 calendar year. |

| BSIP priority area | What was / is being delivered | Funding source | Delivery date |
|-----------------------------------|--|-----------------------|---|
| | | | |
| Faster and more reliable | North-west Surrey Bus Priority Programme Area (including access to Heathrow) | SCC | Feasibility to be completed in the 2024 calendar year. |
| Greener buses / Better to ride in | 16 new electric minibuses for use on Surrey Connect DDRT services | SCC | Estimated delivery of buses by the end of the 2024/25 financial year. |
| Easier to understand | Investment in new RPTI displays across town locations and feeder routes | SCC | Estimated full completion by end of 2025/26 financial year |

Revenue delivery summary table

| BSIP priority area | What was / is being delivered | Funding source | Delivery date |
|----------------------|--|---|--|
| More frequent | Enhancing 15 bus services across Stagecoach, Metrobus and Falcon Coaches. Depending on the route these will provide additional services during the day, into the evening and /or at weekends | SCC and BSIP Phase 2. Including a shared contribution with Hampshire CC | Starting from April 2024. Other enhancements planned for April 2025. These will run for 2 years, with a commitment from operators to run for a further year. |
| Cheaper | The Surrey LINK Card was launched in summer 2023 to give people aged 20 and under access to half the standard adult fare. In November 2023 it was agreed that the LINK Card would apply to the £2 fare cap where it is in place | SCC with BSIP Phase 2 funding used to underwrite the cost of applying the discount to the £2 fare cap | November 2023 |
| Easier to understand | Launched a project with our supplier, Trapeze, to improve the quality of Real Time Information. | SCC | Trailing real time cancellations currently. Further updates will follow in the by the end of the 2024/25 year |

13. Alongside the elements that required funding, a bus Passenger Charter was agreed to be implemented and signed up to by all our bus operators. The charter, whilst not binding, sets out what passengers should expect from services in Surrey. This was developed with input from representatives of the Stakeholder Reference Group and bus operators. A copy of the charter is published on the council's website and attached to this report as **Annex C**.

Priorities for operators, stakeholders and residents

14. For many years the relationship with the bus operators in Surrey and the County Council has been a collaborative and productive one. As part of the initial BSIP process we engaged with bus operators, seeking their views on what they would like to see reflected in the BSIP. This engagement has been ongoing and will continue through the BSIP period.
15. Understandably, priorities for the bus operators are to improve and increase the amount of bus priority as well as tackling congestion. Both will improve bus speeds and reliability, the latter being a top priority for residents and stakeholders to encourage more bus use.
16. Over the last ten years, the County Council has held several public consultations on public transport. A short consultation was held prior to the publishing of the original BSIP.
17. The main areas of concern expressed by residents in that survey, as well as previous surveys undertaken as part of Surrey Bus Reviews and the Local Transport Reviews were:
 - A desire for cheaper fares
 - 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
 - A request for better information on times and fares with more real time information
 - A desire to see improvements to the overall journey experience and customer service
 - Demand for more services in the evenings and at weekends
 - A request for simpler, more flexible fares and 'smart ticketing'
18. As part of the governance overseeing the delivery of the BSIP, through the Enhanced Partnership arrangements, we have created a Stakeholder Reference Group. Part of this group's role is their ability to put forward suggestions for interventions and initiatives for inclusion in the BSIP as well as how they should be prioritised for delivery.
19. Also, understandably, representatives on the stakeholder group want to see more frequent bus services in their local area. The ability to deliver service improvements across the county is limited outside of where we are using the available BSIP Phase 2 funding. However, some of the suggestions made by the group that for inclusion in the revised BSIP are mainly focused on accessibility improvements for disabled people. These are:
 - A higher level of disability, dementia and autism awareness for bus operators;

- The installation of audio announcements of “next bus” information at bus stops; and
 - To support visually impaired people, a requirement for buses to stop where someone is waiting, regardless of if they have been flagged down.
20. Some other key priorities for representatives on the stakeholder group are:
- A faster and more comprehensive expansion of Real Time Passenger Information, including improvements to the accuracy of the information;
 - Redevelopment of Guildford and Redhill Bus Stations; and
 - Bus stop accessibility improvements across the county.
21. More on the governance arrangements is covered later in this report.

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| Funding requirements for full delivery beyond 2025 |
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22. Prior to the BSIP process the County Council had already allocated capital funding across the four key investment areas. These being:
- investing £32.3m to bring more zero emission buses into Surrey to be delivered in partnership with bus operators;
 - investing £6.3m to introduce more electric minibuses to be delivered in partnership with the community transport sector;
 - investing £9m in bus priority measures at key pinch points to improve reliability and make buses more attractive to existing and potential users;
 - alongside an investment of £1.4m to expand our real time passenger information system helping residents make more informed travel choices.
23. The funding for the original BSIP was announced in the summer of 2022. At that time the County Council was not awarded any of the c£120m, split roughly £50 of revenue and £70m of capital, of the available £3bn across England.
24. In August of 2023, new funding was allocated by the Government to support revenue activities in LTAs who had not received any of the original BSIP money. Surrey was awarded £7.8m in total, split equally across 2023/24 and 2024/25. This was called BSIP+. However, following the reallocation of the HS2 extension budget towards other transport projects, this has been renamed to BSIP Phase 2. The BSIP Phase 2 investment proposals were presented as a Cabinet Member Decision in November 2023. The table below sets out the allocation summary.

Summary BSIP Phase 2 (formerly BSIP+) Funding Allocations

| | Sept-Mar 2023/24 (£m) | Full Year 2024/25 (£m) |
|---------------------------------|-----------------------|------------------------|
| Service Support | 0.5 | 0.85 |
| Service Enhancement | 0.9 | 1.5 |
| DDRT | 0.7 | 1.7 |
| LINK Card | 0.5 | 0.77 |
| Promotion of Initiatives | 0.02 | 0.03 |
| Risk & Contingency | 0.13 | 0.2 |
| Total | 2.75 | 5.05 |

25. The table below gives the detail of the BSIP Phase 2 funding route enhancements. This does not include a breakdown of cost because of commercial sensitivity.

BSIP Phase 2 Bus Route Enhancements

| Operator | Route | Service Enhancement |
|----------|-------|---|
| Falcon | 436 | New evening and Sunday service |
| | 456 | Increase frequency to 30 minutes |
| | 461 | Increase frequency to 20 minutes |
| | 479 | Extended evenings and extra Sunday services |
| Metrobus | 20 | Extend the overnight bus to Langshott |
| | 32 | Sundays - add two return trips to and from Redhill |
| | 100 | Return to pre-Covid, hourly overnight service |
| | 100 | From spring 2025, increase main service to every 15 minutes, Monday to Saturday |
| | 400 | From spring 2024, extended operating hours and Sunday service to increase to hourly |

| | | |
|------------|-------|---|
| | 400 | From spring 2024, 5th bus included to improve reliability and provide later evening services to Caterham, Monday to Saturday |
| | 460 | 3 new hourly round trips Mon-Sat, replacing the 480, so that Preston and Tattenham Corner would gain new evening links to Reigate, Redhill, Horley, Gatwick and Crawley |
| | 460 | 1 later return journey to add additional late night return trip |
| | 460 | From spring 2025, 3 new later round trips on Sundays |
| Safeguard | 4 / 5 | Additional evening journeys and enhanced bus services on Sundays and Public Holidays |
| Stagecoach | 2 | Increase frequency to 20 minutes |
| | 6 | |
| | 7 | |
| | 65 | Enhance to create an hourly service and introduce a new Sunday service. Cost shared with Hampshire CC. |

26. In response to new priorities, such as the expansion of DDRT schemes, responding to the challenging operating conditions following the pandemic and inflationary pressures, the County Council's budget for public transport was increased. This is now just over £13.5m.
27. As mentioned earlier in this report, we are delivering against a number of the BSIP priority areas using both County Council budget, BSIP Phase 2 and private sector funding. However, to deliver all of our BSIP aspirations across Surrey in full, significant investment is necessary. This would be far beyond the current budget available and otherwise be unaffordable without Government backing.
28. In general, and whilst costs have increased since the original BSIP was submitted due to inflation and other cost pressures over the intervening period, the funding request submitted to the Government in 2021 is still valid.
29. This level of additional funding would allow the County Council to deliver against all 12 of the BSIP priorities. Without this, the County Council will need to choose those elements of the BSIP that can be delivered over 2025-29 that will most likely improve our performance on the BSIP target areas.
30. The current approach is to focus on those elements that will provide the best evidence to the DfT that we are investing the funding allocated to Surrey

effectively. Thereby giving a strong basis by which to secure the future funding necessary to deliver ongoing and lasting improvements to bus services.

31. The table below summarises the capital and revenue request submitted in 2021. Where projects are already stated, such as the bus priority areas, the funding stated would support additional measures to further improve the scheme outcomes.

Capital Funding Request Summary

| BSIP priority area | Scheme title | Funding request |
|--------------------------|---|-----------------|
| Faster and more reliable | Reigate / Redhill / Horley A23 Bus Priority Corridor | £2.65m |
| Faster and more reliable | Guildford and Woking (including surrounding environment) Bus Priority Programme Area | £5.15m |
| Faster and more reliable | Blackwater Valley Bus Priority Programme Area | £2.4m |
| Faster and more reliable | Wider Elmbridge Bus Priority Programme Area | £2.4m |
| Faster and more reliable | North-west Surrey Bus Priority Programme Area (including access to Heathrow) | £2m |
| Faster and more reliable | Traffic Signals - expand the existing Intelligent Bus Priority programme. | £2m |
| Easier to understand | Real Time Passenger Information expansion | £1.5m |
| Accessible and inclusive | Bus Station & Interchange accessibility improvements | £3.5m |
| Faster and more reliable | Moving Traffic Offences Enforcement infrastructure to support bus priority | £1m |
| Easier to use | Transition to Tap-On Tap-Off with investment on new ticket machines and back-office systems | £1.6m |
| Greener buses | Additional investment across more bus operators | £10m |

| BSIP priority area | Scheme title | Funding request |
|---------------------------|---|------------------------|
| Greener buses | Exploring retrofitting older diesel vehicles to all meet Euro 6 emission standards | £6m |
| Better to ride in | Installing Wi-Fi on all services and other improvements such as USB charging points | £3m |
| Easier to understand | Expansion of multimodal onward travel information for bus and rail arrivals and departures at key locations | £2m |
| Total | | £45.2m |

Revenue Funding Request Summary

| BSIP priority area | Scheme title | Funding request |
|---|--|------------------------|
| More frequent / More comprehensive | Category 1 Bus Service Enhancements. Where not in place already, having all Cat 1 services running every 30 mins Monday to Saturday and hourly from 7 p.m. until 11 p.m. and on Sundays | £22m |
| More frequent / More comprehensive | Category 2 Bus Service Enhancements. Introduce selected enhancements to Cat 2 Services to increase frequency and extend operating hours and days of operation. | £7.4m |
| Easier to understand / Easier to use | Mapping of bus routes and bus infrastructure. Updating current IT systems and making information available online or open source. | £0.075m |

| BSIP priority area | Scheme title | Funding request |
|--------------------------------------|---|-----------------|
| Accessible and inclusive | Additional vegetation management. To cover more areas on routes and at bus stops to support easy access to bus services and reduce to potential for buses to be damaged by vegetation. | £0.070m |
| Easier to understand / Easier to use | Expansion of multi-operator ticketing across the county. This would be phased and over 2 or 3 areas in the county. | £0.24m |
| Accessible and inclusive | Use existing best practice to develop and roll out Disability, Autism and Dementia Awareness training across all operators | £0.255m |
| Cheaper | Free travel for young carers Discounted travel for people leaving care | £0.120m |
| Total | | £30.1m |

Governance, monitoring and reporting

32. The NBS sets out the governance approach that LTAs must take depending on whether they opted for a franchising or Enhanced Partnership arrangement at the delivery model for the BSIP.
33. As agreed by Cabinet on 25 October 2022, Surrey County Council entered into an Enhanced Partnership (EP) with bus operators. This has been operating since November 2022.
34. The governance is set out in **Annex D**. The structure sets out the EP Board as the decision-making body for delivery against the BSIP. The EP Board is made up of representatives from:
 - The County Council. The EP Board is chaired by the Cabinet Member for Highways, Transport and Economic Growth; and
 - Bus operators in Surrey. These members are Metrobus and Stagecoach as the two largest operators based on mileage, three SME bus operators as well as Transport for London

35. Alongside the EP Board, the NBS requires LTAs to have a body representing stakeholders across the area. This is sometimes called a Bus Forum. For Surrey this is our Stakeholder Reference Group (SRG) and is chaired by an external representative and administered by the County Council. This group has 56 people on the circulation list covering bus users, disability groups, county, borough and district councillors, borough and district officers, town and parish councils, among others. These bodies will continue to be used for the decision-making process and influencing priorities for the BSIP going forward.
36. More detail of the governance arrangements can be found in the EP Plan and Scheme, which is available on the County Council website as the [Surrey Enhanced Partnership Plan and Scheme](#).
37. With the rewrite of the BSIP in 2024, we will take the opportunity to review the EP Plan and Scheme to ensure that they are still relevant for the delivery of the BSIP and that the governance, new reporting arrangements, new initiatives and priorities are properly reflected. This process follows the BSIP update being submitted with the indicative timescales and process for this set out below.

| Activity | When |
|---|------------------------|
| EP Plan and Scheme review and update | Through June |
| 28 day required Operator Objection Period | Through July |
| Statutory Consultation | 2 or 3 weeks in August |
| EP Board meeting – Sign off of new EP Plan & Scheme | September 2024 |

Reporting to Government

38. The monitoring and reporting arrangements against the BSIP targets will change as a result of the updated guidance from the DfT. To this point, LTAs were expected to report every six months against the targets set out in their BSIPs. The update for Surrey from October 2023 is published on our website here as the [Bus Service Improvement Plan Target Summary](#). It is also attached to this report as **Annex E**.
39. Going forward the reporting timeline will be annual. The requirement for LTAs to update their BSIPs annually has been removed. The future timescales for updating BSIPs will be communicated by the DfT.
40. The BSIP targets for LTAs to report against were:
 - Average journey speed;

- Reliability;
- Passenger numbers; and
- Average passenger satisfaction.

41. The 2024 update requires LTAs to report on a new target of network coverage and accessibility to services (geographical and service hours of operation). We have scope to revise our targets for 2025 and beyond as part of this update process.

Conclusions

42. Updating the BSIP is a requirement for the County Council to complete or otherwise risk a delay in the release or the potential loss of the second instalment of £3.9m of BSIP Phase 2 funding.

43. Therefore, it is important for the County Council to ensure that we satisfy ourselves and the DfT requirements and timescales in reviewing and updating our BSIP, as set out in the new guidance.

44. In responding to this, we have worked with bus operators and through the established governance groups to highlight new initiatives or priorities for inclusion and future delivery.

45. However, there is uncertainty nationally as to what may happen at the end of November 2024 when the National Bus Fare Cap is due to end. Without ongoing national funding LTAs will need to consider the range and cost of ticketing offers available and the potential impact that a change from a two-year scheme may have on patronage.

Recommendations

46. This report asks the Communities, Environment and Highways Select Committee to:

- Review progress and delivery against the 2021 BSIP;
- Provide views on future BSIP priorities as part of the current review, taking into account of the views of operators, stakeholders and residents; and
- Suggest new or additional initiatives that may be included in the revised BSIP and how they may be funded.

Next steps

- Operator input to BSIP priorities – throughout April 2024
- Stakeholder Reference Group meeting – Mid April 2024

- Draft BSIP review by the Enhanced Partnership Board meeting – Late April 2024
 - BSIP signed off at Cabinet Member Decision meeting – 28 May 2024
 - Updated BSIP submitted to the DfT – 12 June 2024
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Report contact

Keith McKain, BSIP Programme Manager, Strategic Transport Group

Contact details

Keith.McKain@surreycc.gov.uk

Sources/background papers

NATIONAL BUS STRATEGY – BUS BACK BETTER - a Bus Service Improvement Plan for Surrey, Cabinet Report 26 October 2021

Bus Back Better – An Enhanced Partnership for Surrey, Cabinet Report 25 October 2022

Future bus network review and local bus service investment, Cabinet Report 28 March 2023

BSIP+ Investment Decision Report, Cabinet Member Decision 28 November 2023