

**SURREY COUNTY COUNCIL**

MATT FURNISS, CABINET MEMBER FOR HIGHWAYS,  
TRANSPORT AND ECONOMIC GROWTH

**DATE:** 28 MAY 2024



**LEAD OFFICER:** KATIE STEWART, EXECUTIVE DIRECTOR,  
ENVIRONMENT, INFRASTRUCTURE & GROWTH

**SUBJECT:** BUS SERVICE IMPROVEMENT PLAN – JUNE 2024 UPDATE  
FOR SUBMISSION TO THE DEPARTMENT FOR TRANSPORT

**ORGANISATION STRATEGY PRIORITY AREA** No One Left Behind / Growing A Sustainable Economy So Everyone Can Benefit / Tackling Health Inequality / Enabling A Greener Future / Empowered and Thriving Communities

<b>SUMMARY OF ISSUE:</b>
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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. The BSIP was subsequently updated in May 2023.

In late January 2024, the Department for Transport (DfT) published new guidance to Local Transport Authorities (LTAs) requiring them to update their BSIPs. These must be submitted to the DfT by 12 June 2024. Failure to meet this deadline puts future Government BSIP funding to LTAs at risk. For Surrey, this would put at risk the second £3.9m instalment of BSIP Phase 2 funding, previously called BSIP+.

The Council has responded positively to the challenge set by Government. This report details our updated BSIP, which is now ready to be submitted to the DfT.

Our updated BSIP will help the County Council support the economy of Surrey in a sustainable way by delivering better and more affordable public transport. It will also enable a Greener Future, by supporting a shift to public transport from the private car, coupled with an investment in more zero emission buses and minibuses. Reliable, attractive and affordable public transport will support all residents as they travel around Surrey, providing improved access to public transport ensuring that no one is left behind.

<b>RECOMMENDATIONS:</b>
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It is recommended that the Cabinet Member:

1. Agree the updated Bus Service Improvement Plan for Surrey.
2. Note the approach taken with operators, Members and stakeholders in developing the Bus Service Improvement Plan update.
3. Agree the approach for the Enhanced Partnership Board to sign off the updated Bus Service Improvement Plan to be submitted to the Department for Transport.
4. Agree the approach for revising the Enhanced Partnership Plan and Scheme between the County Council and the bus operators.

#### **REASON FOR RECOMMENDATIONS:**

LTA's are required to update their BSIPs and submit them to the DfT by 12 June 2024. The Council has been proactive in meeting this deadline, ensuring that existing Government BSIP Phase 2 funding is retained and available to support our agreed investment programme. It also places the Council in an advantageous position should additional Government funding become available.

Planned and potential future investment as detailed in the updated BSIP will improve the quality, breadth and attractiveness of public transport to all residents, whilst also helping to tackle emissions from transport.

#### **Executive Summary:**

##### **Background**

1. When new BSIP guidance was published in late January 2024, the DfT stated that for the DfT to have effective conversations with the Treasury, updated BSIPs should be:
  - More consistent across LTAs;
  - Shorter and easier for residents and stakeholders to understand;
  - Clear about what has been delivered, when and how it was funded; and
  - Clear about what will be delivered and priorities from 2025-29, when and how they will be funded.
2. This more standardised approach is to be supported by BSIP templates that all LTAs must complete.
3. Along with a change to the format of BSIPs, the DfT also want to see a greater focus on:
  - How operators and stakeholders (including 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 are being funded; and
  - Clear ambitions for 2025-2030, including any outline delivery plans and how these initiatives will be funded.
4. The DfT also want LTAs to have a greater focus on the 12 priority areas covered in the 2021 National Bus Strategy (NBS), 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.
5. 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.
6. The areas the DfT want LTAs to cover are:
- The Bus Vision for the area;
  - The current offer to passengers;
  - The 2024/25 improvement programme;
  - The LTA's ambitions for 2025 to 2030 and beyond;
  - The targets, performance monitoring and reporting process; and
  - A BSIP Overview Summary table
7. The full BSIP for Surrey is attached to this report as **Annex A**, which covers the new structure for LTAs to use. A list of all BSIP ambitions and which of the 12 priority areas from the NBS that they meet is attached in **Annex B**. Overall, the Council wants buses to increasingly be the first choice of transport for residents.
8. At the time of publishing this report and supporting annexes, some information to complete the BSIP draft is outstanding. This specifically relates to the new target of Network Coverage and Accessibility and estimated cost of some future aspirations, where data is required from operators which is not ready for this decision meeting. On provision of the necessary data, the completed BSIP will be formally agreed by the Enhanced Partnership (EP) Board prior to submitting to Government. As

the chair of the EP Board, the Cabinet Member will receive the final copy of the BSIP at this stage.

9. The EP Board members have agreed to signing off the BSIP by exchange of emails. This is necessary due to the availability of board members being limited ahead of the 12 June DfT submission deadline.

### **Delivery of BSIP ambitions since 2021**

10. The expectation from Government was that LTAs should have progressed with the delivery of their BSIP ambitions regardless of whether they received funding in 2021 (BSIP Phase 1).
11. Where LTAs did not receive any funding, LTAs 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 Passenger Charter.
12. A Passenger Charter was developed for Surrey with input from bus operators and members of the Stakeholder Reference Group. All our bus operators are signed up to this Charter, and whilst not binding, it sets out what passengers should expect from bus services in Surrey. It is published on the Council's website and attached to this report as **Annex C**.
13. Although the 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 many other LTAs. This was due to the decisions made to allocate Council funds towards initiatives prior to the announcement of the NBS and their subsequent inclusion in the BSIP. The Council's commitment to public transport was further strengthened in 2023, with the decision to increase the base service budget to support local bus services and promote new initiatives, such as the Surrey LINK Card that offers cheaper bus fares to all young people aged 20 and under.

### **BSIP Ambitions (Improvement Programme) for 2024/25**

14. This section of the BSIP covers the prioritised plan for 2024/25, including how aspirations are being funded.
15. A new requirement for the DfT is for LTAs to reflect how they, in partnership with bus operators and Job Centres will coordinate effort to recruit more drivers.
16. The capital investment priorities are:
  - Continuing with the Surrey Bus Priority Programme with feasibility studies being undertaken for all the BSIP priority areas and starting in late 2024, the construction of the Redhill, Reigate A23 Bus Priority Scheme;
  - Continuing the expansion of Real Time Passenger Information; and
  - The delivery of the ZEBRA2 electric bus bid;

17. The revenue priorities are:

- Supporting and enhancing some bus services using BSIP Phase 2 funding;
- Expanding the DDRT scheme offer with County Council budget, but also using some BSIP Phase 2 funding; and
- Continued support and promotion of the Surrey LINK Card;

18. There are also a number of aspirations that are low or at no cost. Some of these have been suggested by members of the Stakeholder Reference Group and are being explored with operators and other partners. These aspirations are:

- Building on recognised best practice to develop a training offer and guidance for bus operators across Surrey on autism, dementia and disability awareness;
- To support people with visual impairments by requiring operators to stop where someone is waiting at a stop, even if they have not been flagged down;
- Working with operators on improving the quality and consistency of Real Time Information data, including trialling “real time cancellations”;
- Looking to standardise the timing of bus timetable changes to 3 windows each year so passengers know when to expect changes; and
- Producing a design guide for bus stops, including a hierarchy of bus stop infrastructure depending on the location.

### **BSIP Aspirations for 2025-2030 and beyond**

19. This section of the BSIP, as required by the DfT, forms the basis for future negotiations with the Treasury on funding for buses. LTAs must set out their priorities for 2025 to 2029 and from 2030 to 2040..

20. Predicting the future of the bus market is far from easy, especially when considering the significant changes that have happened in Surrey over the last decade. However, we must be clear about where our ambitions lie, whether there is funding secured for delivery and where that funding is coming from.

21. From 2025 to 2029 our aspirations are to:

- Deliver the phased Bus Priority programme in the 5 identified priority areas. Leveraging developer funding to support improvements;
- Work with bus operators and developers, where major development is planned for delivery in this period, to agree funding for new or enhanced bus services or DDRT. With the potential for funding in

perpetuity to ensure the sustainability of any new or enhanced public transport offer;

- Develop, agree and implement a Surrey-wide flat fare scheme using new technology and systems to handle operator reimbursements;
- Have an agreed approach to bus stop design and a hierarchy based on the stop location. Implementing new design standards as funding is available;
- Identify suitable locations that can become Mobility Hubs;
- Work on standardising and improving information and marketing, making it easier for people to plan their journeys in advance and keep up to date whilst they travel;
- Continue with the programme started this year to roll out training, guidance and other material for operators on autism, dementia and disability awareness, including the time needed to make adjustments on buses; and
- Using SCC capital budget to facilitate the expansion of zero emission vehicles, in partnership with operators.

22. Aspirations from 2030 to 2040 are to:

- Ensure that all residential development has funding for bus enhancements and bus priority;
- Ensure that any airport expansion or major rail development come with funding for bus enhancements and bus priority;
- Ensure that all buses in Surrey are “Dementia Friendly”; and
- Develop a programme of bus stop, station and interchange modernisation and upgrades.

### **County Council financial support for local transport**

23. Prior to the BSIP process, the Council had already allocated significant **capital funding** across four key investment areas, namely investing the following:

- £32.3m to bring more zero emission buses into Surrey to be delivered in partnership with bus operators;
- £6.3m to introduce more electric minibuses to be delivered in partnership with the community transport sector;
- £9m in bus priority measures at key pinch points to improve reliability and make buses more attractive to existing and potential users; and
- £1.4m to expand our RTPi system helping residents make more informed travel choices.

24. Alongside this capital investment, the Council’s revenue budget for public transport has been significantly increased since 2019/20. This has enabled the Council to quickly expand DDRT across Surrey, and respond to

challenging operating conditions post Covid-19, coupled with inflationary pressures. The net budget is now just over £13.5m, with the expenditure budget being in excess of £25.5m, when taking account of grant funding being used.

25. All LTAs are expected to publish bus routes in the county, identifying those routes that operate commercially and those that receive financial support from the Council. **Annex D** lists the current bus routes by category.

### **Funding requirements for full delivery beyond 2025**

26. In August 2023, new funding (out of a pot that the Government termed 'BSIP+') was allocated by Government to support revenue activities in LTAs that did not receive any original BSIP funding. Positively, the Council was awarded £7.8m BSIP+ funding, split equally across 2023/24 and 2024/25. This funding has since been renamed as 'BSIP Phase 2'.
27. The County Council is already delivering against some of the BSIP priority areas using its own budgets, BSIP Phase 2 and private sector funding. However, the Council's own budget cannot stretch to full BSIP delivery, so to deliver all of our BSIP aspirations in full right across Surrey, additional and comprehensive Government funding is required.
28. Therefore, 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 to grow patronage. This will give us a strong basis by which to secure any future funding.
29. The funding requirement for full delivery of the BSIP being presented to Government is around £45m of capital and £30m of revenue. Where projects are already started, such as the bus priority areas, the funding stated would support additional measures to further improve the scheme outcomes. The BSIP gives the detail on the request to Government for future funding.

### **Targets, performance monitoring and reporting**

30. At the end of October 2023, the County Council submitted our performance summary against our BSIP targets to the DfT. This is also published on the County Council's website here as the [Bus Service Improvement Plan Target Summary](#). It is also attached to this report as **Annex E**.
31. The reporting requirements have been changed for this BSIP update. The DfT are no longer requiring LTAs to report twice a year at the end of May and October. Instead, LTAs need to report at the end of October 2024 after which more detail will be provided on when performance needs to be submitted to Government. On this basis, SCC will now report at the end of October so that we can continue to demonstrate our progress against our BSIP targets. We have scope to revise our targets for 2025 and beyond as part of this update process.

32. For this meeting, the BSIP is still draft whilst we finalise the new Network Coverage and Accessibility target. This requires significant input and information from bus operators. We were not able to capture all this information in time for this report and associated annexes.

### **BSIP schemes and proposals overview tables**

33. LTAs have the scope to share other sections of the BSIP in a way they think will work best for operators, stakeholders and residents to read and understand, and it is our intention to do so. However, in submitting this section of our BSIP it is mandatory that LTAs use the format set by the DfT, which will form the financial basis for the DfT to calculate the overall cost for all BSIPs across England.

## **CONSULTATION:**

### **Governance**

34. Cabinet agreed on 25 October 2022 that the Council should enter into an EP with bus operators. This has been operating since November 2022, with governance arrangements for this being as set out in **Annex F**. This shows the EP Board as the decision-making body for delivery against the BSIP, made up of representatives from:

- i. The County Council - The EP Board is chaired by the Cabinet Member for Highways, Transport and Economic Growth.
- ii. Bus operators in Surrey - Metrobus and Stagecoach as the two largest operators based on mileage, three 'Small Medium Enterprise' 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. In Surrey, this is our Stakeholder Reference Group (SRG), chaired by an external representative and administered by the County Council. The SRG comprises 56 representatives covering bus users; disability groups; county, borough and district councillors; borough and district officers; town and parish councils; and others.

36. The very short timeline set by Government for LTAs to revise their BSIP has meant that a public consultation was not possible. However, our established governance arrangements have ensured that we have consulted key stakeholders. These arrangements will continue to be used for the decision-making process and influencing priorities for the BSIP.

37. The County Council's Communities, Environment and Highways Select Committee also considered this matter at their meeting of 29 April 2024.

38. More detail of the governance arrangements can be found in the EP Plan and Scheme, which is available on the Council's website as the [Surrey](#)



[Enhanced Partnership Plan and Scheme](#). Moreover, the update of the BSIP provides an 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. Indicative timescales and the process for this are set out below.

**Table 1: Timetable for the review of the EP Plan and Scheme**

Activity	When
EP Plan and Scheme review and update	Through June and July
28 day required Operator Objection Period	Through August
Statutory Consultation	3 weeks in September
EP Board meeting – Sign off of new EP Plan & Scheme	21 October 2024

**RISK MANAGEMENT AND IMPLICATIONS:**

39. The key risk linked to this report is that should we miss the deadline of 12 June 2024 set by the DfT, the Council risks delaying or losing our second payment of BSIP Phase 2 allocation. This would mean potentially missing out on the next payment of £3.9m covering investment in service enhancements and DDRT expansion, for example.

40. In general, the BSIP update should be seen as “good news.” It sets out our vision to make ongoing positive change to our bus network in Surrey. However, there is a long list of aspirations in the BSIP, only some of which can be funded through the County Council’s budget allocations or are low or no cost. However, the desire amongst members and stakeholders, as well as bus users more broadly, is for an accelerated delivery against our BSIP aspirations. Work on managing the expectations on what we can deliver will mainly be focused on engagement with members and through the stakeholder group.

41. The guidance at the start of the BSIP process from the DfT still applies, in that LTAs should assess the financial sustainability of bus networks to avoid the need for Government funding to maintain bus services. This was to deal with the potential for large scale reductions in bus routes following the withdrawal of Covid funding support.

42. Local authorities have a duty to manage the budgets set against the services they provide. This includes our support for public transport. As part of the BSIP process, and also to ensure that our network is delivering Value for Money, we will need to undertake periodic network reviews as have been previously completed.

**Financial and value for money implications:**

43. Where budget is already agreed it has been linked to the relevant BSIP priorities. This includes the £7.8m BSIP Phase 2 funding towards revenue activities.
44. Outside of where SCC, operator and BSIP Phase 2 funding is being used, much of the BSIP is unfunded. We will need to show Government that we are delivering against our BSIP targets to give us the best possible chance to be awarded future funding, should any be available nationally.
45. We are submitting a request for circa £45m of capital and £30m of revenue. This is seen as being reasonable based on the bus market in Surrey and our collective ability to deliver against all the BSIP aspirations.
46. As the Enhanced Partnership, the Council and partners will continue to agree priorities for delivery against the BSIP that will be seen by residents as improvements for bus users. Should further Government funding not be forthcoming, the Council and partners can use their own funding, working in partnership with bus operators and focusing on low or no-cost aspirations that can be delivered. However, the outcomes of the BSIP would not be fully delivered, and the Partnership would need to be clear as to the impact of not receiving the full amount needed for Surrey.

<b>Section 151 Officer commentary:</b>
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47. The Council continues to operate in a very challenging financial environment. Local authorities across the country are experiencing significant budgetary pressures. Surrey County Council has made significant progress in recent years to improve the Council's financial resilience and whilst this has built a stronger financial base from which to deliver our services, the cost of service delivery, increasing demand, financial uncertainty and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to deliver financial efficiencies and reduce spending in order to achieve a balanced budget position each year.
48. In addition to these immediate challenges, the medium-term financial outlook beyond 2024/25 remains uncertain. With no clarity on central government funding 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 the stable provision of services in the medium term.
49. The Bus Service Improvement plan is largely unfunded and as such is an ambition that can only be achieved through the provision of significant additional funding. E.G. additional government grant. In addition, the current service provision will also require a regular review to prioritise the

funding that is available and ensure that Value for Money is being achieved, which may require future efficiencies or other cost reductions.

50. As such, the Section 151 Officer agrees to the report's recommendations subject to the delivery of the plan being within agreed budgetary provision.

#### **Legal implications – Monitoring Officer:**

51. 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.

52. Following publication of the National Bus Strategy for England in March 2021, delivery of the strategy to transform the quality of bus services in England (outside London) is set out at a local level in the Bus Service Improvement Plan (BSIP).

53. Department for Transport guidance published in January 2024 sets out requirements for updating BSIPs.

#### **Equalities and diversity:**

54. The proposals in the BSIP will all have a positive impact for current bus users and potential bus users. An Equality Impact Assessment was undertaken in 2021 for the original BSIP. This has been updated for this revision of the BSIP. This is attached to this report as **Annex G**.

55. This updated impact assessment takes account of those elements of the BSIP in 2021 and the update in May 2023 that have been implemented. It also looks at the impacts of the potential interventions and initiatives that could be implemented in future.

56. This updated assessment shows that all the interventions and initiatives in the BSIP will have a positive impact on all bus users, including those with protected characteristics. However, some BSIP aspirations will have a greater positive impact for disabled people or anyone who faces additional barriers to travel, for whatever reason.

57. It should be noted, and as mentioned previously in this report, that significant investment is needed to deliver against all the BSIP aspirations. Until such time as all the aspirations can be funded and implemented the positive impacts identified in the Equality Impact Assessment cannot be maximised.

58. The only potential negative impacts will result from bus services being reduced or removed. There are no current proposals to reduce or remove bus services in the BSIP. Should this be required in future a separate impact assessment will be written to understand the impact on bus users.

#### **Other implications:**

59. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	Looked After Children all have access to the LINK Card to be able to get discounted bus travel.
Environmental sustainability	Local Bus service enhancements, DDRT service expansion and providing young people discounted travel are all a means to encourage people out of cars or other private vehicles, with associated air quality benefits, and onto public transport.
Compliance against net-zero emissions target and future climate compatibility/resilience	
Public Health	

**WHAT HAPPENS NEXT:**

60. Should the Cabinet Member approve the recommendations in this report, the next steps are:

- EP Board members sign off the BSIP by exchange of emails.
- The BSIP will be submitted to the DfT on or before 12 June 2024.
- Starting in June, the EP Plan and Scheme will be reviewed to account for what has been agreed and implemented since 2021.
- A 28 day Operator Standstill Period will be held during August.
- A 2-3 week statutory consultation period will take place in September.
- A new EP Plan and Scheme will be agreed at a meeting of the EP Board in October 2024.
- A BSIP Summary Target report will be published by the end of October 2024.

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**Consulted:**

All bus operators in Surrey.

A report was taken to the Communities, Environment and Highways Select Committee to scrutinise the BSIP aspirations

Neighbouring LTAs

Members of the Stakeholder Reference Group, which includes representatives from disability groups, user groups, local area transport bodies, as well as members at county and borough and district level.

**Annexes:**

- Annex A 2024 Bus Service Improvement Plan for Surrey
- Annex B BSIP Ambitions by Priority Area
- Annex C A Passenger Charter for Surrey
- Annex D Route Hierarchy and summary spend
- Annex E Bus Service Improvement Plan Target Summary
- Annex F Enhanced Partnership Governance Arrangements
- Annex G Equality Impact Assessment BSIP 2024 Update

**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

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