

Strategic Transport Leadership Board

1 March 2024

Agenda Item 4 – Buses and Mass Rapid Transit Update

Recommendation:

It is recommended that the Board:

- a) Makes representations to Stephen Fidler, the director for local transport at DfT, who will be present at the meeting.**
- b) Notes the bus service improvement plan (BSIP) refresh guidance for local authorities and bus operators, recently published by the Department of Transport.**
- c) Notes the progress following EEH Bus Symposium 'statement of intent' actions.**
- d) Agrees the draft letter to DfT seeking support and dedicated funding to develop further mass rapid transit (MRT) schemes within the region, attached as Annex 1.**

1. Purpose of report

- 1.1. This paper provides Board members with a summary of the recently published BSIP refresh guidance, sets out an update on actions following September's EEH bus symposium and summarises the 'state of play' of MRT schemes with the EEH region, including a request to the Department of Transport for dedicated MRT funding and support.

2. Key points to note

- 2.1. We are delighted to welcome the Director of Local Transport, DfT, Stephen Fidler, who will be present at the Board to discuss government's approach to bus services and provision.
- 2.2. EEH will be providing support to local authority partners on their BSIP refresh. The Department of Transport has required that these updated plans are submitted by the 12 June 2024.
- 2.3. Following last September's Bus Symposium and subsequent agreement by Board, EEH has been progressing with the three areas agreed by Members. An update is provided in this paper.
- 2.4. The BSIP refresh provides an excellent opportunity for EEH to support partners using the work emerging from the Bus Symposium actions.
- 2.5. Progress on MRT schemes in the region is put at risk by rigid funding national funding streams – MRT is in effect at risk of slipping through various funding gaps.

3. BSIP Refresh Guidance

- 3.1. The Department of Transport (DfT) has published guidance to support LTAs with updating their individual bus service improvement plans. The rationale for this refresh, includes:

- The 2021 (and 2022 updated) BSIPS are considered out of date and a more thorough refresh is needed than would happen under an annual update.
 - Although the funding available to March 2025 is now known, the levels of funding granted differ from what was set out when the 2021 BSIPs were written.
 - The bus market context has changed greatly since 2021, with different places having different experiences, including differing levels of bus patronage recovery, funding allocations, impact of £2 fare and driver shortages.
 - The refresh gives an opportunity for LTAs to review the ambitions and proposals they set out in 2021 and decide how they want to update them for 2025-2030.
 - DfT wishes to encourage LTAs to have a clear and concise refreshed 2024 BSIP, to assist local decision makers, residents and stakeholders as well as assisting the Department and wider bus sector understand LTA needs going into a future Spending Review.
- 3.2. All LTAs within the EEH region submitted BSIPs in 2021, and they all chose Enhanced Partnerships (EP) as their preferred option for partnerships.
 - 3.3. Only four out of 12 authorities were successful in securing this initial BSIP funding (phase 1).
 - 3.4. In May of 2023, DfT launched a second round of additional funding BSIP+ (phase 2), for all EEH LTA's this provided some extra dedicated funding for delivery of their BSIP, but not at the level required to fully met the ambition they had set themselves.
 - 3.5. In October 2023, BSIP (phase 3) funding was announced for North and Midlands LTAs, as part of the Network North programme repurposing funding previously committed to HS2 phase 2. Only North and West Northamptonshire councils are included in this additional bus support funding opportunity, for which they have to apply for.
 - 3.6. In October 2023 the government announced the continuation of the national £2 fare cap scheme (launched in January 2023) through to December 2024, to help rebuild patronage and assist households with the cost of living.
 - 3.7. In this context, DfT has now invited LTAs to update their initial BSIP documents, with a submission of a refreshed BSIP to DfT by **12 June 2024**, as a condition of their funding in financial year 2024/25. The key themes for the BSIP refresh are as follows:
 - **It is not a bidding document for specific DfT funds:** Every LTA now knows its funding envelope for financial year 2024/25. However, it may be used as a factor by Government to determine future levels of funding.
 - **Updating the baseline to 2023/24:** updating the 2021 BSIPs to take account of the current situation of bus interventions and services, reflecting local bus market post-pandemic and highlighting achievements made, either through EPS and/or franchising schemes.
 - **Setting out the improvement programme in financial year 2024/25:** reflecting all known bus funding and sources for BSIP delivery, including the LTA's own resources.
 - **Getting ready for 2025 and beyond:** refreshing BSIP's ambition and content to set out a high quality and flexible pipeline of prioritised proposals for the four years 2025/26 to 2028/29, within the BSIP's overall 10 years plus vision, attractive to funders, and ready for delivery as opportunities for funding arise.
 - **Revised documents must be published on LTA websites.** DfT has encouraged any authorities that did not previously work with others to create joint BSIPs to consider doing so in 2024.
 - It is a requirement that BSIPs should be produced in close **consultation** with bus operators and relevant other stakeholders. Either through an enhanced partnership board and stakeholder group or if franchising an appropriate forum to ensure stakeholder involvement.

- DfT expects LTAs to only include proposals that they expect to be likely to offer **value for money**. Based upon using techniques such as option generation, appraisal of the likely scales of costs and benefits, and preferred option selection processes.

3.8. In a notable change, the guidance states that updated BSIP submissions are expected to include details of how operators and LTAs will consider steps to be jointly taken in 2024/25 on addressing shortages of drivers and other staff, "in particular, identifying depots with a [high] vacancy rate and by working with DWP and Job Centres to recruit and train."

3.9. In spring 2024, the government will ask all LTAs to submit bus connectivity assessments (BCAs). These will involve LTAs identifying the best bus networks to meet overall bus connectivity objectives at varying levels of public funding support. This will be undertaken on an annual basis to feed into an LTA's budget setting process and will help the government to understand the impact of recent funding interventions and to determine what, if any, new policy and/or funding interventions are needed.

4. Progressing Bus Symposium Actions

4.1. Following last September's Bus Symposium and subsequent agreement by Board, the EEH project has been progressing with the three agreed areas.

4.2. Given the BSIP refresh, this work is extremely timely, providing an excellent opportunity to use some of the evidence from the various elements of the below work packages.

Area A: Total transport

4.3. EEH has commissioned Better Futures to understand the demand, supply, needs, challenges, and opportunities that could be unlocked through a holistic approach to transport provision (Total Transport). This will involve exploring both statutory and discretionary transport services, including Home-to-School Transport (taxi, minibus, coach), Adult Social Care (taxi, minibus, coach), Community transport, public buses (inc DRT) and Non-emergency patient transport.

4.4. More broadly the commission will help to identify and apply for collaborative funding and or other viable funding options (private sector, DfT, co-creation funding) to develop a possible AI based solution to better coordinate these differing transport services.

4.5. The initial outputs of the commission are expected later in March 2024, with funding bids being made as and when suitable bidding avenues become available.

Area B: Models and funding

4.6. To help LTAs with their BSIPs refresh, EEH is commissioning support to strengthen the ambition of individual BSIP plans, this will include setting out the importance of buses in the region and explicitly why regional bus/coach is vital for example in reducing social inclusion or providing access to education. A high-level comparison of the benefits of regional bus services with other transport modes and narrative and map/infographic setting out both EEHs existing bus routes and coverage and future or potential new routes to address any network gaps, has also been included.

4.7. EEH has commissioned a consultant to evaluate and provide advice on emerging models of bus delivery. This includes considering full and flexible franchising, concessions models, municipal bus companies, provider of last resort, enhanced partnership (+plus), regional/ city deals or devolution models and how (if possible) could be deployment in the EEH region, so that our partners can be better prepared and informed if legislation is changed, or government bus priorities change.



- 4.8. Improving public transport in a polycentric economy, with many rural and peri-urban communities is one of the biggest challenges in the EEH region. To understand this better EEH have commissioned for a supplier to build a solid evidence base with reflects different network models which could lead to bus market reform, including hub and spoke models, demand responsive and community transport, connecting coach/bus and rail and consumer-led bus routes. Non-bus opportunities will also be considered including mobility hubs, shared transport (vehicle pooling, E & bike share), rural mobility-as-a -service, drone-based delivery, "pulse timetabling" etc and infrastructure to increase multimodal connectivity to also help to support the bus network reform.
- 4.9. In addition to the requirements focused on improving bus service delivery, EEH have also commissioned for a consultant help to accelerate and enable the funding and deployment of mobility hubs within the EEH region. This work is threefold, firstly establishing and setting out an investable proposition narrative document to 'market' mobility hubs with the EEH region, secondly supporting EEH project team with facilitating a "triaging investment" workshop so we can bring together LTAs and private and public stakeholders to foster and accelerate mobility hub delivery and thirdly offering direct consultancy support to LTAs who wish to pursue mobility hub delivery further (individual LTAs will be consulted as to the exact level/type of support required).
- 4.10. The outputs of the bus commission are expected by June 2024, with the Mobility Hub LTA support provided until September and proposition narrative by end of May.

Area C: Journey planning

- 4.11. EEH is continuing to support Project Coral, which is the national contactless transport ticketing broker, with the aim of simplifying fares and ticket purchases, increasing patronage and raising buses' mode share. Project Coral is based upon using contactless bank card or a bank card within their Apple or Google wallets (cEMV) solution, that will calculate the most economic capped (walk-on) fare for each traveller, based on the routes travelled, without the need for pre-purchased tickets. EEH are now included as a partner for the newly established Integrated Ticketing Advisory Forum, and we are working through the EEH Regional Bus Forum, to understand fully the opportunity or challenge of EEH LTA's adopting Project Coral as a ticketing solution.
- 4.12. We are continuing to explore the merits of a marketing and promotions to encourage more people to use public transport, highlighting the ways in which they can plan and integrate their journeys by working in partnership with www.Zipabout.com
- 4.13. We are continuing to work with partners on ensuring world class local connectivity to East West Rail stations will serve as a catalyst for improving bus services to transport hubs across the region.

5. MRT

- 5.1. The focus of MRT schemes under development by LTAs within the region are concerned with providing public transportation systems, based upon using 'bus' type platforms, that can commute a larger number of passengers from origin to destination on a no-reserved basis and in lesser time. This makes it possible to move people in the same travel corridor with greater efficiency, which can lead to lower costs to carry each person or because the costs are shared by many people. MRT also has the potential to be delivered more quickly than traditional heavy rail schemes.
- 5.2. Based upon the direct feedback and comments received from LTAs, there are four MRT schemes being developed within the EEH region:



- *Autonomous Network Transit (ANT) System - Cambridgeshire and Peterborough Combined Authority (CPCA):* Linking Wisbech to March, this 'pod' based system could deliver rail like levels of passenger capacity at potentially lower build costs and land requirements, as well providing quicker and higher quality journey experience as compared to traditional transport options. The lower construction and operating cost of ANT could allow for minimum or zero need for government provided transport subsidies. The proposed timeframe for delivery is beyond five years, currently CPCA are at a scoping and route design stage.
- *Milton Keynes Trackless Tram - Milton Keynes City Council:* Based upon running a bus based rapid transit service, on key transport corridors across the Milton Keynes area. It will provide a fast high quality core network to support growth in the area and provide the key spinal routes supported by the bus and demand responsive network. A strategic outline business case is complete and outline business case is underway. It is anticipated central government support will be needed.
- *Hertfordshire Essex Rapid Transport (HERT) - Hertfordshire County Council:* Will form an east-west public transport corridor, running from Watford and Hemel Hempstead in the west to Harlow (Essex) in the east. The proposed system will be based upon a zero-emission vehicle platform with a modern, comfortable and spacious design that is easy and accessible for all passengers to use. HERT will provide a public transport option for job seekers and businesses with greater access to skilled people, giving a cleaner, greener and more convenient and competitively priced transport choice to car use. Delivery is expected over the next 10 to 15 years, currently HCC are at scoping and route design stage, culminating in a supporting Prospectus being published in 24/25.
- *A505 public transport system - Hertfordshire County Council:* A high-quality bus rapid transit system based upon using the A505, possibly incorporating and extending the Luton Dunstable Busway services, to Hitchin and potentially Stevenage. Key benefits are delivering an extensive and well-connected sustainable transport network along a key east-west corridor to support sustainable growth and deliver positive environmental outcomes. Currently, a preferred option in the (unadopted) A505 strategy document has been identified but no formal business case work has begun. As with the other examples set out, supporting infrastructure is likely to be dependent on further developments coming forward, to provide funding opportunities and maximise patronage numbers.

- 5.3. Whilst our LTAs partners have made significant investments in developing early-stage business cases for these schemes, they are finding it difficult to engage and secure investment under the current national funding streams, as multi-model schemes such as MRT systems do not attract roads nor rail funding. Also, as a region we fall outside the geographical boundaries for funding under Local Integrated Transport Settlements (LITs) or City Region Sustainable Transport Settlements.
- 5.4. At our last EEH Strategic Transport Board, the challenge of funding to support further the development of regional MRT was a key point of discussion. The consensus amongst the Board Members was that dedicated support and funding from central government would be required to advance these schemes.
- 5.5. Therefore, a request was made that EEH writes to the Department of Transport, inviting the Department not only to recognise the opportunity that MRT within the region can deliver, but understand the challenge placed upon our local transport authorities in terms of accessing any central government support, adding that funding should be extended or dedicated to support MRT development within the region. A draft of a letter is below.



6. Next steps

- 6.1. The EEH project team will be working with the selected consultant to deliver the three agreed areas from the Bus Symposium 'Statement of Intent'. Updates on outcomes will be reported at subsequent Board meetings.
- 6.2. In addition to the Bus Symposium work areas, EEH will continue to work with its public transport operators and local authority partners to deliver its existing buses work programme as part of its Regional Bus Forum and Strategy, to further the case for a more integrated regional public transport network.
- 6.3. Subject to the Board's approval, the letter will be sent and EEH will continue to advocate for greater access to funding for our partners to develop MRT schemes.

Trevor Brennan
Project Lead, EEH
March 2023

ANNEX 1

Dear

As sub-national transport body for the region from Swindon and Oxfordshire through to Cambridgeshire, England's Economic Heartland is supporting its local transport authority partners to develop ambitious mass rapid transit schemes for their places.

Doing so is a key way of helping to deliver our regional transport strategy, which seeks to reduce reliance on the private car by promoting the use of public transport, with resulting economic and environmental benefits.

Where appropriate, trackless and/or very light-rail-based mass transit schemes have many benefits over more traditional 'heavy rail' solutions, including cost, delivery timescales and flexibility.

Our partners in Cambridgeshire and Peterborough, Milton Keynes, and Hertfordshire are currently developing MRT proposals. These initiatives will unlock economic growth, making our transport networks more efficient by alleviating traffic congestion and reducing greenhouse gas emissions per passenger compared to private cars, as well as creating more desirable places in which to live by encouraging more sustainable and compact development around transit hubs, which preserves green spaces and promotes more active travel.

At a time when funding pressures on local authorities are well known, our partners are making a significant investment in developing early business cases for these schemes to fully deliver on these benefits.

However, there is current no clear path to secure investment to further progress these schemes under the current national funding streams, as MRT systems do not attract roads nor rail funding. Also, as a region we fall outside the geographical boundaries for funding under Local Integrated Transport Settlements or City Region Sustainable Transport Settlements. In effect, for our region, funding for MRT is 'falling through the gaps' making progressing these vital interventions extremely challenging.

The challenge of funding to support the further development of regional MRT has been highlighted by our Strategic Transport Leadership Board Members, who believe that dedicated support and funding from central government is required to advance these schemes – potentially to the point where they can then attract private sector investment.

We would strongly support and encourage the Department to consider a dedicated funding stream to support MRT development. With a £170 billion economy powered by world class specialisms in science and technology, the Heartland is the fastest growing regional economy outside of London – indeed, no region outside of London has created more jobs over the past 20 years. However, our economic growth potential is being constrained by severely congested roads and poor local and strategic connectivity. Innovative use of mass rapid transit has the potential to overcome these challenges, but only if they can secure the necessary funding to be progressed.

I would very much welcome the opportunity to discuss MRT funding with you further,

I look forward to hearing from you soon.