

Bath & North East Somerset Council		
MEETING:	Communities, Environment & Transport Policy Development & Scrutiny Panel	
MEETING DATE:	14 November 2016	
TITLE:	Update on Bus Services Bill	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Submission of evidence from B&NES Council to the House of Commons Transport Committee.		
Appendix 2: Update from Bus Services Bill Policy Team at the Department for Transport, October 2016		

1 THE ISSUE

- 1.1 The Panel has asked for an update on the Bus Services Bill which is currently going through Parliament.

2 RECOMMENDATION

- 2.1 The Panel is asked to note this Report.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 There are no resource implications arising from this Report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 There are no proposals arising from this Report.

5 THE REPORT

Purpose and background

- 5.1 The Bus Services Bill seeks to amend the regulatory framework for the delivery of bus services in England (outside London) and provide for improvements in ticketing, open data and bus registration. The main impetus for the Bill came from the devolution deal between the Government and the Greater Manchester Combined Authority, which including the offer of powers to franchise bus services.

- 5.2 Bus services outside London were deregulated by the Transport Act 1985. Subsequently, the Transport Act 2000 introduced quality contract schemes and quality partnership schemes, and these were amended by the Local Transport Act 2008.

Parliamentary process

- 5.3 The Bill was introduced in the House of Lords on 19 May 2016 and, at the time of writing, is at the Report stage in the Lords. The House of Commons Transport Committee launched an enquiry into the Bill on 19 July 2016 and has taken both written and oral evidence. B&NES Council submitted written evidence and this is attached at Appendix 1.
- 5.4 Some amendments have been made to the Bill as originally drafted, including:
- (i) Bus operators to be required to make information available in both audible and visual formats on board their vehicles to identify the route and next bus stop.
 - (ii) Local transport authorities (LTAs) other than mayoral combined authorities to have powers to franchise bus services in their area without the requirement to seek approval from the Secretary of State for Transport.
 - (iii) Local authorities to have the power to set up new “arms-length” companies to operate bus services.
- 5.5 These amendments, and many other issues, will be reviewed by the House of Commons in due course. The Government’s aim is that the Bill should receive the Royal Assent during 2017.

Franchising

- 5.6 The Bill proposed that mayoral combined authorities would have automatic powers to franchise bus services in all or part of their areas. Other authorities (or groups of them) would be able to apply to the Secretary of State for such powers. The House of Lords has approved an amendment removing this requirement, thereby granting the automatic right to all local transport authorities.
- 5.7 Under a franchise, the authority would determine and specify the bus services to be provided in the area and bus operators would bid to operate them. Provision for cross-boundary services would be made by a permit scheme.
- 5.8 Prior to setting up a franchise, incumbent operators would be required to provide the authority with passenger numbers and revenue for their services.
- 5.9 The franchising authority would have to develop a business case and explain how franchising would support wider policies, whether it would be affordable and achievable, whether it offers value for money, how services would be procured and managed, and how plans would affect neighbouring authorities.
- 5.10 Consultation must be undertaken and an independent audit carried out on the business case.
- 5.11 The existing legislation on quality contract schemes would be repealed and replaced by franchising powers.

Partnerships

- 5.12 Quality partnership schemes will be modified to remove the requirement for LTAs to provide specific infrastructure and allow measures such as parking and traffic management policies to be included.
- 5.13 The Bill proposes the creation of “enhanced partnership schemes” (EPSs) as a halfway-house between quality partnership schemes and franchising. This new model expands the range of standards that partnership schemes can cover. An LTA (or group of them) would prepare an Enhanced Partnership Plan, analysing the performance of the local bus market and setting objectives for improvement such as the route network, service frequencies, vehicle specification, branding and ticketing. The authority would have powers to require operators to provide passenger and revenue information to assist in developing the Plan.
- 5.14 An EPS would require the agreement of a majority of bus operators in the area concerned, and the authority must be satisfied that it will bring benefits to passengers by improving services or giving environmental benefits.

Open data

- 5.15 The Bill proposes that bus operators be required to release data on routes, timetables, punctuality and fares to assist the development of information systems for passengers.
- 5.16 Also, the Bill proposes that bus operators be required to supply passenger numbers and revenue, in respect of services that they intend to cancel, to the relevant LTA.

Local perspective

- 5.17 In contrast to most of England outside London, bus passenger journeys in B&NES (and the West of England sub-region) have been increasing. Over 13m single passenger journeys were made in 2015/16. That represents an increase of over 3% from 2014/15 and 29% since 2005/06.
- 5.18 Journeys by concessionary pass holders comprised 28% of the total but the number of such journeys has been in slight decline over the past few years as the eligible age has risen.
- 5.19 Punctuality of bus services in B&NES in 2015/16 was at 77%, a slight drop from the previous year. The Traffic Commissioner’s expectation is that bus operators should achieve a level of 95% punctuality.
- 5.20 There is a track record of successful partnership working with bus operators in B&NES and the West of England, through such projects as the Greater Bristol Bus Network (GBBN), Local Sustainable Transport Fund and Better Bus Area.
- 5.21 Three quality partnership schemes were “made” by B&NES Council as part of the GBBN project. These were the first such schemes in the country to make use of the provisions to set maximum fare levels.

Key issues for B&NES

- 5.22 One operator has a market share of over 80% in B&NES and this places it in a very dominant position. The proposals in the Bill will not alter this. Small operators are concerned about their future under any new arrangements.
- 5.23 The level of housing and employment growth forecast for the future (and already under way) brings demands for new and improved bus services to development sites. Bus operators are unwilling to commit to providing services to developments beyond the end of any developer funding.
- 5.24 Bus operators are under no obligation to consult their customers before changing routes or timetables. Neither are they required to consult residents before changing their routes to use roads that have hitherto not been bus routes.
- 5.25 The conventional model of franchising, which pertains in London, involves the franchising authority setting fares and taking on the revenue risk (i.e. that fares revenue will cover operating costs). This financial risk could be large and it may be difficult for the franchising authority to take it on in the current climate.
- 5.26 It would be possible to devise an alternative franchise model, under which operators retain the revenue risk, but they would need to retain the freedom to set their own fares. Multi-operator ticketing would be possible too but for it to function successfully a high degree of co-operation would be required from operators.
- 5.27 An improvement in punctuality will require the introduction of more bus priority measures and the deployment of more resources to manage traffic and road works.
- 5.28 The Bus Services Bill does not provide any additional funding for bus services.

6 RATIONALE

- 6.1 The recommendation is that the Panel note the Report.

7 OTHER OPTIONS CONSIDERED

- 7.1 None.

8 CONSULTATION

- 8.1 The Section 151 officer has been given the opportunity to review and provide input to this Report.
- 8.2 This Report is an update, so no other consultation has been carried out.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	None
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