

Leicester City Council

Scrutiny Review

**A review of The Bus Services Act
2017 – the impacts and
opportunities**

**A Review Report of Economic
Development, Transport and Tourism
Scrutiny Commission**

6th September 2018

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The Bus Services Act 2017 Task Group

Economic Development, Transport and Tourism Scrutiny Commission

Chair's Foreword

This is a challenging time for Council budgets following ongoing reductions in central government funding. This means that Leicester City Council needs to find more creative ways of providing & supporting others to deliver transport services in the future.

The new Bus Services Act provides opportunities and powers for local councils and bus operators to modernise & improve bus services. The task group was established to review the impacts and potential benefits of the new Act.

I would like to take this opportunity to thank my task group colleagues and Cllr Adam Clarke, Deputy City Mayor. Also lead officers Andrew Smith, Director; and Julian Heubeck and Stuart Maxwell, lead transport officers for their expertise and support to this review.

I am very grateful to the Leicester Bus User's Panel representatives and the Directors of the Leicester Bus Companies who attended meetings to provide evidence and share their views with us.

There is a great deal of common ground and enthusiasm amongst all of us to take this work forward to benefit bus passengers.

Councillor Jean Khote

Chair of Economic Development, Transport and Tourism Scrutiny Commission

1. Executive Summary, 2. Conclusion and 3. Recommendations

Task Group Membership:

Councillor Jean Khote (Chair)
Councillor Hemant Rae Bhatia (Vice-chair)
Councillor Patrick Kitterick
Councillor Rita Patel
Councillor Susan Barton
Councillor Harshad Bhavsar

- 1.1 The Economic Development, Transport and Tourism Scrutiny Commission set up a task group to review how the new Bus Services Act, introduced by the government in 2017, impacts on Leicester City Council and local bus services.
- 1.2 The Bus Services Act 2017 presents local authorities with new powers to bring about change and unlock the potential for the bus industry to achieve more for passengers than it does today.
- 1.3 Evidence from the **‘Greener Journeys’ campaign group** supports the importance of buses in society: *Buses are Britain’s most widely used mode of public transport but despite being vital to our society and economy, they don’t always get the recognition they deserve. People use buses to get to work, to do their shopping and enjoy leisure activities. Buses carry more commuters than all forms of public transport combined, helping to generate £64bn per year for local economies. They also keep families close, protect society’s most vulnerable from isolation and connect people in poverty to economic opportunities.*
- 1.4 The Bus Services Act provides Leicester City Council with ‘toolkit of options’ to use the powers in the Act to influence, negotiate and develop a partnership framework. The task group preferred the ‘Enhanced Partnership’ scheme option as a model for partnership working as this provides the council with a broader range of powers to improve bus services in the city.
- 1.5 The task group gathered evidence to better understand the key challenges, the opportunities and risks relevant to addressing the Bus Services Act 2017, summarised in Table 1 below.

1.6 Table 1 – key challenges, opportunities and risks

| Challenges | Opportunities | Risks | How do we maximise the opportunities? |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Maintaining adequate levels of funding to support bus services network. | The Bus Services Act provides new opportunities to work with bus operators and 3 rd sector partners to develop new and innovative | Funding pressures to provide essential core services. Transport operating costs continue to rise | Develop formal Partnership to work with bus operators to improve bus services and bus routes in the city. |

| Challenges | Opportunities | Risks | How do we maximise the opportunities? |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | approaches to sustain funding. | therefore reducing the appetite for innovation amongst operators. | Explore additional funding options for the future. |
| The number of bus passengers has been diminishing, reflecting a national trend. | The Bus Services Act provides new opportunities to work with bus operators to modernise the bus services and attract new passengers e.g. introduce discounts and incentives with new multi-ticketing systems. | This cost pressure has the unintended consequence in the current economic climate of contributing to the difficulty in maintaining the frequency and convenience of services that customers would prefer. | Pressures will remain on local councils to address this – however a formal Partnership offers hope e.g. new data sharing powers can provide info on people's travel habits and needs to improve services. |
| Meeting the transport access needs of an increasing elderly population | The Bus Services Act encourages bus operators to improve / adapt services accessibility which could increase the use of public transport services. | Lack of funding could limit the ability to improve quantity and quality of bus services. | Develop a formal Partnership to work with operators to improve access provision for all passengers e.g. data sharing to better understand travel trends and needs. |
| To improve information and technology on and off bus to improve the users experience and reduce boarding times. | The Bus Services Act encourages working with operators to ensure a consistent approach to allow interoperable ticketing on journeys across Leicester/shire and regions. | Operators may not work together to share information and revenue. IT infrastructure unable to provide a stable environment to enable a variety of travel modes to be shown in a clear, readable format. | Implementation of contactless payments of bus and smart card top-up off-bus. The Act includes provision for audio /visual information on local bus services. The Department for Transport (DfT) will issue guidance on implementation. |
| Finding new funding streams to maintain the public transport network at a time when government funding is reduced | The Bus Services Act encourages new approaches to work with operators and other authorities to share best practice, work together to reduce costs and bid for funding at national / regional level. Working with neighbouring councils and developers to raise awareness of transport issues and bid for developer funding. Consider other innovative funding options. | Competing for funding. The availability of funding streams could diminish. | Working closely with Department for Transport and other local authorities to prepare and bid for resources along with improved marketing of services through incentivising systems and ticketing offers. Seek freedoms and flexibilities from government / bus operators within a partnership arrangement for innovation. |

| Challenges | Opportunities | Risks | How do we maximise the opportunities? |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All public services buses should be accessible to people with disabilities including those who need to remain in wheelchairs | Requirements have been introduced to various classes of vehicle over the last few years, now including buses and coaches to comply by January 2020. | May reduce flexibility to utilise a range of vehicle types to provide socially necessary transport services. | Through Enhanced Partnership working, seek freedoms and flexibilities in order to maintain services for some members of the community where there would otherwise be no transport option. |
| All public buses and coaches should reduce emissions to improve air quality, e.g. introduce new electric buses or bio-methane vehicles. | Work with operators to replace old fleets with modern buses In March 2018 Leicester City Council was successful in a bid for £2.2m from the Government's Clean Bus Technology fund. Local bus operators were applauded for their commitment to improving bus fleets. | Lack of funding and transport operating costs continue to rise therefore reducing the appetite for innovation amongst operators City council funding pressures and meeting air quality targets. | The Bus Services Act encourages local authorities and bus operators to improve air quality in their local areas. Leicester bus operators have signed up to a new commitment with Leicester City Council to deliver a clean air zone by the end of 2020. Bus Services Act will aid meeting air quality objectives and targets for Leicester. |
| Supply and demand of bus routes in the city to meet passengers needs | The Bus Services Act encourages working with bus operators to ensure essential bus routes and the frequency of buses is improved. | May not be financially viable for operators. | The concept of "Mobility-as-a-Service" or "MaaS" is central to the idea of change in transportation. Generally understood as a vision of future mobility where travel happens through a combination of public, private and shared transportation modes. The Bus Services Act will allow councils to address this. |
| Traffic congestion is making bus journeys slow and unreliable, which deters people from using them. | The Bus Services Act encourages working with operators to identify bus pinch points in the city and introduce bus priority measures to help the flow of buses. To build on the long standing pro-bus options that already exist in Leicester e.g. bus lanes, park & ride schemes and parking controls. | Reducing road space for cars to give priority to buses. Funding pressures | Develop formal partnership to work with operators to share data on journey times, bus speeds and vehicle location to help tackle congestion hotspots. The Act provides new opportunities to explore people's travel habits to achieve modal shift. |
| Improve bus services publicity and marketing | The Bus Services Act makes it easier for passengers to | Operators may not work together. | Develop formal partnership to work with the operators to increase publicity and |

| Challenges | Opportunities | Risks | How do we maximise the opportunities? |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| information to passengers | access information about routes, fares and timetables. | Impacts on competition. Funding pressures and lack of staff time | promotion of bus services citywide e.g. creating a Leicester network brand buses and online web promotion material. |
| Improve ticketing structure and pricing for passengers. | The Bus Services Act states the requirements for bus operators to introduce multi-operator ticketing at set prices with potential for discounts and incentives to benefit passengers. | May not be commercially viable for all bus operators. Ticketing arrangements are anti-competitive. Operators continue to have freedom to set individual ticket prices | Potential under a partnership to ensure that a comprehensive suite of tickets are available with various payment methods and valid on all services. Multi-modal ticketing system could also be introduced. |
| Improved facilities for supporting the bus services network in the city | The Bus Services Act encourages working with bus operators to improve the facilities and journey experience for passengers. | Funding pressures | Under partnership proposal, the council has flexibility and freedom to provide improved bus facilities and measures e.g. bus stops and bus priority measures. |
| Addressing social value impacts on bus services | The Bus Service Act encourages local councils to address social value considerations. | Social Value Act 2012 implications not being met. | The council is developing a social value charter. Consider impacts on social groups that depend on bus services for quality of life e.g. non-car ownership. |

- 1.7 The task group submits supporting evidence at **Appendix A ‘Three Stages to better bus services – using the Bus Services Act’** – a guidance briefing paper for local authorities by the Campaign for Better Transport
<https://bettertransport.org.uk/sites/default/files/research-files/bus-services-act-guidance.pdf>

2. CONCLUSION

- 2.1 The task group concluded that by adopting a strong formal Partnership model arrangement Leicester City Council could encourage bus operators to include a broader range of requirements to improve bus services in the city, such as:

- the vehicles used to operate bus services, including their appearance (livery);
- providing better information about bus services to the public and the publicising/branding of local services;
- the dates on which timetables may be changed; and
- tickets - including:
 - how tickets can be purchased and fares paid;

- how entitlement to travel can be evidenced by passengers;
- the publicising of fares or ticketing arrangements;
- the appearance of tickets;
- the price of multi-operator tickets;
- standardised ticketing zones, ticket lengths, or concession eligibility; and arrangements that facilitate the operation of the scheme.

- 2.2 The Department of Transport guidance to local council's states:
Powers in legislation do not help anyone unless they are put into practice. We would ask every local authority to consider how bus services can help achieve their economic, environmental and social objectives and whether the powers in the Bus Services Act will help to do this.
- 2.3 *The guidance the Department has produced is the starting point for local authorities. In 2019, the Department of Transport will be looking to see what has been achieved and how the bus industry stands two years after the Act received Royal Assent.*
<https://www.gov.uk/government/publications/bus-services-act-2017-new-powers-and-opportunities>

3. RECOMMENDATIONS

The City Mayor and Executive are asked to approve the report findings and recommendations.

The Bus Services Act provides an opportunity for Leicester City Council to improve its bus services by working more closely with local bus companies, with the following approaches recommended:

1. To consider the creation of a formal partnership arrangement to support coordinated investment and give the council greater influence on the delivery of bus services. The task group considered that the Enhanced Partnership model may offer some advantages over other approaches.
2. To consider introducing more incentives and discounts as part of the multi-ticketing and multi-modal ticketing systems in Leicester and across boundaries.
3. To work with bus operators to share data to inform service improvements.
4. The council to encourage bus operators to promote smarter & integrated cashless methods of payments on all bus travel journeys to promote bus use, whilst taking into account social needs.
5. In light of recent survey findings by *Transport Focus* in February 2018 'Using the bus: what young people think' - The council and bus operators to consider options to encourage increase in bus use by young people and students in Leicester.

6. The council to support the importance of social value considerations through delivering public transport network in the city.
7. To consider the guidance briefing paper, case studies and best practice submitted at Appendix A.
<https://bettertransport.org.uk/sites/default/files/research-files/bus-services-act-guidance.pdf>
8. The Economic Development, Transport and Tourism Scrutiny Commission to receive a progress report in 12 months.

4. REPORT

4.1 Introduction

- 4.2 Buses are England's most used form of public transport, accounting for more than 60% of all public transport trips. For millions of people the bus is a fundamental part of each and every day. Buses help commuters get to work, students to school and shoppers to the high street, and help people, wherever they are, to enjoy a wide range of services and leisure opportunities.
- 4.3 New Government legislation introduced the 'Bus Services Act 2017' on 27 June 2017 <http://www.legislation.gov.uk/ukpga/2017/21/contents/enacted>. The aim of the Act is to improve bus services for passengers by providing local authorities, the Secretary of State and bus operators with a new toolkit to enable improvements to be made to bus services in their areas.
- 4.4 The Act includes requirements for opening up data on bus services and fares, and for audible and visible information on buses. All local transport authorities, including Leicester City Council have access to the following powers:
- Advanced Quality Partnerships
 - Enhanced Partnerships
 - Multi-operator ticketing schemes
 - Access to financial data
- 4.5 Under the Act, combined mayoral authorities have full powers to introduce bus franchising, as in London. In Leicester the City Mayor commented, as below, in relation to public control over the bus services. The bus operators response is shown in this evidence captured.

Evidence captured:

The City Mayor commented: *"Leicester residents would benefit if the bus services were returned to public control, as was the case for most of the 20th century. While local authorities still spend money subsidizing some routes, all bus services are run by national and local companies. The council would be able to do what it used to do which is to cross-subsidise services. The old Leicester Transport would run later on into the evening, it would run into the housing estates where it was an essential part of linking those estates to the city centre".*

IN RESPONSE to the City Mayors comments, the two biggest bus companies serving Leicester commented:

"We oppose the idea to bring services back under council control. Leicester benefits from a comprehensive network of bus services, supplied by several privately-run bus operators, to all corners of the city and further afield into the county. We constantly strive to deliver a reliable service for our customers, offer a range of travel ticket options, provide a comfortable enjoyable journey experience, and we have invested a great deal in technology to improve air quality in the city, with new buses being introduced and retro kits fitted to older buses that emit less harmful emissions into the environment. We believe that bus services are better managed by the private sector, especially under the present circumstance with limited funding and resource available

through our local authorities. We believe working in partnership with local authorities is the best way to make bus travel an even more attractive choice and linking people to work, education and employment opportunities throughout Leicester”.

4.6 **Scope**

4.7 The task group gathered evidence through sessions held with local bus operators, the Bus User’s Panel and the Council’s Executive Lead for transport services. Viewpoints and comments from transport campaign groups, and research publications and media articles informed the review.

4.8 The Department for Transport guidance documents and best practice have also informed the review.

4.9 The task group gathered evidence on the key impacts of the Bus Services Act including partnership models, open data and ticketing and passenger information. Other factors impacting on bus services were also explored such as traffic congestion; air quality; health and economy; modal shift and social value.

4.10 The task group submits supporting evidence at **Appendix 1 ‘Three stages to better bus services – using the Bus Services Act’** guidance briefing by the Campaign for Better Transport.

4.11 **Bus Services – the challenges**

4.12 The Department for Transport data reveals that for the full year ending December 2017 bus patronage fell by 1.8% - around 79 million journeys – across England. The Campaign for Better Transport commented:

‘Almost 3,000 bus routes cut in 8 years’ – Freedom of Information (Fol) requests to 110 local transport authorities revealed that 2,900 bus services were either scrapped or reduced between 2010/11 and 2016/17. More than 134m miles of bus routes have been lost over the last four years in England and Wales. Since 2010 council bus funding has dropped by a third - £100m - with two-thirds reducing spending on supported bus services.

4.13 Nationally, the bus industry continues to face a number of challenges including:

- High levels of car ownership
- More on-line shopping and people working from home, reducing the need to travel
- Traffic congestion, making bus services slower and less reliable which in turn make them less attractive to passengers and more expensive for bus

companies to provide (*Transport Focus* data shows that congestion and road works are among the top factors which passengers identified as factors affecting bus patronage).

- A growing focus on air quality, particularly in urban areas with the potential for restrictions on the use of certain classes of diesel powered vehicles, including older buses.
- Competition from new players such as Uber and car clubs
- New housing, urban edge retail development and out of town employment sites, often in places hard to serve by bus.
- The perceived affordability of bus fares compared to other options.
- Concessionary travel entitlement changes, with older people waiting longer before they receive a card.
- The negative image of bus travel amongst certain groups of potential passengers, often based on their past experience.

4.14 Despite these challenges, there have been some exceptions to this reduction in bus usage, with cities such as *Oxford, Bristol, Reading and Brighton* all seeing growth in passenger numbers. **Evidence of why these areas have seen a growth is that they have strong partnership working arrangements between bus operators, the local authorities and other interested stakeholders.**

4.15 **Bus services in Leicester**

4.16 Private commercial companies including Arriva, First bus, Centre bus, Kinch and Stagecoach operate most of the bus services in Leicester.

4.17 **Bus operators informed the task group that:**

- a) They welcomed the new Bus Services Act and want to build on the good working relationship with Leicester City Council.
- b) They are responsible for setting the routes, timetables and fares in a way which they feel best meets their financial and business objectives, taking into account changing demand and market conditions.
- c) They are struggling financially to meet the demands of the services, especially with the need to modernise buses. They reinvest any profits made through bus revenue to improving the bus services.

4.18 Leicester City Council is exploring innovative ways to continue providing much-needed local bus services with the aim of increasing patronage. For example, Cornwall Council is putting in place an integrated network linking bus, rail and ferry services, with smart ticketing for residents and visitors. **Cornwall council is doing this initially through an 'Enhanced Partnership' model with the bus operators.**

4.19 The task group heard evidence from Cllr Clarke, Executive lead for Transport Services, Leicester City Council. **Cllr Clarke outlined the council's key objectives for the future:**

- a) Developing the Strategic Transport Partnership with Leicestershire County Council
- b) Exploring different approaches to formalise partnership working with the bus operators.
- c) In discussion with Bus Transport Campaign Groups for guidance.
- d) Potential to influence and improve bus ticketing methods e.g. smartcards, incentives and discounts, and using mobile apps. By using bus company's mobile apps, we could create multi-operating ticketing resulting in redistribution of the revenue across all the operators involved.
- e) Addressing the bus pinch points in the city
- f) The council has recently submitted a bid to the 'Transforming Cities Fund' - awaiting decision.
- g) Exploring 'Mass Transit' potential studies to be carried out to bring new capacity to public transport e.g. survey of people's commuting needs and habits.
- h) Leicester North West Transport Plan, the 1st phase is in progress re: regeneration of waterside area in the city.

4.20 Leicester City Council has a commitment to manage the road network in support of the strategic objectives set out in governments transport strategy, and Leicester's Local Transport Plan. Leicester City Council supporting plans and strategies include:

- Leicester's Local Transport Plan 2011- 2026
- Air Quality Action Plan 2015 – 2026
- Economic Action Plan – Leicester: Great City 2016 – 2020

4.21 **The table below shows the spending on non-commercial supported bus services by Leicester City Council and other local councils.** This evidence shows significant reductions have been made year on year (except Nottingham).

| | 2010/11 spend | 2016/17 spend | 2017/18 spend | 2018/19 budget |
|-----------------------|-------------------|-----------------|-----------------|-----------------|
| Leicester City | £1,280,494 | £601,344 | £482,705 | £375,000 |
| Leicestershire | £4,896,005 | £1,520,057 | £1,449,563 | £1,336,770 |
| Derby City | £285,116 | £8,870 | £8,569 | £8,290 |
| Nottingham City | £3,264,004 | £4,494,821 | £4,312,264 | £4,312,264 |

Data extract from 'Campaign for Better Transport' publication

- 4.22 The task group cited Nottingham as an example of best practice for the largest local authority-owned operator in England. ‘*Transport Focus*’ reported that Nottingham has the highest customer satisfaction of any bus operator in the UK. The amount of bus lanes in Nottingham has grown from 200 metres in the year 2000 to 24 kilometres today. Nottingham was the first city in the UK to have smart passes, three years before the launch of the Oyster card in London. Nottingham City Transport provides a dividend of £2m a year to the City Council. Workplace Parking Levy funds are available for investment in bus services.
- 4.23 The task group were informed that in Leicester (about the same size and same number of people as Nottingham) the council privatised its bus fleet in the 1990’s, and now contributes less than £500,000 a year to subsidise private operators.
- 4.24 Recent media headlines (below) supports evidence that patronage has been declining and Councils are struggling with reduced budgets, impacting on how much can be spent to support bus services.
- 4.25 **Local Government Association spokesperson said:** *“Councils are finding it an almost impossible task to fund additional services and commercially unviable routes while having to fund the cost of free bus pass schemes and find billions of pounds...to protect other vital services”. (Meanwhile, **Northumberland County Council** has blamed budget cuts for its removal of timetables from bus stops, with passengers urged to instead check information online).*
- 4.26 **Public Transport Campaigner quoted:**
- “it is disappointing to see bus use falling again, but hardly surprising given year on year cuts to local authority bus budgets. The good news is councils now have new powers in the Bus Services Act to improve bus networks, restore connections and set standards. There’s huge opportunity here to make bus services more attractive, affordable and environmentally friendly, bringing benefits not just to passengers but to the wider community”.*
- 4.27 According to the ‘**Campaign for Better Transport**’ bus services across the country have seen significant reductions in public funding since 2010. These cuts have come from three different directions, such as:

- Bus Service Operators Grant, which goes to all bus operators was cut by 20% in 2012-13, and has not increased since.
- Funding for local authorities has been cut in general, and this has fed through to cuts in support for bus services, which have less legal protection than other local authority services
- The free travel scheme for pensioners and the disabled is underfunded by the Government, meaning that operators are having to carry people for free without proper funding to reflect the cost of this.

4.28 The task group were informed that in April 2018 the Department of Transport announced that disabled and older people in England will continue to benefit from free off-peak bus travel for the foreseeable future, keeping them connected with their local towns and cities. **Government Buses Minister Nusrat Ghani said:**

“Being able to get out and about is hugely important for older and disabled people to keep their independence and play a role in their local community. Buses help connect people, homes and businesses and nearly 10 million people in this country are already benefitting from free off-peak bus travel. The legislation behind the concessionary travel scheme has been amended so that it no longer needs to be reviewed every 5 years”.

4.29 Task group members raised concerns about funding pressures and maintaining current subsidies for the scheme. The task group agreed with the comments made by the Local Government Association,

*“Councils are spending at least £200 million a year to subsidise the concessionary fares scheme, which comes at a cost of other discretionary subsidised bus services and other local services like collecting bins and filling potholes. **Giving councils control over the Bus Services Operators Grant, a fuel duty rebate currently paid directly to bus operators could enable councils to protect vital bus routes, and give them the funding they need to support effective and efficient bus services”.***

4.30 **Local Government Association (LGA)** commented: *“It’s nearly impossible for councils to keep subsidising free travel while having to find billions of pounds worth of savings and protect other vital services like caring for the elderly, filling potholes and collecting bins.”*

The Urban Transport Group (UTG) commented: *“Cuts in available funding for local government to support bus services, rising car ownership among older people and competition from rapid growth Private Hire Vehicles are among the factors behind this decline. We need the government to commit more funding for buses. We are working together to pool research and evidence on these various causes of bus patronage decline and effective ways of responding. **Our members are also taking up the enhanced powers available to them in the 2017 Bus Services Act to improve services”.***

4.31 **How can the Bus Services Act improve bus passenger experience?**

4.32 The Bus Services Act makes it easier for passengers to access information about routes, fares and timetables, and ensures ticketing schemes meet passengers' needs. Better use of open data also has the potential to provide more accurate door-to-door journey planning. The potential benefits include:

- Placing requirements on bus operators to open up data collected and share with local councils
- Placing requirements on bus operators to be able to publish the required data digitally
- Allowing passengers to be able to effectively plan their journeys, identify and purchase best value tickets and travel knowing their bus arrival and journey times, thus taking the uncertainty out of bus travel.
- To specifically improve facilities for disabled and elderly persons requiring operators to make available information about local bus services. This includes the setting of standards for audio, visual and displayed information.

4.33 The task group were informed that the Department for Transport in collaboration with the Open Data Institute (ODI), held workshops during Nov / Dec 2017 to give bus operators, local authorities, transport data providers and technology suppliers an opportunity to share their views on the open data policy and also provide solutions as to how data provision could work in practice. This was positive and encouraging news that the Department of Transport will work with the industry to implement bus open data.

4.34 **Evidence of the different options under the Act for ticketing and the requirements that can be placed on bus operators are outlined in the table below:**

| Can a requirement be put on bus operators to: | Ticketing Schemes | Advanced Quality Partnership | Enhanced Partnership | Franchising |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|-----------------------------|--------------------|
| Sell and accept a multi-operator or multi-modal ticket (including in a specific format, such as on a smart card)? | ✓ | ✓ | ✓ | ✓ |
| Market particular tickets in a certain way (including promoting multi-operator tickets nor just their own tickets)? | x | ✓ | ✓ | ✓ |
| Set all their tickets and fares on standard set of 'zones' that apply to all operators? | x | x | ✓ | ✓ |
| Follow common ticket rules for their own tickets (such as a standard length of 'period' tickets or age to qualify for a youth concession if offered)? | x | x | ✓ | ✓ |
| Sell or accept any ticket on a particular technology (such as a smart card)? | ✓ | ✓ | ✓ | ✓ |
| Charge a set price for a multi-operator ticket? | x | x | ✓ | ✓ |
| Charge a set price for their own, single-operator tickets? | x | x | x | ✓ |

Published by the Department of Transport

4.35 Evidence in the table above supports the views of the task group and suggests there maybe additional benefits from the 'Enhanced Partnership' model and that this is the best option as it allows Leicester City Council flexibility and freedom to stipulate additional ticketing requirements upon the bus operators, such as charging a set price for a multi-operator or multi-modal tickets.

4.36 **The Bus Users Panel and the Disabled Group forum commented** that on average disabled people take ten times as many trips by bus as they do by rail. With one in twelve people being disabled, it is essential that bus services meet the needs of everyone wishing to use them. Under the powers of the Bus Services Act we would like Leicester City Council to consider:

- Bus vehicles in the city meet acceptable accessibility standards
- Encouraging the provision of enhanced accessibility features e.g. audible and visible information identifying routes and upcoming stops, second wheelchair space or the acceptance of mobility scooters.
- Ensure that ticketing systems are accessible e.g. websites and ticket vending machines.
- Encourage bus operators to accept cash payments for passengers who prefer to use cash to travel instead of cashless options, and these passengers should not be penalised by paying higher prices for the same journeys (concerns raised that this would particularly impact on regular passengers on lower incomes; the older and vulnerable passengers and people who don't have cars e.g. areas of Western Park ward with low car ownership).
- Encourage bus operators to make publicly available information on features of their service which assist disabled passengers.
- Encourage more joined up transport services e.g. health / hospital transport and school transport services.

4.37 **Local Bus operators commented** that some improvements are already underway to enhance the bus journey experience for customers, such as:

- New buses with Wi-Fi and USB sockets.
- Better bus networks serving more or different locations and operating at night or weekends.
- Easier, contactless payments
- More tickets that work across operators and modes
- A step change in information – know when your bus will arrive and how much it will cost.
- Improved services that are more accessible for passengers with disabilities.
- Introduction of more than 50 brand new high- specification Arriva buses over the past three years. Arriva has also developed the first fully national

real-time bus app, which has full trip planned and provides access to timetables, fares and real-time information for every bus route operated by Arriva. This app has had more than a million downloads since its launch in June 2014.

- Leicester First Bus Depot staff were proud to be awarded 'Depot of the Year' at the 'First Excellence Awards' recently.
- Stagecoach Midlands has just invested £4.2m in 25 of its new Gold Luxury vehicles for the No48 service between Coventry, Bedworth, Nuneaton, Atherstone and Leicester.
- Arriva mentioned their new 'Demand Responsive luxury minibus service' is being trialled in other places. This new service combines the features of a taxi ride and a bus journey and the service can be ordered through an app. (If the trial is a success then Leicester may benefit in the future).

4.38 Leicester City 'Bus Passenger Survey in 2016' by *Transport Focus* shows customer satisfaction data as:

| | Very satisfied | Fairly satisfied | Neither / nor | Fairly dissatisfied | Very dissatisfied |
|-------------------------------------------|----------------|------------------|---------------|---------------------|-------------------|
| Overall satisfaction with the bus journey | 44% | 42% | 11% | 3% | - |
| Satisfaction with the value for money | 27% | 35% | 14% | 15% | 9% |
| Satisfaction with punctuality | 32% | 33% | 16% | 11% | 8% |
| On-bus journey time | 43% | 37% | 14% | 3% | 2% |

Data extract from Transport Focus 'Bus Passenger Survey 2016'

- 4.39 The data (above) shows that overall satisfaction with bus journeys in Leicester is good. However, it also highlights that there is room for improvement in the bus fares pricing and bus punctuality areas of the service.

This being the case, the task group were concerned to hear that the two main bus companies in Leicester 'Arriva' and 'First Bus' announced bus fare increases for single fares by 10p from February 2018 (similar to price rises in 2015 and 2016). **The Bus Users Panel said** that they were disappointed that bus fares have increased once again.

- 4.40 The bus fare increases were justified by the **Bus Companies, who said:**

"the move was due to increases in their costs with a continual growth in business and operational costs – many ticket prices will remain unchanged if people buy their travel using their mobile phone e.g. the 'mTicket app' is proving to be really popular and allows people to pay without cash and saves time. This method of payment is not only a more convenient way to pay for bus travel but also helps with

improving boarding times and delivers a faster journey to destinations. We're also introducing the ability to purchase a travel ticket by direct debit and have the ticket sent directly to a customer's phone – with no contract."

4.41 Task group members were provided with an explanation of modern ticketing systems such as 'mobile apps' and 'smartcard' technology, for example:

Smart and integrated ticketing (Smartcard) has the potential to revolutionise the way passengers use public transport, with benefits for passengers, authorities and operators.

Smart tickets, usually embedded in a micro-chip, can also be held on a mobile phone. They offer more innovative products than conventional tickets, such as an electronic purse, where passengers can top-up a smartcard with credit. This offers

greater flexibility and reduces the need to queue and have changes available. Smart ticketing technology can also support a variety of fare options, for example providing discounts after a certain number of journeys or enabling the passenger to build up 'loyalty' points that buy free or discounted additional journeys.



4.42 **The Bus Users Panel commented:**

- a) We need to be encouraging travel by children (as future passengers) and family groups at sensible fares with incentives. Marketing smartcards for 'Multi-operators' ticketing schemes for use in Leicester and across the country may encourage family groups to use bus travel"
- b) We support contactless ticketing payments as a positive move by bus operators e.g. Smartcards and Mobile Apps as a way to save time when boarding buses and to make it easier for passengers to travel. However, we feel that existing cash methods of payment should be an option available to passengers, in particular to help elderly, vulnerable and low-income passengers

4.43 The 'Greener Journeys' research report <https://greenerjourneys.com/wp-content/uploads/2017/07/Greener-Journeys-Value-for-Money-Update-FINAL.pdf> supports smart ticketing stating:

If London-style cashless buses with contactless payment and smart ticketing could be extended to the rest of the UK, bus journey times could be improved by up to 10% by halving dwell time at bus stops. In urban conditions dwell time makes up between 25% and 33% of total journey time.

The big five bus operators in the UK have set a target to introduce contactless bus transactions by 2022. They should do everything possible to accelerate this, and it is realistic for them to achieve this goal in the large conurbations within three years.

4.44 According to evidence collected by *Transport Focus in February 2018 'Using the bus: what young people think'* <https://www.transportfocus.org.uk/research-publications/publications/using-bus-young-people-think/> the survey identified:

- More young people use the bus than any other single group of passengers, yet they are the least satisfied group of passengers.
- That young people want the systems they use to be straightforward, intuitive and inviting, this applies to all the different parts of bus travel; planning the journey, finding information about routes and stops, getting advice about tickets and fares, through to actually buying the ticket.
- That young people want value for money; availability of Wi-Fi and comfortable journeys; and buses to be punctual.

4.45 The task group felt that the survey provides valuable understanding of young people's needs, experiences (aged 14 to 19) and aspirations for bus services. The survey findings and recommendations are crucial for the bus operators and local councils working in collaboration to attract and retain young people as the bus users of the future

4.46 The Bus Services Act also makes provision for local authorities to make ticketing schemes across local authority boundaries so that ticketing schemes could encompass neighbouring local authorities, the task group welcomed this as it would benefit bus users in and outside Leicester

4.47 **Essex County Council** was mentioned as an example of a good practice initiative for better partnership working between commercial bus operators to benefit bus users: -

In January 2018, Essex County Council initiative 'Route 88 Partnership' signed a joint commitment with two bus companies to formalise an agreement to accept each other's tickets.

"There's often a lot of confusion about which operator runs a certain bus route and it can be very frustrating for residents to have to watch a bus go past because your ticket is not valid on that service. The 'Route 88 Partnership' is a great demonstration of two bus operators who have come to the table with a solution and have worked with Essex County Council staff to deliver the best possible bus service for residents.

Hopefully this will be the first of many examples of commercial bus companies working together for the benefit of bus users".

Other benefits to this partnership included:

- *More flexibility in journeys thanks to better aligned schedules and routing.*
- *Improved vehicle standards and accessibility.*
- *Bus stop infrastructure improvement at key stops*

4.48 The task group noted that the Enhanced Partnership model includes the introduction of a statutory ticketing scheme which compels bus operators to accept multi-operator / multi-modal tickets e.g. hopper services

4.49 **How can the Bus Services Act improve partnership working with bus operators?**

4.50 'Local transport problems require local transport solutions' – essentially the Bus Services Act provides partnership models for local councils to adapt the approach to local circumstances: Advanced Quality Partnership (AQP), Enhanced Partnership Scheme (EPs), or Franchise model.

4.51 **Guidance from the Department of Transport outlines the key criteria for each model (below).** The guidance is for local councils to work with local bus operators to decide which of these options (if any) will best improve local services.

| AQP | EPs | Franchise |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Area-based statutory partnership replacing Quality Partnerships Minimum 5 years LTA commits pro-bus facilities and/or measures LTA can prescribe vehicle standards, payment methods, information and publicity requirements Can additionally prescribe maximum fares and service frequency/timing but <i>only if no "admissible objections" from "relevant operators"</i> | <ul style="list-style-type: none"> New area-based statutory partnership policy/objectives framework under which one or more partnership schemes made Can be indefinite, varied and/or revocable No mandatory requirement for LTA to commit pro-bus facilities or measures LTA can prescribe not only the same characteristics as an AQP but also entitlement passes, on-bus information equipment, vehicle and ticket appearance, ticketing arrangements (including multi-operator ticket prices, timetable change windows and other scheme facilitating arrangements) Plans and schemes cannot be made where a "sufficient number" or "operators of qualifying local services" object | <ul style="list-style-type: none"> Replaces Quality Contracts At outset only mayoral combined authorities to have Franchising Authority powers (non-delegable) Granting of an exclusive right to operate specified local services on specified terms (including frequency, fares and standards) and which may include public authority payments Service permits may be granted to others to operate in franchise area if it benefits local service users in the area and "will not have an adverse effect" on franchised services Based on assessment, auditing, consultation and, if it proceeds, procurement. Authority may require local service operators to provide information to further a franchise exercise |
| Available (subject to consultation) where LTA satisfied will: <ul style="list-style-type: none"> Contribute to implementing local transport policies; AND Improve service quality; or Reduce/limit congestion, noise or air pollution; or Increase or prevent decline in patronage | Available (subject to consultation) where LTA satisfied will: <ul style="list-style-type: none"> Improve service quality or effectiveness; or Reduce/limit congestion, noise or air pollution | Available (subject to consultation) where mayoral combined authority has: <ul style="list-style-type: none"> Compared to "one or more other courses of action" Assessed following a "consideration" of a five-case business case covering strategic fit, value for money, feasibility, affordability, and deliverability Obtained an independent audit of the quality of its assessment (information and analysis) and compliance with guidance |
| All subject to mandatory regulations and guidance yet to be made | | |

4.52 The table (above) shows that the range of outcomes that can be achieved through an Enhanced Partnership option is potentially broader than can be delivered through an Advanced Quality Partnership. The task group agreed that the Enhanced Partnership model may have some advantages as it provides additional powers and influence to negotiate with the bus operators.

4.53 **The Bus Users Panel said** that the Enhanced Partnership model option would give the council more influence to use the powers in the Act to achieve the council's objectives towards improving bus services.

4.54 **Local Bus Operators evidence** supports a formal partnership arrangement and encouraged the council to consider the 'Advanced Quality Partnership'

model as this was their preferred option. However, they also stated that their second option was the 'Enhanced Partnership' scheme, and they would be open to discussions with the city council to give consideration to this.

4.55 **The bus operators informed** the task group that they want to work with the city council in a formal partnership arrangement to develop an improved, more efficient, joined-up public transport service that benefits passengers, such as:

- A forum for the city council to collect and publish statistics on bus speeds, improving visibility of the problem to operators, officers, and elected members, and allowing remedial actions to be taken.
- Measures that enhance the passenger experience in Leicester and the wider areas.
- A strategy for tackling specific local issues affecting bus operators and public transport users e.g. bus priority at certain key junctions, such as exit from Causeway Lane into the inner ring road.
- Strategies to improve the flow of traffic around the city e.g. around Highcross / John Lewis and the Rugby and Football grounds.

4.56 Task group members recognised that the city council already has a good relationship with the local bus operators and that the council plays a lead role to improve the quality of local bus services through infrastructure, information and ticketing projects and initiatives.

4.57 Evidence from Cllr Clarke, Assistant City Mayor and lead for Transport highlighted the achievements to the bus services network in the city:

- a) The Beaumont Leys Public Transport Interchange Schemes.
- b) The development of the new £13m Haymarket Bus Station in the city centre.
- c) 2.4km of new bus lanes on the A426 (increased bus patronage by 13% benefiting people in the city and the county).
- d) Digital bus stops e.g. 100 Real Time information signs at bus stops (slow impact, but not all bus stops will have this facility, as the future is mobile apps).
- e) Introduction of the 'One Card' for flexible bus trips (limited lifeline, as the future is multi-ticketing options).
- f) Level access kerbs at bus stops
- g) The re-design of Humberstone Gate East
- h) New bus gate enforcement on Charles Street and Causeway Lane
- i) A phased 'Bus Pinch Points' programme to improve punctuality.
- j) Further improvements to Real Time information and Smart Ticketing.
- k) Encouraging the replacement of fleets to meet Air Quality Targets as part of the proposed Low Emission Zone.
 - Invested in Euro 6 (with Clean Air Zone funding) green bus fleets with 150 buses retrofitted, so less polluting engines.

- l) £25 million for bus fleets funded by bus operators (Clean Air Zone funding) – on track to deliver across the city by the end of 2020. Developing a Strategic Transport Plan with Leicestershire County Council.

4.58 Best practice of ‘Enhanced Partnership’ models was cited as supporting evidence:

- **The Liverpool City Region Bus Alliance** – represents successful Enhanced Partnership agreement that will deliver more than £25 million worth of investment in bus services in just the first year. The agreement includes a commitment from operators to provide modern bus fleets with an average age of no more than seven years, and to be partners on a range of initiatives including marketing campaigns, on-bus cleaning and customer service training. According to Arriva, this partnership has seen significant benefits with bus usage increasing by 16%.
- **Cornwall Council** – as part of its Devolution Deal had the opportunity to adopt a Franchising model of bus transport, however it appears Cornwall council is working closely with local bus operators to establish an ‘Enhanced Partnership’ model instead.

4.59 The task group concluded that evidence gathered suggests the Enhanced Partnership model is potentially the best option for Leicester City Council to take forward

4.60 **How can the Bus Services Act improve the economy and health?**

4.61 Across the UK large towns and cities are suffering from deteriorating air quality and chronic levels of traffic congestion, which affect public health as well as the economy. Over 40,000 deaths a year in the UK are attributable to poor air quality, with air pollution being directly linked to cancer, asthma, strokes, heart disease, diabetes, obesity and dementia, according to recent research by Oxera Compelling Economics Group in 2017
<https://www.oxera.com/wp-content/uploads/2018/07/Cities-in-crisis.pdf.pdf>

4.62 The UK has the most congested road network in Europe. The Department for Transport forecasts that traffic will grow by between 19% and 55% between 2010 and 2040.

4.63 **Evidence from local bus operators:**

- Endorsed the view that traffic congestion was a significant problem and challenge for them. Congestion extended bus journey times, contributed to the reduced reliability of services and meant that more buses were required to maintain services at an acceptable level. The bus companies felt that they needed to be ahead of the game to compete with car users.

- Cited best practice - Nottingham City Council has introduced a Workplace Levy to tackle problems associated with traffic congestion, by both providing substantial funding for major transport infrastructure initiatives and by acting as an incentive for employers to manage their workplace parking provision.
- 4.64 Leicester City Council and bus operators have implemented a range of measures over the years to help reduce congestion and give priority to buses e.g. bus lanes, park and ride schemes, and parking controls.
- 4.65 A recent scrutiny review report into 'Bus Lanes in Leicester' by this commission, identified that the majority of bus lanes helped to reduce journey times, but the biggest challenge was reducing traffic congestion with the increasing growth in car use, key findings:
- a) That the barriers to modal shift are the cost, time and reliability of travelling by public transport and lifestyles, habits and comforts.
 - b) That the biggest challenge for Leicester City Council is to bridge modal shift from car to public transport, walking and cycling, by introducing measures and initiatives.
 - c) Key points made by the bus companies on the advantages of bus lanes:
 - Bus services are more reliable and timetables more achievable.
 - Speedier and more punctual bus services to improve customer confidence and provide good reasons for modal shift.
 - Reduces pollution and reduces traffic congestion for buses
 - For a person travelling by bus it can be cheaper than paying for car parking in the city centre.
- 4.66 Nationally statistics show that approx. 6% of NOx emissions are caused by buses, whereas diesel cars are responsible for 41%. Therefore, we need to think how we get people out of their cars and onto public transport.
- 4.67 30% of Leicester's households do not have a car, and with the cost of running a car likely to reduce in real terms, and the cost of public transport rising, delivering improved public transport is paramount to Leicester's future.
- 4.68 How can the Bus Services Act improve Air Quality?**
- 4.69 The Bus Services Act encourages all local authorities to consider how they can use the tools in the Act to improve air quality in their local areas. Buses can be part of the solution to air quality problems. Low emission buses – such as electric or bio-methane vehicles – offer significant carbon dioxide savings and improved air quality.
- 4.70 The Governments recent introduction of Clean Air Zones (CAZ) to discourage the use of older, more polluting, vehicles has enabled Leicester City Council to carry out its commitment towards tackling air quality issues in the city.

- 4.71 During the course of this review, in March 2018, Leicester City Council announced: **“Leicester extends ambition for bus clean air zone”** – Leicester’s five major bus companies (Arriva, centre bus, First, Kinchbus and Stagecoach) have signed up to a new commitment with the city council to deliver a clean air zone for buses by the end of 2020.

‘Leicester bus companies agree on clean air zone by end of 2020’

Leicester City Council was recently successful in a bid for £2.2m from the Government’s Clean Bus Technology Fund. This will allow the council to work with operators to retrofit clean air technology to over 100 more buses running on city routes. A new agreement signed by bus operators will help ensure that Euro 6 standard for diesel buses is achieved across the city within the next three years – with a shared ambition for zero emission by 2020.



(Steve Burd, Managing Director Stagecoach Midlands; Deputy City Mayor Cllr Adam Clarke; Nigel Eggleton, Managing Director First Midlands; Alex Kerr, General Manager of Kinch Bus; City Mayor Sir Peter Soulsby; Kevin O’Leary, Regional Engineering Director for Arriva; and Chris Mosley, Operations Manager, Centrebus).

Cllr Adam Clarke, Deputy City Mayor – who leads on environment, sustainability

and public health said “tackling emissions from diesel vehicles is vital to achieving better air quality. Our local bus operators are leading by example and should be applauded for their efforts and investment in cleaner air vehicles. Bringing emissions from the city’s bus fleet down and achieving at least Euro 4 standard was one of the key aims of the Leicester Air Quality Action Plan. We’ve now exceeded that”.

Arriva said “delighted to be working with Leicester City Council on this. We are committed to positioning bus travel as a viable alternative to car travel. We need to ensure that our customers are given access to transport that meets their growing expectations in terms of technology and comfort, but that also delivers with regards to environmental standards”.

Centrebus said “we are pleased to be working in partnership with the city council to help reduce harmful emissions from road transport in Leicester. Whilst buses still generally offer the lowest form of emissions per occupant compared to other types of motor transport, we are happy to take things a stage further”.

First Leicester said “We understand the vital role we play in helping to find solutions to reduce air pollution and so we’re proud to be part of the Leicester CAZ for buses. Road congestion continues to be one of the biggest issues facing bus services and so it’s important that we continue to work jointly to encourage less car usage across the city and entice more people to travel by bus”.

Kinchbus said “Air pollution caused by congestion in our cities and towns is a problem for everyone. While no one organisation can tackle this challenge alone, we are committed to play a leading role. It’s a sign of our commitment that we’ve recently invested a considerable amount of money into brand new cleaner buses for our skylink route that will provide existing customers with a great journey experience that also tempts car drivers to make the cleaner switch”.

Stagecoach said “We have introduced 25 new Gold Standard Euro 6 ADL Enviro 200MMCs, single-deckers on our service 48. This £4.4m investment demonstrates Stagecoach Midlands’ commitment to the Leicester Bus Clean Air Zone. We will continue to work the city council and other operators to seek to achieve the desired improvements to emissions by the end of 2020”.

- 4.72 Speaking at a recent Bus Summit, Government Transport Minister, Nusrat Ghani said: *“The government funding boost will allow councils to retrofit vehicles with technology to reduce tailpipe emissions of nitrogen dioxide, as part of a drive to help ensure that more buses and coaches can contribute to improving air quality in UK cities. Road transport is going to change dramatically over the next couple of decades – and we have to make sure that the bus industry is ready to benefit from those changes”.*

“We have to move away from nose-to-tail car traffic at peak times, endless engine idling, stop-start travel and rising pollution and carbon emissions. Rather than contributing to the problem – buses and coaches very much form part of the solution”.

- 4.73 All cities are facing the challenge of tackling air pollution, recent headlines in June 2018 shows that the London Mayor is leading the way with bold and drastic measures to tackling air pollution: -

Mayor unveils ultra-low emission zone plans

London Mayor Sadiq Khan has unveiled details of his plan to introduce an “ultra-low emission zone” covering a huge swathe of the capital in the next few years. The scheme, which will see the most polluting vehicles charged for entering the centre of the capital from April next year, will be extended to the North Circular and South Circular roads in 2021. Mayor Khan said: “Tackling London’s lethal air and safeguarding the health of Londoners requires bold action. Air pollution is a national health crisis and I refuse to stand back as thousands of Londoners breathe in air so filthy that it shortens our life expectancy, harms our lungs and worsens chronic illness

- 4.74 **The new Bus Services Act reinforces** Leicester City Council’s approach of working in partnership with the bus operators to maximise the benefits of bus services in reducing congestion, in order to deliver services attractive enough to create a shift away from car use. A number of long standing pro-bus options exist in Leicester e.g. bus lanes, park & ride schemes and parking controls, which can help to encourage increased bus patronage and modal shift.

4.75 The evidence from the last 15 years and the new Bus Services Act suggests that more people will use buses if significant investment and modernisation is put into making the bus more attractive and buses are given priority on the road network. This can be seen in other cities such as London, Brighton, and Oxford.

4.76 For Leicester City Council and the bus operators the biggest challenge will be to bridge modal shift from car to public transport, walking and cycling - knowing that for many people the barriers to modal shift will be the cost, time and reliability of travelling by public transport and lifestyles, habits and comfort.

4.77 **Social Value and the Bus Services Act**

4.78 A report commissioned by the Department for Transport <http://www.socialvalueuk.org/app/uploads/2016/07/DfT-final-report.pdf> looked at the impacts of public transport in general and concluded that there are several social groups who benefit from local public transport interventions. Those who benefit the most are on low incomes, older people, younger people, disabled people and those living in remote and rural areas. The main common denominator with these groups 'being the tendency towards non-car ownership', which creates significant barriers such as social and economic exclusion. The report also highlights the benefit of public transport; 'access to employment, education and labour market participation is a key benefit for many groups as is the ability to independently partake in social activities, shopping trips and get to other essential public services, especially healthcare.'

4.79 The task group recognises that bus operators are businesses and that in a deregulated market they are free to set bus fares. However, the task group believe that lower fares and discounted tickets promote bus use and would help meet social needs, in particular for those on low-incomes and young people in the city

4.80 Leicester City Council is in the process of finalising a 'Social Value Charter' (as recommended by *Economic Development, Transport and Tourism Scrutiny Commission review report in 2016*) this evidence supports the importance of social value considerations through delivering public transport in the city.

5. Resources

The Department for Transport has issued guidance on the use of the powers contained in the Bus Services Act 2017.

Website links to key documents can be found on: [Bus Services Act 2017 on the government website](#). The Department for Transport (DfT) has issued [additional guidance on the Bus Services Act 2017](#).

Link to guidance for local councils: 'Bus Services Act 2017 – new powers and opportunities': <https://www.gov.uk/government/publications/bus-services-act-2017-new-powers-and-opportunities>

Link to guidance for local councils: 'Enhanced Partnership creation' <https://www.gov.uk/government/publications/bus-services-act-2017-enhanced-partnership-creation>

6. Financial, Legal and Other Implications

Financial Implications

No significant financial implications arising from this review in general have been identified, however the implications of any specific actions should be reviewed ahead of implementation.

Colin Sharpe, Head of Finance, ext. 37 4081

Legal Implications

The Bus Services Act 2017 ("the Act") received Royal Assent on 27 April 2017 and aims to improve bus services for passengers by providing local authorities, the Secretary of State and bus operators with a new toolkit to enable improvements to bus services.

As set out in the report, the Council has a number of options available to enable improvements. The Council needs to decide which option will best improve local services in the Leicester/shire area. Additionally, the Council has Clean Air Zone obligations and Social Value obligations.

The Act replaces existing ticketing scheme powers and the new powers, known as "Advanced Ticketing Schemes" allow the establishment of multi-operator and multi-modal ticketing schemes to enable local authorities to be more involved in the services provided by bus operators.

The Act also requires local authorities to consider cross boundary working as well as working proactively with bus operators.

Jenis Taylor, Principal Solicitor (Commercial)

Equality Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

As outlined within the report, those who benefit most from accessible and reliable public transport which meets peoples' need are often people on low incomes, older people, younger people, disabled people and those living in remote and rural areas, particularly where those groups do not own a car which can create significant barriers to social and economic inclusion, as well as barriers to accessing services and opportunities.

The report outlines potential benefits arising from the Bus Services Act and the recommendations within the report. For example, the potential for the council to have greater influence on how bus services are operated and managed, improve access for protected groups (via standards for audio, visual and displayed information), to secure greater quality of life and social value outcomes.

Whilst there are opportunities for positive impacts across all protected groups (in particular for those groups who are more frequent users of public transport and who may be more likely to face barriers to access) it must also be considered that as work progresses and the recommendations are taken forward, there is the potential for unknown or negative equalities impacts, if changes are not thoroughly considered from an equalities perspective, as part of any decision making process.

The council will need to work with partners to ensure that, through the partnership arrangement, there are mechanisms set up to ensure that the equalities implications of any more detailed proposals for change (for example, the introduction of multi ticketing or multi modal systems or the introduction of non-cash methods of payment) are fully analysed and that

the Council can demonstrate 'due regard' for the aims of the Public Sector Equality Duty. This may be achieved by following the City Council's Equality Impact Assessment process, when considering changes which will affect bus users. Equalities considerations must also be made in terms of accessibility of information to people from across all protected characteristics (particularly age, disability and race), when considering publicity and marketing, as well as potential improvements to how users are provided with information about bus services.

Hannah Watkins, Equalities Manager ext. 37 5811

7. Summary of Appendices

Appendix 1

'Three Stages to Better Bus Services – using the Bus Services Act' guidance for local authorities by the Campaign for Better Transport
<https://bettertransport.org.uk/sites/default/files/pdfs/bus-services-act-guidance.pdf>

Appendix 2

Executive Response to Scrutiny

8. Officers to Contact

Anita Patel, Scrutiny Policy Officer
Email: Anita.Patel@leicester.gov.uk
Tel: 0116 454 6342

APPENDIX 1

‘Three Stages to Better Bus Services – using the Bus Services Act’ guidance for local authorities by the Campaign for Better Transport – Click on website link below:

<https://bettertransport.org.uk/sites/default/files/pdfs/bus-services-act-guidance.pdf>

APPENDIX 2

Executive Response to Scrutiny

The executive will respond to the next scrutiny meeting after a review report has been presented with the table below updated as part of that response.

Introduction

...

| Scrutiny Recommendation | Executive Decision | Progress/Action | Timescales |
|--------------------------------|---------------------------|------------------------|-------------------|
| | | | |
| | | | |
| | | | |