

## READING BOROUGH COUNCIL

### REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE		
DATE:	14 MARCH 2022	AGENDA ITEM:	12
TITLE:	BUS ENHANCED PARTNERSHIP		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING & TRANSPORT
SERVICE:	PLANNING, TRANSPORT AND REGULATORY SERVICES	WARDS:	ALL
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#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval from the Committee to establish an Enhanced Partnership agreement with local bus operators. The agreement has been prepared to be in accordance with the Council's published Bus Service Improvement Plan, and it is a requirement of the National Bus Strategy for all local highway authorities to establish an Enhanced Partnership with all operators in the local area.
- 1.2 Appendix A - Enhanced Partnership Plan  
Appendix B - Enhanced Partnership Scheme  
Appendix C - Letter sent in response to objections received from local bus operators

#### 2. RECOMMENDATIONS

- 2.1 That the Committee approves the adoption of the Enhanced Partnership Plan and Enhanced Partnership Scheme from 1<sup>st</sup> April 2022.
- 2.2 That the Executive Director of Economic Growth and Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport and the Chair of the Strategic Environment, Planning and Transport Committee, be able to make any amendments to the EP Plan and/or Scheme as a result of further announcements from the Department for Transport.

**2.3 That the Committee notes the current funding circumstances as announced by the DfT and the implications for the future funding ambitions of bus services in Reading.**

### **3. BACKGROUND**

3.1 The Strategy 'Bus Back Better' was published on 15<sup>th</sup> March 2021 as part of a £3 billion funding package aimed at building back Britain's bus services. The Strategy sets out how the Government intends to deliver on its commitment to achieve ambitious and far-reaching reform of the bus services sector, including: how bus services are planned and delivered through the introduction of new zero emission buses; simpler fares; improved routes; and higher frequencies.

3.2 Key elements and objectives in the Strategy include:

- More frequent 'turn up and go' services on key corridors being such that reference to a timetable is not needed.
- Cheaper fares, daily capped fares and local 'all operator' fares that lower the cost of bus use and increase interchange options with other public transport services.
- Support for economically as well as socially necessary services, e.g. connecting areas of inequality to employment, education and training.
- Hundreds of miles of more bus lanes which need to be operational 24 hours a day to improve bus journey times and reliability.
- Extensions to bus rapid transit schemes to deliver light rail style service improvements at a fraction of the cost.
- Bus gates to exclude other traffic if insufficient space is available, and a presumption against on street non-residential parking on bus corridors.
- 4,000 new zero emission (battery electric or hydrogen powered) buses to improve air quality and reduce carbon emissions, with changes to the Bus Service Operators Grant (BSOG) scheme to reward mileage operated by zero emission vehicles.

3.3 A core focus of the Strategy is the need for greater cooperation between bus operators and Local Transport Authorities (LTAs). In order to achieve this improved partnership working, the Strategy requires LTAs to produce a Bus Service Improvement Plan (BSIP) for their area, and to either establish Enhanced Partnerships with local bus operators or to implement a franchise system to manage the provision of local bus services.

3.4 The Strategy sets out the following timetable for LTAs to adhere to:

- By the end of June 2021, LTAs will need to commit to establishing Enhanced Partnerships under the Bus Services Act 2017 or, in the alternative, begin the statutory process of franchising their bus services.

Bus operators in such areas are required to co-operate with the LTAs in this process.

- By the end of October 2021, each LTA will need to publish a local Bus Service Improvement Plan (BSIP). Each BSIP will need to be updated annually and the contents reflected in the local authority's Local Transport Plan and other relevant local plans such as the Local Cycling and Walking Infrastructure Plans (LCWIPs).
- From April 2022, in order to access the new discretionary streams of bus funding, LTAs will need to have in place an Enhanced Partnership or have commenced the statutory process to decide whether to implement a franchising scheme. Only those bus services operating under either an Enhanced Partnership or through a franchising scheme will be eligible to receive the new funding streams from the government.

3.5 Reading is highlighted as an example of best practice in the Strategy due to high levels of bus patronage and existing partnership working between the Council and Reading Buses. However, the Strategy is set in the context of reduced patronage levels as a result of the Covid pandemic, and it is made clear that only LTAs and bus operators who comply with the BSIP and the new partnership arrangements will be eligible for any continued support relating to pandemic funding shortfalls that may be announced, and any new opportunities from the £3 billion transformational funding. A key overarching objective of the Strategy is to create the conditions needed for bus patronage to not only return to the pre-pandemic levels, but to ultimately grow beyond these levels.

#### 4. THE PROPOSAL

4.1 In line with the requirements as set out in Strategy, Reading Borough Council has published an adopted BSIP for the local area in October 2021, setting out an ambitious programme of measures to improve bus services in Reading.

4.2 Following adoption of the BSIP, the Council has led the process to establish an Enhanced Partnership (EP) with local bus operators, in order to be in a position to deliver future bus service improvements. As part of this process external legal advice and guidance has been obtained from Freeths LLP who have specialised knowledge of the regulations needed to set up an Enhanced Partnership.

4.3 The EP consists of two documents which are the EP Plan and the EP Scheme. These are attached at **Appendices A and B**. The EP Plan sets out proposals covering the period 2021-2026. It draws on text from the adopted BSIP and does not add any proposals that were not part of the BSIP. Its proposals align with the objectives of the National Bus Strategy. The EP Plan reflects the ambitions for local bus services in Reading as set out in our approved BSIP, this includes a range of enhancements includes improvements to service frequencies, a programme of bus priority measures and upgrading the bus fleet including to electric buses (all subject to securing grant funding) in the following categories:

- More frequent and reliable services

- Improvements to planning / integration with other modes
- Improvements to fares and ticketing
- Higher specification buses
- Improvements to passenger engagement

4.4 The EP Plan includes detailed arrangements as to how the partnership will work, on-going governance and partnership working arrangements with all stakeholders including local operators, including the establishment of an EP Board and EP Forum. In addition, officers are currently working with the other Berkshire authorities to establish a Berkshire wide forum to discuss cross-boundary services.

4.5 The second document is the EP Scheme. This contains only some of the proposals from the EP Plan, which are those that would take effect from 1 April 2022 in the following categories:

- Proposal (A): Review service frequency
- Proposal (B): Increase bus priority measures
- Proposal (E): Integrate services with other transport modes
- Proposal (F): Simplify services
- Proposal (G): Review socially necessary services
- Proposal (J): Simplify fares
- Proposal (K): Integrate ticketing between operators and other sustainable transport modes
- Proposal (L): Invest in improved bus specifications
- Proposal (N): Protect personal safety of bus passengers
- Proposal (O): Improve buses for tourists
- Proposal (Q): Passenger charter
- Proposal (R): Strengthen network identity
- Proposal (T): Reading town centre package of bus enhancements

4.6 It is anticipated that this first EP Scheme will be reviewed once more detail is known about the availability of Government funding and hence the facilities and measures can be further developed in more detail. The EP Plan contains a variation mechanism to enable additional elements to be added to the EP Scheme if funding is made available for elements which do not currently sit within the EP Scheme.

4.7 In line with the relevant legislation, the EP Plan and Scheme were formally sent to all local bus operators at the start of a 28-day objection period on 12 January 2022, with the bus operators having until 10 February 2022 to lodge an objection. Objections were received from Arriva and Thames Travel, specifically regarding the proposed governance arrangements for the EP, however further legal advice confirmed that the objections did not meet the threshold required to stop the EP process and therefore the statutory consultation was able to proceed as previously planned. We are however keen to continue working closely with both operators to ensure the EP continues to be a constructive process and the letter issued in response to the objections received is provided at **Appendix C**.

- 4.8 Following a delay to the original programme to enable legal advice to be fully considered, the statutory consultation commenced on 18 February 2022 and closed on 4 March 2022. The statutory consultees are limited within the legislation to the Competition and Markets Authority, the Office of the Traffic Commissioners, Transport Focus, Thames Valley Police and neighbouring local highway authorities. Responses have been received from the consultees with some useful feedback which will be used to refine future versions of the EP and the on-going operation of the EP arrangements.
- 4.9 Subject to approval from this Committee, establishment of the Enhanced Partnership Plan and Scheme from 1 April 2022 will set the future ambitions for bus services in Reading (as set out within the BSIP) into the legislative framework and establish formalised partnership working and governance arrangements to help achieve these objectives. It will also ensure that the Council is able to receive any future BSIP funding which the DfT has made clear will only be paid via an active Enhanced Partnership.
- 4.10 In addition, the EP Plan and Scheme will support the BSIP which will become a sub-strategy to the emerging Local Transport Plan (LTP) for Reading. These documents will inform development of the LTP and ensure it includes the ambitious strategy required to enhance bus services in the town and wider urban area.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The proposals as set out within this report will help to deliver the following service priorities in the Council's Corporate Plan:
- Healthy Environment
  - Thriving Communities
  - Inclusive Economy

## **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 6.1 Transport is the biggest greenhouse gas emitting sector in the UK accounting for around 27% of total carbon emissions. As set out in the Reading Climate Emergency Strategy, this figure is lower in Reading with transport accounting for around 20% of carbon emissions. However, significant investment in sustainable transport solutions is vital in order to respond to the Climate Emergency declared by the Council in February 2019 and to help achieve our target of a carbon neutral Reading by 2030. Reading Climate Change Partnership's Reading Climate Emergency Strategy 2020-25 and the new RBC corporate Carbon Plan 2020-25 were both adopted in November 2020.
- 6.2 Our transport strategy is focused on encouraging the use of sustainable transport, walking and cycling as attractive alternatives to the private car. This includes managing congestion and improving air quality by providing a more efficient network and suitable alternatives for vehicular traffic, which will enable existing highway capacity to be reallocated for the use of sustainable

modes. The delivery of the BSIP and Enhanced Partnership arrangements as set out within this report form part of this overall strategy, which has achieved considerable success in recent years including bus usage in Reading being the third highest in the country outside of London, having increased by 23% since 2010, and around 35% of trips into Reading town centre being made by pedestrians and cyclists.

- 6.3 A climate impact assessment has been conducted which suggested a ‘net medium positive’ impact arising from the decision. The BSIP/EP is intended to recover bus use to pre-COVID levels where it was the second highest per head of population outside of London. In addition, the BSIP/EP is intended to make buses more relevant to people’s travel needs through more frequency, faster services, more bus routes, better integration with other modes of transport and easier to access. The success of this BSIP/EP would help reduce car use, car congestion, harmful emissions and climate change. The BSIP/EP is required by the DfT as a high level statement of intent and as a bidding document for future bus service funding which will be a mixture of capital and revenue to enable better bus services as set out in the National Bus Strategy to be delivered. As part of the BSIP/EP RBC is asking for money to replace low emission diesel buses with zero emission electric buses and to improve and replace RBC owned legacy bus shelters with a number of green roofed shelters.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

- 7.1 As set out within the report, the Bus Service Improvement Plan and Enhanced Partnership arrangements have been developed in collaboration with all local bus operators and key stakeholders in Reading.

## **8. EQUALITIES IMPACT ASSESSMENT**

- 8.1 An Equalities Impact Assessment was undertaken to ensure the proposals set out within the Bus Service Improvement Plan and Enhanced Partnership arrangements provide improved access, services and facilities for local residents.

## **9. LEGAL IMPLICATIONS**

- 9.1 It is proposed that the Council establishes the Enhanced Partnership with all local bus operators serving Reading Borough, which is a statutory arrangement termed ‘enhanced partnership arrangements’ under the 2017 Bus Services Act.
- 9.2 Following consultation with Legal Services, Freeths LLP a specialist advisor was appointed to assist with the development of the EP Plan and EP Scheme documents and advise on the necessary procedures to be followed in accordance with the relevant legislation.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The Department for Transport has provided the Council with £100k grant funding to assist with the development of the Bus Service Improvement Plan and establishing Enhanced Partnerships with local operators.
- 10.2 Following the earlier published figures of £3 billion to be invested by DfT in transforming bus services in accordance with the National Bus Strategy, local authorities were encouraged to be ambitious and innovative in formulating bids for BSIP funding. From January 2022, the DfT has stated that £1.4 billion is available for BSIP funding, however no definitive announcement on the level of funding available to individual authorities or bus operators has been made at the time of writing this report.

## **11. BACKGROUND PAPERS**

- 11.1 None

## **APPENDIX C - LETTER SENT IN RESPONSE TO OBJECTIONS RECEIVED FROM LOCAL BUS OPERATORS**

Thank you for your letter of 8th Feb 2022. Naturally the Borough Council is disappointed to learn that you have raised an objection to our proposed Enhanced Partnership (EP) scheme. We had taken note of your comments during our previous communication and had made changes to address them in the EP.

Reading Borough Council strongly supports public transport and values your services as part of the network serving our borough. We are conscious that operators are currently enduring challenging conditions and we would be very hesitant to do anything that added to the pressure on your services.

The Council is aware that the bus network currently operating involves a significant concentration of services in Reading Buses which is wholly owned by the Council. We want to be clear that the Council fully understands its position and that competition law considerations must be taken into account at all times as between Reading Borough Council and Reading Buses. You will have noted that the Chair of the EPB will be expected to remind those present at board meetings of participants responsibilities in this regard.

Your objection added to any raised by other operators does not meet the required threshold, required under the relevant legislation to halt the process of consultation and implementation of the EP Plan and Scheme.

However, we would like to explore any way that we can address your concerns without our needing to halt the implementation process.

Consequently, we would like to arrange a conference call with you to discuss your objection and to determine whether it can be overcome without fundamental changes to the EP Plan and Scheme. If you are happy to agree to this, please advise some suitable times and dates.