

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE		
DATE:	16 NOVEMBER 2022		
TITLE:	READING BUS SERVICE IMPROVEMENT PLAN (BSIP) - UPDATE		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	CLIMATE CHANGE AND TRANSPORT
SERVICE:	PLANNING, TRANSPORT AND PUBLIC PROTECTION	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide an update on progress with development of the schemes and initiatives included within the Bus Service Improvement Plan (BSIP), following the announcement by the Department for Transport (DfT) of indicative funding allocations for selected local authorities, including up to £26.3m for Reading for the three-year period from 2022/23 to 2024/25.
- 1.2 There are a number of detailed requirements placed on local authorities by the DfT in order for the BSIP funding to be confirmed. This report outlines the requirement for the Council to have made an Enhanced Partnership Scheme Variation and a Participation Agreement for the reduced fare initiative which forms part of the overall BSIP programme. These are required for the award of DfT funding and for implementation of the proposal for a multi-operator day ticketing scheme for use on local services within a designated area. The Participation Agreement outlines the terms and conditions for the compensatory payments to be paid to the bus operators.
- 1.3 **Appendix A** - Enhanced Partnership Scheme Variation (note this is currently in draft form as it is currently being finalised in partnership with local bus operators)

2. RECOMMENDED ACTION

- 2.1 To note the on-going discussions with Government and local bus operators to further develop the BSIP proposals in advance of an announcement on final funding allocations by the Department for Transport.
- 2.2 That scheme and spend approval be granted for the full BSIP programme, subject to the Department for Transport confirming the final award of grant funding and subject to consultation with the Lead Councillor for Climate Strategy and Transport, Director of Finance and Assistant Director of Legal & Democratic Services upon receipt of the grant conditions and acceptance of funding.

- 2.3 That approval is granted to undertake the necessary procurements to deliver the BSIP programme and to delegate authority to the Assistant Director Planning, Transport and Public Protection, in consultation with the Lead Councillor for Climate Strategy and Transport, Assistant Director of Procurement and Assistant Director of Legal & Democratic Services to award any such corresponding contracts.
- 2.4 That delegated authority be awarded to the Assistant Director Planning, Transport and Public Protection, in consultation with the Lead Councillor for Climate Strategy and Transport, Director of Finance and Assistant Director of Legal & Democratic Services to enter into and make amendments to the Enhanced Partnership Scheme Variation with local bus operators.
- 2.5 That delegated authority be awarded to the Assistant Director Planning, Transport and Public Protection in consultation with the Lead Councillor for Climate Strategy and Transport, Director of Finance and Assistant Director of Legal & Democratic Services to enter into and make amendments to the multi-operator ticketing scheme 'Participation Agreement' with the relevant bus operators through the Enhanced Partnership Scheme arrangements.

3. BACKGROUND

- 3.1 The Council published and adopted its Bus Service Improvement Plan (BSIP) for Reading in October 2021, in line with the objectives as set out in the National Bus Strategy 'Bus Back Better', including requiring Local Transport Authorities (LTAs) to produce a BSIP for their area. Reading's BSIP sets out an ambitious programme of measures to improve bus services in Reading, which was prepared in partnership with all local operators and neighbouring local authorities.
- 3.2 The National Bus Strategy also required LTAs to either establish Enhanced Partnerships with local bus operators or to implement a franchise system to manage the provision of local bus services. Following publication of Reading's BSIP last year, Enhanced Partnership (EP) arrangements were developed with bus operators in line with the relevant legislation. The Council prepared an Enhanced Partnership Plan and Scheme and formal notice, giving qualifying local bus operators the right to object, which was issued in January 2022. The Council then made the Enhanced Partnership Plan and Scheme with no modifications as a result of the stakeholder and public consultation which came into effect on Friday 1st April 2022.
- 3.3 Following these arrangements, the Government undertook a review of all BSIPs and EPs submitted by LTAs and subsequent discussions were held with selected authorities. The DfT then announced indicative funding allocations for selected authorities on 4th April 2022, including up to £26.3m for Reading for the three-year period from 2022/23 to 2024/25. The DfT outlined a timetable for LTAs to submit further information and updated Enhanced Partnership (EP) Schemes to it, in order that funding allocations can be confirmed. The funding provisionally allocated to Reading is £15,939,000 capital and £10,324,600 revenue grant funding.
- 3.4 Following the indicative funding announcement, officers have been working with the DfT to provide further information regarding these plans. This includes outlining the schemes and initiatives that will be funded through this grant, including the implementation of a multi-operator day ticket at a reduced fare in various forms. In July 2022, representatives from the DfT visited Reading to meet with council officers and representatives from Reading Buses to discuss our plans and to view schemes already in operation. Following this there have been further clarifications and requirements sought from the DfT as they look to confirm the indicative award through a final grant offer.

3.5 As part of the governance arrangements required under the legislation, the Council has formed an Enhanced Partnership Board (EP Board) with all of the major local bus operators. The award of funding is subject to an Enhanced Partnership Scheme Variation (EP Scheme Variation) being agreed, which sets out with sufficient clarity how we will deliver the outcomes set out in the BSIP with the grant funding. The EP Scheme Variation has been developed to ensure all feedback is reflected to the satisfaction of the DfT. The EP Scheme Variation and Participation Agreement will also need to be agreed at an EP Board meeting.

4. THE PROPOSAL

4.1 The BSIP programme includes a range of capital and revenue measures to encourage greater passenger usage in Reading. In order to further develop the BSIP programme and meet the grant funding conditions, the Council, with its legal support team Freeths and consultants WSP, have prepared both an Enhanced Partnership Scheme Variation and a Participation Agreement to be agreed with operators through the EP Board. The Participation Agreement will achieve two key objectives:

- a) The formalising of arrangements, that bus operators who are within the scope of the Enhanced Partnership Scheme will participate in the development and implementation of “multi-operator travel card” products. The tickets (“Travel Products”) are to be valid for a day and available as entitlement to travel on all Local Services within the EP Scheme in the Reading area.
- b) The offer to operators of a compensatory payment facilitating agreement to the price of the multi-operator day ticket product at a price less than they would otherwise have charged (i.e to compensate operators for the difference between the reduced tickets and the current agreed cost of traveling of a ‘Reading Day Ticket’).

4.2 Both the EP Scheme Variation and Participation Agreement will be shared with operators for comment prior to holding a meeting of the EP Board to adopt both documents. This will then allow the DfT to formally award Reading its BSIP funding which up to now is only indicative.

4.3 Alongside the EP Scheme Variation the Council is preparing a Bus Passenger Charter to be adopted by the EP Board. This Charter will set out a collective commitment to work as a partnership and provide bus services that meet passenger needs and expectations, and ways to hold us to account. The Charter will set out what passengers can expect before they travel, at the bus stop, during the journey and what they can expect beyond their journey including consulting and informing of future changes and how to give feedback. The Bus Passenger Charter is currently being prepared in partnership with local bus operators will be included as an appendix to the EP Scheme Variation.

4.4 The EP Scheme Variation sets out our commitment to deliver, in partnership with the operators, the schemes that the DfT have awarded grant funding for as set out below, although it should be noted that the package of capital schemes will be subject to public consultation:

Capital Schemes

- Outbound bus lane on A329 Oxford Road between Zinzan Street and George Street.
- Outbound bus lane on A329 Oxford Road between Pangbourne Street and Norcot Junction.
- Inbound bus lane on A327 Southampton Street.

- Inbound bus lane on A4 London Road between borough boundary and Cemetery Junction.
- Inbound bus lane on A4 London Road between Sidmouth Street and London Street.
- Outbound bus lane on A4 Bath Road from Circuit Lane to Granville Road.
- Phases 5 of the South Reading BRT (Bus Rapid Transit) scheme.
- Improvements to Mereok P&R and interchange including pedestrian and bus links to the nearby Three Mile Cross and Spencers Wood developments.
- Package of bus signal priority measures at key junctions to complement new bus priority lanes.
- Package of town centre public transport infrastructure enhancements.

Revenue Initiatives

- Introduction of a multi-operator fares reduction ticketing scheme.
 - Extend and improve frequency of Buzz 42 bus service.
 - Park and ride service enhancements for the Royal Berkshire Hospital and the University of Reading.
 - South Reading bus service enhancements, including the continuation of Route 9 services.
 - Develop a detailed delivery programme of bus priority measures to assist with routes to and through Caversham.
 - Bus passenger information enhancements.
 - Management of the EP arrangements and BSIP programme delivery support.
- 4.5 Development of the multi-operator fares reduction ticketing scheme has been on-going with local operators to ensure it will be valid on all local services. Final details are still being agreed, however the objective is to provide an offer which will attract passengers onto bus services in Reading by making them cheaper and simpler to use. This will include a multi-operator daily fares capping initiative to ensure no one pays more than a set cap regardless of the amount of travel undertaken in a day, similar to the system which is currently in operation in London. A comms campaign will be launched with the introduction of the scheme, and it is being designed to complement the £2 national single fare scheme which has been proposed by Central Government.
- 4.6 To ensure the Council can proceed with the delivery of the schemes set out above on receipt of confirmation of funding from the DfT, the Committee is asked to grant conditional scheme and spend approval in accordance with the indicative funding award of £26.3m. This is particularly important given the tight timescales associated with the grant funding, which is valid until April 2025. The Committee will be kept updated on the development of individual schemes through regular BSIP update reports, including seeking authority to undertake public consultations as required.
- 4.7 In order to deliver the full BSIP programme, a number of procurements will be required to be undertaken. These shall be conducted in accordance with the Council's standard contract procedure rules and any other relevant procurement legislation. Initially, plans are currently being progressed to procure support for the design work for the next phase of the South Reading BRT scheme, and the continued provision of Route 9 services in south Reading. It is proposed that the procurement of Route 9 services will be undertaken in early 2023, subject to the confirmation of funding from the DfT.
- 4.8 The next steps for delivery of the BSIP programme include on-going liaison with officials from the DfT in order to achieve the full grant funding award. In addition, the scheme and initiatives which form part of the BSIP programme will continue to be developed with local operators, including holding a second EP Board meeting to ratify the Enhanced Partnership Scheme Variation and Participation Agreement.
- 5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The deliver of the BSIP programme as set out within the report will support the Council's vision and following Corporate Plan priorities:
- 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. This would result in the BSIP/EP helping to reduce car use, car congestion and harmful emissions including carbon.

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. EQUALITY IMPACT ASSESSMENT

- 8.1 An Equalities Impact Assessment will be undertaken as part of delivering the proposals set out within the Bus Service Improvement Plan and Enhanced Partnership arrangements to provide improved access, services and facilities for local residents.

9. LEGAL IMPLICATIONS

- 9.1 The Council has established 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. Freeths have supported the Council through each stage of the development of these plans.

- 9.3 The development of the EP Scheme Variation and Participation Agreement documents, including the multi operator reduced fare ticketing scheme initiative, has been supported by analysis and legal advice provided by Freeths to ensure it complies with Competition Law and Subsidy Control.

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 On 4th April 2022, Department for Transport (DfT) confirmed an indicative funding allocation of up to £26.3m for Reading for the three-year period from 2022/23 to 2024/25. This allocation included £15,939,000 capital funding and £10,324,600 revenue funding. Government has issued this indicative grant funding subject to the requirements as outlined in this report. The schemes and initiatives as set out within this report, including the multi-operator reduced far day ticket scheme, will only be delivered once final funding allocations are confirmed by Government.

11. BACKGROUND PAPERS

- 11.1 None