

## ENHANCED PARTNERSHIP BOARD

4 October 2022

### Item 05 – Towards a Patronage Recovery Action Plan

#### Executive Summary

The South Yorkshire Enhanced Partnership Plan and Scheme was approved by the Mayoral Combined Authority in March 2022 and commenced on 1 April 2022. The Plan included a target for 77 million passengers by 2025/25, but the latest monitoring report, considered by the Board at the meeting in August 2022, allied to ongoing uncertainty over longer term bus network funding support, has meant that patronage recovery since the COVID-19 pandemic is slower than was anticipated.

This paper summarises a number of opportunities identified by the Enhanced Partnership Development Group, wider discussions with partners in the Enhanced Partnership for a Patronage Recovery Action Plan, to be considered by the Board.

#### What does this mean for businesses, people and places in South Yorkshire?

An effective and targeted demand recovery action plan focussed on recovery of demand in the bus network will support a more sustainable public transport network for the travelling public of South Yorkshire.

A well-connected and stable public transport network in turn, could protect and drive economic and social connectivity that supports the local economy and the welfare of the people of South Yorkshire.

#### Recommendations

It is recommended that the Board:

1. Notes the contents of this paper
2. Provides feedback on the suggestions for inclusion in a Patronage Recovery Action Plan
3. Provides support where this is required for any agreed activities.

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#### 1. Background

- 1.1 The South Yorkshire Enhanced Partnership Plan (EPP) and Scheme (EPS) was approved by the Mayoral Combined Authority in March 2022 and commenced on 1 April 2022. The EPP included a patronage target for 2024/25 of 77 million passengers per annum. This was based on a return to pre-COVID trend levels of patronage within the first two years of the EPS and a 4% increase in patronage over

the following two years, based on the predicted impacts of the components of the EPS as it stands.

Annual patronage levels in August 2022 were estimated at 55.6m. At the current 22m shortfall, we would need to generate and retain 0.75m additional passengers every month for the next 30 months to achieve the target.

- 1.2 The change in travel patterns resulting from the COVID-19 pandemic and the ongoing uncertainty over a longer term bus network funding support settlement and the impact that this would have on bus service levels, has meant that patronage recovery since April 2022 is slower than was anticipated. At the meeting in August 2022, the Board requested a review of activities that could be deployed within the next 6 months that could have a positive impact on the recent upward trend in patronage.
- 1.3 Government did not award Bus Service Improvement funding to South Yorkshire, which would have provided revenue support for improvements envisaged in the Enhanced Partnership Plan. However, SYMCA has secured £30.8m of capital funding from CRSTS for investment in bus improvements with specific spend areas defined as BSIP initiatives, Zero-emission buses (most already earmarked complimentary to the successful ZEBRA bid), real time detection and bus lane priority.

SYMCA also put a bid forward for the Levelling Up Fund, which could if successful, leverage further capital investment in retailing, customer information, further zero-emission buses and Demand Responsive Transport.

There is scope to deploy these capital funding sources to support shorter and longer term initiatives, subject to these initiatives meeting the grant conditions.

- 1.4 Since the 9 August 2022 Board meeting, a number of steps were taken to develop an action plan:
  - the EP Development Group met on 7 September and reviewed the priority activities in the Enhanced Partnership Plan to identify potential opportunities for a Patronage Recovery Action Plan;
  - on 9 September, a senior director level meeting took place between SYMCA and two major operators Stagecoach and First, with the operators agreeing to develop a more ambitious plan by early October, for presentation to the 29 November 2022 EP Board;
  - SYMCA concluded work on an integrated retailing strategy, identifying potential early wins within that;
  - SYMCA's data experts reviewed available information and data sharing opportunities, set out in a short, medium and longer term plan, with a focus on intelligence that could help inform and shape effective demand recovery initiatives (presented in a separate paper for consideration by this Board);
  - SYMCA also met with potential suppliers to identify potential opportunities and scope for inclusion in a demand recovery action plan:
    - Demand Responsive Transport technology
    - A retail discount app developer that could incentivise bus usage by offering targeted retailer discounts to bus users, and;
    - innovative research agencies (including Sheffield University) who could scenario test effectiveness of interventions through digitised process

simulation (e.g. punctuality of bus services resulting from a wider usage of SMART ticketing).

- 1.5 It should be noted that since the meeting in August, the Government has announced a £2 one-way trip fare cap for buses that will be in operation between 1 January and 31 March 2023:

<https://www.gov.uk/government/news/2-bus-fare-cap-across-england-to-save-passengers-money>

This is a positive step in reducing some of the cost barriers to using buses and offers an opportunity to encourage new and existing passengers to use the bus. Therefore, the deliberations and suggestions of the EP Development Group considered what could be done in addition to this new commitment.

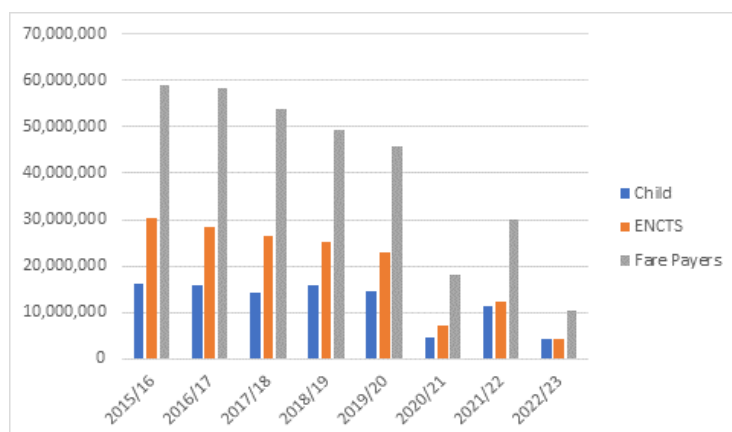
## 2. Potential Elements of a Patronage Recovery Action Plan

- 2.1 The various discussions focused on activities that can be implemented quickly and are likely to have an immediate impact on patronage. The EP Development Group also considered that trying to align any actions with the planned bus fare cap may also help enhance the positive image of buses and attract new passengers.

Recent customer panel research done during August and September 2022, shows that most important factors for customer satisfaction with bus services in order of priority are:

1. Turning up on time
2. Value for money
3. Journey time
4. Cleanliness and comfort on board
5. Friendly drivers

Other recent bus user data information shows a significant decline over time in bus usage (see figure below, with the 2022/23 figure representing the first 3 to 4 months of this year). As at 14 September 2022, the proportion of overall bus patronage to pre-Covid weekly is 77.5% and recovery rates by customer group show fare payers overall at 74.6%, ENCTS 62.5% and Child 90.5%.



The South Yorkshire Bus Review identified some causes of the disproportionate decline in ENCTS usage pre-Covid.

*“Locally, patronage decline has been most significant among English National Concessionary Travel Scheme (ENCTS) pass holders. Between 2009/10 and 2018/19 ENCTS patronage declined by 31% and*

*has accounted for 47% of combined patronage decline (including fare paying, child and ENCTS passengers)."<sup>1</sup>*

*"ENCTS decline has largely been driven by local and national changes to pass restrictions but also increased ownership of private vehicles by older people. ... In addition, the Government has not provided the necessary level of funding to transport authorities including SYPTE to reflect the cost of concessionary travel, which has added to the financial burdens on SYPTE and bus operators. Combined, this has created a significant exit from the bus network of passengers who have been using services which were on the cusp of viability."<sup>2</sup>*

- 2.2 The following paragraphs set out the activities suggested for the Board to consider.
- 2.3 **Better and More Accurate Service Data** – passengers respond positively to accurate data about services, particularly at times of disruption. Operators and SYMCA have invested in improvements to apps and digital data in recent years and work is currently ongoing on improving TSY's web-based customer information tools. If the proposed bus fare cap promotes new users, there is the opportunity to promote apps and improved and seamless digital media as an effective and reliable way to get relevant travel information and give greater planning and travel assurance to less experienced travellers.
- 2.4 **Accessing Information** – one issue that has arisen is the volume of different sources and variety of information available on buses across South Yorkshire, meaning that passengers often default to Google or similar, where the information, particularly in terms of disruption, is not as accurate. The Development Group suggested investigating the provision of a QR code at each bus stop or 'touchpoint' with the bus network that would take a passenger directly to the relevant app or website for that location. This would still utilise existing apps and websites, but provide a single access point for the information, making it easier, particularly for new passengers.
- 2.5 **Bus Priority** – the Development Group acknowledged that there is a separate programme of bus priority measures within the EPS and that such infrastructure was likely to take longer than 6 months to deliver. However, an issue often raised by operators and passengers, is the abuse of current restrictions, such as parking in bus lanes, that has a negative impact on reliability. There is the potential to have a programme of increased enforcement of existing bus priority measures, which should help improve reliability at a time when new passengers are being encouraged.
- 2.6 **Bus Detection** – at a number of locations, there is already bus detection which allows additional priority to be given to late-running buses at traffic signals in an attempt to improve reliability. The Development Group thought that they may be merit in revising the criteria for detection, for example, moving from, say, 5 minutes late to 3 minutes late, to provide additional priority.

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<sup>1</sup> *South Yorkshire Bus Review*. South Yorkshire MCA. Available at: <https://southyorkshire-ca.gov.uk/getmedia/2b2b8b2d-718d-485d-8c81-179535fbf335/Bus-Review-Report-June-2020.pdf> page 22 (bus operator data) (Accessed: 9 September 2022)

<sup>2</sup> *South Yorkshire Bus Review*. South Yorkshire MCA. Available at: <https://southyorkshire-ca.gov.uk/getmedia/2b2b8b2d-718d-485d-8c81-179535fbf335/Bus-Review-Report-June-2020.pdf> page 22 (bus operator data) (Accessed: 9 September 2022)

- 2.7 **Targeted Marketing** – the announcement of the £2 flat fare was welcome, but there is the opportunity to use this commitment to do some more targeted marketing in South Yorkshire, potentially linked to the cost-of-living crisis. For example, comparing the cost of travel by bus with the cost of travel by car for, say, a young family, may well help to underline the value of the bus and drive new demand. Leisure and weekend travel were seen as suitable areas to target too. Consideration was also given to the disproportionate slow post-Covid return of ENCTS users to the bus network, with potential causes linked to user confidence or reduced awareness of ENCTS pass eligibility following Covid. The causes will be further investigated to support a targeted effort to attract ENCTS users back to the network. A Communications Plan is being developed for the EPS and the Development Group considered that this opportunity should be factored into that plan.
- 2.8 **Seasonal Discounts** – the flat fare is due to start in January 2023, but the Development Group suggested that the Board consider the merits of introducing this earlier within South Yorkshire to capture the Christmas and New Year travel market. Often at this time of year, Local Authority parking charges are reduced or waived at certain times, but the Development Group suggested that it could be better to use any such funding to reduce public transport costs this year instead (or as well as).
- 2.9 **Price Differential** – non-users often perceive the bus to be a more expensive and inconvenient option. Allied to improvements in information and data provision, the Development Group thought that being more specific about the price differential between the flat fare and the cost of an alternative journey by car, would be useful within any marketing material. Although this approach had been considered before, the publicity around the £2 fare would provide a simpler comparison for most common journeys.
- 2.10 **'Tap and Cap'** – data is still awaited on the 'tap and cap' trial in Doncaster, but the Development Group felt that operators should consider if this can be introduced across South Yorkshire. An early region-wide introduction is not likely to be a multi-operator, multi-mode system that would be the ultimate aim, but it should help speed up boarding times and hence improve reliability, as well as being easier for passengers.
- 2.11 **Targeted bus service improvement areas** where there is local potential to grow market (to break cycle of decline and demonstrate what is possible), this could be informed by economic activity data and done on a trial basis or through Demand Responsive Transport piloting.
- 2.12 **Early wins on ticketing and fares**, including TravelMaster only periods, inter-operable tap and cap, upgrade to the TravelMaster app to enhance the travelling public perception of an integrated network (one stop shop) and flat fares around Sheffield and ticket pricing relative to TravelMaster.

### 3. Key Risks/Issues

- 3.1 At present, the trend for passenger numbers in the EPS is falling behind what is likely to achieve the target. Failure to act swiftly will make the task of achieving the target harder, and potentially miss the opportunity to complement the planned £2 flat fare cap in early 2023.

In parallel, medium to longer term opportunities should continue to be developed to ensure demand has the best chance of recovering in a sustainable way in the longer term.

#### **4. Action(s) Required from Enhanced Partnership Board**

- 4.1 The Board is invited to discuss the initial ideas, to provide feedback and to give senior level commitment to the suggested activities that could be included in a Demand Recovery Action Plan. This enables the EP Development and Operating Group to further work on outcomes, timescale and resource to help prioritise the potentially most impactful actions for progression and present a more detailed plan for endorsement at the meeting on 29 November 2022.

#### **5. Financial and Procurement Implications and Advice**

- 5.1 None as a result of this paper, although some of the activities may have financial implications if taken forward.

#### **6. Legal Implications and Advice**

- 6.1 None as a result of this paper.

#### **7. Human Resources Implications and Advice**

- 7.1 None as a result of this paper.

#### **8. Equality and Diversity Implications and Advice**

- 8.1 The EPP sets out the region's plans for improving accessibility across the bus network and on board our services and the EPS is the means by which these improvements will start to be delivered.
- 8.2 Under section 149 of the Equality Act 2010, in agreeing any actions relating to the EPP and the EPS, the Board should have due regard to the need to:
- i. Eliminate discrimination, harassment and victimisation;
  - ii. Advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
  - iii. foster good relations between those who share a protected characteristic and persons who do not share it.

#### **9. Climate Change Implications and Advice**

- 9.1 The EPP sets out the scale of change required to meet the region's net zero targets by 2035. At present the region does not have any zero emission buses and the EPP identifies the trajectory, costs and initial projects that could begin the transition from diesel to alternative fuels – some of these initial projects are included in the EPS.
- 9.2 Any increase in bus patronage will contribute to the long-term stability of the public transport network which is an essential element of the drive to meet the stated net zero targets.

**10. Information and Communication Technology Implications and Advice**

10.1 None as a result of this paper.

**11. Communications and Marketing Implications and Advice**

11.1 None as a result of this paper, but the Board should be aware that a separate Communications Plan for the EPS is being prepared.