

Enhanced Partnership Board

Tuesday, 09 May 2023

Update on EP Programme Delivery

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan of Key Decisions?	Not a Key Decision

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Executive Summary

The Enhanced Partnership (EP) has agreed to structure its discussions around a regular update on progress against agreed project deliverables and targets. This report provides a progress update since the last EP Board on 21 March 2023.

The paper focuses on the following areas where progress is behind schedule:

- Bus priority
- New service trials
- Demand response transport trial
- Identification of new park and ride sites and transport hubs
- Ticket simplification
- Introduction of multi-operator tap and cap electronic payment systems.

The paper also highlights that while patronage continues to grow slowly, and reliability is relatively close to target, punctuality has remained low at 78.6% (12 months average to March 2023). The target is 95%.

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

The Enhanced Partnership has been created to achieve a step change in the performance of the bus network in the South Yorkshire region. In time, its success will significantly enhance the passenger experience for public transport users. This in turn will support growth in bus patronage, and help it to achieve long-term financial sustainability.

Recommendations

It is recommended that Board members:

1. Note the updates on the delivery of specific commitments in the EP programme and performance against agreed network targets provided in this paper.
2. In relation to the 6 key areas of delayed delivery highlighted in this report, agree any additional actions required over and above those set out in this paper.

1. Background

1.1 This paper updates the Board on progress against:

- The specific deliverables in the published EP Scheme (Appendix 1)
- Additional commitments in the Refreshed EP programme agreed by the EP Board on 29 November 2022 (Appendix 2)
- The network performance targets set out in the BSIP and EP Plan (Appendix 3).

2. Analysis

2.1 The following paragraphs provide commentary on the 6 key areas where delivery of agreed measures is significantly behind schedule – the areas identified as red in Appendices 1 and 2. In each case, the paper sets out which agency has lead responsibility, the reasons for the delay, an assessment of what would be required to get the project back on track, and proposed actions.

2.2 Bus priority

Lead

Bus priority schemes are primarily the responsibility of local authorities to deliver, although in the case of the A61, A630 Doncaster and iPort bridge projects, SYMCA is the lead agency. Bus lane enforcement and decisions on operating hours are the local authority's responsibility.

Causes of delays

Delays have been caused by a number of site factors and cost escalations. In addition, in some cases consultation has led to proposals being delayed or amended.

There have also been delays in implementing the proposal in the Refreshed EP of consistent bus lane operational times (0700 - 1900, 7 days) with camera enforcement. These are not yet standard across South Yorkshire.

What would be required to get the project back on track?

Progress in delivering bus priority measures requires delivery agencies to drive through agreed and funded proposals, while still taking account of consultation responses. Evidence of the economic impacts of bus priority measures, including on bus services, is important to inform these decisions. Funding is generally available, although some projects have experienced cost escalations. There is some unallocated CRSTS funding which could be considered for additional bus priority measures.

Proposed actions

Bus priority measures are a crucial part of making bus services more attractive and achieving mode shift. It is recommended the programme is not just retained but expanded, using a proportion of unallocated CRSTS funds, and informed by robust data on the key corridors where congestion affects the greatest numbers of bus passengers.

Council portfolio leaders are to be invited to a workshop following the local elections to consider the role of bus priority and the economic impacts on local businesses, bus services, passengers and other road users. SYMCA has initiated research to inform this discussion.

Bus operators are strongly encouraged to provide evidence in relation to specific proposals on the costs of congestion and the potential savings that bus priority will bring. They are also encouraged to enter into reinvestment agreements so that savings from the introduction and improvement of bus priority measures are ringfenced for improved bus frequencies and services in the local area.

2.3

Network development – trials of new services

Lead

The trialling of new commercial routes and route extensions is the responsibility of operators. SYMCA is responsible for augmenting the network through contracted services, and for seeking funding for these services from government.

Causes of delays

Operators have been clear that their focus is stabilising the current commercial network given the slow recovery in patronage since Covid (still 20% less than pre-Covid levels), the corresponding reduction in farebox revenue this has caused, and increases in input costs. The other key cause of commercial service reductions in the recent past, a shortage of drivers and other operational staff, has somewhat eased. Nonetheless, there have been no significant new commercial services or service enhancements since the EP was formed.

SYMCA has sought additional government revenue support for services, but this has to date been unsuccessful. The recent tender round has attempted to maximise the benefits from services that are supported given the limited funding available, and continuing need to support formerly commercial services that were cut in 2022. This has not allowed any significant service enhancements or expansions. Without an extension to the Bus Recovery Grant from July 2023, we anticipate further network contraction.

What would be required to get the project back on track?

Ultimately, sustained provision of new and enhanced commercial bus services will depend on attracting more fare-paying passengers to use bus services across the network. In the short term, operators are best placed to take commercial risks in enhancing services in order to grow patronage.

Increasing the size of the tendered network requires increased government funding.

Proposed actions

The EP programme should retain an expectation that operators take on commercial risk in order to grow the network.

Operators should review opportunities for augmenting their networks and discuss bilaterally with SYMCA what might be possible, when, and on what basis.

SYMCA will continue to seek additional government revenue support through all available channels.

2.4

Demand response transport trial

Lead

A trial of new demand responsive services is very unlikely to happen without public subsidy, given likely costs and revenues, as borne out by experience elsewhere. The lead for a DRT trial therefore rests with SYMCA as part of the tendered service portfolio.

Causes of delays

The proposal in the EP Scheme to initiate a DRT trial was explicitly subject to a successful LUF bid. Unfortunately, this bid was unsuccessful. It would be possible to fund the capital costs (vehicles and software) from unallocated CRSTS funding, but there is still a need to find alternative sources of revenue funding.

We will be looking at the opportunities to release funding for a DRT trial as part of the current tendering round, notwithstanding the severe pressure on the tendered services budget.

What would be required to get the project back on track?

Trialling new DRT service requires new revenue funding. Once funding has been identified, selection of an appropriate trial will focus on areas where mainstream services are difficult to support financially.

Proposed actions

SYMCA is continuing to pursue a bid to government for additional revenue support which would include funding for a DRT trial.

We will discuss with the MCA Board options for top-slicing resources from the current tendering round.

2.5

Identification of new park and ride sites and transport hubs

Lead

The identification of new park and ride sites and transport hubs is a shared responsibility between SYMCA and councils. Park and ride sites are significant investments that need to be carefully chosen as part of an integrated transport and land use strategy for the region. The lead for transport strategy is SYMCA, and the lead for land use planning is the local authority. The practical development of park and ride and transport hub proposals consistent with such a strategy is likely to be shared between councils and SYMCA.

Causes of delays

The current transport strategy and local transport plans do not provide a strong basis for developing new park and ride proposals. It is important to recognise that a number of the current park and ride facilities are significantly underutilised.

A new Local Transport Plan for South Yorkshire is in the early stages of development.

What would be required to get the project back on track?

There is a long lead time from identifying the strategic locations of potential park and ride sites to their funding, construction and servicing. This needs to sit within strategic transport and land use planning processes.

Proposed actions

It is proposed that future park and ride proposals are considered through the Local Transport Plan refresh process, and in conjunction with land use plans.

2.6

Ticket simplification

Lead

Operators are required to operate independently in decisions on tickets and fares. However, they are able to collaborate on multi-operator tickets, and in practice do so through TravelMaster. Responsibility for ticket simplification therefore rests primarily (and legally) with operators and the TravelMaster board.

SYMCA is able to influence ticket prices for passengers if it decides to subsidise part or all of the cost of commercial tickets, for example the £2 fare cap, the concessions scheme, and the 2021 “summer sale” of period passes.

There is a specific issue on the pricing of single tickets once the government £2 cap ends, as background single ticket pricing is currently complex. Again, this is a decision for operators, although SYMCA has modelled and shared a simplified fare structure that operators may be in a position to consider.

Causes of delays

SYMCA, key operators and TravelMaster have undertaken further discussions since the last EP Board on 21 March, as agreed at that meeting. These discussions have concluded:

- Multi-operator product prices would need to be reduced to attract significant numbers of passengers that currently purchase operator-own products. Operators are unlikely to remove their own products without such a price reduction, in part because this would force passengers onto higher-priced products.
- Reduced multi-operator product prices are likely to require subsidy. SYMCA does not have any specific budget for subsidy, but is exploring government funding.
- Even with a reduction in the price of multi-operator products, operators may not decide to remove their own products. This is because of the different geographical coverage of many operator-own tickets (eg into Derbyshire and West Yorkshire locations). Removal of these tickets would disadvantage travellers wishing to travel outside SY.
- Marketing of multi-operator products would help achieve some switch from operator-own products. However, the £2 fare experience suggests that many passengers are price-sensitive, and that they won't move voluntarily unless they perceive TravelMaster products to be better value-for-money.

What would be required to get the project back on track?

A significant simplification of tickets will require the removal of a large number of operator-own products following reduction in multi-operator ticket prices. The latter is likely to require subsidy, at least on a tapering basis.

Significant removal of operator-own tickets is also likely to require expansion of some multi-operator products to more closely match the geographic extent of some operator-own products into regions outside South Yorkshire.

Proposed actions

The following actions are proposed:

1. In the light of the SYMCA modelling, operators are encouraged to review their own single fare structures, and the potential adoption of common single fare zone boundaries. New fare structures would need to be in place at the end of the £2 fare cap, currently expected by July 2023.
2. TravelMaster is requested to evaluate whether any of its products could be removed or combined. TravelMaster is also requested to consider whether individual product prices across their product range could be reduced to the point that incentivises passengers to switch, and whether there is a case for subsidy. SYMCA will seek a response on these issues following the next TravelMaster Board meeting in May 2023.
3. Marketing of TravelMaster products, over and above operator-own passes, is proposed as part of the 2023/24 marketing programme to accelerate the process of passengers choosing the multi-operator option, and thereby provide a greater incentive for operators to decide to remove their own products.

2.7

Introduction of multi-operator tap and cap electronic payment systems

Lead

Operators are responsible for on-board electronic ticketing and sales equipment on commercial services. SYMCA has a role in relation to the requirements for

tendered services. In addition, SYMCA has responsibilities in relation to the operation of the concessionary pass scheme, the issuing of smartcard passes, and the operation of Ticket Vending Machines at interchanges. The government is supporting West Midlands Combined Authority/operators on the development of the Project Coral tap and cap ticketing framework for use across the country.

Operators and SYMCA have agreed under the EP to introduce tap and cap payments, initially for single-operator travel, but eventually to a full multi-operator tap and cap environment. Unless operators in South Yorkshire adopt a long-term flat fare policy following the end of the £2 fare cap, tap and cap is likely to require tap-off as well as tap-on readers.

Causes of delays

The EP Scheme adopted very ambitious targets for the rollout of tap and cap payment systems. First has installed the necessary on-board equipment, including tap-off readers, but has yet to activate due to the introduction and extension of the £2 fare cap which has reduced the benefits in the short term. Stagecoach and most other operators have yet to install tap and cap/tap on tap off readers.

There have also been delays in the government/operators' Project Coral, and there remain wider issues that need to be resolved at the national level, such as the adoption of standards for barcode specifications and ITSO-compliant mobile phone apps to allow stored value on mobiles.

What would be required to get the project back on track?

Introduction of multi-operator tap and cap requires remaining operators to equip their vehicles with the necessary equipment. This includes tap-off readers if flat fares are not to be adopted by operators in South Yorkshire, which would be challenging given the size and diversity of the network. It requires the conclusion of Project Coral nationally, and the adoption of a number of national standards. It also requires a commitment from all parties to the commercial negotiations that would be needed to underpin the back-office reimbursement system.

Proposed actions

It is inevitable that there will be further delays given the above issues. It is proposed to move as fast as possible once the national issues have been resolved, and once Stagecoach and other operators have installed the required on-board units.

3. Performance Dashboard

3.1 The performance dashboard in Appendix 3 highlights modest growth in passenger numbers (62 million rolling annual average, up from 61 million reported at the last EP Board meeting, and against a 2024/25 target of 77 million). There has also been a further small improvement to reliability, from 97.5% to 97.6% against a target of 99.5% (annual rolling averages).

Conversely bus punctuality has remained low at 78.6% (12 months average to March 2023). The target is 95%.

4. EP Scheme variation

- 4.1 It is proposed to develop a formal variation of the EP Scheme for consideration at the EP Board meeting on 4 July 2023. This will include potential addition of new proposals, deletion of completed proposals, and adjustment of delivery timelines where appropriate.

5. Recommendations

It is recommended that Board members:

1. Note the updates on the delivery of specific commitments in the EP programme and performance against agreed network targets provided in this paper.
2. In relation to the 6 key areas of delayed delivery highlighted in this report, agree any additional actions required over and above those set out in this paper.

6. Consultation on Proposal

- 6.1 Not applicable as a discussion paper only.

7. Timetable and Accountability for Implementing this Decision

- 7.1 Not applicable as a discussion paper only.

8. Financial and Procurement Implications and Advice

- 8.1 No financial or procurement decisions are recommended in this paper. Any financial implications resulting from schemes and proposals referred to in this paper will be subject to their own financial and policy approval processes.

9. Legal Implications and Advice

- 9.1 Not applicable as a discussion paper only.

10. Human Resources Implications and Advice

- 10.1 Not applicable as a discussion paper only.

11. Equality and Diversity Implications and Advice

- 11.1 Not applicable as a discussion paper only.

12. Climate Change Implications and Advice

- 12.1 Not applicable as a discussion paper only.

13. Information and Communication Technology Implications and Advice

- 13.1 Not applicable as a discussion paper only.

14. Communications and Marketing Implications and Advice

14.1 Not applicable as a discussion paper only.

15. List of Appendices Included

Appendix 1	Progress with EP Scheme deliverables
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Appendix 2	Progress with Refreshed EP deliverables
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Appendix 3	EP performance dashboard (April 2023)
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