

Local Enterprise Partnership

01 July 2021

Public Transport in South Yorkshire – Policy, Investment and Opportunity

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

Director Approving Submission of the Report:

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Executive Summary:

This report provides an overview of the key opportunities and challenges facing public transport in South Yorkshire together with the government's public transport policies and funding streams to deliver improvements.

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

Public transport enables people to access employment, education and community facilities and supports businesses to access labour and move goods and services to market. Public transport can contribute to achieving wider goals of economic growth, social inclusion and decarbonisation.

Recommendations:

To discuss the current context for public transport planning and how public transport investment can contribute to the delivery of the Strategic Economic Plan.

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

- 1.1 Public transport connects our residents and communities to employment, education, leisure and community facilities. In facilitating movement within and outside South Yorkshire public transport contributes to a wide range of our common objectives such as economic development, social inclusion and net zero ambitions. This report provides short updates on key public transport headline issues, with a particular emphasis on bus, to enable discussion with LEP Board members.
- 1.2 The SCR Transport Strategy sets out that around 9% of journeys to work in the city region are by bus, 1% by tram and 2% by rail. 71% of people travel to work by car and 12% cycle or walk. The Transport Strategy commits to increasing trips by sustainable modes. The MCA's Net Zero Plan recognises the need for a 25% reduction in total travel demand by 2030, a reduction in the number of car miles by 25% by 2040 freight mile reduction of 30% by 2040 and all vehicles using our roads to be 100% zero emissions by 2035. To achieve this modal shift our public transport system needs to be reliable, affordable and connected.
- 1.3 **Connecting Communities by Bus**
In 2020 the Mayor Commissioned an independent review into the bus system in South Yorkshire. The Review painted a picture of a bus system in decline with passenger journeys declining by 23million in the past ten years and funding falling by 48% in the same timeframe. The report concluded that there needed to be long term vision and strategy to improve frequency, reliability and connectivity as well as addressing investment, leadership and accountability issues.
- 1.4 **A Modern Tram System**
In 2019 tram punctuality was at over 90% and reliability at over 99% with high levels of customer satisfaction, however, the tram system does not achieve the highs of passenger numbers of a decade ago (in 08/09 15m passenger journeys compared to 10.5 in 19/20). Built in the early 1990s, the tram system also needs to be renewed as significant elements of the system have reached the end of their working life.
- 1.5 Both bus and tram systems have required significant subsidy during the pandemic due to the effect on patronage of restrictions on movement and social distancing and are likely to have reduced patronage for a significant period of time. The commercial sustainability of both bus and tram networks is critical to the region, particularly as the current tram concession comes to an end in 2024 and the MCA likely becomes exposed to the commercial revenue risk of the operations.
- 1.6 **National Bus Strategy and Enhanced Partnership**
The government has set out a new policy framework for bus, the National Bus Strategy, which will require the SCR MCA to develop an ambitious Bus Service Improvement Plan (BSIP) by October 2021. Underpinning this will be a requirement to enter into, as a minimum, an Enhanced Partnership with the operators in order to continue to receive Government funding. The MCA agreed this on the 7th June 2021.
- 1.7 An Enhanced Partnership is a statutory arrangement under the 2017 Bus Services Act between a local transport authority and local bus operators to work together to improve local bus services tailored to local needs. It includes a clear vision of the

improvements that the Enhanced Partnership is aiming for and accompanying actions to achieve them.

1.8 **Bus Service Improvement Plan**

The Government has set out what it expects to see in a Bus Service Improvement Plan. The BSIP will need to set out plans for bus lanes (full time, continuous) on any roads where there is a frequent bus service, congestion, and physical space to install one with other measures such as traffic signal priority, bus gates, clear and consistent signage. These ambitious schemes will require political commitment and significant capital investment. Government funding will only be available to those places entering into Enhanced Partnerships and allocations will be awarded from the Government's £3bn for buses.

Government has not set out a similar route map for tram systems but our investment plans need to focus on the recovery of tram and future investment as well as bus with tram presenting a greater financial risk to the region in terms of potential levels of long term subsidy.

1.9 **Improving the Rail System**

We await the publication of the Integrated Rail Plan for the Midlands and North which will set out the Government's policy approach to the integration of HS2 Phase 2b and wider transport plans in the North. Work continues on plans to maximise the benefits of Northern Powerhouse Rail, for example, through new stations in Rotherham and Barnsley Dearne Valley. The Williams-Shapps Review of Rail will see new partnerships between Great British Railways and local and regional government to allow places to have a greater say in how the railways are run in their area and support initiatives such as integrated ticketing and additional services or infrastructure.

1.10 **Our Road Network**

The Government's 'Gear Change' **active travel** policy published last year set out a presumption that all new highways schemes will deliver or improve cycling infrastructure unless it can be shown there is no need for this. In the coming months in concert with the development of the BSIP we will set out how we intend to use our roads to deliver growth, inclusion and environmental sustainability.

1.11 **Funding Opportunities**

The MCA has submitted a Levelling Up Fund bid for £50m in June 2021 focused on improving the public transport passenger experience. The focus over the coming weeks is to put together the South Yorkshire proposal for the Intra-City Transport Settlement, a £4.2bn five year transport fund available to MCAs delivering on the ambitions set out in the SCR Strategic Economic Plan and Transport Strategy. The Government has committed £3bn to improve bus services in England and £2bn for active travel investment.

2. **Key Issues for discussion**

2.1 **The availability of significant capital funding for transport** over longer time frames requires a multi-year multi fund approach to investment planning. This work has started with the creation of a single repository for transport schemes populated with submissions from across South Yorkshire. This provides an overview of the pipeline and enables the matching of schemes to particular funding opportunities.

This work is of immediate importance given the ICTS submission. A rapid increase in the funding available has highlighted the need for more early stage investment in the development of schemes.

- 2.2 There are significant issues ahead for the MCA particularly related to maximising public transport **patronage recovery post Covid19**. The opportunity lies in responding to Covid19 with transport systems that reflect the new patterns of work and travel. Board members might want to discuss how to maximise growth potential.
- 2.3 Public transport investment will support and **drive recovery and growth** by way of example the MCA Board agreed to extend the existing 11-18 year old young persons' concession on a time-limited basis to include all those age 21 and under, entitling them to pay an 80 pence single fare. This will support younger people who have been particularly hard hit by the pandemic.
- 2.4 Underpinning the government's policies is a commitment to **behaviour change** through enabling choice. Covid19 stimulated an increase in the popularity of cycling and walking. Government wants to embed these changes and lock in permanently increased levels of active travel particularly in our towns and cities through schemes such as Active Travel Neighbourhoods.
- 2.5 **Government capital investment in transport will provide commercial opportunities for businesses through the supply chain.** The use of new technologies and business models will likely come to the fore as city regions examine innovative opportunities to design more responsive and flexible services. This might range from demand responsive transport models in bus to flexible information provision and integrated ticketing options that reflect changed work patterns. This investment will also stimulate skills upgrading and new employment opportunities.
- 2.6 **A commercially sustainable transport network is critical.** Government's commitment to ongoing subsidy is uncertain, with a differentiation in the level of support shown for bus over tram. From 2024 the MCA will likely be exposed for the first time in over a decade to the commercial performance of the tram system as the current concessionary arrangement comes to an end. The MCA's ability to support the network through locally raised funding will likely remain constrained.

3. **Options Considered and Recommended Proposal**

- 3.1 **This report is for discussion only**

4. **Consultation on Proposal**

- 4.1 This report is for discussion only.

5. **Timetable and Accountability for Implementing this Decision**

- 5.1 This report is for discussion only.

6. Financial and Procurement Implications and Advice

6.1 This report is for discussion only.

7. Legal Implications and Advice

7.1 This report is for discussion only.

8. Human Resources Implications and Advice

8.1 This report is for discussion only.

9. Equality and Diversity Implications and Advice

9.1 This report is for discussion only.

10. Climate Change Implications and Advice

10.1 This report is for discussion only.

11. Information and Communication Technology Implications and Advice

11.1 This report is for discussion only.

12. Communications and Marketing Implications and Advice.

12.1 This report is for discussion only.

List of Appendices Included

None

Background Papers:

None