



WEST MIDLANDS
COMBINED AUTHORITY

Board Meeting

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| Date | 17 February 2017 |
| Report title | West Midlands Bus Alliance Annual Report |
| Cabinet Member Portfolio Lead | Councillor Roger Lawrence – Transport |
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| Report has been considered by | WMCA Programme Board |

The Combined Authority Board is recommended to:

1. Note the progress made during the first 12 months of the West Midlands Bus Alliance, in particular successes in reducing emissions, developing smartcard ticketing, ongoing improvements in vehicle quality and the delivery of a number of successful schemes to improve journey times and reliability.
2. Note the challenges presented by increasing congestion, the impact this has on punctuality and journey times, and the knock-on impact on passenger satisfaction and patronage.
3. Agree the proposal for a formal Alliance partnership delivery agreement to support the delivery of further initiatives over the next three years (para 5.15).

1.0 Purpose

- 1.1 This is a report from the Transport Delivery Committee and provides an update to the Combined Authority on the work and effectiveness of the five-year West Midlands Bus Alliance after its first full year.

2.0 Background

- 2.1 Buses are essential in keep the West Midlands moving. On average, 10% of all trips by West Midlands residents are made by bus, which represents 84% of all public transport trips.
- 2.2 In 2014 the West Midlands Integrated Transport Authority (WMITA) decided to review its bus policy. Following an in-depth review, a series of bus policy objectives for the West Midlands metropolitan area were agreed by the WMITA at its meeting on March 18th 2015. The objectives include commitments to improve bus quality, ticketing, training, reviews of the network, working practices and highways interventions. The outcome of these objectives should be to increase bus patronage and improve peak bus journey times for buses as outlined in appendix 1.
- 2.3 Following a robust review of delivery mechanisms and comprehensive analysis of various options, the West Midlands Bus Alliance was established following a recommendation from the ITA at its meeting on 17th September 2015 as the best way of delivering these objectives. It was resolved that a regular progress report should be submitted to the WMITA (now WMCA). The Alliance strengthens the relationship between the region's key partners with strong governance and shared responsibility for the delivery of objectives.
- 2.4 The Bus Alliance Board meets every two months and is accountable for creating the environment in which the WMCA policy objectives can be delivered between 2016 and 2020. It consists of representatives from Transport Delivery Committee, Bus Operators, Strategic Transport Officers Group, District Traffic Managers, Police, Local Enterprise Partnership, Department for Transport and Confederation of Passenger Transport. It is independently chaired by national public transport watchdog Transport Focus. The DfT have an observing role, as they are interested to learn how the Alliance model can be supported by the emerging Bus Services Bill. The Board is supported by a number of sub-groups who have responsibility for delivering initiatives on a day-to-day basis that contribute towards the successful achievement of the objectives.
- 2.5 The first meeting of the Board was in November 2015 and this report covers activities up to the end of 2016.

3.0 Impact on the Delivery of the Strategic Transport Plan

- 3.1 The Bus Alliance is delivering on many improvements to the transport system in accordance with the strategic transport plan's overall approach of making better use of existing transport capacity and increasing sustainable transport capacity. Bus is the most used form of public transport in the West Midlands, and although this number is in decline over 260m passenger trips are made per year with over 20% of trips into strategic centres made by bus. Positive work is progressing in accordance with paragraphs 4.41 and 4.43 of the plan:

- *Organisational changes around rail and bus will help delivery and operation of this affordable-to-use, integrated public transport system.*
- *For bus, this is through: an effective delivery agent in the Combined Authority working closely with highway authorities; and by the Combined Authority seeking to ensure the best of the private and public sectors working together to deliver world-class bus services. The new strategic bus alliance in the West Midlands provides a sound basis to make this aim a reality.*

4.0 Wider WMCA Implications

- 4.1 The West Midlands Bus Alliance only covers the West Midlands metropolitan area, however a number of bus services operate across boundaries into the wider Combined Authority area so will benefit as a result of service improvements.
- 4.2 A similar model could be used by Local Transport Authorities to develop bus services in the wider Combined Authority area if deemed appropriate.

5.0 Progress

- 5.1 Key Performance Indicators (KPIs) have been developed for each of the objectives outlined in Appendix 1. These can be tracked to measure the effectiveness of the Alliance and assess where greater attention is required.
- 5.2 A report outlining progress against the KPIs was presented to the Bus Alliance Board in November 2016 to outline progress to date. This is attached in Appendices 2 and 3. The main outcomes are summarised below.

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|  <p>Cleanest Euro V & VI buses 41%  34% Jan '17 from Nov '15</p> | <p>Ongoing investment from bus operators through the purchase of new buses and retro-fitting exhaust traps to older buses means that over 40% of vehicles now meet the Alliance target of Euro V or better, significantly reducing harmful emissions (para 5.8)</p> |
| <p>Simplified core routes NWM brand awareness 84%  7%  15/16 from 14/15</p> | <p>Familiarity with the Network West Midlands amongst West Midlands customers continues to increase, meaning there is strong brand awareness which the Alliance can build on.</p> |
| <p>Non-concessionary Swift Bus Journeys:  Jan '16: 3% Nov '16: 14%</p> | <p>The number of customers using Swift smartcards to make their bus journeys is increasingly huge as more and more products become available on this platform (para 5.9)</p> |
| <p> Customer Satisfaction: 87% Spring 2016</p> | <p>Overall customer satisfaction scores remain high, despite a decline in satisfaction with journey times, which continue to increase due to rising congestion (para 5.4 and 5.5).</p> |
| <p> Patronage: 263m boardings - Oct 16  3% in 12 months</p> | <p>Patronage remains in decline, due in part to falling numbers of concessionary pass holders using the bus regularly due to greater numbers of older people having driving licenses, but also due to lengthening journey times making bus travel less attractive (para 5.3)</p> |
| <p> Average journey speed:  0.7% in 12 months</p> | <p>Due to increasing congestion, journey times continue to increase, which impacts on passenger satisfaction, patronage and resource requirements to maintain service levels (para 5.5)</p> |

5.3 Patronage. Since the Bus Alliance was established in November 2015, bus patronage in the region has fallen from 270.3m to 262.7m annual boardings in October 2016; a drop of 3%. This is a similar pattern to that across the rest of the UK during 2016, including in London which historically had been the only area experiencing increasing passenger numbers. The Bus Alliance Board have reviewed reasons for this. Significantly, the number of concessionary pass holders using the bus has declined by 4% across the period. This aligns with increasing numbers of older people having driving licences, particularly women, which is reducing the amount of bus use within this age group. Commercial patronage (paying passengers) has reduced less, by just under 2% and there are several reasons for this. Lengthening and unreliable journey times as a result of congestion have had a notable impact on customer satisfaction and continue to make bus travel a less attractive option. There has also been a general reduction in journeys overall into some of the region's smaller retail centres, aligned with continued increase in online shopping. Operators have also reported an impact on patronage, particular in the evenings as a result of Uber – indeed, the number of journeys made in taxis and private hire vehicles is at a record high. The only area of the West Midlands to see an increase in patronage over the past year has been Coventry where levels of congestion and its impact on bus services is generally lower, partly due to extensive bus priority. Despite falling patronage, in Birmingham there has been a slight increase in the modal share that bus has compared to other modes so bus

continues to be one of the most important ways for people to reach Birmingham City Centre.

- 5.4 Bus passenger satisfaction is monitored twice annually through Transport Focus's independent National Passenger Survey. Overall satisfaction in the West Midlands is 87%, so remains above the Alliance target of 85%. The Spring 2016 survey saw increased satisfaction in helpfulness of drivers, which has steadily increased over the last three years due to a concerted effort from operators to raise standards. There was also an increase in overall satisfaction with value for money, partly due to fares being reduced on a number of off-peak products but also due to the ongoing significant investment being made in new quality vehicles by National Express West Midlands (NXWM). On their 'Platinum' branded services, with wi-fi, leather seats and extra leg room, satisfaction is consistently above 95% and patronage has increased on those routes accordingly. Bus operators invested over £23m in over 100 new buses in 2016, 96 of which were Platinum.
- 5.5 Improvements in overall quality scores are offset by a continued decline in satisfaction with journey time. Average bus journey time across the network increased by 0.7% in 2016, which is the continuation of a long term trend over the last ten years. Increasing congestion is a national issue, but in the West Midlands particularly affects journeys into Birmingham City Centre and Black Country centres. Birmingham is partly a result of the extensive redevelopment work that has been ongoing, for example at Paradise Circus, but there have also been ongoing roadworks on the motorway network which have impacted on local roads and utility works across the network. Department for Transport statistics also show that traffic levels across the metropolitan area are at a record high level to above pre-recession levels, with over 5% growth recorded during the last five years. Understanding how partners can best work together to tackle congestion has therefore been a key focus of the Bus Alliance in the first year, with a number of working groups established to understand the scale of the challenge and how these problems can best be addressed to improve resilience across the network.
- 5.6 In order to mitigate this there have been a significant number of interventions where highway schemes have helped to reduce some of the impacts of congestion on bus passengers. These are listed in appendix 4. The largest scheme delivered was a new bus lane on Lode Lane, the main road into Solihull Town Centre from the north. This was identified by partners as causing significant delays to bus services at peak times and with 52% of users of this corridor travelling by bus in the peak addressing this was prioritised. Solihull Council led the scheme to develop the 1.5km bus lane, partly funded by the Local Growth Fund and Combined Authority. It opened in September 2016 and has reduced bus journey times by up to 8 minutes in the morning peak. To complement the scheme, National Express delivered brand new Platinum buses on to the corridor to maximise the impact of the investment, seeing patronage increase by 5%. This investment will be supported by a Statutory Quality Partnership Scheme (see para 5.11) and the Alliance will aim to deliver more schemes of this nature. Conversely, Coventry City Council have embarked on a programme to remove bus lanes. TfWM and bus operators are monitoring the impacts closely with the City Council to ensure that bus journey times and reliability are not adversely affected.
- 5.7 A focus of the Alliance in the second year of the Alliance will be to work with district highways authorities, Highways England and the Key Route Network Manager to identify more interventions to alleviate the impacts of congestion. The Alliance will aim to develop a work plan which enables the district councils to help progress more schemes that reduce bus journey times. Without this, bus journey times will continue to increase and patronage

will decline. To make most effective use of limited road space it is important that interventions are progressed to help mass transit modes compete with the growing impacts of private cars. This challenge would remain equally as important in a regulated environment.

- 5.8 **Air Quality.** Good progress has been made on initiatives to reduce harmful emissions from buses. In July the Low Emission Bus Delivery Plan was launched which outlines the challenges and opportunities associated with upgrading the region's bus fleet. This plan was instrumental in securing funding for a number of initiatives, National Express are equipping over 200 of their older vehicles with exhaust emission traps and refurbishing the buses and also investing in 20 new electric buses for delivery in 2018. All new vehicles have the cleanest available Euro VI engines, which virtually eliminate harmful all emissions. The Delivery Plan will enable these to be targeted on the most polluted routes. The key challenge in reducing emissions more quickly is funding and this was raised with the Transport Minister when he attended a meeting of the Board in September 2016. With the Clean Air Zone proposed for Birmingham City Centre, this issue remains high on the agenda and the DfT have offered to meet with Bus Alliance partners to discuss how we can work with them and DEFRA to work through some of the challenges to address the increased targets for air quality emissions mandated by DEFRA for the Clean Air Zone Birmingham City Centre.
- 5.9 **Ticketing.** Significant progress has been made on the development of the Swift smartcard ticketing system, as reported to this meeting in January. There is a further commitment from operators through the Bus Alliance to deliver contact credit/debit card payment on to bus services and also fare-capping, which is where customers are automatically charged the cheapest fare for their journey based on the number of trips they make. National Express West Midlands have procured ticket machines to support this and a seminar to scope out this work was held in January 2017. The strengthened interface with bus operators that the Bus Alliance has provided has helped to support this positive progress.
- 5.10 **Fares.** The Alliance commitment to minimise fare increases has been maintained, with overall increases kept below RPI +1% despite rising operational costs. National Express have frozen the price of their off-peak day tickets for two years and in January 2017 reduced the price of 'short-hops' by about 25%. The Combined Authority's subsidy to operators to provide child concessions helps to support lower fares for young people. Over 20,000 college students in the region get free travel passes through their colleges and National Express offer travel to students aged 18 and under in full-time education for less than £6 per week.
- 5.11 TfWM continues to input into the Bus Services Bill that is progressing through Parliament and will give powers to Combined Authorities with elected mayors to franchise (i.e. re-regulate) bus services, as well as enhancing some of the partnership powers available. TfWM has reviewed opportunities that these powers might provide and concluded there would be circumstances under which franchising could prove an attractive option:
- (i) the commercial bus market is generally unresponsive to local policy and is failing to invest
 - (ii) the public sector is making significant investment into bus priority measures without operators investing resource savings into improved services
 - (iii) the public sector wanted protect a scheme or service from competition

None of these is currently the case within the West Midlands and so it is currently felt that franchising would be of limited benefit, given the uncertainty over risks and costs involved. It was agreed at the ITA meeting in September 2015 to review this in 2020, but once the Bus Services Bill has become legislation and an elected mayor is in place, this may be reconsidered.

- 5.12 WMCA will continue to work with district council's and bus operators to deliver further Statutory Quality Bus Partnership Schemes in the region. This legislation is set to be retained and strengthened by the Bus Services Bill. It enables Local Authorities to specify minimum standards for bus services in return for pro-bus policies and infrastructure investment. The scheme launched in Birmingham City Centre in 2012 implemented a bus stop booking system which helps manage kerb space and also set minimum standards for bus emissions and vehicle quality. Consultation is planned later in 2017 for a similar scheme in Solihull to complement the recent investment made by the Council in the new Lode Lane Bus Lane and Solihull Gateway Scheme. Creating further schemes across the region will be an important strand of developing the Bus Alliance.
- 5.13 Despite falling patronage, increasing journey times and worsening reliability, the Alliance has proved very effective at bringing partners together to raise awareness of these issues and bring about improvements where it is feasible to do so. Much of this is largely an effect of external influences – e.g. a growing economy leading to worsening congestion and increasing car ownership amongst older people. These are difficult to address in the short term but aren't insurmountable if all partners work together. The Alliance Board has had success in doing this; by bringing together the local highways authorities and bus operators the impacts of Highways schemes on bus service punctuality are understood to a greater extent than ever before but it can take several years to develop and deliver schemes that have a major impact. Likewise, influencing the demographics of bus users is a longer-term goal, which is why the Alliance partners have recognised the need to focus on making bus services more attractive to younger people – including for leisure trips, which is still a growing market with users less likely to have access to a car.
- 5.14 In terms of the overall 'impact' objectives there is positive progress. Bus operators have made contributions towards highways schemes – notably the Lode Lane scheme in Solihull and some minor junction improvements in North Birmingham, with direct financial input into design work and investment in new vehicles on the basis that reducing journey time should increase patronage.
- 5.15 Now there is a clearer understanding of the key challenges we face, to support the ongoing success of the Alliance it is intended to achieve formal sign-off from partners for a number of commitments that will help deliver further success. This will include commitments from operators for further development of smartcard ticketing, vehicle investment and reducing emissions, supported by commitments from the region's local authorities to continue to identify and deliver schemes to reduce the impacts of congestion.

6.0 Financial implications

- 6.1 This report is for information and there are no financial implications.

7.0 Legal implications

- 7.1 This report is for information and there are no legal implications.

8.0 Equalities implications

8.1 This report is for information and there are no equalities implications.

9.0 Schedule of background papers

Report to West Midlands ITA, 18th March 2015: Item 8, West Midlands Bus Policy.

Report to West Midlands ITA, 16th July 2015: Item 11, Bus Governance.

Report to West Midlands ITA, 17th September 2015: Item 10, Bus Alliance.

10.0 Appendices

Appendix 1, Objectives of the West Midlands Bus Alliance.

Appendix 2, West Midlands Bus Alliance, Key Performance Indicators.

Appendix 3, West Midlands Bus Alliance, Key Performance Indicators Infographic.

Appendix 4, Bus Alliance Highways Schemes Delivered in 2016.