

Cabinet

9 May 2024

Warwickshire Bus Service Improvement Plan (BSIP) Plus Funding for 2024-25

Recommendations

That Cabinet

- 1) Approves a two-year programme (2024-25 to 2025-26) of revenue-funded measures as set out in Appendix C at a total cost of £5.466million aligned to the Warwickshire BSIP, which will be fully funded by a combined £3.394million Network North BSIP Plus for 2024-25 and £2.072million BSIP Plus for 2024-25 revenue grant allocations to the County Council awarded by the Department for Transport (DfT) in 2024-25; and
- 2) Approves the addition of the revenue-funded measures into the Warwickshire Enhanced Partnership (EP) Scheme.

1. Executive Summary

- 1.1 At its meeting on 14 September 2023, Cabinet agreed to a further report being received, seeking approval of a proposed programme of revenue-funded measures aligned to the Warwickshire Bus Service Improvement Plan (BSIP) to be funded by the forthcoming £2.072million BSIP Plus revenue grant allocation to the County Council for 2024-25, including adding the measures into the Warwickshire EP Scheme.
- 1.2 This report summarises the further progress made by the Warwickshire EP in implementing the Warwickshire EP Scheme, which comprises a programme of 'business-as-usual' measures included in the Warwickshire BSIP not dependent on receiving any BSIP funding from the DfT. The update is provided in Table 1 at Appendix A of this report.
- 1.3 This report also provides an update on delivery of the programme of revenue-funded measures aligned with the £2.072million BSIP Plus for 2023-24 approved by Cabinet in September 2023, which is presented at Table 2 in Appendix B of this report.
- 1.4 Following cancellation of the HS2 project (northern section) by the Government, part of the released funding was reinvested in the Midlands to the sum of £9.6billion. It has been announced that these monies are to be

directed at new transport projects in the North and Midlands regions, including new funding to deliver aspirations in Bus Service Improvement Plans, supporting more reliable and frequent bus services.

- 1.5 In December 2023, the DfT announced that the County Council would be allocated a further £3.394million as part of the redistribution of HS2 funding (branded Network North). This funding is in addition to the existing Phase 2 BSIP Plus funding allocations for 2023-24 and 2024-25 totalling £4.144million, as outlined in the table below:

BSIP Plus Revenue Funding Allocations to Warwickshire County Council			
Funding Strand No.	Fund	Funding	Cumulative Total Funding
1	BSIP Plus Allocation for 2023-24	£2.072million	£2.072million
2	BSIP Plus Allocation for 2024-25	£2.072million	£4.144million
3	Network North BSIP Plus Allocation for 2024-25	£3.394million	£7.538million

- 1.5 In response to concerns raised by WCC about the challenges of spending the entire 2024/25 allocation in a single year, successful negotiations were held with the DfT, and a Project Adjustment agreed. This adjustment extends the timeframe for spend of the BSIP Plus revenue allocation for 2024-25 (£2.072million) up to 2025-26, and thus, create a two-year (2024-25 to 2025-26) revenue allocation sum of £5.466million comprising:

- £3.394million Network North BSIP Plus Allocation for 2024-25; and
- £2.072million BSIP Plus Revenue Allocation for 2024-25.

- 1.6 The agreed project adjustment will benefit existing and potential bus passengers in Warwickshire by ensuring that a pipeline of bus improvements (i.e., maintaining, improving and promoting bus services and progressing supporting measures agreed with the Warwickshire EP) can be delivered within a realistic and achievable timeframe. The adjustment will also provide stability to Warwickshire's bus network by giving more certainty over funding over a longer period, avoiding the need for service withdrawals and providing the best opportunity for supported services to grow patronage and become self-sustaining.

- 1.7 WCC Officers engaged with the Council's Bus Service Improvement Plan (BSIP) Cross Party Working Group and Warwickshire EP Board to provisionally agree the proposed two-year programme of revenue measures to be funded by the BSIP Plus funding for 2024-25 and Network North BSIP Plus allocation for 2024-25 providing a total budget of £5.466million. The two-year programme is presented in Table 3 at Appendix C of this report.

- 1.8 The proposed use of a proportion of the BSIP Plus funding to support existing bus services in Warwickshire is based on a priority to maintain access to

employment sites, education, hospitals, key residential areas, medical centres, town centres, leisure amenities, public transport interchanges and places of worship. This will support continued connectivity for communities across the county, in acknowledgement of the pressure on commercial bus services in the current challenging environment where bus patronage is only 85% of pre-Covid levels.

2. Financial Implications

- 2.1 The DfT stipulated that every Local Transport Authority produce a 2024 Bus Service Improvement Plan (BSIP) to secure the release of its BSIP Plus funding for 2024-25. The Warwickshire BSIP 2024 will be considered by the Council's BSIP Cross Party Working Group and Warwickshire EP Board in May 2024 before submission to the DfT by the 12 June 2024 deadline. The process of refreshing the Warwickshire BSIP is underway. This will be a light touch refresh and will only be an update of the current document in accordance with new guidance published by the DfT. No changes will be made to the vision and BSIP outcomes.
- 2.2 County Council officers are confident that spend of the overall programme of BSIP Plus monies will be fully completed within the financial envelope stipulated by the DfT, therefore having no impact on core budgets within the County Council.
- 2.3 It is highly likely that the two BSIP Plus revenue grant allocations for 2024-25 will need to be spent in accordance with a Memorandum of Understanding between the DfT and the County Council as was the case for the BSIP Plus Allocation for 2023-24, which stipulated that:
 - The BSIP Plus funding must be spent on bus measures and cannot be used for measures that primarily benefit other modes of transport, with secondary benefits for buses (e.g., road maintenance); and
 - The grant funding to be spent within a reasonable timeframe and outputs delivered within 12 months of funding receipt.
- 2.4 In line with the Council's Levelling Up approach towards building stronger communities, encouraging economic growth and improving transport connectivity, it is proposed that a proportion of the BSIP Plus funding be used to create more self-sustaining bus services by providing a more attractive offer for communities. Current patronage levels on urban and peri-urban bus services could be increased leading to subsidised services becoming commercial due to patronage and revenue growth, and therefore, reducing pressure on our bus service support revenue budget and providing Best Value. In a partnership approach, relevant bus operators must agree to deliver commitments aimed at growing the market, e.g., fare initiatives, multi-bus operator ticketing and marketing activities. Council officers will continue to seek to amalgamate home-to-school transport with conventional bus services to create efficiencies, where possible.

- 2.5 If a proportion of the BSIP Plus funding is not directed at supporting existing bus services, then the impact on the County Council could be that bus operators decide to:
- Reduce service level frequencies on commercial services;
 - Withdraw services and/or journeys at certain times of day;
 - Withdraw sections of bus routes or a complete bus service; and
 - Reduce inter-urban services connecting rural settlements and small towns to large urban areas.

Any of the scenarios listed above would place significant pressure on the Council's bus service support revenue budget.

- 2.6 As a condition of funding stipulated by the DfT, Local Transport Authorities will need to undertake Bus Connectivity Assessments (a periodic BSIP monitoring report for the public reporting of progress) coordinated by the DfT at regular intervals, e.g., every 12 months. DfT guidance on the Bus Connectivity Assessments including the minimum requirements and deadline date for submission is awaited.
- 2.7 The terms and conditions of the £2.702million BSIP Plus for 2023-24 revenue grant state that the funding must be spent within 12 months of receipt (i.e., October 2024). There will be a risk of financial clawback borne on the County Council if this condition is not met. To mitigate this risk, County Council officers will be attending monthly meetings with the DfT BSIP Relationship Manager to report progress on expenditure and to obtain feedback on our plan to spend the uncommitted £1.475million sum from the funding (see Appendix B) by October 2024. In addition, the DfT BSIP Relationship Manager will support County Council officers by sharing best practice and lessons learned by other Local Transport Authorities for us to take forward when delivering the two-year programme of revenue-funded measures costing £5.466million between 2024-25 to 2025-26.

3. Environmental Implications

- 3.1 The Warwickshire BSIP outcomes set out the vision of improved bus services and increased bus patronage in the local area in line with the National Bus Strategy, as presented in the diagram below:



- 3.2 A summary of measures (capital and revenue) being progressed to deliver BSIP outcomes is presented in Table 4 at Appendix D of this report. The Warwickshire BSIP outcomes complement the strategic priorities set out in the Council Plan 2022-27 and policies in Warwickshire’s fourth Local Transport Plan (LTP4) adopted by Full Council in July 2023, including supporting the County Council’s response to the climate emergency and moves towards Net Zero carbon neutrality.
- 3.3 The risk of reduced service level frequency on commercial bus services would take the Council below the aspirational Warwickshire bus network provision threshold promoted in the Warwickshire BSIP. This details the aims for service frequencies and hours of operation along different types of bus route and locations across the county and is presented in Table 5 at Appendix E of this report.
- 3.4 Reductions to service frequency levels on commercial bus services would severely compromise the Warwickshire bus network leading to a further noticeable reduction in bus patronage, and furthermore, modal shift away from bus travel onto private car. This would lead to additional pressure on local highway network, e.g., increased levels of congestion, which would have air quality and other environmental implications including compromising the carbon neutrality aspirations of the Council.
- 3.5 Implementation of the Warwickshire EP Scheme will contribute towards increasing patronage on bus services to pre-pandemic levels, which will support the County Council achieving its Net Zero objectives, due to modal shift from the car onto public transport presenting environmental benefits, e.g., improved air quality and reduced carbon emissions.

4. Supporting Information

- 4.1 Progression of the Coventry All-Electric Bus City Scheme to completion is ongoing with approximately 150 all-electric buses operated by National Express Coventry, including their cross-boundary services serving Leamington, Nuneaton, Bedworth and Kenilworth. The bus operator is aiming for their entire Coventry fleet to comprise all-electric buses by 2025. Stagecoach Midlands are close to agreeing a Grant Agreement with Transport for West Midlands covering provision of all-electric buses to run on their cross-boundary services, charging infrastructure to be installed at some their depots in Warwickshire and a delivery programme. The intention is to add the scheme onto the Warwickshire EP Scheme upon completion.
- 4.2 At the decision-making meeting on 8 December 2023, the Deputy Leader (Finance and Property) approved the submission by the Council of a Warwickshire bid to Round 2 of the Zero Emission Bus Regional Areas (ZEBRA) fund managed by the DfT to support the provision of all-electric buses and supporting infrastructure on designated bus routes in Warwickshire. The DfT has subsequently confirmed that a sum of £4.577million will be awarded to the County Council to contribute towards the projected £13.860million cost of providing 27 all-electric buses on routes across Warwickshire supported by at-depot charging infrastructure. The bus operator and Warwick District Council (through a £0.300million Section 106 developer contribution designated for delivering air quality improvements) will meet the outstanding £9.283million cost. The bus operator is seeking corporate approval to proceed with the capital investment towards improving their fleet.
- 4.3 The Government is funding the extension of the pilot £2 bus fare initiative until the end of December 2024, subject to agreeing reimbursement terms with bus operators. This will support some measures being delivered through the BSIP Plus for 2023-24 monies.

5. Timescales associated with the decision and next steps

- 5.1 Following Cabinet approval of the recommendations in this report, the key milestones will be as follows:
- Council's BSIP Cross Party Working Group and Warwickshire EP Board to consider and endorse the refreshed Warwickshire BSIP 2024 – May 2024;
 - Submit the refreshed Warwickshire BSIP 2024 to the DfT - June 2024;
 - Seek approval to add the £4.577million Warwickshire ZEBRA2 funding contribution from the DfT onto the WCC Capital Programme at an appropriate time and through the appropriate decision making route – Spring/Summer 2024; and
 - Commence implementation of the proposed measures to be funded by the Network North BSIP Plus funding allocation for 20240-25 upon receipt of the funding from the DfT - Summer 2024.

Appendices

1. Appendix A: Table 1 – Update on Warwickshire EP Scheme Comprising ‘Business as Usual’ Measures not Dependent on BSIP Funding
2. Appendix B: Table 2 – Update on Delivery the Programme of Revenue Measures at a cost of £2.072million funded by BSIP Plus for 2023-24 Revenue Allocation to Warwickshire County Council
3. Appendix C: Table 3 - Breakdown of BSIP Plus Spend in Warwickshire (Including Proposed 2-Year Programme between 2024-25 to 2025-26)
4. Appendix D: Table 4 – Summary of Measures being Progressed to Deliver BSIP Outcomes
5. Appendix E: Table 5 - Warwickshire BSIP Aspiration - Bus Network Provision Threshold

Background Papers

None

	Name	Contact Information
Report Author	Nigel Whyte, Principal Transport Planner / Project Manager	nigelwhyte@warwickshire.gov.uk
Director	David Ayton-Hill, Director of Economy & Place	davidayton-hill@warwickshire.gov.uk
Director	Scott Tompkins, Director of Environment, Planning and Transport	scotttompkins@warwickshire.gov.uk
Executive Director	Mark Ryder, Executive Director for Communities	markryder@warwickshire.gov.uk
Portfolio Holder	Cllr Jan Matecki, Portfolio Holder for Transport and Planning	janmatecki@warwickshire.gov.uk
Portfolio Holder	Cllr Peter Butlin Deputy Leader of the Council and Portfolio Holder for Finance and Property	cllrbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): N / A This is a countywide report.

Other members: Warwickshire County Council Bus Service Improvement Plan Cross Party Working Group

Cllr Jo Barker (Shipston Electoral Division)

Cllr Sarah Boad (Leamington North Electoral Division)

Cllr Jonathan Chilvers (Leamington Brunswick Electoral Division)

Cllr Judy Falp (Whitnash Electoral Division)
Cllr Sarah Feeney (Benn Electoral Division)
Cllr Jan Matecki (Budbrooke & Bishop's Tachbrook)
Cllr Tim Sinclair (Stratford North Electoral Division)
Cllr Martin Watson (Coleshill North & Water Orton)
Councillors Seccombe, Holland and Roodhouse

Members of Chair and Spokespersons of Communities Overview and Scrutiny
Committee: Councillors Jeff Clarke, Jonathan Chilvers, Sarah Feeney, and Jenny
Fradgley