

## Bus Improvement Programme

### Purpose

1. To provide an update on the Bus Improvement Programme and seek views

### Background

2. On 18 March 2010 the Joint Transport Executive Committee (JTEC) considered a report on the Bus Improvement Programme, setting out timescales for progression on the following work areas:
  - The securing of formal joint commitments with operators to increase patronage and achieve value for money;
  - Engagement of the public to mobilise influence and increased use of bus services, including the delivery of an area-wide Smartcard; and
  - A sub-regional review of the current bus network and the proposed rapid transit network.
3. Progress with the development of the various strands of the programme was reported to the Joint Transport Executive Committee (JTEC) on 17 September and is outlined in sections A to F below.

### **A. Quality Partnership Schemes (QPS) for the Greater Bristol Bus Network (GBBN)**

4. The GBBN corridors will be covered by Quality Partnership Schemes (QPSs). The QPS documents will identify the new facilities that are being provided on each corridor (such as raised kerbs, new shelters, bus priority measures and real-time information) and specify the standard of services that bus operators must provide in return for use of those facilities.
5. The service standards can include minimum frequency, timings, maximum fares, quality of vehicle, customer care, etc. Bus operators have a right of objection to the requirements on frequency, timings and fares. Ultimately, the Traffic Commissioner may be asked to adjudicate on whether the standards set are reasonable.
6. To protect investment by operators in new vehicles and improved services, a QPS may contain restrictions on the registration of any new services that would undermine such investment. The QPS document for GBBN Corridor 10 (Bath to Midsomer Norton) was out for formal consultation until 10 September. Provided that no admissible objections are made by operators, it should take effect in January 2011.

7. The QPSs for Corridors 2 to 9 (inclusive) are programmed to start over the period between March 2011 and April 2012. Corridor 1 will be covered in the QPSs for Corridors 4, 5 and 7. The GBBN Programme Board has approved the QPS for Corridor 10 as a template for the other corridors. The updated programme is shown in Appendix 1.
8. Voluntary Partnership Agreements (VPAs) will be negotiated with participating bus operators to supplement the QPSs. These will set targets for improvements in passenger numbers, punctuality, journey times and passenger satisfaction for each corridor and will identify the measures that each party will take. The aim is to ensure that the revenue growth resulting from the implementation of the GBBN is re-invested back into the corridors to create a “virtuous circle” of improvement. All parties will need to commit themselves to an ongoing spend on marketing and promotion to ensure success.
9. A full legal agreement covering a real-time information (RTI) system has been signed with First and negotiations are under way with other participating operators. The real-time information system is likely to be active in March 2011 and launch of the first two GBBN corridors will be linked to that.
10. The Traffic Commissioner is a formal consultee on the QPS and officers from Bath and North East Somerset Council and the West of England Partnership Office met with her on 16 August to provide an update on the QPS for Corridor 10 and the associated timescale. A copy of the full QPS document for Corridor 10 is included as Appendix 2, except for the RTI Agreement and the Punctuality Improvement Partnership Agreement between Bath & North East Somerset Council and First.
11. Justin Davies and Tony McNiff from First Bristol / First Somerset & Avon attended the 17 September JTEC meeting and raised concerns over some aspects of the QPS for Corridor 10, mainly concerning the inclusion of maximum fares and minimum frequencies and how these could be amended in the light of unforeseen events. These concerns are being discussed in officer meetings with representatives of First prior to the making of the scheme.

## **B. Code of Conduct on Bus Service Stability**

12. The QPS document will include a Code of Conduct on Bus Service Stability. A draft of this Code of Conduct was out to consultation until 10 September. The initiative for this came from discussions with First. The overall objective is to increase customer confidence in bus service provision, thereby contributing to passenger growth and making bus services more sustainable.
13. The specific aims are:
  - to reduce the number of days of the year on which network or timetable changes take place;
  - to reduce the number of changes to individual bus services;
  - to ensure that councils have sufficient notice of forthcoming commercial service changes so that they can complete any necessary tendering process

and issue publicity in sufficient time for the implementation of the service changes;

- to ensure that operators have sufficient notice of tenders and tender awards so that any consequential operational changes to other services can be implemented from the same date that new contracts come into effect;
- to allow operators and councils to reflect important changes in passenger demand, including education and employment needs, and the needs of operational reliability (including the Traffic Commissioner's performance standards);
- to improve the punctuality of all registered local bus services;
- to introduce a minimum period of operation for newly-registered services;
- to support the expansion of real-time information both at on-street displays and through web-based applications.

14. Compliance with the Code will be required as part of the standard of services in the QPS and it is hoped that operators will agree to comply with it in respect of their commercial non-GBBN bus services too. A copy of the draft Code of Conduct is included in the QPS document as Annex 3 in Appendix 2.

### **C. Marketing and Publicity**

15. Since March 2010 efforts have been concentrated on the specification of a brief for marketing support to publicise and promote the improvements delivered through GBBN and raise patronage and passenger satisfaction, under the Travel+ brand, including the planning and delivery of the marketing campaign for GBBN until the end of the project in Spring 2012. Key priorities include the planning of launch activities and wider promotion of the overall benefits delivered through GBBN investment to both passengers and the wider community.
16. Officers from South Gloucestershire Council and the West of England Partnership have visited colleagues in Swansea (24 May) and Nottingham (10 June) to see the Swansea 'Metro' rapid transit scheme and Nottingham's bus marketing and promotion campaigns. A wealth of useful information was provided for potential use or adaptation, together with an insight into working arrangements between operators and local authorities in other cities.
17. Work on improving the network is being backed up by increased targeting of bus lane infringements by general traffic, which slow the buses and force them into mainstream traffic, thereby slowing all traffic. Behavioural change can take time to take effect but we will continue to emphasise that blocking a bus lane is a direct cause of congestion and enforce such measures accordingly.

### **D. Smartcards**

#### *Background*

18. A spending plan for the ITSO smartcard project for 2009/10 and an indicative plan for 2010/11 were submitted to the Department for Transport (DfT) in January 2010. The 2009/10 spending plan was approved in February 2010 and that for 2010/11 was approved in July. At the meeting on 18 March the Joint

Transport Executive Committee approved the proposed governance, scope and objectives of the ITSO smartcard scheme.

19. At the inaugural meeting of the Smartcard Project Board in April, it was recognised that the aspirations of the Partnership area for smartcard initiatives could not be met simply through this initial project which focuses on the delivery of a back-office system. Therefore the remit of this Board is being extended to look at wider transport smartcard initiatives as well as overseeing this initial project.

#### *Current Position*

20. Good progress is being made with the development of the ITSO smartcard project. The smartcard back office (Host Operator Processing System, or HOPS) to enable the secure processing and authorisation of transactions was procured by South Gloucestershire on behalf of the West of England authorities. This will be used to operate the English National Concessionary Travel Scheme (ENCTS) with capacity available for other operators or local authorities to join the scheme which will go live in October 2010.
21. The authorities are working closely with operators to encourage wider coverage of ITSO smartcard capability. DfT funding is available through the grant award to fund ticket machines and depot infrastructure for smaller operators of contracted services in the West of England area. More widely a bid has been made via the South West Smartcard Board to develop smart and integrated ticketing across the South West. This would complement the incentive provided nationally via additional Bus Service Operators Grant (BSOG) for smartcard ticketing. To highlight the importance of this incentive in encouraging migration to smart systems a letter was sent to Norman Baker the Under Secretary of State for Transport on 2 September, which is shown in Appendix 3.
22. In addition, prior to the delivery of the ITSO smartcard, the University of the West of England have introduced a smartcard scheme on their ULink services, operated by Wessex Connect. As a short term, low cost pilot this scheme is being expanded to all Wessex Connect services in the Partnership area.
23. Further details of progress with the various aspects of the ITSO smartcard project and wider development are shown in Appendix 4 which also includes a high level project plan.

### **E. Bus Network Review**

#### *Background*

24. JTEC received a report on the 'Bristol Bus Network Review' on 4 February 2010, outlining plans by First to undertake a review of all their commercial bus services operated as part of their Bristol area network, i.e. within the Bristol built up area, as well as considering the role within Bristol of their interurban services. The West of England authorities widened the scope of the review to include all routes in the sub-region and all four authorities, and the potential for more innovative contributions from complementary transport providers. The review would also take account of future reviews of the urban networks in Bath and

Weston-super-Mare linked to bus infrastructure improvements in the Bath Transportation Package and Weston Package major schemes. The objectives of the network review were:

- To increase patronage and improve the bus network's share of passenger journeys;
- To improve the profitability of the network and reduce the level of public financial support required; and
- To improve customer satisfaction.

#### *Current Position*

25. Initial attention has been concentrated on the commercial network in South Bristol, with amendments to services to improve links into the key Hengrove Park development area, including The Bridge Learning Campus and the Skills Academy. This significant revision to the commercial network commenced on 22 August. Further, wider (although more modest) adjustments to the network followed in early September to improve reliability on a wider range of services, and discussions are also underway with the University of the West of England to maximise synergy between service providers.
26. In addition, First have engaged transport consultants to undertake a more compact review of the commercial network in Bath, and have invited views from a range of stakeholders as part of this process. A report is due in Autumn 2010.
27. Discussions with operators over wider network changes will follow further clarification of service issues arising from the current Competition Commission investigation into local bus services and possible changes to Bus Service Operators Grant (BSOG). The Competition Commission is considering whether any feature of the local bus market prevents, restricts or distorts competition and provisional findings arising from the Commission's review are expected by the end of 2010. The Councils' current review of the network of supported services in the Bristol urban area will consequently assume that the commercial network will remain substantially unchanged up to the commencement of new service contracts in September 2011. Bristol City Council is currently undertaking a significant programme of data collection, neighbourhood and stakeholder feedback to enable its contracted services to be reviewed and where appropriate amended to serve new markets. This review will also take account of future revenue support funding scenarios.
28. Wessex Connect expanded their network of services in Bath on 25 September 2010 by introducing two services in competition with First's established services to Whiteway and Southdown.
29. With regard to the rapid transit network, Bristol City and North Somerset councils submitted the application for powers to build and operate the Ashton Vale to Bristol rapid transit scheme, under a Transport & Works Act Order, in June 2010. Further assessment of the amendments to the bus network as a result of this major scheme, the South Bristol Link and the North Fringe to Hengrove Package will follow further clarification on funding arising from the government's Comprehensive Spending Review in October.

## F. Recent Studies

30. The Partnership is committed to formalising engagement and negotiation with bus operators on both commercial and supported routes to increase the quality, frequency and reliability of services, and to achieve better value of money for the authorities. A recent study has been undertaken for the Department for Transport (DfT) by L.E.K. Consulting (International) Ltd. to understand profitability in the bus sector and the key drivers of and influences on profitability. The study concluded in July 2010 that the 'Return on Sales' for bus operators in England averaged 10.6% in 2007 and 2008, with PTE areas generating the highest return. The study concluded that this figure was higher than financial theory would suggest should be earned in a fully competitive market. The TAS Partnership Limited have, however, reported a study of the economics of bus operation also in July 2010, which concludes that current profit levels are around half that which is necessary to sustain the viability of the industry.
31. A copy of the L.E.K. Consulting (International) Ltd report is available at the following link: <http://www.dft.gov.uk/pgr/regional/buses/profitability/pdf/report.pdf>  
A copy of the TAS Partnership Limited report is available at the following link: [http://www.taspublications.co.uk/content/index.php?option=com\\_content&view=article&id=9:bus-industry-performance&catid=2:bus-industry-monitor&Itemid=9](http://www.taspublications.co.uk/content/index.php?option=com_content&view=article&id=9:bus-industry-performance&catid=2:bus-industry-monitor&Itemid=9)

## Recommendations

That Members:

- (a) Note the progress and give views on the work within the Bus Improvement Programme

## Appendices:

Appendix 1: Programme for Completion of GBBN QPS

Appendix 2: QPS document for GBBN Corridor 10 (Bath to Midsomer Norton)  
(Due to the large file size, appendix 2 is not attached. Rather, it can be read and printed at: <http://www.westofengland.org/meetings/joint-scrutiny-committee/1-october-2010>)

Appendix 3: Letter to Norman Baker Under Secretary of State for Transport

Appendix 4: Smartcard Programme Update and Project Plan

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**Appendix 1**  
**Programme for Completion of GBBN Corridors**

<b>Corridor</b>	<b>Corridor Name</b>	<b>Infrastructure Completed</b>	<b>RTI Completed</b>	<b>QPS Commences</b>	<b>Corridor Launch</b>
2	A4018	Mar 12	Mar 12	Mar 12	Mar 12
3	A4	May 11	Jun 11	Aug 11	Oct 11
4	Route 73	Mar 11	Jul 11	Aug 11	Oct 11
5	A432	Oct 11	Nov 11	Jan 12	Mar 12
6	A37	Oct 11	Nov 11	Jan 12	Mar 12
7	A4174	Aug 11	Sep 11	Oct 11	Oct 11
8	A370	Mar 11	Apr 11	May 11	Jun 11
9	A369	Sep 11	Oct 11	Oct 11	Oct 11
10	A367	Aug 10	Mar 11	Jan 11	Jun 11

## Appendix 3

### Letter to Norman Baker Under Secretary of State for Transport



# West of England Partnership

Bath & North East  
Somerset Council



North  
Somerset  
COUNCIL

South Gloucestershire  
Council

Norman Baker  
Parliamentary Under Secretary of State  
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*Date:* 2 September 2010

Dear Minister

#### **West of England Smartcard Scheme**

I am writing on behalf of the Partnership authorities to make you aware of recent developments with our ITSO smartcard scheme and the importance of the smartcard element of Bus Service Operators Grant (BSOG) in supporting their wider rollout.

As you will be aware, with the welcome support of the Department for Transport funding, we have been progressing the development of an ITSO smartcard back office to run the concessionary fare scheme in the West of England Partnership area on a smart platform. This work is progressing well and the back office will be operational in October 2010. We are working closely with bus operators to maximise the opportunities provided by the back office including providing technical assistance and support for the purchase of equipment for the smaller operators running contracted bus services in the area.

The back office has been specified to provide a resource for operators and authority concessionary fare schemes beyond our Partnership area, and we are hoping for good take up to maximise the value of the investment. To this end we are working with the South West Smart Card Board (a grouping of local authorities and bus operators) to encourage participation including publication of a non-technical guide to assist migration to smart systems and the offer of free technical advice on an individual basis.

Needless to say we hope that this technical groundwork will be the catalyst for wider smart ticketing in the area. Our discussions with operators have emphasised the importance of the Smartcard element of the BSOG in establishing a commercial case for migrating to smart systems. Whilst we recognise the current financial constraints,

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the continuation of this additional component of BSOG would appear to be an important factor in stimulating the appetite of the bus operators to go smart. I would be grateful if you would keep this in mind in your consideration of future plans for BSOG.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'C. Gerrish'.

Councillor Charles Gerrish  
Joint Transport Executive Committee

## Appendix 4

### Developing ITSO Smartcard use in the West of England area and the South West Region

#### Progress with ITSO Smartcard Project

##### *Host Operator Processing System (HOPS)*

To enable ITSO smartcard usage within the Partnership area a HOPS was procured on behalf of the West of England authorities by South Gloucestershire Council in March 2010. The HOPS is the key component of an ITSO scheme and enables the secure processing and authorisation of transactions produced by ITSO smartcards. This is required to be used as part of the English National Concessionary Travel Scheme (ENCTS). Space on the West of England HOPS will be made available to other Local Authorities and Operators at a rate to be agreed.

The tender was awarded to ACT (Applied Card Technologies) in March 2010 with the HOPS being installed and configured in July. Hardware has been purchased and documents were submitted in August for migration to the HOPS in September. The West of England HOPS is on track to transfer existing Local Authority data and progress to Smartcard production in October. The progress with the development of the HOPS and other aspects of the ITSO Smartcard project are shown in Appendix A.

##### *Rollout of Equipment to Smaller Operators*

To support wider coverage of ITSO smartcard capability within the Partnership area the DfT grant award includes £500,000 for ticket machines and depot infrastructure for smaller operators of contracted services. This equipment will be made available to the operators but an agreement with the authorities will ensure it continues to be used on bus services in the area (eg through leasing arrangements). The procurement process for the equipment commenced in August with the aim to complete the rollout to operators of over 200 buses by March 2011.

##### *Promoting Wider Use of the HOPS*

The business case for the West of England HOPS is improved in line with the number of other local authorities and operators who join the scheme. This enables the costs of operating the HOPS to be shared more widely, which is particularly important looking beyond the initial 5 year period during which funding for HOPS operation was included in the approved DfT grant spending plan.

To develop HOPS usage across the South West, funding has been provided to the South West Smart Card Board (SWSCB) to assist operators to progress their ITSO smartcard schemes. A package of support is available to operators and authorities including a non-technical guide produced by the SWSCB and up to 12 days free technical support. The SWSCB plan to launch the non-technical guide and the offer of technical support at an event in Exeter on 8 October 2010.

## **Related Smartcard Initiatives within the Wider Programme**

### *Supporting Wider Take Up*

Given their place in the market in the area, it is critical that First Group embrace this technology. This will require the company to have achieved ITSO capability, through a comprehensive upgrade of bus and depot infrastructure. Any scheme in the West of England that does not include First Group is of course limited in scope. First have prepared a capital expenditure proposal for the replacement of their ticket machines in England. This was submitted to their Bus Board and is going through their internal review and approvals processes.

A meeting was held in July with smaller bus operators in the Partnership area to promote migration to smart ticketing through membership of the West of England HOPS. This meeting illustrated the importance of the smartcard element of Bus Service Operators Grant (BSOG), an additional 8-10%, in supporting the financial case for operators to move to smart ticketing through upgrading ticket machines and back office arrangements across their bus fleets.

Whilst it is recognised that Government funding is constrained and the Comprehensive Spending Review is yet to conclude, at the meeting of the Smartcard Programme Board on 23 July 2010 it was proposed that a letter be sent to Norman Baker the Under Secretary of State for Transport highlighting the importance of the additional smartcard element of BSOG to delivering the area's vision for smartcards.

In April 2010 a bid was made by the South West Smartcard Board for funding through the South West Regional Improvement and Efficiency Partnership (SWIEP) to develop smart and integrated ticketing. Should the bid be successful it will provide £1.85m in support across the South West over the next year or so, greatly increasing the likelihood of operators going smart and the potential use of the West of England HOPS.

### *Wessex Connect Scheme*

The University of the West of England (UWE) have introduced a smartcard scheme on their Ulink services, operated by Wessex Connect. This is a proprietary (non-ITSO) smartcard scheme which uses a back office system provided by Bristol City Council. It offers period passes on a smartcard, as well as stored value which provides a 16% discount on any fare. The City Council have, as a short term low cost pilot, expanded this scheme to include all Wessex Connect operated bus services in the West of England area.

The scheme, which is a collaboration between the Bristol City Council, UWE and Wessex Connect is expected to be launched later this month. It replicates the existing UWE scheme in the options available on the card. As such any smartcards issued by any of the three parties involved will include a stored value element that can be used across all the 30 or so participating services.

### *Ticketing and Smartcard Strategy*

Preliminary work has been undertaken to consider how the South West Smartcard Board and the Partnership area Programme Board can support the development of integrated ticketing. Current thinking identifies the development of an 'e-purse' which would allow users to pay for journeys via value stored on the smartcard. This card could also hold

other ticket types (such as period passes) available from participating operators. Further work is required to develop options which will be considered by the Programme Board.

## **Governance**

To provide a means of managing issues emerging from but beyond the initial ITSO Smartcard project the terms of reference of the project Board have been extended to form a Programme Board (see Appendix B). In order to represent the views of end users, Passenger Focus have been invited to become members of the Programme Board.

## Appendix A - High Level Project Plan for West of England Smartcard Programme

Tasks in ITSO Smartcard Project	2010									2011			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance and Reporting</b> - Programme Board Meetings - Reports to JTEC (X Monitoring Report, XX Progress Report) - Reports to DfT	●		●	● X		● X, XX ●			●		● X, XX		● ●
<b>Asset Management Service (AMS) - Host Operator Processing System (HOPS)</b> - Install and Configure HOPS - Preparation and Migration of Existing UA Data - Smartcard Production Moved to AMS-HOPS													
<b>Electronic Ticket Machine/Depot Infrastructure</b> - Meeting with Minor Operators to Assess Requirements - Complete Specification - Tender Process - Implementation Phase													
<b>South West Smart Card Board (SWSCB)</b> - Finalise Agreement between SWSCB and WEP (South Glos) - Provide Funding to SWSCB - Finalise Agreement for SW Operators/Authorities HOPS Usage													
<b>HOPS Reimbursement Module</b> - Complete Specification - Implementation													
<b>Smartcard Procurement</b>													
Wider Smartcard Programme	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Supporting Wider Take-Up</b> - Work with SWSCB to Encourage Migration to Smart Systems													
<b>Wessex Connect Scheme</b> - Scheme Implementation													
<b>Ticketing Strategy</b> - Initial Scoping Work - Define Project and Commence Development													
<b>Local Rail Pilot</b> - Initial Scoping Work - Define Project and Commence Development													

**Appendix B**  
**West of England Project Management Structure for Smartcard Programme**

