

Bus Matters – Bus Network Update

Strategic Transport Board
21st October 2022

Pete Bond – TfWM

Local Context

- 85% of pre-covid passengers
- 4.27m passengers each week
- ENCTS passengers have recovered less than Commercial
- Current network is 93.4% of pre-covid mileage
- Market Contraction – 5 operators lost across the region and one of periphery. First Bus have retrenched
- Driver shortages are affecting service performance – 6.3% of mileage lost last week.

Bus Network - Funding

- Government has been supporting operators since April 2020.
- Funding was due to end October 2022
- TfWM able to secure additional funding to enable network stability during CWG and then plan for service changes from January 2023.
- 2 additional funding streams Network Stability Fund and Network Planning Fund (BRG Extension) – devolved to TfWM.
- Able to secure the existing / 90% network to end of current calendar year.
- Due to large number of commercial de-registrations Government subsequently announced a further 6 months of BRG from October 2022 to end of March 2023.
- 3 months for TfWM from January to March 2023
- Awaiting further guidance on amount and Terms and Conditions – focused on area with highest level of need.
- TfWM have asked if can be devolved to follow existing process.
- In summary we have guaranteed the current network (ish) to end of Calendar year.

Bus Network Review - Commercial

- Requirement of DfT to undertake a Network Review before the end of the year to move towards a sustainable network.
- Operators have confirmed a 90% network from January 2023. – this is a 3.7% reduction of the current network.
- National Express Proposals;
 - Dudley major changes – several routes affected.
 - QE hospital service reduction – 3 services which are being considered for tendered bus funding through BSIP
 - Service 58 – South Solihull to North Solihull deregistered
 - School services – NX propose to withdraw some school services (12 out of circa 60)
 - Diamond bus – some commercial changes (services 35 and 94)

School services

NXWMM are withdrawing 12 school bus routes.

These are all within access standards and will not need to be replaced by TfWM.

This will likely cause concern for some schools will apply pressure to Local Authorities.

To be clear these are not supported under WMCA policy on access standards and are not something funded through levy or other areas.

Dudley Changes

Revised network produced by NXWM and involves adapting several tendered services.

TfWM rejected NXWMs initial package of tenders.

Some services will be eligible from the revised VFM criteria within Sub Bus Budget.

Some services will likely be eligible for using BSIP transformation funding to deliver the new services with some additional support.

May be opportunities for additional market entrants in this space – spoken to several groups in the past week.

QE hospital & Solihull

Proposals to part withdraw;

- Section of 19 (QE to Halesowen withdrawn)
- Section of 46 (QE to Hawkesley withdrawn)
- Section of 48 (QE to Northfield withdrawn)
- TfWM likely able to replace and improve to support a revised network.
- Solihull service 58.
- Also strong opportunity for BSIP eligibility to better join up North and South Solihull.
- All of these will be provided under a temporary funding envelope and will therefore require sustained growth OR be lost after 3 years.

Partnership services

Major issue and opportunity

Options to synchronise and better utilise resource and approach to best use buses across the region.

Major partnership proposals have been prepared by Diamond and Stagecoach to save resources from both operators.

NXWM have assessed these and made ongoing counter proposals.

- TfWM will further review the proposals and are likely to put forward a package of measures which it thinks are relevant and look to seek operator support to implement them from March 2023 if this can meet with the agreement of all operators.
- Potential to save circa 50 buses (up to 100 drivers)

Tendered contract Renewals

- 116 existing contracts expiring on 31st December, up for renewal.
- 59 contracts are within the current VFM criteria - £2.55
- 57 contracts are outside of the VFM criteria within the Access Standards.
- This would put 158,000 trips a week at risk – more than use Moor Street Station.
- TDC took the decision on Monday 10 October to revise the VFM criteria to fully use the existing £16.3m 2023/24 budget to deliver as many contracts as possible - £4.10
- 20 of the 57 at risk contracts pulled into the safety net of being let, supporting around 100,000 journeys per week.
- **37 contracts – 40 services at risk (excluding Schools)**

Tendered service Budget Pressure

NXWM & Diamond changes are creating a circa £3m annualised additional pressure on subsidised bus budget (excluding schools).

The letting of existing tendered contracts due to expire on December 31st (116 contracts) will see increased costs of around 20-25% since 2020, which are resulting in a further £3m pressure for 2023/24.

This creates an overall £6m pressure when you combine commercial de-registrations and cost increases on existing contracts, but an increase in the existing subsidised bus budget pressure of around £1m reduces the pressure from £6m down to £5m.

Mitigation

- Remove the worst VfM contracts
- Utilise BSIP funding to let long term transformational contracts
- Utilise remaining Local Transport Funding from Government
- Review contracts for efficiencies

This will still result in 7 to 17 contracts being cut across the network.

Customer impact reduced to between 6,300 and 17,000 – significantly reducing but not eliminating

Wider Considerations / Implications

Whatever agreements are reached on funding there are wider issues affecting the network right now which may impact the LTAs ability to deliver;

- Driver shortages (around 450 drivers short across WM)
- Bus company capacity – WM has lost 5 bus operators since the start of covid, competition has dwindled significantly in West Midlands
- Service performance – WM is facing extremely challenging performance from operators and customer experience is poorer than most people are used to seeing through reliability, punctuality, and information. Whilst there are measures within BSIP to address many of these they are not all immediate.
- This does not take account of any further commercial reductions from bus operators.
- This does not take account of any further Government funding.

Communications Plan (Internal and partners)

TDC decision on 10th October.

Pre-advising to Mayor, Deputy Mayor and Transport Lead.

Mayoral briefing – 11th October.

Follow up – FD's – 13th October.

Follow up - Mayor and Met leaders (14th October).

Follow up to STOG (note going same day as TDC paper).

Follow up to STB (21st October).

Follow up to DfT and Traffic Commissioner (w/c 10th October).

Pre-advice to NXWM – 6th October.

Pre-advice to other operators – 7th October.

Pre-advice to Bus Alliance Board members – 7th October.

Coventry Scrutiny Board – 12th October.

Birmingham Scrutiny – 13th October.

7 x LA meetings (12th October).

Engagement activity (service changes)

Engagement plan to commence Tuesday 11th October.

Engagement will take place with ALL councillors across all 7 Local Authorities, as well as stakeholder groups and MPs.

TfWM are still assessing what elements of contract removals it can mitigate through BSIP and LTF funding.

Materials on web, as well as circulated for local councillors.

TfWM will seek to engage through as many stakeholder and community groups as possible – especially where there is bad news around service changes.

This is part of the network review process requested by Government and we will continue to engage with them on the impacts and any other mitigation options.

Bus Service Improvement Plan

Bus Service Improvement Plan (Phase 1) – January 2023

- Removal of Nbus premium
- Bonfire of Bus Tickets
- Major ticketing incentive program
- TfWM adopting bus registration powers
- Variation of existing enhanced partnership
- Safety and Security Measures – additional enforcement staff.
- Improving network management and bus service performance.
- More Bus Priority supporting Birmingham Cross City and supporting the region.



Transport for
West Midlands