

Bus Services Bill – Response to Transport Committee Inquiry

Submitted By Cornwall Council

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1.0 Executive Summary

1. A customer focused public transport network is at the heart of Cornwall Council's plan to deliver the integration of routes, ticketing and timetabling for bus services with local rail services and deliver this system under one brand.
2. We are looking to innovation to address the delivery of public transport in a rural context.
3. In July 2015 Cornwall became the first rural authority in the country to be offered a Devolution Deal and take responsibility for franchising bus services and the power to deliver an integrated fares and ticketing structure in Cornwall.
4. Subsequent to the announcement of the draft Bus Services Bill, Cornwall Council Cabinet has made a decision that 'work on both franchising and enhanced partnership options be progressed to inform future decisions on the delivery of One Public Transport System for Cornwall'.
5. Economic and social pressures have resulted in the need for local authorities to innovate in their search for a sustainable and cost effective method of delivering bus services.
6. Cornwall presents a number of challenges for public transport provision due to the physical geography of the peninsula its dispersed population and socio-economic conditions.
7. Public transport does not currently represent a viable alternative to car use in rural areas of Cornwall. Public transport provision is often fragmented with a lack of integrated service, timetable and ticketing between bus, coach ferry and rail.
8. The areas that Cornwall Council would like to see addressed in the Bus Services Bill are:
 - Ticketing: the ability to introduce a single integrated ticketing system
 - Vehicles & infrastructure: the ability to provide quality infrastructure & vehicles
 - Information & branding: the ability to provide high quality, accessible and integrated travel information for bus, coach, rail & ferry
9. In improving and facilitating integrated ticketing the Bill needs to ensure that this is not limited to bus services, but includes the integration of bus, coach, ferry and rail ticketing.

10. Working positively in partnership with local operators can help to bring about the integration of routes, ticketing and timetabling for bus services
11. The advantage of a Quality and Enhanced Partnership is that it will provide a platform for shared responsibility in delivering a successful and sustainable service.
12. All parties will have the opportunity to contribute knowledge, skills and expertise while working within a framework.
13. The effect of franchising on smaller operators needs to be considered and we believe there are a number of safeguards that could be put in place to protect smaller operators.
14. One of the main barriers to bus use is a lack of information to inform journey planning or journey choice, particularly in relation to fare and ticket types.
15. Local authorities should as a minimum retain the ability to be the 'operator of last resort' to ensure local services can be maintained. This is particularly true in rural areas where bus services are less commercial in nature and access to employment or health can involve a journey of some distance.
16. There is strong support in Cornwall for a range of different payment and ticket options to give bus users more choice and where there are multiple operators there is strong support for multi-operator ticketing.
17. Capped daily fares throughout Cornwall would be the ultimate solution for those making multiple bus or rail journeys in a single day. The ticketing infrastructure is not currently intelligent enough to implement a capped fare in real time.
18. The adoption of a single platform for smart ticketing technology has been an issue in Cornwall along with the need to reach an agreement over the revenue apportionment for standard ticketing schemes.
19. Cornwall Council welcomes the Bill as an opportunity to create the conditions that allow operators and local authorities to think and act creatively in the design and delivery of public transport to better meet the needs of local communities and customers.

2.0 Introduction

20. A customer focused public transport network is at the heart of Cornwall Council's plan to deliver 'One Public Transport System for Cornwall'. This objective will deliver the integration of routes, ticketing and timetabling for bus services with local rail services and deliver this system under one brand. By significantly improving the offering to both existing passengers and non-users we aim to improve the appeal of public transport, drive up patronage on bus and rail and bring about an upturn in revenue to make the network as a whole more financially
21. The new Greater Western rail franchise will deliver a significant improvement in the capacity and frequency of service on the Cornish mainline, providing two trains per hour. Work on the mainline signalling to facilitate the improved service frequency has commenced with the upgraded Night Riviera sleeper coaches completed and in service by August 2017.
22. To capitalise on this Cornwall Council plans for bus, rail and ferry services to link seamlessly, increasing patronage and providing a sustainable integrated public transport network. We are looking to innovation to address the delivery of public transport in a rural context.
23. In July 2015 Cornwall became the first rural authority in the country to be offered a Devolution Deal. This included a proposal for transport, which will see the Council become the first rural authority in the country to be given powers to franchise bus services, subject to the Bus Services Bill and local consultation.
24. Cornwall's key asks in the Deal were:
 - Cornwall Council takes responsibility for franchising bus services in Cornwall
 - Cornwall Council has the power to deliver an integrated fares and ticketing structure within Cornwall
 - All relevant central funding is devolved to Cornwall Council as a multi-year settlement
25. Cornwall Council has delivered financially viable transport solutions in the past by providing a quality solution for the user with the right delivery model. Truro Park and Ride is such an example, this was designed around the needs of the customer and provided a high quality service. Since 2013 it has seen a growth in passenger journeys from 385,500 to 960,000. We believe similar quality public transport solutions on a network wide basis can also deliver passenger growth.

3.0 The need for the bill

26. The increasing cost of providing bus services and the challenges of funding for Local Government from other service areas has resulted in the need for local authorities to innovate in their search for a sustainable and cost effective method of delivering bus services without significantly reducing the network they currently provide.
27. The Bill has the potential to address the current gap in legislation and will allow local authorities to take forward significant improvements in the provision of bus services where commercial operators are either unwilling or unable.
28. Cornwall presents a number of challenges for public transport provision due to the physical geography of the peninsula, its dispersed population and socio-economic conditions.
29. These challenges have contributed to a network in decline, both in the number of services and the level of overall patronage. This is despite continued subsidy support from Cornwall, which has increased by £1.4 million since 2012.
30. The bus network in Cornwall is in a period of instability. Significant reductions in the level of funding (in real terms) for bus services, lack of capital investment and reductions in fare paying passengers have led to low margins for operators. To address this, operators have increased their fares to increase their revenue. This has resulted in a shrinking network with less frequent services, poor reliability and a perceived lack of quality. All of these elements combine to reduce the appeal of bus services, leading to an inescapable cycle of decline.
31. Public transport does not currently represent a viable alternative to car use in rural areas of Cornwall due to length of journey times, high costs and difficulties in connecting with other services or modes of transport, particularly at the start or end of the day. The current bus network in Cornwall has been identified as “unstable”.
32. Public transport provision is often fragmented with a lack of integrated service and timetable provision not only between bus and rail, but also between bus services, so journeys are not joined together. This is exacerbated by the lack of integrated ticketing between bus operators and then additionally with rail, coach and ferry operators. These are all elements of travel by public transport which if addressed have the ability to make bus travel much more attractive.
33. Bus users generally travel by bus because they have no alternative available, around 70% of bus users fall into this category. Non bus users do not travel by bus because they prefer travelling by car, do not feel bus services are frequent enough, are slow and fares are expensive. The 2014 Cornwall Travel Habits Survey showed 51.9%

were satisfied with bus travel compared to a national average of 60%. In order to make the bus network more financially viable we need to find a way to increase patronage by making it attractive to those who have a choice in the way that they travel.

34. Mobility and transport is important in promoting economic opportunity for people in rural areas. A lack of joined up public transport can lead to isolation for those who have no alternative. It can cut them off from employment, services and employment. This puts pressure on residents in rural communities to own a car. Since 2010, 24 out of 163 bus services in Cornwall have been withdrawn, while bus passenger numbers have declined by around 10% in the last three years.
35. To halt any decline, measures are required to facilitate and enable improvements and increases in all elements of the bus network, specifically in areas of network coverage, interoperable ticketing, bus infrastructure and fleet age and stability of fares. There are financial risks to this approach which the bus operators are not well placed to meet at this time.
36. In England, powers to determine public transport are minimal. Local authorities outside of London are currently unable to plan the level of bus services or determine fare levels until bus operators have determined their own commercial network. Only in London are these powers and responsibilities available to the public sector, and London has by far the most successful public transport in England. The existing powers on franchising are covered by the Local Transport Act 2008, which allows a local authority to introduce franchising through a Quality Contract Scheme. However, it is clear by the fact that only one authority (North East Combined Authority) has attempted this franchising route that the hurdles involved to prove the public interest tests included within the legislation are far too onerous.

4.0 Whether the Bill addresses the correct issues

37. The areas that Cornwall Council would like to see addressed by the Bus Services Bill to deliver improvements in bus service provision for the passenger are:
38. Ticketing: the ability to introduce a single integrated ticketing system. Passengers want the ability to combine travel between bus, rail and ferry services and to make use of cashless transactions. A single ticketing structure should be capable of covering both products and pricing, and allow for the introduction of capped fares where multiple journeys are undertaken in a day.
39. Vehicles and infrastructure: the ability to provide quality infrastructure and vehicles. Customers want to see the introduction of new vehicles that are modern, comfortable, clean, accessible and well-maintained to make them more attractive to new users. Improved interchange and

waiting facilities that are safe and accessible are similarly important to attracting new users. Operators currently appear unwillingly to make the investment or take the risk on securing a greater return through the fare box, by attracting more people to their product.

40. Information and branding: the ability to provide high quality, accessible and integrated travel information for buses and trains. This will allow a single identity for all buses in Cornwall to be established with branding rolled out across all customer facing marketing and information provision, including bus livery. This will promote simplicity and consistency across the network for passengers.
41. The improvements aim to create a passenger focused network that not only improves its offering to existing passengers but significantly improves its appeal to non-users. In this way it is possible to increase public transport patronage on bus and rail to bring about an upturn in revenue income making services, and the network as a whole, more financially viable.
42. Patronage will increase if the quality of service is right, they are accessible, suit an individual's lifestyle and demands, and services are frequent and reliable. In rural areas where access to services can be challenging, it is important to provide bus services. The Bill needs to ensure that areas and potential users are considered, and that the Bill does not focus exclusively on urban and metropolitan areas.
43. It is important that the Bill creates the conditions that allow organisations and authorities to think and act creatively in the design and delivery of public transport to better meet the needs of local communities and customers, and reacting to, and accommodating changing economic and social pressures and opportunities
44. In improving and facilitating integrated ticketing the Bill needs to ensure that this is not limited to bus services, but includes the integration of bus and rail ticketing, which is currently a challenging area. As well as integration with other transport modes, particularly coach and ferry services.
45. The Bill could consider some of the anomalies within the Concessionary Travel Scheme, along with some of the impacts of this scheme. Consideration of how concessions are handled, shared and accepted across bus and rail to create a truly integrated ticket and a national reimbursement level, or 'membership' fee to counter the cost of scheme administration would be beneficial.

5.0 How Advanced Quality Partnerships and Enhanced Partnerships are likely to contribute to the Government's aims of improving services for passengers and enabling a successful commercial sector

46. A customer focused public transport network is at the heart of the Council's plan to deliver 'One Public Transport System for Cornwall'. Working positively in partnership with local operators can help to bring about the integration of routes, ticketing and timetabling for bus services with local rail services and deliver this system under one brand.
47. Delivering improvements to the public transport network that encompass all of these elements together will see a greater improvement in bus services than individual improvements by individual operators. In this way a partnership between operators and the local authority means the whole is greater than the sum of the parts.
48. Improvements in the delivery of bus services in Cornwall have been delivered through a partnership approach, even where this has not been on a formal footing. When Cornwall's second largest operator went out of business in 2015, Cornwall Council worked effectively with the remaining operators to maintain bus services in the short term, and develop solutions to the long term delivery of those services.
49. Building on this approach we worked with operators, the Department for Transport and the Cabinet Office to develop a model for greater integration of public transport and produced a bus and integrated transport strategy which was supported by the project partners.
50. Having worked successfully in partnership with local operators to develop the Bus and Integrated Transport Strategy in 2015, there is confidence that working towards a partnership approach (either using existing legislation or the Bus Services Bill) should provide an effective solution to delivering the Cornwall-wide improvements required to the public transport network.
51. The advantage of a Quality and Enhanced Partnership is that it will provide a platform for shared responsibility in delivering a successful and sustainable service.
52. All parties will have the opportunity to contribute knowledge, skills and expertise while working within a framework. This can range from matched investment, or quality of infrastructure and vehicle fleet, to professional service delivery.
53. A Quality and Enhanced Partnership has the potential to address a number of issues that are difficult to achieve at present – such as:
 - Joint private investment opportunities (e.g. new technology, EV buses & vehicles, IOT and Smart Cities networks).
 - Keeping communities and people connected by providing integrated and smoother travel links between buses and other modes.

- Using digital information systems to set a number of realistic behavioural triggers to nudge and influence more journeys to be undertaken by public transport.
- Coordinated route planning, frequency and ticketing. This will deliver accessible, frequent and reliable services appropriate to the customer's needs.
- Enhanced commerciality will result from the increase in patronage of satisfied customers.

54. In the past we have struggled to achieve an effective way of formalising any partnership in a way that is effective for the whole bus market and not just with an individual operator, so that the customer experiences a network wide improvement and benefit. For this reason we believe it is important that passengers have a greater voice in determining whether a partnership is implemented and it is not solely a decision for the operators.

55. Similarly any publically subsidised bus service should automatically be covered by any partnership proposals developed by a Local Authority, and operators of those services should not have the ability to block those proposals. This benefit to block should be limited to wholly commercial service operators only.

6.0 The appropriateness of limiting the automatic right to introduce franchising to combined authorities with elected mayors

56. In July 2015 Cornwall became the first rural authority in the country to be offered a Devolution Deal. The Deal which Central Government signed up to covers a range of key areas including transport, employment and skills, EU funding, business support, energy, health and social care, public estate, heritage and culture, with a number of firsts for Cornwall.

57. These include the proposals for transport, which will see the Council become the first rural authority in the country to be given powers to franchise bus services, subject to the Bus Services Bill and local consultation.

58. Cornwall's key asks in the Deal were:

- Cornwall Council takes responsibility for franchising bus services in Cornwall
- Cornwall Council has the power to deliver an integrated fares and ticketing structure within Cornwall

- All relevant central funding is devolved to Cornwall Council as a multi-year settlement
59. We believe we will be able to present a strong case for doing this, and Cornwall Council has no plans to have a Mayor. Our decision to introduce franchising was based on the need to provide improved bus services for passengers, and it was a decision made locally which was considered to be the most effective in achieving that goal.
60. Subsequent to the announcement of the draft Bus Services Bill, Cornwall Council Cabinet has made a decision that 'work on both franchising and enhanced partnership options be progressed to inform future decisions on the delivery of One Public Transport System for Cornwall'.
61. Cornwall Council Cabinet also decided that 'the determination regarding which of the franchising and partnership approaches should be the preferred option be deferred until the detail of the emerging Bus Services Bill is understood and further progress is made in developing and delivering and delivering One Public Transport System for Cornwall through working on enhanced partnership proposals with transport operators'.

7.0 The likely effect of franchising on small and medium operators

62. Cornwall has 21 bus operators of which 18 would be described as small or medium operators. It is important that the ability for these operators to be able to contribute to improving bus services is maintained. Operator consultation in Cornwall in 2013 showed that the smaller 'independents' are keen for increased involvement in network planning and grouping services, to increase efficiency.
63. The effect of franchising is likely to depend on how an authority tenders the franchised services. Where this is done on a service by service basis as in London the affect is likely to be minimal. However, if a franchise tender includes all services or is split only into larger geographical areas, this could impact on the ability of a smaller operator to deliver the tender requirements.
64. There are a number of safeguards that could be put in place to protect smaller operators either by limiting the size of tendered lots, allowing sub-contracting with larger operators, the establishment of cooperatives between small operators or having a minimum number of small tendered lots.
65. Similarly vehicles could be provided by the authority as part of any larger tender this would provide some protection to smaller operators as they would not need to make significant investment in their vehicle fleet, and this would also reduce the barriers to entry to the competitive

process. There may be a requirement to have a lease arrangement with the operator if future capital replacement of the vehicles is anticipated.

8.0 The effectiveness of the measures relating to open data and how these could improve the accessibility of bus transport

66. One of the main barriers to bus use is a lack of information to inform journey planning or journey choice. At a recent series of workshops with passengers in Cornwall there was widespread support for more widely available and easier to understand bus information accessible online, by telephone and in printed format, both at home and at the bus stop. This is consistent across all age groups, although their information needs vary considerably. How passengers are able to access this information for rail has been held up as the standard to achieve for buses.
67. The majority of people were unable to find any information about the fare that would be charged prior to their journey or the ticket types available to make their journey.
68. Planning a journey is important to many particularly when travelling on less frequent services and for those less familiar with bus travel, and for this they require access to good information at home whether printed or online. For this reason there is very strong support for a freely available Smartphone app and much improved online digital information for all buses in Cornwall.
69. While provision of open data presents opportunities for the development of third party transport platforms at no cost to a transport authority, it impacts on the ability of an authority to manage its overall transport operation. By presenting other journey information on all modes, not just bus, it is possible to allow comparison of options and influence peoples journey choice to more sustainable modes or modes with greater capacity. It is important that any third party transport application includes the ability to plan a multi modal journey and pay for that journey on a single platform.
70. Open data also has the potential to reduce the opportunity for an authority to work with destinations to provide unique selling points, or promotions and area points of view, in order to encourage sustainable travel solutions and increase transport patronage.
71. By providing information on buses and fares you remove a barrier to use, thereby encouraging more people to travel by bus.

9.0 The basis for a prohibition on new municipal bus companies delivering bus services, particularly in non-franchised areas

72. This proposed prohibition on local authorities from operating bus services provides Cornwall Council with some concern. While Cornwall Council has no plans to establish a company to deliver bus services, it does believe the ability for it to do so should remain. Bus services are a vital public service for many people who have no alternative means of travel. In Cornwall 18% of households have no access to a car. It is important that the ability to travel for work, healthcare, education or shopping is not lost to them because a private company is not prepared to, or is unable to operate those services for commercial reasons. Local authorities should as a minimum retain the ability to be the 'operator of last resort' to ensure services can be maintained. This is particularly true in rural areas where bus services are less commercial in nature and access to employment or health can involve a journey of some distance. The majority of people in Cornwall will travel up to 20 km on public transport to get to and from work.

10.0 Measures in the Bill relating to ticketing schemes and new technologies

73. Like the requirement for improvement in the provision of information, there is strong support in Cornwall for a range of different payment and ticket options to give bus users more choice. At a recent series of workshops in Cornwall cash was still the preferred source of payment for many, and passengers did not want to see this option removed, but there is also keen interest in having the option to pay by debit or credit card, contactless and smartphone, as well as making use of smartcard top up technology similar to Oyster.

74. In areas of Cornwall where there are multiple operators there is strong support for multi-operator ticketing as otherwise interchange between services becomes very expensive, as two or more tickets are required. There is also support for zonal tickets allowing unlimited travel in a particular zone.

75. Capped daily fares throughout Cornwall would be the ultimate solution for those making multiple bus or rail journeys in a single day. There is a capped daily fare product, Ride Cornwall that can be bought in Cornwall, but it is currently only available on off-peak rail journeys, can only be purchased at rail stations and on services operated by the largest bus operators. The ticketing infrastructure is not currently intelligent enough to implement a capped fare in real time.

76. The adoption of a single platform for smart ticketing technology has been an issue in Cornwall along with the need to reach an agreement over the revenue apportionment for standard ticketing schemes, and so we welcome the Bill as an opportunity to provide a solution to this.

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31 August 2016

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