

**Report to the Cabinet Member for Highways and Transport**  
**Report submitted by: Director of Community Services**  
**Date: 10 November 2015**

**Part I**

Electoral Divisions affected:  
All in Hyndburn

**Pennine Reach: Statutory Quality Partnership Scheme**  
(Appendices 'A', 'B' and 'C' refer)

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**Executive Summary**

The Pennine Reach Major Public Transport Scheme, a joint scheme with Blackburn with Darwen Council, was fully approved by the Department for Transport on 1 October 2013 and is now under construction.

It is proposed to implement a Statutory Quality Bus Partnership Scheme (SQBP) from May 2016 to ensure that the standard of public transport along the corridor is raised in line with the public investment that is going into the bus infrastructure provision.

Approval is sought to formally publish the scheme for consultation in accordance with the Regulations that govern the implementation of a SQBP. Authorisation is also sought for the Head of Service Public and Integrated Transport to make such amendments to the scheme within Lancashire as deemed appropriate following the formal consultation with the affected bus operators.

This is deemed to be a Key Decision and the provisions of Standing Order No. 25 have been complied with.

**Recommendation**

The Cabinet Member for Highways and Transport is requested to:

- (i) Give approval for the County Council, in conjunction with Blackburn with Darwen Council, to formally advertise, publish and implement the Pennine Reach Statutory Quality Bus Partnership Scheme;

- (ii) Authorise the Head of Service Public and Integrated Transport, in consultation with the Director, Legal and Democratic Services, to make any amendments to the scheme within Lancashire as deemed appropriate following the formal consultation process with bus operators.

## **Background and Advice**

The Pennine Reach Major Public Transport Scheme, a joint scheme with Blackburn with Darwen Council, was fully approved by the Department for Transport on 1 October 2013 and is now under construction. The overall cost of the scheme is approximately £40 million with a contribution from the Department for Transport of £31.9 million.

At the heart of the Pennine Reach project are a number of infrastructure projects which include new bus stations in Accrington and Blackburn, lengths of bus priority measures, upgraded highway junctions, refurbished bus stops and mini public transport hubs in Great Harwood and Ewood. All these measures are designed to improve the journey time and reliability of bus services on the Pennine Reach routes and will be complemented by the introduction of a local multi-operator smart ticketing scheme and real time information, either through bus stop displays at key stops and through the use of mobile phone technology elsewhere.

As part of the request for Final Approval from the Government, the Councils are committed to the implementation of a Statutory Quality Bus Partnership Scheme (SQBP) covering the Pennine Reach routes. A SQBP is an enforceable partnership with bus operators that can be made by local transport authorities under the provisions of the Transport Act 2000, as amended by the Transport Act 2008, after following certain procedures. Enforcement of the scheme is undertaken either by the Traffic Commissioner or through a judicial process dependent on whichever party is deemed to be failing to meet the agreements of the scheme.

A SQBP is designed to bring about major improvements to local bus services by guaranteeing the provision and maintenance of specified bus infrastructure by the local authorities for the life of the SQBP matched by defined minimum service levels and service quality standards that must similarly be delivered by the bus operators. Enforcement of the scheme is undertaken by the Traffic Commissioner who has wide ranging powers to ensure that the scheme's requirements are adhered to.

The relevant legislation and regulations require that all operators that are required to participate are formally consulted on the scheme. Operators have been previously informally consulted and a number of changes were made as a result of that consultation. The formal publication of the scheme would trigger a formal consultation with affected bus operators. Once the consultation process has been undertaken, Blackburn with Darwen Council and the County Council would be in a position to make the scheme. It is proposed that the whole of the Pennine Reach route is covered by one scheme and that a single order is made by Blackburn with Darwen Council on behalf of both authorities. This will slim down the administrative process considerably and be less of a burden on the affected operators.

It should be noted that bus operators are able to object to a SQBP in certain circumstances. These are known as admissible objections and the circumstances under which an operator can object are laid down in Regulations. The two grounds are:

- That it would not be practical for the operator to meet the standard of service specified at the time it would come into effect. For example, if the operator needed more time to procure vehicles of the required standard or take on more staff.
- That it would not be commercially viable for that operator, acting in a competent and efficient manner, to provide services to the standard specified.

Under either of these scenarios, the operator would need to object to the local authority in writing in accordance with the timescales set by the Regulations including evidence to underpin the objection. If the local authority chooses not to uphold the objection, then the operator may;

- 1) Refer the matter to the Traffic Commissioner for a determination, although the determination is non-binding on the authority making the SQBP and/or;
- 2) Refer the matter to the High Court for a Judicial Review.

The proposed Statutory QBP would deliver the following:

**To passengers:**

- Better customer relations, through better driver training and more consistently delivered, customer focused standards
- Stability of services within the scheme area and commitments to timetables including first and last buses
- Improving security and cleanliness of vehicles and on-street facilities
- Reduced differential between car and bus journey times and improvements to reliability and punctuality
- Maintaining improved vehicle standards
- Better ticketing and information.

Details of the improvements listed above are set out in the SQBP attached at Appendix 'A'.

**To the promoting Local Authorities:**

- Improving the overall image of bus services and promoting confidence in the bus service
- Improved passenger satisfaction
- Making public transport a more attractive choice, potentially leading to modal shift which in turn would lead to reduced or limited growth in congestion
- Improved air quality
- Better co-operation between the scheme partners in delivering wider objectives

- More focused or specific enforcement action through the Traffic Commissioner

### **Benefits to Local Bus Operators:**

- Better protection from traffic congestion and improved competitiveness with the car
- Public sector commitment to continued provision of bus infrastructure on the Pennine Reach route for the life of the SQBP.
- Increasing patronage, and therefore revenue leading to increased viability of the service
- Protecting operators who have undertaken to adhere to the standards from other operators operating services to a lesser standard alongside

The proposed Pennine Reach SQBP has been designed to secure provision of effective bus priority and on-street infrastructure for a 5 year period from May 2016 to May 2021.

A copy of the proposed Statutory Quality Bus Partnership Scheme is at Appendix 'A'.

### **Consultations**

Consultation with local bus operators and the Traffic Commissioner was undertaken in November and December 2012 in the run up to the Pennine Reach application for Full Approval. The draft scheme was subsequently amended following this informal consultation. The formal publishing of the scheme allows a further period of consultation with bus operators before the scheme can be made.

A copy of the bus operators' response to the informal consultation is at Appendix 'B'.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

It is essential that the SQBP is implemented to ensure that Pennine Reach delivers the maximum benefits from the public investment in the scheme. If the SQBP is not implemented there is a risk that these benefits will not be realised as there will be no enforceable obligation on the bus operators. The implementation of a SQBP was a commitment both councils made in submitting the Bid for Final Approval to the Department for Transport. There is a risk that the DfT may seek claw back of some of the funding if the SQBP is not implemented and the full benefits of the capital investment are not realised.

## Financial

There will be some additional revenue requirements as a result of the implementation of the Pennine Reach scheme in May 2016 which will need to be maintained for the five year duration of the SQBP.

In 2016/17, there are revenue costs of £63,500 which can be managed within the overall 2016/17 Public and Integrated Transport revenue budget. Revenue provision will continue to be required throughout the five year duration of the SQBP.

The cleaning and maintenance of bus shelters for a rolling 5 years, dependent on when each individual shelter was installed, has been included within the Pennine Reach scheme. However, post January 2019, the County Council will have to provide revenue funding for bus shelter maintenance on an incremental basis, up to an estimated maximum of £40,000 per annum for 80 bus shelters by April 2021.

In summary, the estimated annual costs are listed in the table below with detailed descriptions in the paragraphs that follow.

<b>Revenue Requirements</b>	<b>Estimated Costs</b>
1. Operating costs of traffic signal bus priority	£13,000
2. Operating costs of electronic information displays	£20,000
3. Operating and management cost of bus lane enforcement	£10,500
4. Management of car park areas	£20,000
Total Annual Costs (starting in 2016/17 to 2018/19)	£63,500
5. Bus shelter maintenance costs (only incurred 5 years after installation)	Incremental increase from Jan 2019 to a possible £40,000 from April 2021
Total Estimated Annual Costs post January 2019 (2018/19)	Incremental increase to a possible £103,500 from April 2021.  It is anticipated that some potential income may offset a proportion of this cost with the rest to be met from revenue budget allocations.

### 1. Operating Costs of Traffic Signal Bus Priority

It is estimated that this will cost about £13,000 per annum to operate, which will need to be met from the Public and Integrated Transport revenue budget.

### 2. Operating Costs of Electronic Information Displays

Electronic bus information displays are being installed at Accrington Bus Station, Railway Station and Victoria Hospital and at 20 stops on the route.

The running cost will be approximately £20,000 per annum, which will need to be met from the Public and Integrated Transport revenue budget.

### 3. Bus Lane Enforcement

It is anticipated that the initial capital cost for the introduction and implementation of a full bus lane enforcement system and first year costs will be covered by the Pennine Reach technology budget within the DfT funded capital scheme.

Annual revenue costs thereafter are estimated at £10,500 and will need to be contained within the Public and Integrated Transport revenue budget. However, experience of bus lane enforcement in other parts of the UK suggests that income from the issue of Penalty Charge Notices could contribute to offsetting revenue costs.

### 4. Management of Car Parking Areas

In order to mitigate the loss of on-street car parking where bus lanes are proposed, several new car parking areas are in the course of construction. The overall cost for maintenance (including winter maintenance) and provision of CCTV is expected to be around £20,000 per annum, which will need to be met from the Public and Integrated Transport revenue budget.

### 5. Maintenance of Bus Shelters

The cleaning and maintenance of the new Pennine Reach bus shelters is funded from capital for a five-year period from installation. This is included within the cost of the Pennine Reach scheme and will be carried out by the shelter manufacturer.

However, it should be noted that the five-year maintenance period commences on the date each individual shelter is installed and not the date the SQBP commences: the maintenance obligation on the manufacturer will expire for each individual shelter five years after its installation and the cleaning and maintenance for each shelter will then need to be covered by the county council. The first Pennine Reach bus shelter in Lancashire was installed in January 2014 and the last is to be installed by the end of March 2016. There will therefore be an incremental increase in revenue costs to the county council for the maintenance of bus shelters within the Lancashire area of Pennine Reach from January 2019 through to April 2021. By April 2021, there will be around 80 bus shelters installed with an estimated annual revenue cost of £40,000 for cleaning and maintenance. Options will be explored to help offset these maintenance costs, including the potential for advertising on county council owned shelters.

## **Legal**

The relevant legislation is contained in sections 114 to 123 of the Transport Act 2000, the Quality Partnership Schemes (England) Regulations 2009, the Quality

Partnership Schemes (Existing Facilities) Regulations 2001 and the Public Service Vehicles (Registration of Local Services) Regulations 1986.

In addition the Department for Transport has issued statutory guidance to Transport Authorities on Quality Bus Partnership Schemes which the Councils are required to have regard to.

The two participating authorities have been advised on all aspects of the SQBP by external advisors who have drafted the relevant documentation supporting the scheme

### **List of Background Papers**

Paper	Date	Contact/Directorate/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A