

# WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

DATE: 21 SEPTEMBER 2007

AGENDA ITEM NO: **14**

**SUBJECT: NATIONAL POLICY INITIATIVES - UPDATE**

## **Report of the Passenger Transport Executive**

### **1. MATTERS FOR CONSIDERATION**

- 1.1 An update on a number of national policy initiatives including the draft Local Transport Bill, consultations on the role of the Traffic Commissioner, Bus Service Operator's Grant (BSOG), the future of LTPs. It also includes information on revised guidance for Major Schemes and the recent Rail White Paper.

### **2. INFORMATION**

#### Draft Local Transport Bill

- 2.1 At the last meeting of the Authority, the government's consultation on the draft Local Transport Bill was considered. The draft Bill covers the following three areas:
- Enhanced local bus services;
  - changes to transport powers and governance; and
  - local road pricing schemes.
- 2.2 The Authority approved a response to be incorporated into submissions from PTA SIG/pteg and the Leeds City Region. These responses were submitted by the consultation deadline of 7 September 2007. Copies of the full responses are available from the Deputy Clerk to the PTA.
- 2.3 Government will now be considering these responses and preparing the legislation for parliamentary scrutiny. It is expected that the bill will be introduced in the forthcoming (2007/8) session of parliament and enacted in 2008. Government is consulting separately on further issues in relation to the Traffic Commissioner and Bus Service Operator's Grant (BSOG). Key issues in relation to these areas are set out in more detail later in this report.

- 2.4 The Authority also approved an approach to a review of transport governance in West Yorkshire and the City Region. It is proposed that Metro will play a central role in the review which will help shape the future arrangements following enactment of the Bill. The draft Bill proposes that 'cities' will be required to undertake a formal review of governance and propose revised arrangements for improved governance appropriate to the local area. The proposed approach is to commence a review (in partnership with all the relevant authorities) this autumn with the aim of coming to agreement on a preferred future model in advance of the Bill being enacted. This will ensure that Metro and the other city region authorities are not 'bounced' into accepting a particular model of governance.
- 2.5 The review will include a series of seminars and workshops for PTA members (and similar processes for district council Members). A seminar for PTA members was due to be held on 19 September.

#### The Role of the Traffic Commissioner

- 2.6 The Department for Transport has issued a consultation document (Strengthening Local Delivery - Modernising the traffic commissioner system) in parallel with the consultation on the draft local Transport Bill.
- 2.7 The consultation document explores the functions and responsibilities of the traffic commissioners. It proposes the creation of a Board of Traffic Commissioners which would be responsible for ensuring that both the goods vehicle and bus sectors get sufficient attention and resource. The Board would also champion bus passengers' interests and ensure investigation of complaints about the punctuality and reliability of local bus services.
- 2.8 The proposals seek to ensure that the traffic commissioner system is "well placed" to deliver the proposed new bus functions, alongside its existing responsibilities. The proposed Board will also oversee the overall performance of the traffic commissioner system with an enhanced, centralised administrative support network to facilitate bus punctuality monitoring, ensuring that resources are focused on the greatest problem areas.
- 2.9 The deadline for responses is 15th October 2007. A draft PTA SIG/pteg response, which has been considered at the Bus Working Group, is attached as Appendix 1.

#### Bus Service Operator's Grant (BSOG)

- 2.10 The Department for Transport has advised that there will be a review of BSOG, which is paid to operators as re-imbusement (c. 80%) of fuel duty.
- 2.11 Whilst it is not sustainable, on environmental grounds, to continue to pay operators for using fuel there are potentially significant implications

of any alternative approach, such as a payment per passenger or payments linked to vehicle environmental impacts.

- 2.12 It is proposed that Metro's input to a PTA SIG/pteg response be considered by a future meeting of the Bus Working Group.

#### The Future of Local Transport Plans (LTPs)

- 2.13 The draft Local Transport Bill includes a proposal to replace LTPs in metropolitan areas with a new Integrated Transport Strategy looking 10-15 years ahead together with a short-term implementation plan (3-5 years).
- 2.14 The DfT has published a consultation document 'Local Transport Planning: The Next Steps'. The document covers proposals relating to the following areas:
- Progress reporting in the current LTP;
  - the basis of the forthcoming distribution of the highways capital maintenance funding for the last three years of the five year plan period; and;
  - the future of the LTP beyond the current plan which ends in 2011.
- 2.15 The consultation is a further opportunity to comment on the proposals in the draft bill regarding transport plans in metropolitan areas. Particular issues include how they might apply to areas outside West Yorkshire (such as the wider city region) and how they would relate to existing plans and strategies.
- 2.16 There are also issues relating to the revised Local Area Agreements (LAAs) which will be put in place next year. Current government proposals are for these new LAAs to include all reporting against targets and indicators (including relating to transport). It is understood that each LAA will only have a relatively small number (35) of priority targets and indicators selected from a 'basket' of around 250. Potentially this could mean that, in the future, individual LAAs (and therefore districts) have different sets of transport targets with different emphasis placed on the importance. Clearly this would not be appropriate for many of the transport targets (where the general direction of travel has been to look at strategic transport needs over a wider geographical area, not a smaller one). One possible solution being considered is for a Multi Area Agreement (MAA) for transport and other strategic priorities (such as skills and housing) at City Region Level.
- 2.17 The proposals are due to be considered in more detail by the Local Transport Plan Steering Group at their meeting on 24 September. A West Yorkshire response to the consultation will be prepared following

that meeting, which will also allow consideration of input to a PTA SIG/*pteg* response. The consultation closes on 19 October 2007.

### Revised Major Schemes Guidance

- 2.18 Major Schemes are LTP schemes over £5m in value. Metro is currently in receipt of major scheme funding for the MyBus scheme (£18.7m). Castleford Interchange (£14m) and the A65 Quality Bus Initiative (£22m) have 'programme entry' status and will be funded subject to completion of statutory processes and satisfactory tenders. The Regional Transport Board has recently endorsed the New Generation Transport (NGT) replacement for Leeds Supertram and allocated £150m of funding. A major scheme bid has also been submitted for additional platform capacity at Wakefield Westgate and feasibility work is underway for a scheme for a new southern pedestrian access to Leeds rail station.
- 2.19 The DfT has published revised guidance on major schemes which is available at: [www.dft.gov.uk/pgr/regional/ltp/major/majorschemeguide](http://www.dft.gov.uk/pgr/regional/ltp/major/majorschemeguide)
- 2.20 The financial changes proposed in that document are as follows:
- Local Authorities would have to fund at least 10% of the capital costs of major schemes (at least 25% for Light Rapid Transit schemes);
  - A new requirement to undertake a QRA (Quantified Risk Assessment) and the identification of an agreed level of contingency funding;
  - A responsibility on the promoting authority to cover 50% of any cost overrun (up to the agreed level of contingency) and 100% of cost over run exceeding the contingency level; and
  - The DfT intend to make a contribution towards preparatory costs that gain 'programme entry' as the scheme proceeds.
- 2.21 The Guidance also sets out a number of changes in the way major schemes are defined and appraised, how the bids should be structured and clarifies a number of established but informal working practices . The main proposals are as follows:
- Establishing a three stage approval process: - programme entry, conditional approval and full approval;
  - Redefinition of high value for money as schemes with cost benefit ratio over 2.0 (up from a previously accepted high value of 1.5);
  - Exemption to £5 million threshold for innovative technology schemes and in smaller authorities (but not Metropolitan areas, where the £5 million threshold will remain);

- New appraisal guidance to include more emphasis on 'strategic fit';
  - The need to undertake a high level assessment as part of the development of options; and
  - The abolition of fixed submission/decision timescales.
- 2.22 The input to the daft consultation was overseen by the Local Transport Plan Steering Group. The main areas of issue for Metro are:
- The appraisal methodology is still likely to have a bias towards road based schemes;
  - The methodology doesn't properly address non-transport benefits (such as regeneration);
  - The new guidance does not address how local rail schemes would be dealt with under the major schemes funding process; and
  - There will be a requirement to fund at least 10% of the capital costs locally. This may reduce the number of schemes coming forward nationally, but will also put additional pressure on local budgets.

#### Rail White Paper

- 2.23 The DfT's rail White Paper 'Delivering a Sustainable Railway', was published on 24 July 2007. The full document is available at [www.dft.gov.uk/about/strategy/whitepapers/whitepapercm7176](http://www.dft.gov.uk/about/strategy/whitepapers/whitepapercm7176) or from the Deputy Clerk to the Authority. Key issues relating to the White Paper were considered by the Rail Working Group at their meeting on 31 August.
- 2.24 The White Paper aims to provide strategic direction for the rail industry. The strategic direction is provided in three parts. A High Level Output Specification (HLOS) sets out what the Government wishes to buy from the rail network for the period 2009 to 2014. This is accompanied by a statement of funds available (SoFA) for schemes within the HLOS period. Longer term aspirations for a 30 year period are also identified.
- 2.25 The White Paper identifies specific outputs in respect of reliability, capacity and safety for the HLOS period. There is also explicit commitment to improving the quality of service provision for passengers, to be realised through rebranding and simplification of ticketing and making stations more attractive.
- 2.26 The investment priority for the HLOS period is increased capacity. £10bn is identified for improvements, to include £150m to modernise 150 medium sized stations across the country and 1,300 new carriages to deal with overcrowding, 300 of which will address the rapid growth in

demand seen in major cities including Leeds City Region. (The DfT has published a technical document indicating that 60 to 90 of the additional carriages will be utilised in the Leeds area). There are also proposals for Smartcards and zonal pricing for the major cities.

**3. FINANCIAL AND EC PROCUREMENT IMPLICATIONS**

3.1 None as a result of this report.

**4. STAFFING IMPLICATIONS**

4.1 None as a result of this report.

**5. EQUAL OPPORTUNITY IMPLICATIONS**

5.1 None.

**6. RECOMMENDATIONS**

6.1 That the report be noted.

**Director General  
West Yorkshire Passenger Transport Executive**

## A NEW ROLE FOR THE TRAFFIC COMMISSIONER - DRAFT PTA SIG/pteg RESPONSE

### Introduction

It is widely recognised that the role of the Traffic Commissioners needs reviewing and that the current role may not be achieving the outcomes desired by passengers, local authorities and PTEs, and by much of the bus operating industry who want to raise standards and grow the market. This note sets out the argument for a new role that we believe is applicable in PTE areas, but may have relevance in other parts of the country.

### Objectives

- To preserve the role of the Commissioners as an independent regulator of the bus system, by allowing them to focus on the issues where independent judgement is required to maintain public confidence in the bus system;
- To reinforce a clear separation of the quasi-judicial role from that of assembling evidence;
- To promote efficiencies within the regulatory system through removing duplication of effort and effective use of new technology;
- To focus the role of improvement of the bus system above the minimum standard set by the Commissioners on the Local Transport Authority (LTA), where this is in line with locally determined policy;
- To define the role of the Commissioner in formal partnership solutions;
- To internalise the penalties levied by Commissioner against operators.

### Principles

- A nationally agreed minimum standard set by Commissioners for bus maintenance and operation continues;
- Monitoring of operational base, fleet management and driver standards is the remit of VOSA; monitoring of service delivery may be taken over by the LTA;
- One source of bus service data maintained by a single party to an agreed protocol including minimum quality standards, but available to all is a desirable objective.
- Action on service registrations (if action is required) remains the right of operators and Traffic Commissioners only;

- No action is required of LTAs, the status quo remains an option.

## **Outline proposals**

### Responsibility for service registrations

Where an LTA desires, it may take on the duty of becoming the registration authority for its area, through consultation with local operators, the relevant Commissioner and Transport Direct. Agreement to transfer responsibility for registration should include:

- An agreed set of standards regarding accuracy and timeliness of data;
- Use of a website for publishing the data with tools provided so that the Commissioner and VOSA can interrogate this data;
- Agreed proposals for sharing the benefits of a single high-quality data source between VOSA, LTAs and operators.
- A new pricing structure for operators encouraging them to submit electronic registrations with strong incentives for 'right first time' registrations.

We envisage this leading to a code of practice for LTAs wishing to take on this role that would set clear standards and methods for ensuring that service registration details were stored accurately with a sufficient level of advance warning of service changes being guaranteed.

### Responsibility for service monitoring

Currently the responsibility for service monitoring is split between Commissioners and LTAs. LTAs should have the right to take over this role using an appropriate combination of automatic vehicle location (AVL) systems and on-street observations. Operators would be under a duty to provide all AVL data in disaggregate form (down to individual timing point data) to the LTA. Under this arrangement, the LTA would take on a duty to:

- maintain a secure database of service performance information available to the Commissioner and (with appropriate commercial safeguards) to each operator;
- undertake summary and analysis of this data on behalf of the Commissioner as required;
- publish summary data for general performance along similar lines to that published for rail operators;
- engage with operators and highway authorities through PIPs to identify reasons for poor service delivery;
- commit to a programme of preparing and monitoring service performance improvement plans;

- make a report no less than annually to demonstrate actions taken (along with operators and highway authorities) to improve the delivery of bus services;
- submit itself to periodic audit of data and methods as required by the Commissioner;
- develop proposals for the bus industry that might result from local authority action to implement low-emission zones, including monitoring arrangements.

LTAs could, as part of this process, come to an arrangement with the Commissioner as regards the use of his monitoring resources and/or the payment for services provided to the Commissioner. However, the arrangement would only allow for the reimbursement of reasonable costs, and the likely saving to the Commissioner/VOSA from withdrawing from their current role as regards data collection and summary.

#### Moderation of partnership solutions

Where LTAs promote partnership solution with an operator (but particularly with several operators), it becomes unclear where the responsibility lies for ensuring that operators (as a whole) deliver their side of the agreement whether this is a voluntary agreement or a statutory partnership. Equally it may become difficult if any operator, including a new operator, decides to raise the level of service above the minimum agreed level agreed. We consider that the Commissioner should play a key role in moderating this situation to maximise public benefits and avoid head-on (and usually unsustainable) competition breaking out. We are keen to work with DfT in developing a workable solution to this problem, and believe that DfT needs to address this point through the draft guidance that will sit alongside the draft Bill.

#### Fines and Penalties

Currently fines levied by the Commissioner becomes part of Exchequer receipts and is effectively a fine on passengers and local authorities, recovered through raised prices. We would wish to see financial penalties replacing fines, with a mechanism to recycle funding to LTAs and to operators to accelerate performance improvement. We would welcome the opportunity to develop these ideas further with DfT and operators.

## **Overall Impacts and Outcomes**

We believe that these proposals should have the impact of:

- improving the quality of data about services as they planned and operated;
- save money through clarity of roles and removing duplication of effort;
- allow additional information to be collected where the LTA regards this as desirable;
- safeguard operators' commercial interests;
- improve the delivery of objective information to passengers;
- provide a better basis for improving service delivery through harnessing the efforts of highway authorities and bus operators.
- not imposing an additional burden on any LTA satisfied to work within the current system or seeking to implement some parts of this proposal on a self-funding basis.