

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member - Environment
Date:	6 April 2010
Title:	Bus Rapid Transit/Voluntary Quality Bus Partnership Agreement
Reference:	1463
Report From:	Director of Environment

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1. Executive Summary

- 1.1. The purpose of this paper is to set out the Heads of Terms of a legally-enforceable Voluntary Partnership Agreement with the South Hampshire Bus Operators' Association (SHBOA) for the delivery of the operational phase of Bus Rapid Transit (BRT). This paper also provides for authority to be delegated to the Director of Environment, in consultation with the Executive Member for Environment, the Head of Legal Services and the County Treasurer to negotiate with SHBOA and conclude the details of the agreement.
- 1.2. The first phase of BRT services is due to commence in 2011 operating between Gosport and Fareham town centres via the new dedicated busway between Redlands Lane and Tichbourne Way. In order to ensure that high quality, attractive, reliable and punctual BRT services are provided, an agreement between the County Council and SHBOA is required to commit all parties to meeting certain quality standards.
- 1.3. The Voluntary Partnership Agreement, as proposed in this report, will commit all parties to delivering the aspects of the service for which they have responsibility, to a high quality standard.
- 1.4. There are four options for the partners to consider in delivering an operational agreement for the first phase of BRT:
 - i) Voluntary Partnership Agreement;
 - ii) Legally-binding Voluntary Partnership Agreement;
 - iii) Quality Partnership Scheme; and

iv) Quality Contract Scheme.

2. Contextual information

- 2.1. The BRT system will help to address key transport issues in South Hampshire by contributing to a high quality, reliable public transport system that will provide a realistic alternative to the car for many journeys. It will aid economic competitiveness, improve access to new residential and employment sites, help to reduce traffic congestion and provide better integration between bus, rail and ferry services in South Hampshire. It will also contribute towards lower overall emission levels from transport and managing air quality standards.
- 2.2. The Gosport to Fareham public transport corridor is the busiest in Hampshire. The peninsula also has one of the most congested road networks leading to long and unpredictable journey times.
- 2.3. The corridor already has a good level of bus service. The majority of services are operated commercially by bus operators with comparatively little subsidy. It is anticipated that Phase 1 of BRT will offer improved, high frequency services along this corridor on a commercial basis.
- 2.4. The proposed future development of BRT schemes in South Hampshire will potentially include links from phase 1 to Gosport Waterfront; through Fareham Town Centre; to the Strategic Development Area to the north of Fareham; from Fareham towards Queen Alexandra hospital at Cosham and south into Portsmouth City Centre; and an east-west route across Havant Borough. It is also anticipated that the existing A3 Quality Bus Corridor will be converted to BRT standards.

3. Finance

- 3.1. There are no financial implications as a direct consequence of this report. However, there may be financial implications for the revenue budget of the subsequent Voluntary Partnership Agreement that is reached with SHBOA. For example, topics to be negotiated with SHBOA will include standards of highway maintenance of BRT routes, enforcement levels of Traffic Regulation Orders, response times to traffic signal defects and maintenance of bus shelters and real Time Information systems.
- 3.2. Through the negotiation process, the Director of Environment, in consultation with the Executive Member for Environment, will ensure that any commitments made by the County Council in the Voluntary Partnership Agreement will be within the revenue funding levels available for the scheme.
- 3.3. There are no implications on the bus subsidy budget over and above current commitments. The new buses that will operate the BRT services will be funded by operators.

- 3.4. Should the BRT services succeed in attracting significant numbers of passengers to the services, the subsidy requirement of some services in the area may even reduce.
- 3.5. A section of the agreement to be negotiated includes a trigger point for bus operators to contribute financially towards current and future BRT schemes. This particular negotiation will be based around meeting passenger growth targets and would provide a financial contribution towards BRT development.

4. Performance

- 4.1. The agreement proposed in this report will include targets for patronage growth, punctuality and reliability. Improvements in these areas will help the County Council in its performance against National Indicators 177 (bus passenger journeys) and 178 (bus services running on time).
- 4.2. The services delivered as a result of this agreement will also have a positive effect on congestion, air quality and carbon emissions.

5. Options for an Operational Agreement

- 5.1. There are four options for the partners to consider in delivering an operational agreement for BRT:
- 5.2. The first option, to construct the dedicated busway and leave operational matters entirely to bus operators is not recommended. Having invested approximately £20 million in BRT infrastructure, the County Council wishes to ensure the best chance of success.
- 5.3. The County Council could pursue the implementation of the Gosport to Fareham corridor as a statutory Quality Partnership Scheme (QPS). Under this arrangement the County Council would invest in BRT infrastructure and lay down conditions that operators would have to meet in order to operate buses along the corridor. This would be a scheme that is imposed by the County Council, the conditions of which operators are legally obliged to meet. It is not an agreement. A QPS could also cover maximum fares and set down service frequencies.
- 5.4. It is not recommended to pursue this option initially for BRT as the County Council and Transport for South Hampshire have already achieved significant improvements to bus services through the existing voluntary partnership approach with bus operators. Bus patronage on several bus corridors in South Hampshire has grown significantly as a result of this partnership working. Examples of good practice that has levered in significant private sector investment to Hampshire's bus network include the A3 bus priority corridor, Havant bus station, the Solent Travelcard and the Quality Bus Partnerships covering services between Havant and Portsmouth City Centre.

- 5.5. A QPS could be considered in future depending on the performance of the BRT network under a Voluntary Partnership Agreement and as the BRT network expands.
- 5.6. A Quality Contract Scheme involves replacing the existing deregulated bus market with a system of contracts, as exists in London. The County Council would specify the bus services that are to be provided and invite tenders to operate them. There are currently no Quality Contract schemes in England outside London. It is not recommended to pursue this option due to significant ongoing financial and staff resource implications of developing, implementing and managing a scheme of this nature. It may also result in a lack of private sector investment in Hampshire's bus network.
- 5.7. The recommended option is to negotiate a legally-binding Voluntary Partnership Agreement with SHBOA that will encompass agreed standards of operation, provision of facilities and maintenance, backed up by a legal agreement for a period of five years. This option will further strengthen the good levels of partnership working between the County Council and private sector bus operators and is likely to result in significant investment by bus operators in improved vehicles, more frequent services and improved customer service.

6. Heads of Terms of the Agreement

- 6.1 The proposed agreement will comprise the sections listed below:

Duration; Purpose; Status of the Agreement; Partnership Board; Additional Partners; Abandonment of the Project; Liability and Indemnity; Warranties and Representations; Intellectual Property; Monitoring and Review; Dispute Resolution; Provisions of Termination; Social Responsibility; Freedom of Information Act 2000; Confidentiality; Contract (Rights of Third Parties) Act 1999; Assignment; Variation; Notices; and Governing Law.

- 6.2 The proposed agreement will include schedules detailing the following:

Standards of service; Promotion and Marketing; Telematics System; Data Provision; Monitoring and Quality Control; Maintenance of Passenger Infrastructure and Bus Facilities; Enforcement of Traffic Regulation Orders; Operator Financial Contributions; Targets; Facilities Provided by The County Council; Services Covered by the Agreement; and Traffic Regulation Orders.

- 6.3 The agreement will be arranged in such a way that will permit other parties to sign the Voluntary Partnership Agreement, for example the Borough Councils of Fareham and Gosport given their roles in bus shelter cleaning and maintenance and (in the case of Fareham Borough Council) enforcement of Traffic Regulations.

7. Recommendation(s)

- 7.1 To agree the Heads of Terms of a proposed legally enforceable Voluntary Partnership Agreement with the South Hampshire Bus Operators' Association (SHBOA) for the South Hampshire Bus Rapid Transit project, in accordance with the Local Transport Act 2008.
- 7.2 That authority be delegated to the Director of Environment, in consultation with the Executive Member for Environment, the Head of Legal Services and the County Treasurer, to negotiate with SHBOA and conclude the details of the agreement.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

NB: If the 'Other significant links' section below is not applicable, please delete it.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Executive Member Policy & Resources Project Appraisal: South East Hampshire Bus Rapid Transit – Phase 1 Fareham to Gosport	460	29 January 2009
Cabinet The South East Hampshire Bus Rapid Transit Scheme – Phase 1 Fareham to Gosport	757	27 July 2009
Regulatory Committee Proposed South East Hampshire Bus Rapid Transit - Phase 1 Fareham to Gosport	861	29 July 2009
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. As a result of the BRT services that will be delivered under this proposed legal agreement, the BRT scheme will provide enhanced public transport facilities for the whole community with improved accessibility provided to waiting facilities and bus services. Older people, young people and those on lower incomes are generally greater users of bus services than other age and income groups.

2. Impact on Crime and Disorder:

2.1. As a result of the infrastructure and services delivered under this proposed legal agreement, security will be improved for public transport passengers on the busway through the provision of high quality waiting facilities, including enhanced lighting and CCTV.

3. Climate Change:

3.1. The BRT project is expected to deliver a reduction in carbon-dioxide emissions of 1,045 tonnes in the opening year and a total of 68,535 tonnes over the subsequent 60 year period.