



To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 08 July 2016

Subject: Public Transport in Coventry

1 Purpose of the Note

To provide the Business, Economy and Enterprise Scrutiny Board with background information on the governance, responsibilities and operation of public transport services in Coventry, to inform the select committee meeting on 21st September 2016.

2 Recommendations

The Business, Economy and Enterprise Scrutiny Board are recommended:

- 1) To note the contents of the report;
- 2) To identify and agree topic areas which require further scrutiny at the select committee planned for 21st September 2016.

3 Information/Background

3.1 Nationally, public transport includes a range of different modes of travel, including heavy rail, tram and light rail, rapid transit systems, bus, taxi and cycle hire. In Coventry, public transport provision is currently primarily concentrated around bus, rail and taxi services, however the focus of this note is the mass passenger carrying modes of transport, namely rail and bus.

3.2 Bus and rail services are governed by various pieces of legislation and are planned and operated by a variety of organisations and companies. This note is structured to provide an overview of the major elements involved such as legislation, governance and the key services provided to the public. It also outlines any important legislative changes which may have an impact on the provision of public transport in the future.

4 Legislative Framework

4.1 The following summarises the most recent Transport Acts and Rail Act which set out changes to legislation related to transport including the governance of bus and rail services and infrastructure.

- Transport Act 1985 – This Act introduced changes to public transport through the privatisation and deregulation of bus services in Great Britain which came into force in Oct 1986. This meant that municipally-owned bus services (outside London) under

the control of Public Transport Executives (PTE's) were transferred, ultimately, to the control of private companies. This removed the ability for PTE's to regulate bus routes and fares. PTE's however retained a role of maintaining bus infrastructure and financing "socially necessary" bus services (see Bus Subsidy below). The Act also covered the role of Traffic Commissioners who are responsible for the licensing and regulation of companies who operate buses, coaches and heavy goods vehicles, and the registration of local bus services.

<http://www.legislation.gov.uk/ukpga/1985/67>

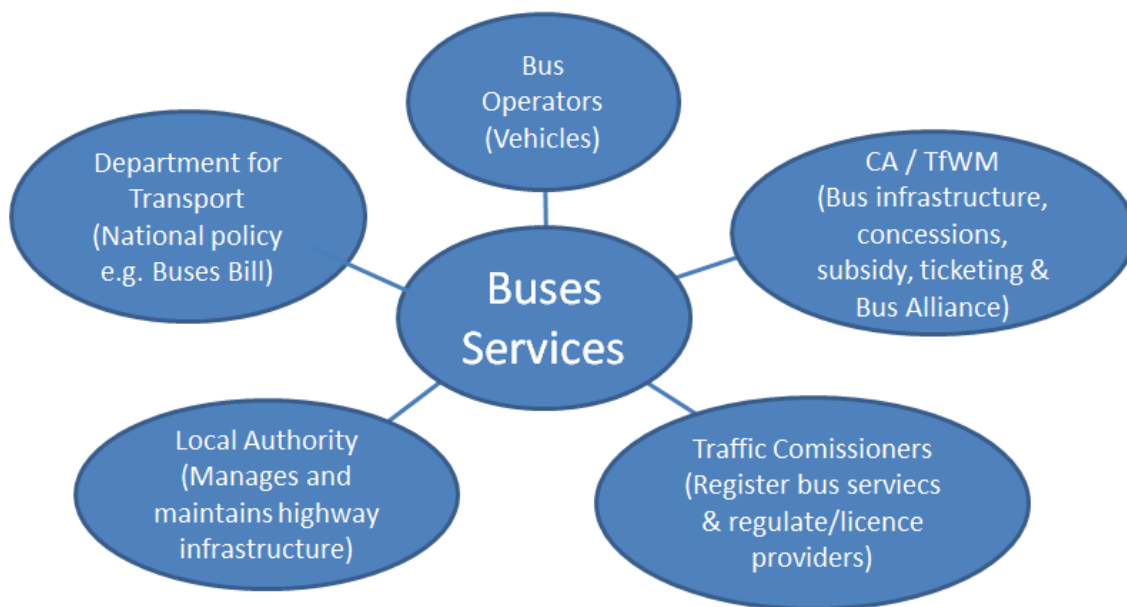
- Transport Act 2000 – This Act introduced the ability to introduce Bus Quality Partnerships, Bus Quality Contracts, changes to bus ticketing schemes and the provision of bus information. It also introduced a requirement for all Transport Authorities to produce a Local Transport Plan and a Bus Strategy. In the West Midlands area (including Coventry) the production of these plans was the responsibility of Centro and the PTA, however they were also adopted by each local authority. The Act made changes to the structure of the privatised railway system through the introduction of the Strategic Rail Authority (SRA), which was later abolished in 2005, and its functions replaced by Network Rail and the Department for Transport. <http://www.legislation.gov.uk/ukpga/2000/38/contents>
- Local Transport Act 2008 – This Act introduced changes to the role of Passenger Transport Authorities (PTAs) renaming them as Integrated Transport Authorities (ITAs), however Public Transport Executives (PTE's), the delivery bodies for PTA's, (e.g. Centro) retained their existing names. The bill also strengthened the powers of PTEs/ITAs to regulate bus services and retained the responsibility to produce Local Transport Plans. <http://www.legislation.gov.uk/ukpga/2008/26/contents>
- Railways Act 2005 – The main changes brought about through this Act include the abolishment of the Strategic Rail Authority (SRA), and changes which gave the Secretary of State for Transport more influence over the development of the railways through the High Level Output Specification (HLOS) process. It also established Passenger Focus as a single national consumer representation body.

5 Bus Services – Key Issues

- 5.1 The Authority for public transport in Coventry is Transport for the West Midlands (TfWM), the transport arm of the new West Midlands Combined Authority (WMCA). Until recently this role was fulfilled by Centro and the West Midlands Integrated Transport Authority (WMITA). These organisations both transitioned into WMCA on 17th June 2016.
- 5.2 **Transport for the West Midlands (TfWM)** is responsible for installing new and maintaining existing bus infrastructure in the West Midlands metropolitan area (excluding buses) including bus shelters, bus flags, timetables and bus stations such as pool meadow. TfWM is also responsible for the Network West Midlands Brand, integrated ticketing including the new Swift card, bus passes, and the West Midlands Strategic Transport Plan. TfWM also develops strategic transport infrastructure such as Metro and rapid transit networks. As part of the CA, part of the local strategic highway will be designated as a Key Route Network with the objective of using highway capacity more effectively to cater for public transport services. The highway itself will remain the responsibility of the City Council as the Highway Authority.

Coventry City Council is responsible for the provision and maintenance of the public highway and associated infrastructure which supports public transport such as traffic signals, signs and road markings. It is also responsible for the enforcement of bus lanes and illegal parking.

An indicative model outlining the roles of the organisations involved in bus service provision in Coventry is shown below:



5.3 **Bus Operators** - Since 1986 all bus services outside London have been delivered by private sector bus operators; under the current legislation the WMCA is not legally permitted to operate bus services. In Coventry there are three main bus operators:

- **National Express Coventry** which is a subsidiary of the UK bus division of National Express PLC*;
- **Stagecoach** which is part of Stagecoach Group PLC*, and;
- **Mike de Courcey Travel** who are a Coventry family run and owned business.

*Also a global bus, rail and metro operator.

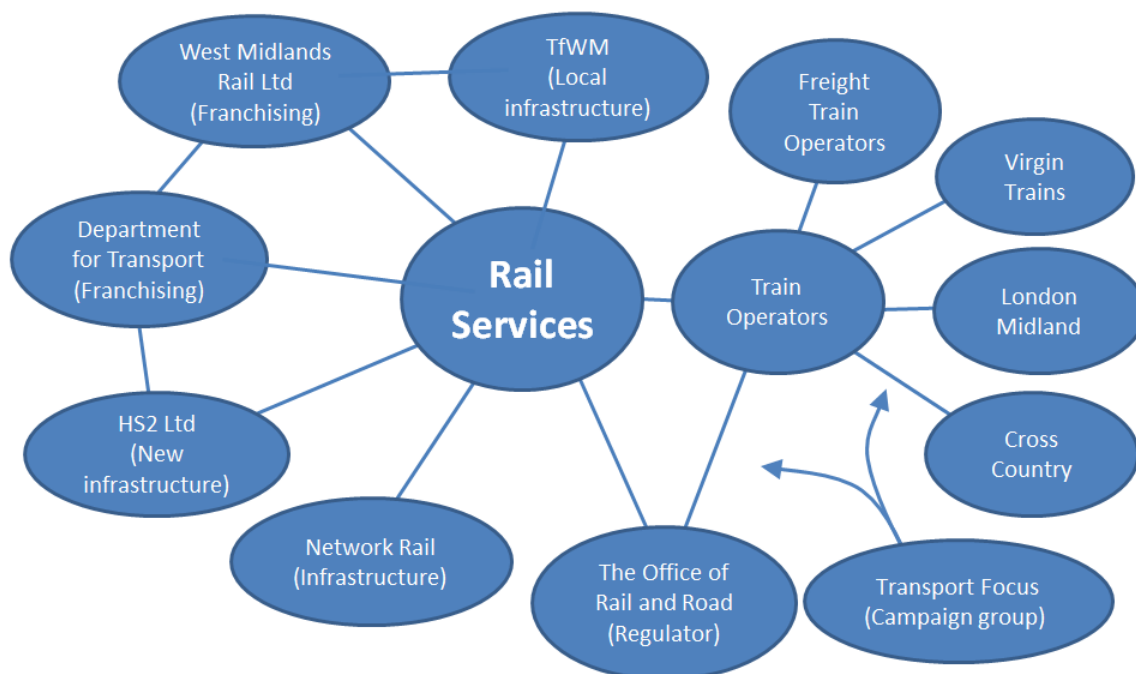
5.4 **Bus Subsidy** - All Council organisations have the ability under the 1985 Transport Act to subsidise what are known as socially necessary bus services. These are bus services that the commercial bus operators do not provide, but there is considered to be a strong social need for them. Virtually all bus services in Coventry are operated by private bus operators without any subsidy from TfWM or local authorities. Along with Wolverhampton, Walsall, Sandwell, Dudley, Birmingham and Solihull Councils, Coventry funds the TfWM through a Levy to discharge the policy to provide subsidised bus services.

5.5 **West Midlands Bus Alliance** - The Bus Alliance is a new way of delivering partnership working, and unlike previous partnerships it directly involves the LEP's and local highway authorities through a Partnership Board. The board is made up of key representatives from the bus operators, WMCA (both officers and elected members), the Highway Authorities, LEPs, Transport Focus and the Police. The board has set a number of objectives to improve bus services between now and 2020 which are:

- Network Development Plans for all areas
 - Creation of the Key Route network
 - Maintain the funding for the Safer Travel Police
 - The operators to provide open data for travel planning and disruption management
 - Development of consistent brand for bus services
 - Contactless smartcards
 - Improving bus emissions with all buses being at least Euro V and Euro VI on key routes by 2020
- 5.6 **West Midlands Transport Strategy** - The Combined Authority has adopted all existing policies and strategies transferred from the ITA, however there is an opportunity to review them to ensure they remain fit for purpose. The main strategy relevant to public transport is The West Midlands Strategic Transport plan: Movement for Growth. This sets out policies for all modes of public transport including bus and rail.
- 5.7 **Bus Network Reviews** - TfWM is currently working with Coventry City Council and other stakeholders to create a Bus Network Development Plan for the City which will map out how we collectively would like the bus network to evolve to meet the changes in land use and demands over the next 5 to 10 years. As part of this process key milestone(s) will be identified as to when there will be a need to undertake formal bus network reviews to revise the bus services to meet new or amended demands
- 5.8 **Bus Concessions** - The English National concessionary scheme is administered by TfWM in the West Midlands metropolitan area, and provides older and disabled people free travel by bus anywhere in England during 'off-peak' times. Residents in the West Midlands are also entitled to free train and Metro travel during off-peak times. Off peak travel is between 9.30am to 11.00pm Monday to Friday, all day at weekends and on public holidays. In the West Midlands this is extended to include the last service of the day which is those after 11pm.
- 5.9 **Bus Park and Ride** - There is currently one bus based park and ride service operating in Coventry called Park and Ride South which operates from the War Memorial Park. The service is currently operated by Stagecoach as part of the X16 and 17 services.
- 5.10 **Ring and Ride** - This service is mainly funded through the levy from the seven West Midlands local Authorities which make up the WMCA, and is provided by a charitable organisation called West Midlands Special Needs Transport. This demand responsive service provides transport for people who can't access mainstream bus services. Following a review of the service, all users have to pay a fare to use it (concessionary tickets are not valid) and the charity is now encouraged to look for opportunities to generate additional income to help fund the service. Ring and Ride are looking at contract opportunities, e.g. special needs school contracts and in recent years have started operating mainstream bus services under the LGO brand, mainly under contract to WMCA.
- 5.11 **Buses Bill** - Linked to the devolution deal for the West Midlands CA, an elected Metropolitan Mayor would have the ability to ask for bus franchising powers through the new Buses Bill (Bus Services Act 2016). Whilst this has potential advantages, such as creating a more comprehensive and connected bus network to meet social needs, the new powers will not come with any additional funding required to pay operators to run services which are not commercially viable. As well as franchising powers, the Buses Bill aims to strengthen partnership working and will include a partnership model similar to the new West Midlands Bus Alliance.

6 Rail Services – Key Issues

An indicative model outlining the roles of the organisations involved in rail services within Coventry and the wider West Midlands is shown below:



6.1 **Rail Operators** - Similar to buses, rail services are operated by private operators under a franchise agreement, in most cases, with the Department for Transport, however there are plans to devolve franchising powers (see Devolved Rail Franchising below). The main passenger rail operators in the West Midlands are:

- Virgin Trains operate express long distance services between the North, Birmingham, Coventry and London as part of the Intercity West Coast franchise which is due to be renewed in April 2018.
- London Midland operate local and intermediate services through Coventry, such as those between Birmingham and Coventry and Nuneaton to Coventry as part of the West Midlands franchise which is due for renewal in Oct 2017.
- Cross Country Trains operate services between the North and south Coast via Coventry and Leamington as part of the Cross Country franchise.

6.2 **Rail Infrastructure** - Railway tracks, signalling and stations are owned by Network Rail who is financed by the Department for Transport, and through income gained from track usage charges and property. Nationally strategic stations, such as Euston and New Street are also managed by Network whilst local stations are managed by the local rail operator, as outlined above. Coventry station is currently managed by Virgin Trains and Canley, Tile Hill and Arena are managed by London Midland.

6.3 **Rail Planning and Strategy**- The planning process for the upgrading of railway infrastructure is led by Network Rail through Route Utilisation Strategies, Route Plans the Long Term Planning Process, and investment Control Periods.

- 6.4 As part of the CA and Midlands Engine, a strategic transport strategy is being developed for the East and West Midlands area called Midlands Connect. The strategy is looking at ways of improving the strategic rail and road networks to support economic growth objectives. The City Council is fully engaged in the development of that strategy by ensuring that the Coventry's rail strategy is embedded within it (see below). The West Midlands Strategic Transport Plan contains policies relating to the development of the local rail network including new stations.
- 6.5 The City Council has adopted its own rail strategy called the Coventry Rail Story. This sets out the Council's ambitions to enhance local and long distance rail connectivity and identifies where capacity enhancements are required to meet the increasing demand for rail services. The strategy includes the delivery of the Coventry Station Masterplan which aims to improve Coventry Railway Station and the surrounding area including improved integration with other modes of transport such as buses, walking and cycling routes.
- 6.6 **Rail Concessions** - The English National concessionary scheme (as outlined above) allows older people to travel free by bus during off-peak periods, however in the Metropolitan West Midlands area this is extended to include off-peak rail and Metro journeys such as those between Wolverhampton and Coventry. This is paid for by the TfWM levy which is funded by all local authorities in the metropolitan West Midlands area.
- 6.7 **Rail Park and Ride** - Canley and Tile Hill Stations currently operate as rail based park and rides sites. They offer free car parking to encourage people to use public transport as part of their journey. This is funded by TfWM through the levy.
- 6.8 **Devolved Rail Franchising** - As part of the refranchising process, from Oct 2017 the Department for Transport is supporting the devolution of the West Midlands rail franchise (currently held by London Midland) to be operated as a separate limited company. This franchise operation will be governed through a new umbrella organisation called West Midlands Rail Limited (WMR) which is made up of a partnership of fourteen Metropolitan District, Shire and Unitary local transport authorities that cover the proposed map of the devolved rail services. WMR will give partner Authorities (including Coventry) greater control and influence over future franchises for example, the timetabling and quality of services.
- 6.9 Local authorities within the operating area, including Coventry, will now have the opportunity to work with and influence what happens to local rail services. The new areas of local influence include timetable specifications and the livery and brand of the trains that are operated in the West Midlands area. The new West Midlands franchise competition is now underway and is due to commence in October 2017. WMR are working with government to develop plans for a fully devolved rail franchise for the region in the future.
- 6.10 **High Speed Rail** - Subject to royal ascent of the HS2 Hybrid Bill, HS2 phase 1 is due to open in 2026. This would see high speed services operate between Birmingham and London Euston. The nearest stop to Coventry will be at the Interchange station close to Birmingham Airport. It is likely that local rail services on the classic rail networks will change after 2026 as the government anticipates that a high proportion of existing long distance rail passengers will transfer on to HS2 services. The Department for Transport is due to consult on what those changes might be in the future.

Nigel Mills
Senior Officer Transport Strategy
Place
Ext 1563