

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Member for Environment and Transport
<b>Date:</b>	12 March 2019
<b>Title:</b>	Grant Stream for Public Bus Operators
<b>Report From:</b>	Director of Economy, Transport and Environment

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### 1. Recommendations

- 1.1. That the Executive Member for Environment and Transport gives authority for £165,000 of existing, one-off resource utilising Bus Service Operators Grant (BSOG) funding for 2018/19 be made available as a grant stream for small and medium sized independent bus operators in Hampshire to apply for funding to introduce contactless payment enabled ticket machines.
- 1.2. That the Director of Economy, Transport and Environment be given the delegated authority to finalise the arrangements for the implementation of the grant stream funding in consultation with the Executive Member for Environment and Transport, as set out in the report, and to subsequently award the grants in accordance with these arrangements.

### 2. Executive Summary

- 2.1. The purpose of this paper is to further improve passenger facilities on buses in Hampshire and so build on the present high levels of passenger use by establishing a second phase grant stream to allow smaller independent bus operators in Hampshire to bid for funding to enable them to accept contactless payment.
- 2.2. Accepting contactless payment streamlines the public transport experience for passengers, removes a barrier in using public transport and improves the punctuality and efficiency of services for bus operators.
- 2.3. The grant stream would be funded through £100,000 of BSOG money and £65,000 of existing, one-off resource from the Local Bus budget.
- 2.4. This second phase grant stream is intended to enable the majority of bus operators in Hampshire to accept contactless payment.
- 2.5. This investment would ensure that going forward Hampshire has a modern, attractive and efficient public transport network.

### **3. Contextual information**

- 3.1. In 2017 Hampshire County Council made a significant investment in improving passenger facilities on buses and, amongst other benefits, introduced contactless payment technology. This “Phase One” investment allowed the major operators to introduce contactless payment to make bus travel easier and improve air quality by reducing delays at bus stops.
- 3.2. Hampshire was the first shire authority to offer this countywide. On a national scale, Hampshire achieved this earlier than Authorities such as Manchester.
- 3.3. It is estimated that 5 million bus journeys in Hampshire were contactless in 2018. This second phase would extend contactless payment to the remaining medium size and smaller operators, some of which have extensive networks in the Eastleigh, Test Valley and Winchester areas, bringing the benefits of modern methods of paying for travel to further Hampshire residents.
- 3.4. Bus Service Operator Grant (BSOG), formally known as Fuel Duty Rebate, is a payment made by the Department for Transport (DfT) to offset the duty paid for diesel fuel to bring buses in line with other forms of public transport such as rail and ferry which do not incur the duty.
- 3.5. From 1 January 2014, the BSOG payable for tendered services has been paid via local authorities. Bus operators still receive the BSOG payments for commercial services direct from the DfT.
- 3.6. DfT rules for the allocation of BSOG include maintenance of existing services, kick-start of new services, substitution of community transport or taxi services, infrastructure or real time information or other investment.
- 3.7. Recognising the need to reduce dependency on subsidy and looking to achieve longer term benefits, the proposal is to make available £100,000 of BSOG in addition to £65,000 of existing, one-off resource from the Local Bus Budget as a second phase grants stream to incentivise further operators to bring forward their own investment in Hampshire.
- 3.8. Close attention has been paid and will continue to be paid to State Aid principles to ensure that this proposed grant stream complies with the relevant rules, where necessary.
- 3.9. Existing corporate grants processes would be used, as currently offered for community transport grants, and would be fully transparent and offered to all operators of local bus services in Hampshire who did not benefit from the Phase One investment in contactless technology.
- 3.10. The expectation is that Phase Two would largely benefit the smaller, independent operators in Hampshire.
- 3.11. The grant process would invite operators to provide agreed funding of their own to maintain partnership working which has been key to the success of the recent Passenger Transport Review. The level of funding to be provided by operators will be expected to reflect the size and nature of their operations.
- 3.12. A goal of the grant stream is to provide contactless payment systems on Hampshire’s local bus network, and the grant scheme could enable around 70 new contactless payment systems, costing in the region of £2,500 per machine.

Bus operators may bid for funds to install machines on buses operating within Hampshire, to bring the benefits of contactless payment to more residents.

- 3.13. Clear guidance would set out the Council's wish to see a modern bus service offered to more of Hampshire residents with grants available for contactless payment (payment by credit or debit card).
- 3.14. A condition of the grant would be for operators to sign up to the provision of RTPI (Real Time Passenger Information) as generated by the ticket machine. This would improve the quality of information in real time information displays around the County.

#### **4. Finance**

- 4.1. £1.1million BSOG funding has been provided to Hampshire County Council in 2018/19. £100,000 of this funding would be used to establish the phase two grant stream.
- 4.2. In addition, £65,000 of funding would come from existing, one-off resource from the Local Bus Budget.
- 4.3. Operators would contribute agreed funding of their own.
- 4.4. Grants would be awarded individually and only against unallocated funds to a maximum of £165,000.
- 4.5. Arrangements would be made for any remaining budget to be carried forward to future years.

#### **5. Performance**

- 5.1. Utilising existing funding in the way proposed will build on the existing successful partnership with bus operators in Hampshire which would look to improve the existing high levels of bus use in the county.
- 5.2. A modern transport system aids economic growth and the proposal allows for investment to make journey time more productive and aid visitors.

#### **6. Consultation and Equalities**

- 6.1. The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. The proposals seek to increase bus use by improving passenger facilities for all.

#### **7. Future direction**

- 7.1. If approved, grants would be agreed and paid to individual operators from the date of this decision day onwards.
- 7.2. Current manufacturer lead times suggest that operators would be in a position to accept contactless payments within 6 months of receipt of the grant.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	no
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u> Bus Services Operators Grant (7839)	<u>Date</u> 3 Nov 2016
<b>Direct links to specific legislation or Government Directives</b>	
<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.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

The impact of the proposals in this report have been assessed as neutral. They will bring about positive impacts for all service users, including groups with protected characteristics. The wider use of contactless payments will improve the efficiency of the service, benefiting all road users and people who travel by bus in particular.

### **2. Impact on Crime and Disorder:**

2.1. The proposals within this report would have a neutral impact on crime and disorder.

### **3. Climate Change:**

a) How does what is being proposed impact on our carbon footprint / energy consumption?

The proposals within this report would have some benefit to our carbon footprint and energy consumption by encouraging the use of sustainable transport which could reduce the number of cars on the road.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The proposals within this report would bring some benefits to the long term impact of climate change by encouraging the use of sustainable transport which could change the favoured mode of transport of habitual car users.