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for Transport

Better Bus Areas Programme

**Process Evaluation Report**

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**LIST OF ABBREVIATIONS**

AVL	Automatic Vehicle Location
BaNES	Bath and North East Somerset Council
BBA	Better Bus Areas (the programme which this study is evaluating)
BBAF	Better Bus Area Fund (the funding programme announced in March 2012)
BCC	Bristol City Council
BSOG	Bus Service Operators Grant
CPT	Confederation for Passenger Transport
DfT	Department for Transport
EYMS	East Yorkshire Motor Services
GBBN	Greater Bristol Bus Network
LSTF	Local Sustainable Travel Fund
LTP	Local Transport Plan
NCT	Nottingham City Transport
MBC	Metropolitan Borough Council
PTE	Passenger Transport Executive
QBP	Quality Bus Partnership
RTI	Real Time Information
SCC	Sheffield City Council
SQPS	Statutory Quality Partnership Scheme
SYLTE	South Yorkshire Passenger Transport Executive
UTC	Urban Traffic Control

## EXECUTIVE SUMMARY

The Better Bus Areas (BBA) fund is an innovative programme whereby Bus Service Operators Grant (BSOG) payable in defined geographic locations is progressively devolved from bus operators to local authorities. A key objective of BBA is to improve the quality of partnerships in order to enable the best use of current resources and maximise the benefits for bus users. This report examines the governance arrangements and BBA delivery processes that have taken place to date between local authorities and bus operators, in order to provide an understanding of factors that affect effective partnership working. The report also answers the key research question:

*What lessons can be learned from the partnership arrangements put in place in each BBA?*

In-depth interviews with 29 bus operators, local authority officers, PTE officers were carried out across all five BBAs. The vast majority of operators in each BBA were interviewed, including all major bus operators, with most of those being face to face interviews, supplemented by a small number of telephone and email responses.

While BBAs have only been in existence since October 2013 (for the Liverpool City Region, Nottingham, West of England and York), or February 2013, in the case of Sheffield, there are lessons that can be learned from the partnership arrangements that have been put in place across the five BBAs. Importantly, however, the experiences of BBAs and bus operators are still in their relative infancy and may change over time. This implies that process evaluation interviews should be carried out again in future – in 2016 when BBAs are mid-way through delivering BBA funded schemes, and again in 2018 towards the end of the BBA programme.

Many of the BBAs have a recent history of good partnership working, and it is on these foundations that the local authorities and PTEs have put in place BBA partnership arrangements. It is notable that many of the stronger partnerships are built upon long standing relationships between individuals at local authorities, PTEs and bus operators. As a result, BBAs have put in place a variety of different governance arrangements ranging from detailed heads of terms in York, to a continuation of existing partnership arrangements in Nottingham.

A key factor in ensuring operator involvement was in communicating with operators at the earliest opportunity and ensuring transparency during scheme development. Involvement in the early development of schemes also put operators in greater control over their destinies and those of bus users.

The spirit in which operators entered into the BBA is central to the performance of partnership arrangements at this stage. In Sheffield and the Liverpool City Region, operators have entered into arrangements in a confident manner that appears to ensure the smooth delivery of BBAs.

Accountability, or a lack of it, was highlighted as a key issue for bus operators. Operators feel that BBAs should be accountable to them to ensure they deliver the schemes that they had set out within the BBA bids – in part because operators view BBA funding as ‘their money’. However, there is currently no real accountability with no ultimate sanction of returning devolved BSOG to operators. There is therefore, a significant amount of trust and hope placed upon the shoulders of local authorities and PTEs by operators.

While there is a lack of accountability, it is apparent that regular communication and involvement in decision making processes helps to manage operator expectations. These appear to be essential attributes to successful partnership working.

The delivery of BBA funded schemes has been mixed across BBAs to date, however scheme delivery is seen to be essential in order to maintain operator-BBA relationships. This is recognised by BBAs and all are focussed on delivery whilst maintaining regular communication on progress.

There are different ways in which decisions are made within the partnerships and at this stage it is difficult to suggest which is the most efficient.

- In the Liverpool City Region decisions are taken on an equitable basis whereby all operators have an equal say and decisions are taken only if all partners agree.
- In York and Sheffield, round table discussions are used to ensure operators reach agreements, even if it involves compromise.
- In the West of England, First are the dominant operator and therefore have a greater say when decisions are taken.

At this early stage, all three approaches seem to be working well; however it is important to monitor this in subsequent process evaluation exercises to see how each approach progresses over time.

There is a preference for agreements to be reached between partners. Even where there are voting systems in place, operators suggest that voting in such a way may be counter-productive to the partnership therefore open discussion and compromise are preferred in making decisions.

It is easier for larger operators to be involved in BBAs compared to smaller operators as they have sufficient resources to attend and contribute to regular BBA meetings. In some areas there was a feeling that there were too many different meetings for different groups which makes it difficult for them to attend, although York decided to hold several meetings on the same day in order to reduce time spent travelling to meetings.

There is a lack of certainty for all concerned within BBAs. While operators face a lack of certainty on the delivery of schemes, the BBAs themselves face a lack of certainty around whether they will continue to receive this funding beyond 2015-16 due to the lack of longer term commitment by government. This could hold back progress in delivering larger schemes towards the end of the BBA period. Planning needs to start early, but the lack of certainty means that PTEs and local authorities cannot commit to planning these schemes far in advance.

There are many lessons to learn from this research on how partnership arrangements have worked so far. If BSOG were to be devolved in a similar way in future, the findings in this report would be very useful in order to learn from the experiences of BBAs. However, the BBA process is still in its relative infancy and operators and authorities still appear to be in a 'honeymoon period' where everything is working well and operators have seen only a modest reduction in BSOG. Further research is required to assess how partnership arrangements perform over time.

## 1 INTRODUCTION

- 1.1 The Better Bus Areas (BBA) fund is an innovative programme whereby Bus Service Operators Grant (BSOG) payable in defined geographic locations is progressively devolved from bus operators to local authorities. Over a five year period, the aim is for the five BBA local authorities appointed to date to work in partnership with local bus operators to use that funding to implement schemes that encourage greater bus use. BBA is a key element of the Government's review of BSOG as a tool to subsidise bus services.
- 1.2 The Government believes that "where there are structural problems with the bus market, local authorities could use the funds to deliver better value for bus passengers and the economy more generally"<sup>1</sup>. The Government also believes that "our best local authorities and bus operators work in partnership with local people to understand how they can deliver the environment that will help commercial bus services to thrive and their area to grow"<sup>2</sup>. A key objective of BBA is therefore to improve the quality of partnerships in order to enable the best use of current resources and maximise the benefits for bus users.
- 1.3 This report evaluates the governance arrangements and BBA delivery processes that have taken place to date between local authorities and bus operators, in order to provide an understanding of areas of successful and less-successful partnership working. The BBA programme commenced in October 2013 and this evaluation was carried out during the autumn of 2014, therefore many of the BBAs were around 12 months into the BBA delivery programme. The exception to this was Sheffield which formally became a BBA in February 2013 and was therefore around 18 months into their BBA delivery programme.
- 1.4 This report firstly outlines the methodology adopted by the study team before presenting the outcomes of stakeholder interviews conducted in each BBA. A synthesis is then provided of the findings before conclusions are drawn and lessons learned are highlighted.
- 1.5 The report is in line with the Evaluation Plan agreed with the Department for Transport (DfT) in September 2014. This report is complemented by a baseline data report for the Impact Evaluation that will be undertaken over the course of the BBA programme.

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/89638/bba-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/89638/bba-guidance.pdf)

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/3229/bid-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3229/bid-guidance.pdf)

## 2 METHODOLOGY

2.1 This chapter presents the methodology adopted for carrying out the BBA process evaluation. This methodology was designed to answer the key delivery process related research question included in the Evaluation Plan:

- What lessons can be learned from the partnership arrangements put in place in each BBA?

The research team therefore examined whether, and how, local authorities, bus operators and other partners were working together in partnership to deliver the BBA programme.

2.2 The adopted method for obtaining information and a thorough understanding of governance and partnership arrangements involved carrying out in-depth interviews with relevant stakeholders. In September 2014, every operator and local authority partner was contacted and invited to be interviewed. Most stakeholders accepted the invitation, particularly the larger (in terms of BSOG foregone) operators in each BBA, although some declined or did not respond despite subsequent attempts to make contact. Those operators who declined or did not respond to the request for interview were typically smaller operators with a limited stake in BBA. Interviews with willing stakeholder respondents (presented in greater detail below) were carried out by the study team between September and November 2014.

2.3 The majority of interviews were carried out face to face in order to support collection of as in-depth information as possible from BBA partners. However, not all stakeholders were able to meet with the study team, so some interviews were carried out by telephone and, in one case, an operator responded by email. Table 2.1 presents all of the BBA partners who were interviewed and the type of interview that took place.

**Table 2.1 Process Evaluation Interviews**

<b>BBA</b>	<b>Type of Interview</b>	<b>Organisation</b>
Liverpool City Region	Face to face	Merseytravel
	Face to face	Halton MBC
	Email response	Knowsley MBC
	Face to face	St Helens MBC
	Face to face	Arriva North West
	Face to face	Halton Transport
	Telephone	Huyton Travel
	Telephone	Stagecoach Merseyside
Nottingham	Face to face	Nottingham City Council
	Face to face	Nottingham City Transport
	Email response	Stagecoach East Midlands
	Face to face	Trent Barton
	Telephone	Yourbus
Sheffield	Face to face	SYPT
	Face to face	Sheffield City Council
	Telephone	First South Yorkshire



	Face to face Telephone	Stagecoach Yorkshire CPT Representative – Keith McNally
West of England	Face to face Face to face Face to face Face to face Face to face Face to face	BaNES Council BBA Project Manager Bristol City Council South Gloucestershire Council First Bristol Somersbus
York	Face to face Telephone Telephone Telephone Face to face	City of York Council EYMC First York Reliance Motors Transdev

- 2.4 The proportion of bus operators interviewed in each of the BBAs was as follows:
- ❑ Liverpool City Region – All four commercial operators within the BBA were interviewed (100% of operators operating commercial services within the BBA).
  - ❑ Nottingham – Four of the seven commercial bus operators within Nottingham were interviewed (approximately 98% of operators in terms of BSOG claimed).
  - ❑ Sheffield – Two of 14 operators were interviewed (approximately 94% of operators in terms of BSOG claimed). However, the CPT representative was interviewed, representing a significant number of the other smaller operators in Sheffield.
  - ❑ West of England – Two out of four commercial bus operators within the BBA were interviewed (approximately 87% of operators in terms of BSOG claimed).
  - ❑ York – Four out of 11 commercial bus operators interviewed (approximately 92% of operators in terms of BSOG claimed). The CPT representative was interviewed, representing a significant number of the other smaller operators in York.

2.5 This shows that while there were some operators that the study team were not able to interview, those that were interviewed accounted for the overwhelming majority of bus mileage within each BBA. Where appropriate, CPT representatives were interviewed to ensure adequate representation of the smaller operators who were not interviewed directly. Therefore, we believe the interviews achieved a good representation of the market within each BBA. In addition, all five BBA authorities were interviewed, and where relevant, other local authorities were interviewed - for example in the Liverpool City Region and West of England.

2.6 The process evaluation interviews were carried out using a semi-structured questionnaire. The questionnaire was developed as part of the Evaluation Plan and approved by DfT in September 2014. However, while the questionnaire was a guide for the interviewer to ask pertinent questions, it was recognised that discussions may lead into areas that were otherwise not considered in advance. Therefore interviews were carried out by highly experienced researchers who had a good knowledge of bus services and existing partnerships

within each BBA. This allowed the researchers to use their experience to tailor each interview and ask questions that had not been included within the semi-structured questionnaire.

2.7 Appendix A presents the questionnaire used. This consisted of six question themes, and for each of these themes a series of questions that were asked of BBA partners. The six question themes were:

- ❑ Historic partnership arrangements;
- ❑ Establishing the BBA and agreeing on BBA schemes;
- ❑ The new BBA arrangements;
- ❑ Implementation of the BBA arrangements;
- ❑ Problem resolution and feedback; and
- ❑ The future of the BBA.

2.8 Following each interview, the notes taken by the interviewer were written up and presented to the interviewee for their confirmation that what was written was an accurate record of the discussion. All interview notes were then compared and analysed for the key themes and the outcome of this analysis is presented in the following chapters of this report before conclusions are drawn in relation to the key research question.

### 3 CASE STUDIES

3.1 This chapter presents the results from the process evaluation interviews. It sets out findings for each of the five BBAs in turn, treating each as an individual case study.

#### Liverpool City Region

3.2 This section draws together the findings from the interviews carried out with Merseytravel officers, district council officers and bus operators within the Liverpool City Region. It sets out what partnership arrangements have been implemented and how these arrangements function.

3.3 The following organisations were interviewed as part of this process evaluation, with local authorities to the left and bus operators to the right.

#### Local Authorities

Merseytravel  
St Helens MBC  
Knowsley MBC  
Halton BC

#### Bus Operators

Arriva North West  
Halton Borough Transport  
Stagecoach Merseyside  
Huyton Travel

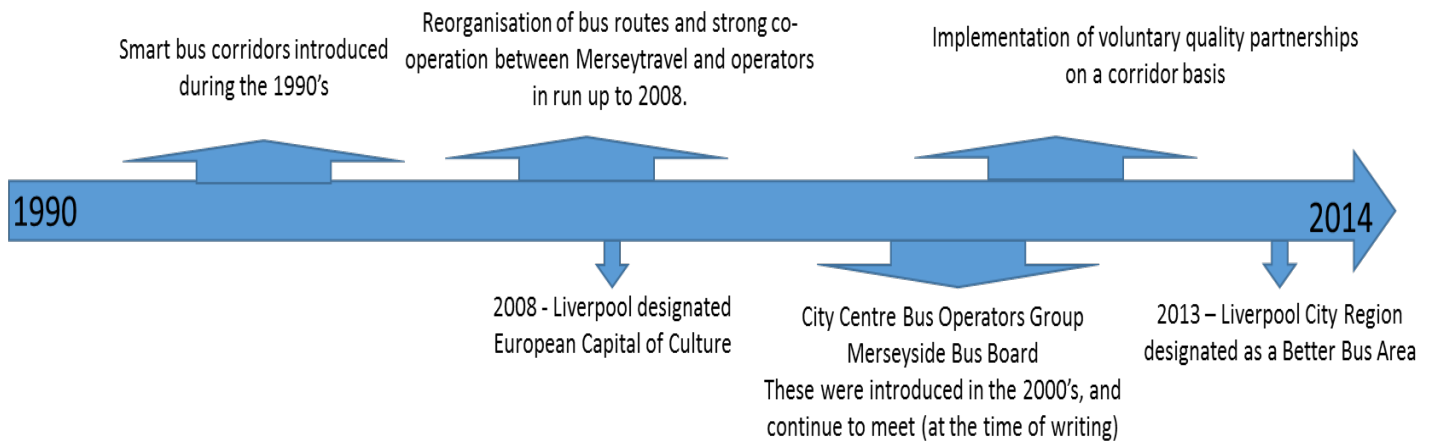
#### Summary

- ❑ There has been a long history of strong partnership working and co-operation amongst all partners across the region, particularly strengthened in the lead up to Liverpool's European Capital of Culture status in 2008.
- ❑ Merseytravel led the BBA bid which was supported by operators.
- ❑ BBA funded schemes were agreed by all operators based on them being 'the right thing to do'.
- ❑ All partners have entered into the spirit of partnership and continue to work within that spirit.
- ❑ There is a sense amongst operators that the geographical scope of the BBA is appropriate as services are commercially marginal, although there is disappointment that Liverpool City Council chose not to be involved.
- ❑ Merseytravel's involvement of all partners from day one, including borough councils, is deemed by all parties as a key reason for the current apparently successful partnership working.
- ❑ Bus operators value the ability to be involved in the design of schemes at an early stage.
- ❑ Bus operators are left no worse off as a result of BBA participation as they receive alternative payments to make up for the loss of BSOG.
- ❑ All partners are positive about the future of the BBA in the region and expect it to continue in the same proactive and co-operative manner.

### Partnership Arrangements before BBA

- 3.4 There were various formal partnership arrangements in place before BBA. Figure 3.1 presents a timeline of the key examples of partnership working in recent years.

**Figure 3.1 Timeline of key partnership arrangements since 1990**



- 3.5 All bus operators and Merseytravel feel that the partnership arrangements before the introduction of BBA were successful and performing well. The introduction of BBA is therefore built upon a strong and long standing base of co-operation between all partners.

### Establishing the BBA

- 3.6 For Merseytravel and operators, one of the key drivers for bidding for BBA status was the underlying fear that BSOG would disappear at some stage between 2014 and 2019, so by becoming a BBA there was a view that it would at least guarantee some funding to spend on capital schemes to improve bus services. Merseytravel was keen to take a lead and demonstrate that there may be a way to spend BSOG in a more beneficial way for longer term benefits for public transport users.
- 3.7 The additional 20% of top up funding to be a BBA was an attractive proposition and was viewed by operators as a welcome contribution towards improving bus services. One operator, Halton Transport, suggested that the additional funds would help secure the future of the bus operator, through enabling them to operate more reliable services.
- 3.8 The key driver for St Helens MBC's involvement in the BBA was a reduction in transport budgets and the opportunity to use the BBA as a potential source of funding for bus schemes.
- 3.9 Merseytravel first approached operators through a Bus Board meeting when the concept of Better Bus Areas was introduced by DfT in spring 2013. There were various meetings and discussions (between Merseytravel and operators) around the geographical scope of the BBA and where the improvements should be focussed. Merseytravel then approached the district authorities to invite them to contribute to the discussions in order to finalise the defined BBA area.
- 3.10 In the view of Arriva, it was important to select the appropriate geographical area for BBA, and the operator felt that the selection made was sound. Its view was that the BBA should aim to take marginally profitable services and look to improve them to an extent that operating costs

reduce and fare paying patronage increases and they become more sustainable. This sentiment was echoed by Halton Transport.

- 3.11 Liverpool City Council opted not to be part of the BBA for political reasons. However, Knowsley, St Helens and Halton Borough Councils all chose to be part of the discussions. It was agreed that the BBA would focus on the south east and eastern areas of the Liverpool City Region where there is a need to sustain and improve infrastructure to support bus services.
- 3.12 Stagecoach was disappointed that Liverpool City Council did not get involved in the BBA initiative and as a result thinks that the effects of the BBA on its services will be limited, as only a small part of Stagecoach's routes are within the BBA.
- 3.13 Once the BBA was defined, operators and district authorities were asked what schemes they would like to see implemented using the BBA funding. Between the various partners, a priority list of schemes was developed and this is what appeared within the BBA bid to DfT.
- 3.14 All partners put forward schemes or improvements that they would like to see introduced. These were put in front of all other partners at a series of steering group meetings and discussed. Only those schemes that had agreement from all partners were considered for entry into the BBA bid. Priority was then given to schemes that a) could lead to quick wins and b) schemes that would lead to the greatest gains for bus users.
- 3.15 The scheme prioritisation process was based on the premise of "what is the right thing to do" (in terms of benefits for bus users, not specifically for bus operators) and operators and local authorities worked within the spirit of this premise. This is a fundamental element of how the partnership works and is essential for its efficient operation, as noted by all the partners who were interviewed. It was noted that this was the first time that there has been a list of priorities in order to improve the situation for bus services in that area.
- 3.16 Operators were willing to take part due to some assurances that they would not be worse off as a result of participation. While Merseytravel stressed that they could not guarantee the impacts of the schemes, they talked to operators about how costs could be reduced through introducing more quality partnerships and considering small de minimus payments. This removed the uncertainty for operators and enabled them to be part of the BBA.
- 3.17 It was noted by operators that it was vitally important to consult with all stakeholders from day one. It was felt that the moment that Merseytravel considered bidding for BBA status, it engaged in discussion with operators. This is thought to be a contributory factor to why operators continue to approach the partnership within the spirit in which it was initially formed.
- 3.18 It is important to note that many of the agreed schemes which form the BBA programme had been considered by the district councils previously but could not have been delivered without any new funding sources.

#### New BBA Arrangements

- 3.19 Once schemes were agreed the BBA steering group was formed. This forum, which is open to all operators within the BBA, is hosted by Merseytravel and meets around every 6 weeks. BBA steering group meetings are typically open and transparent and allow for a constructive discussion between all partners – as experienced by the study team when attending a meeting in July 2014.

3.20 The steering group made many decisions relating to which BBA funded schemes should be part of the programme when developing the BBA bid, and the same decision making process continues to be adopted. Decisions are made by consensus whereby if all partners do not agree, then the proposal is not taken forward. Merseytravel and all operators spoke very positively about the process and this was succinctly described by Arriva:

*“It’s done on the basis that if I can’t convince you that it’s [a proposed BBA funded scheme] right, then it’s wrong”.*

3.21 This is a guiding principle for the partnership arrangements and one which all partners subscribe to. Merseytravel is seen to enable a constructive relationship between operators and it is evident that all operators work within the spirit of the BBA partnership arrangements, putting the needs of passengers first.

3.22 Due to the regular nature of the BBA steering group meetings, operators all felt that they are aware and informed of what schemes will be implemented and when.

3.23 From the district councils’ perspective, they contribute to steering group meetings by producing the detailed design of the schemes for which they have control, along with any junction and traffic modelling. Prior to the meeting these outputs are sent to the steering group members as a project appraisal. During the steering group meeting a discussion of the project takes place with members seeking greater details on the proposed schemes and delivery issues. The views of the bus operators are valued:

*“If an element of the programme was rejected by the operators it would indicate a fundamental problem with that scheme”*

3.24 In terms of changes to the schemes or order of schemes included within the BBA bid, the priority list of schemes is very much considered a fluid and flexible list which is reviewed and discussed within the steering group. As steering group meetings are regular, operators and other partners are able to discuss the priority of schemes as they see necessary, and this can influence how schemes are prioritised.

3.25 Following each meeting, minutes are circulated amongst all steering group members. Huyton Travel, who to date have not been able to attend any BBA steering group meetings, stated that they do receive these notes and it keeps them informed of developments. They do not feel that they have missed out by not attending BBA meetings.

#### Implementation

3.26 Merseytravel has two roles within BBA meetings. The first is the role of programme manager, delivering what is agreed amongst the partners. The second is as the transport authority, and making comment as required as one of the partners.

3.27 The Merseytravel officers who are involved in the delivery of schemes and liaison with operators typically act as impartial partners, often posing questions to operators and other partners in order to generate a consensus on whatever issue is being discussed. Merseytravel also consciously do not take sides amongst operators and try to act as an arbiter if required. It was stressed in the interviews that there have been very few occasions when operators have not agreed with each other.

3.28 While the schemes were collectively agreed upon by operators and other partners within the bidding stage, the steering group continues to discuss schemes and the priority of their

delivery as things change over time. A good example of this is a junction improvement scheme in Knowsley that was originally adopted by the partners as it was due to improve bus services serving a new further education college. Unfortunately, the college opening may be delayed for some years, so it was agreed amongst the group that the money be focussed on another scheme in the short term.

- 3.29 Merseytravel officers feel that the BBA steering group meetings have gone better than expected. The level of engagement has been very good, with all operators confident to voice their views and opinions in front of all partners, with partners listening and responding to those comments. There is willingness to make the partnership work by all parties and improve services for passengers, without putting their own interests first as “they can see the bigger picture”.
- 3.30 In terms of operator views, Arriva feels that the governance arrangements have in part met expectations, but in part exceeded expectations. Firstly, the operator feels that Merseytravel is a strong and “visionary organisation” which has led and co-ordinated the BBA process well. The operator also feels that involving local authorities within the initial discussions, and as a key partner within the BBA board, has been a real advantage as they are able to discuss and potentially influence decisions that will affect their services. The operator said:

*“The meetings with Knowsley, St Helens and Halton have been excellent”*

- 3.31 Historically, bus operators have not been involved in the strategic planning of the highway network across the Liverpool City Region. However, since the BBA was introduced, Arriva feels that it has been involved in far more strategic discussions which helps them given that they are a key stakeholder within the delivery of bus services. This was seen as a significant benefit of the BBA for bus operators.
- 3.32 Halton Transport and Stagecoach both echoed Arriva’s thoughts, with Halton Transport commenting that they are pleased that the governance arrangements work the way they do although they were not surprised as Merseytravel has always worked in partnership with operators.
- 3.33 Stagecoach commented that one of the key successes of the partnership arrangements has been the involvement of partners from the outset. Stagecoach suggested that “all partners were on board from day one” and that no partners came into the process to gain any sort of competitive advantage. In addition, there seems to be equality amongst the partners and the involvement of all partners in all aspects has been positive:

*“Everyone is on a level playing field... but the refreshing thing about this... we’ve helped to build it from the bottom up”*

- 3.34 Huyton Travel was of the opinion that the involvement of operators at the strategic planning process gives those operators much greater control over their destinies and the destiny of bus services within the BBA. This was seen as the greatest positive of the BBA programme as far as the operator was concerned, particularly as operators were unlikely to see a reduction in revenues while seeing improvements to bus infrastructure to improve bus services.
- 3.35 The practical issues relating to the delivery of schemes is a key benefit of involving the district councils within the steering group forum. The progress made to date in delivering the individual elements of the BBA programme has benefited from using an existing framework agreement to procure suppliers. Merseytravel are using St Helens MBC’s highway works framework to

commission contractors. There are three contractors on the framework with a mini tender competition held to determine which contractor delivers the individual elements of the programme. This has enabled work to be commissioned quickly, without the need to set up a new framework, and has also helped to ensure the contractors best suited to that type of work are appointed, based on previous work carried out for the council.

- 3.36 St Helens MBC highlighted another benefit of the BBA steering group in that feedback from bus users which was previously passed to Merseytravel can now be given straight to the operators by the district councils. Issues and potential service changes can also be discussed within the forum. This has resulted in some bus routes being amended slightly.
- 3.37 Another benefit to the district councils is that the BBA has influence across boundaries, bringing together all partners across the region to improve bus services that are not restricted to political boundaries. This increases the opportunity for district council's to work in partnership to improve cross-boundary bus services.
- 3.38 Overall, all partners see the BBA process and the level of partnership working as being beneficial. The transparent nature of steering group meetings, and the shared aim of improving bus services to increase patronage, thus removing any suspicion about the motives for actions or changes, have been the key benefits.

#### Problem Resolution

- 3.39 To date, there have not been any real problems that the steering group has had to confront. A dispute resolution procedure has been developed to deal with any issues that may arise. It is a three-step procedure which is escalated to the next level in the event that a satisfactory resolution is not reached:
- ❑ Resolved through steering group discussion
  - ❑ Escalated to director level
  - ❑ Advice sought from DfT
- 3.40 There was an example given of one operator putting forward a proposal for specific vehicles to be purchased using BBA funding that would benefit that operator. However, other operators voiced their views and as there was not unanimous approval, the proposal was not considered. This was an example of all partners operating within the spirit of the partnership and the lack of approval was accepted in good grace by the operator that proposed it.
- 3.41 It was noted by one operator that Merseytravel often remain neutral when there are disputes or disagreements within the partnership. This was seen to be very positive as they would not be seen to be taking sides. Merseytravel themselves felt that they often take responsibility for posing questions to operators in order to generate a consensus (or otherwise).

#### The Future

- 3.42 There is a view that over the coming years, if nothing changes, then the BBA programme in the Liverpool City Region will carry on as it has been doing so far. However, the partners have agreed to review the programme of schemes on an annual basis. Therefore the timetable of delivering schemes, the order in which schemes are delivered or the schemes themselves may change depending on changes in priority and the success, or otherwise, of individual elements of the programme.



- 3.43 It is felt among partners that it is important to have an element of flexibility as the five year BBA period is a long time and things are likely to change.
- 3.44 Merseytravel will continue to be focussed on delivering the schemes that are agreed. Officers feel that they made a commitment to DfT, to operators and local authority partners, and they intend to deliver on that commitment. They cannot foresee anything that may jeopardise the BBA partnership arrangements for the remainder of the BBA programme because of the long standing partnerships between Merseytravel and operators.
- 3.45 Operators are very interested to see what might happen, but are confident that all partners will continue to operate in the same way as they have done to date. Stagecoach commented that the BBA in the Liverpool City Region has “had a good start”, saying:

*“We know where we’re going, we’ve got a good set of schemes so there is no reason to believe that it won’t continue, and continue to deliver”.*

- 3.46 The district councils highlighted a key issue relating to the future involvement of the councils in such initiatives. It was clear from speaking to Merseytravel and operators that the involvement of the district councils was important and useful. However the involvement of qualified staff members can only happen if there is a continuity of staffing so that the relevant knowledge and experience required to deliver such projects is available. This type of periodic funding can make resourcing within councils difficult and could impact on the future involvement of councils in this way. The level of progress made to date in delivering the BBA programme in the Liverpool City Region could not have been made if the staff were not in place already.
- 3.47 Finally, one operator raised the question “what happens to BSOG after the BBA process finishes?”. What was unknown is that if BSOG remains as at present, how would that impact on those operators that are part of the BBA process. Stagecoach suggested that the BBA process will lead to some cost reductions and some increases in patronage (and therefore revenues), but that these will not offset the loss of BSOG. Therefore, they were uncertain what would happen towards the end of the 5-year programme? This is currently unknown and is thought to be a long term risk of being part of the BBA programme.

#### Liverpool City Region’s partnership learning points

- 3.48 This section will briefly summarise the contributory factors to successful (and less successful) partnership working arrangements. The factors included below are drawn from the interviews with stakeholders and are based on experiences in delivering BBA thus far.
- 3.49 The factors that are important to successful partnership working may change over time as the BBA programme continues and partnerships develop. The points below are not intended as a critical assessment of progress to date, but more of an aid for other local authorities and operators that may currently wish to embark upon partnership working.
- 3.50 The factors that have assisted effective partnership working and achieving the objectives of the BBA programme in the Liverpool City Region’s experiences to date are:

- ❑ **A long-standing relationship between Merseytravel and operators** – Operators were more likely to be involved in BBA as they already had a history of successful partnership working that had built up a trust between key individuals.
- ❑ **The involvement of operators and other local authority partners at the earliest opportunity** - this enabled all partners to contribute to the development of the bid, buy in to what Merseytravel and the local authorities wanted to achieve, and take ownership of it. Involvement in the early development of schemes also put operators in greater control over their destinies and those of bus users.
- ❑ **The involvement of district authorities** – operators see this as extremely useful as they are more involved in strategic planning and can influence the design of schemes to ensure it meets the needs of bus services and generates maximum benefit for the bus user. There is also direct communication between operators and authorities without the need to communicate via Merseytravel.
- ❑ **The selection of the BBA geographic area** - by selecting an area that is commercially marginal operators were more likely to take part in BBA as there is a realistic opportunity to secure the long term sustainability of those services if schemes are successfully delivered.
- ❑ **Operator buy-in to the partnership ethos is essential** – all operators have an equal say and all operators adhere to the principles of ‘the right thing to do’ for the bus user. Equally, a **strong, fair and transparent decision making process** ensures operator buy-in.
- ❑ **Regular communication, particularly when developing schemes** – regular dialogue during the BBA bid development stage was essential to ensure operator buy-in and a sense of genuine involvement within the partnership. Regular dialogue throughout the delivery phase is also essential as priorities can change and a mechanism for changing schemes mid-term is important.
- ❑ **Delivery is key** – it is essential that Authorities deliver what they have committed to in order to maintain the excellent relationships that have been built. The focus of Merseytravel and the local authorities is now on delivering schemes.

3.51 The factors that have challenged effective partnership working and achieving the objectives of the BBA programme in the Liverpool City Region’s experiences to date are:

- ❑ **Operators receive BSOG in other ways** – in order to encourage operators to take part, it was necessary for Merseytravel to offer some guarantees that operators will not be worse off financially. While not necessarily in the spirit of BBA, it was inconceivable that operators would have accepted losing BSOG revenue simply on the possibility that the planned interventions would have led to increased patronage, increased revenues and/or reduced operating costs.
- ❑ **There is a lack of awareness of what happens at the end of the BBA process** - while there are uncertainties over the future of BSOG, operators do not know what will happen in 2019 which breeds uncertainty and potential risk to operators and/or Merseytravel.

**Nottingham**

- 3.52 This section draws together the findings from the interviews carried out with Nottingham City Council officers and bus operators who operate across Nottingham. It clearly sets out what partnership arrangements have been implemented and how these arrangements function.
- 3.53 The following organisations were interviewed as part of this process evaluation:

<b>Local Authority</b>	<b>Bus Operators</b>
Nottingham City Council	Nottingham City Transport
	Trent Barton
	Stagecoach East Midlands
	Yourbus

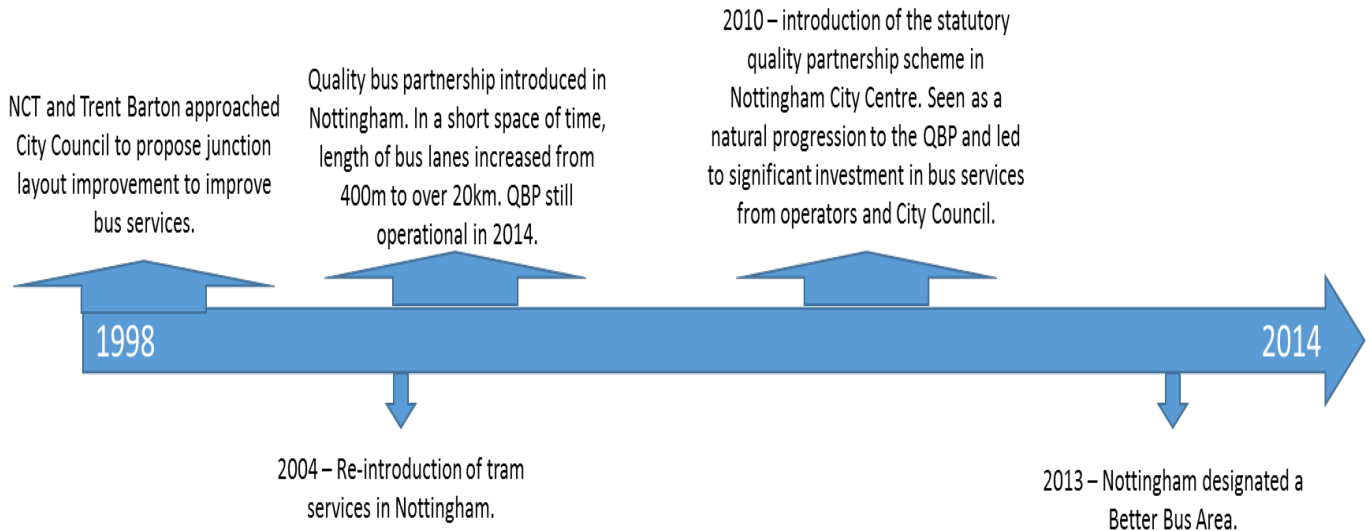
**Summary**

- ❑ There have been long standing partnership arrangements in Nottingham dating back to the 1990's.
- ❑ The QBP and SQPS have been in place and working well for all partners since their introduction.
- ❑ There was a desire from the City Council to become a BBA to further develop bus services and stay ahead of other cities.
- ❑ Bus operators agreed to support the BBA bid for various reasons, including anticipation of BSOG abolition, although some had reservations about becoming a BBA.
- ❑ BBA funded schemes are mainly a continuation of schemes funded through other funding sources.
- ❑ There are no formal BBA governance arrangements as BBA schemes are discussed in other fora.
- ❑ Operators will receive BSOG through a local BSOG scheme so they will be no worse off financially by taking part in BBA.
- ❑ Operators have concerns over a lack of formal governance arrangements and the potential to deviate from schemes included within the BBA bid.
- ❑ Despite concerns, due to the long standing partnership working arrangements, all parties continue to work together to improve the bus offering across the city.

### Partnership Arrangements before BBA

3.54 There were various formal partnership arrangements in place before BBA. Figure 3.2 presents a timeline of the key examples of partnership working in recent years.

**Figure 3.2 Timeline of key partnership arrangements since 1998**



3.55 The City Council and the majority of operators feel that the partnership arrangements have been successful and were operating well before the introduction of BBA, as there was a regular dialogue and both council and operator input into transport strategy development. Trent Barton stated that the partnership arrangements before BBA worked well with “give and take” on all sides. Stagecoach further added to this:

*“It is a strong partnership with commitments from the local authority and bus operators involved”.*

### Establishing the BBA

3.56 From the City Council’s perspective, the main priority in bidding for BBA funding was to be in a position to continue the delivery of all the public transport improvements that have been planned within Nottingham. The Council wanted to continue the work on some schemes that were started under BBAF, then continued under the Local Sustainable Transport Fund (LSTF), and will be completed using funding through the BBA funding stream. Schemes such as rolling out real time information (RTI) displays, bus lane enforcement and the smartcard retail network were a continuation of schemes that had started as a result of other funding streams.

3.57 Before the BBA process started and as part of the city-wide voluntary partnership, the City Council consulted with operators to understand what schemes they wanted to be implemented in order to reduce operating costs and increase revenues. These schemes were then subject to an appraisal process based on the feasibility of delivering those schemes. This led to some schemes being accepted while others were ‘put to one side’ as they are, at present, undeliverable.

3.58 As most of the schemes were a continuation of work already underway within Nottingham (or Greater Nottingham in the case of AVL signal priority), operators were generally happy with progressing those schemes.

- 3.59 Nottingham City Council approached operators to discuss bidding for the BBA funding and sought agreement from them. This then led to a variety of meetings between the council and operators. Initially, operators were not keen on losing BSOG. However, through many discussions and negotiations, it was agreed that operators would receive funding to cover the loss of BSOG as part of a local scheme.
- 3.60 This took one operator by surprise as they were led to believe that as operators appeared not to be keen on taking part, that the bid would not be pursued. Yourbus was surprised when, shortly before the deadline for bid submission, the City Council consulted with them again with a well-developed bid.
- 3.61 Trent Barton suggested that the City Council persuaded them to take part in BBA by stating that by obtaining this funding, they can maintain Nottingham's position as a city with excellent public transport services. The operator felt that this was well intended and due to Nottingham City Council's history of delivering public transport improvements, they were willing to support the bid. The operator added:
- "We tried to think about what could add value that we can't do and the City Council can do"*
- 3.62 While operators accepted the proposal, some felt that they had little option but to agree to support the BBA bid. NCT in particular had reservations over whether becoming a Better Bus Area was the right thing to do in Nottingham. These reservations were based on the view that BBA was intended to be for areas where bus services were less successful and could be significantly improved through the devolution of BSOG with funding focussed towards capital schemes. Trent Barton took the view that BSOG would probably be removed at some stage anyway - therefore by being involved in BBA may result in Nottingham receiving more funding than non-BBAs.
- 3.63 While they are a relatively minor operator within the Nottingham BBA, Stagecoach took part in the BBA to show moral support for other partners, but also because investment in public transport infrastructure will reflect positively on all bus operators, stating:
- "Overall improvements to the quality of bus operations and infrastructure within the BBA will reflect on our business".*

#### New BBA Arrangements

- 3.64 There are no separate or new governance arrangements brought about as a result of becoming a BBA. Issues relating to BBA funded schemes are discussed within the two quarterly meetings of the QBP and the public transport integration board. It is the latter which has political representation from both City and County Councils and, according to the City Council, is the formal governance process for their work.
- 3.65 Ad-hoc meetings occasionally take place to discuss specific schemes. For example, there has been one addition to the schemes that will be delivered as part of the BBA in Nottingham. The City Council approached operators and proposed that they could provide a live stream from the traffic control centre to bus operators control centres so that they can monitor services, traffic conditions and react to any incidents on the road network that could affect their services. Operators accepted as it appeared beneficial to them.

### Implementation

- 3.66 Nottingham City Council was of the view that operators are less concerned about whether a scheme is a BBA-funded scheme because operators effectively receive the BSOG money forgone through other channels, so they have less of a vested interest in the schemes themselves. That said, operators have agreed to the schemes (that were contained within the BBA bid) previously and therefore are keen to see them delivered in order to benefit bus services and bus users.
- 3.67 Within the various meetings held to discuss public transport issues in Nottingham, operators do feel that there is an open dialogue and that they are able to voice their opinion. However, there was some uncertainty amongst operators whether their interests are met through the partnership arrangements currently in place.
- 3.68 NCT expressed a concern regarding the changing nature of one particular scheme contained within the BBA bid. There are currently discussions between operators and the city council regarding the development of the Turning Point South scheme. In the latter years of the BBA programme, Turning Point South should be delivered which, as stated in the bid, should restrict car movements and provide greater priority to bus services as they approach the city centre. However, as a result of contributions from politicians, there are discussions around changing the nature of the Turning Point South programme. These changes would lead to significant amounts of additional pedestrianisation around the city centre which would cause significant difficulties for a large proportion of NCT's bus services. In particular, there are two proposed pedestrian schemes that, if implemented, would prevent many bus routes from serving certain parts of the city centre, and most notably, parts of the city centre that are currently extremely popular passenger pick up and drop off points.
- 3.69 The operator is of the view that by obtaining BBA funding, it has acted as a catalyst for the City Council to pursue schemes that were not part of the BBA bid and that will have a detrimental effect on bus services in Nottingham. This, in their view, is not part of the aims of BBA and could result in the city having poorer bus services with poorer levels of accessibility and penetration to city centre areas.
- 3.70 The concern over Turning Point South has affected partnership working, with the operator considering what options it has to protect its position. Given that there was such a strong working partnership before BBA was introduced, it was felt that relations between the operator and the council have soured in recent months and that this could affect partnership working in future.
- 3.71 However, it was also noted that NCT do still try to work in partnership with the council, as demonstrated by their role in discussions between Nottingham Trent University and the City Council on bus service infrastructure at the University. Working with the University and City Council, the operator part-funded a turning circle, shelters and bus bays on the campus to improve facilities for buses picking up and dropping off passengers.
- 3.72 Trent Barton feel that there should be a more formal structure put in place in Nottingham to discuss the BBA and review all BBA matters. There is a nervousness brought about by a lack of a formal agreement, and should anything unforeseen happen in future then there is a risk that funding could be diverted away from the agreed schemes. This is something that the operator said that it is going to discuss, and hopefully rectify, with the City Council.

### Problem Resolution

- 3.73 As there are no specific governance arrangements in place for BBA, there are no formal problem resolution procedures in place for BBA. However, as part of the SQPS and QBP and the quarterly meetings, the fact that the meetings are chaired independently offers a reasonable level of impartiality for all parties while also offering the opportunity for operators to provide feedback relating to BBA funded schemes.
- 3.74 Some operators were also of the view that relations between them and the City Council are such that they are able to discuss issues regularly and openly as they arise without the need for a formal problem resolution procedure.

### The Future

- 3.75 Nottingham City Council sees the partnership arrangements continuing in the way they have operated for many years - with an open dialogue between all operators. The sort of things that could jeopardise these arrangements in future would be mainly related to political decisions that would impact upon bus operations.
- 3.76 NCT broadly echoed these comments. As so much of NCT's business is dependent on the political decisions being made, the future of the BBA and other partnership arrangements are very much unknown at this moment in time.
- 3.77 Other operators suggested that the lack of formal BBA governance arrangements could introduce greater risks in future as funding could be diverted away from schemes agreed as part of the BBA bid process. Trent Barton, in particular, is going to look to speak to the City Council to introduce more formal arrangements with more structure and more measurability in place.
- 3.78 There was some scepticism amongst operators that the schemes implemented in Nottingham will generate benefits greater than the BSOG foregone. However, there were suggestions on where continued partnership working could generate greater savings and an improved public transport offering for users. One example given related to the duplication of travel centres within the same locations at bus stations by operators and the City Council. It is felt that significant savings of many thousands of pounds each year could be made if all partners came together to offer one service from one travel centre.
- 3.79 While conducting these interviews, two operators suggested that they feel that there is an opportunity to introduce more formal BBA governance arrangements to give operators a greater say over what and how schemes are delivered. This may result in some short term changes to scheme governance.
- 3.80 The City Council noted that it is currently consulting on extending the SQPS to raise entry standards further, reduce vehicle pollution, increase bus service reliability and reduce pedestrian severance. It sees BBA as a key part of this process as it will enable the Council to integrate changes to bus services with city centre regeneration schemes. These developments are likely to influence BBA arrangements over coming years.

### Nottingham key learning points

- 3.81 This section will briefly summarise the contributory factors to successful (and less successful) partnership working arrangements. The factors included below are drawn from the interviews with stakeholders and are based on experiences in delivering BBA thus far.

3.82 The factors that are important to successful partnership working may change over time as the BBA programme continues and partnerships develop. The points below are not intended as a critical assessment of progress to date, but more of an aid for other local authorities and operators that may currently wish to embark upon partnership working.

3.83 The factors that have assisted effective partnership working and achieving the objectives of the BBA programme in Nottingham's experiences to date are:

- ❑ **A long-standing relationship between Nottingham City Council and operators** – successful partnership arrangements in Nottingham date back to the 1990's and are a significant factor in the commercial success of the bus network in operation across the city. The historical legacy of working in partnership encouraged operators to take part in BBA despite initial reservations.
- ❑ **BBA offers an opportunity to build on successful bus services and add value in ways that operators cannot** – with operator perceptions that BSOG is likely to be removed over time, it was recognised that BBA could enable the city to lead the country in delivering high quality and commercially successful bus services.
- ❑ **Partnerships can work when operators recognise the wider benefits of improving all bus services, not just their own services** – operators recognised that improving bus services and increasing the bus market will ultimately benefit all operators, even if in the short term individual operators may not benefit.
- ❑ **The process evaluation has encouraged partners to re-visit governance arrangements** – Carrying out the process evaluation enabled the operators to re-assess what they want to gain from being in a BBA. Some operators intend to approach the City Council to suggest putting in place arrangements in order to have a greater influence over the spending of BBA funding.

3.84 The factors that have challenged effective partnership working and achieving the objectives of the BBA programme in Nottingham's experiences to date are:

- ❑ **Operators receive BSOG in other ways** – in order to encourage operators to take part, it was necessary for Nottingham City Council to offer guarantees that operators will not be worse off financially. While not necessarily in the spirit of BBA, it was inconceivable that operators would have accepted losing BSOG revenue simply on the possibility that the planned interventions would have led to increased patronage, increased revenues and/or reduced operating costs.
- ❑ **A lack of formal BBA governance arrangements** – as operators are not going to be worse off financially as a result of BBA, there was a perception that there are no governance arrangements required. This has meant that funding from BBA has been treated as any other source of local authority funding and, to date, has not led to the development of any partnership arrangements that did not exist before BBA.
- ❑ **Potential to deviate from schemes contained within the BBA bid** – there is a fear for one specific operator that becoming a BBA has given the City Council the impetus to pursue transport schemes that are not contained within the BBA bid and that may not assist bus services in Nottingham.



**Sheffield**

- 3.85 This section draws together the findings from the interviews carried out with SYPTE, Sheffield City Council and bus operators and their representatives within Sheffield. It sets out what partnership arrangements have been implemented and how these arrangements function.
- 3.86 It should be noted from the outset that Sheffield was the original BBA, with the BBA delivery programme starting in February 2013. This was 8 months before the other four BBAs and should be borne in mind when interpreting the findings of the interviews.
- 3.87 The following organisations were interviewed as part of this process evaluation:

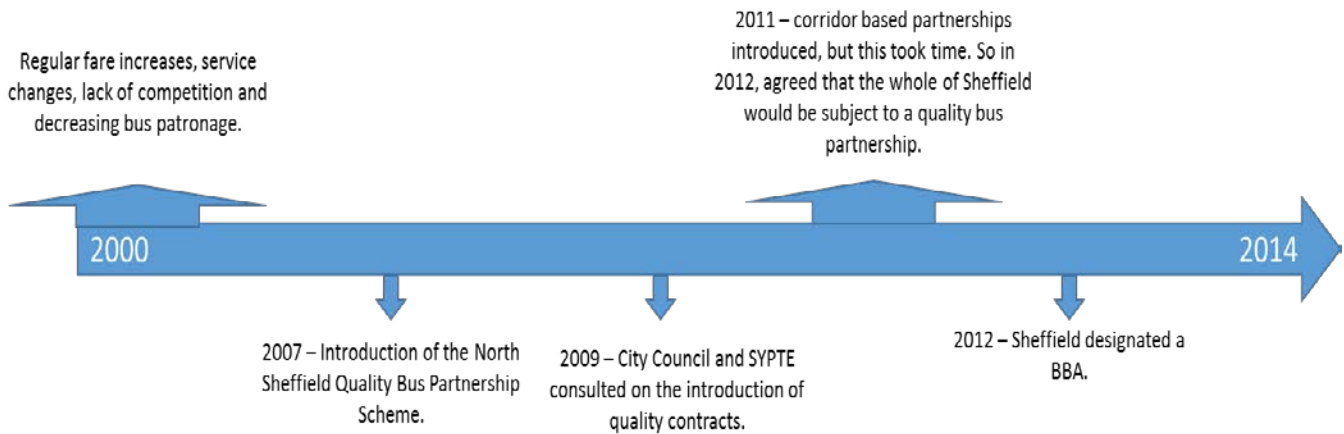
<b>Local Authorities</b>	<b>Bus Operators</b>
SYPTE	First South Yorkshire
Sheffield City Council	Stagecoach Yorkshire
	CPT East Midlands and Yorkshire

**Summary**

- ❑ There has been a history of partnership working, with mixed results until recently.
- ❑ The BBA was introduced within a context of a strong political desire to improve bus services in Sheffield.
- ❑ There was a desire amongst all parties to improve services and grow patronage and revenues without increasing fares.
- ❑ There are regular BBA meetings where all partners have an equal say.
- ❑ The lack of assurances and occasional delays in receiving BBA funding result in longer lead-in times for projects that can delay scheme delivery. Operators lose BSOG at the start of the year so there is a lag between losing BSOG and seeing possible revenue benefits.
- ❑ Compared to recent years, operators are much more engaged in delivering schemes as they have a vested interest in their successful delivery.
- ❑ Operators are keen to ensure funding is spent on schemes that will result in benefits and not “pet PTE projects”.
- ❑ SYPTE believes that it is better able to understand the bus network and operations so that it can make better evidenced decisions in future.
- ❑ For the partnership to continue working, partners believe that there is a need to maintain regular dialogue and remain dynamic in their approach to scheme design and delivery.

Partnership arrangements before BBA

- 3.88 There were various formal partnership arrangements in place before BBA. Figure 3.3 presents a timeline of the key examples of partnership working in recent years.

**Figure 3.3 Timeline of key partnership arrangements since 2000**

3.89 While the quality bus partnership is still in its relative infancy, SYPTTE and operators feel that it is performing well. The partnership has brought about the following changes:

- ❑ Greater stability to the bus network
- ❑ More control over bus services (and service changes) for SYPTTE
- ❑ Greater passenger engagement – specifically in relation to timetable changes and the public consultation obligations of the partnership
- ❑ Less freedom for operators
- ❑ Operators invested in 160 new vehicles
- ❑ Multi-operator ticket introduced

3.90 The partnership has brought many ‘tangible’ benefits, but most notably, there is increasing bus patronage which appears to be associated with the changes introduced.

#### Establishing the BBA

3.91 A key element of the SYPTTE’s successful City Growth Deal was that the PTE would be a trailblazer authority for BBA’s. On the back of this and the strong partnership that was in place, the DfT approached SYPTTE to consider being a BBA pilot area. Over a period of two months there were various discussions between SYPTTE, DfT and operators to understand how it could be delivered and what the likely benefits would be. Operators had to be convinced by SYPTTE of the benefits of the BBA, as they were already taking a number of risks with the partnership.

3.92 Sheffield gained BBA status in 2012 as a pilot area without any formal bidding process, or guidance, in place. Therefore, the approach to involving operators and developing schemes was established as SYPTTE developed the bid, with assistance from the DfT.

3.93 Initially there was some resistance from operators. However, there were two elements that were key to ‘unlocking the deal’:

- ❑ A stepped approach to reducing BSOG.
- ❑ A move away from all the revenue being spent on schemes to grow patronage, with some of the money being brought directly back to operators through replacement BSOG arrangements (i.e. bus station departure charge reductions, increased concessionary fare payments, reduction in admin costs for the multi-operator ticket etc.).

- 3.94 The additional top-up of 30% of the BSOG foregone was also seen as a ‘silver lining’ and encouraged operators to agree to take part.
- 3.95 SYPTE were keen to apply for BBA status as they saw a number of opportunities to improve the local bus network in the long term. The timing of the bid was also appropriate as there was a general view from operators that BSOG funding was likely to be reduced or replaced in the short/medium term.
- 3.96 All 14 bus operators in Sheffield were contacted and encouraged to be involved in the bid. In reality, apart from the two main operators, no other operators showed any real interest in the bid – although no one opposed it. Despite little involvement from smaller operators (smaller operators are represented by the CPT on the BBA Board), those partners that did engage felt that the partnership should be built on the principles of fairness, so all operators still share in the benefits of scheme elements. Among the smaller operators there was a sense of inevitability of the BBA going ahead, especially if First and Stagecoach signed up.
- 3.97 Critical to the BBA structure was that operators needed an equal say over how money was spent. They wanted to avoid “*PTE pet projects*” and wanted to ensure there was emphasis on infrastructure projects (with long term benefits) rather than marketing schemes or shorter term plans.
- 3.98 First Group signed up to the BBA as they felt it was a ground-breaking opportunity to grow revenue through increased patronage, as opposed to increasing revenues through increasing fares:

*“If you look at other successful networks, all are built on successful partnership”*

- 3.99 The two main operators felt that they were consulted on all aspects of the BBA programme including the development of individual schemes.

#### New BBA Arrangements

- 3.100 The BBA Board is a separate entity to the QBP. The partnership has limited operator membership, while the BBA Board includes all operators and acts independently. The Board is attended by senior representatives of SYPTE, Sheffield City Council, First, Stagecoach and the CPT.
- 3.101 Although separate entities, the partnership and BBA Board do run in close proximity as the same key players attend both meetings. The BBA Board has its own meetings, agendas, papers and actions – but it is built on the principles of the partnership including a “round table approach”.
- 3.102 The Board currently meets every two months, although there is a certain degree of flexibility and willingness from all partners so if required it could meet more or less regularly. The operators suggested that the frequency of meetings feels about right at the moment. BBA arrangements consist of the following:
- SYPTE facilitate and nominally chair BBA meetings.
  - There is no formal voting structure (nor has the QBP), so any request for changes to schemes are debated and a joint decision is reached amongst partners.
  - At each meeting the project plans and priorities are discussed.

- Each partner has an equal say - anyone who turns up to the meetings gets an opportunity to have their views heard.
- 3.103 SYPTE presents a progress and expenditure report to the BBA Board at each meeting. Any issues are then highlighted and discussed between partners. The programme is flexible and can be adjusted if required.
- 3.104 The governance arrangements are less formal than they might otherwise be because operators entered into the process willingly and therefore operate within the spirit of the original partnership arrangements. One operator noted:
- “There can be tough arguments, and tough compromises, but the structure means we have to find away...and it can sometimes focus us on the main reason we’re doing this, to grow patronage through partnership”*
- 3.105 Both First and Stagecoach felt that their views were listened to and that their opinions have some influence over decisions taken by partners. Representing the smaller operators, the CPT feels it is an equal partner when discussing BBA related issues. The CPT does ask smaller operators to put forward suggestions for the ‘congestion-busting’ pot. However, there is a view that smaller operators have less of a perspective of where infrastructure could be improved, so are less likely to contribute and provide feedback through BBA meetings.
- 3.106 As well as the main BBA Board meeting, there is a working group for each work-package which meets on a monthly basis. The PTE chairs these and relevant representatives from operators attend – for example, operational staff attend the hotspots meeting.
- 3.107 Unlike the QBP, there is not a BBA Board agreement that formalises roles and responsibilities. At present this has not caused any issues but it may be something that the Board look into in the future. As the scheme deliverables get bigger, so do the risks.

#### Implementation

- 3.108 There were some initial teething issues related to the implementation of the BBA in Sheffield. SYPTE noted that there was a delay in obtaining funding from DfT which contributed to a delay in delivering schemes. There have also been issues with operators receiving the replacement BSOG as the details of the claims took a lot longer to iron out than was originally intended.
- 3.109 SYPTE highlighted some practical issues with the implementation of BBA schemes:
- Operators are worse off immediately as they lose some of their BSOG at the start of the year before schemes can be implemented, so there is always a time lag between obtaining the funding, then planning and delivering schemes.
  - The 0%, 25%, 50%, 75% then 100% phased reduction in BSOG over five years does not truly reflect the required funding schedule and that a lower reduction in BSOG initially followed by a larger reduction in the last year or two might work better for Sheffield.
  - The lack of a long term commitment from Government to guarantee BBA payments each year means that it is not possible to plan too far ahead and adds uncertainty for both SYPTE and operators on what can be delivered.
- 3.110 The time it takes to deliver interventions causes unease amongst operators. It was noted that there have been a number of projects that have been delayed, most notably the implementation of support staff within the urban traffic control (UTC) centre. Although this was

through no fault of the BBA Board it highlights a wider issue that the group face - any delays widen the gap between operators losing BSOG and the opportunity to recoup the costs through increased patronage.

3.111 The measures put in place to soften the blow of devolving BSOG result in operators being no worse off during year two. However, by year three operators will be worse off financially as the phased reduction in BSOG increases further. Therefore there is a need for operators to start seeing an increase in patronage to compensate for revenue reductions incurred. The unknown factor of whether the interventions will actually lead to increased patronage (and fare revenue) is a concern for operators:

*“We know what we are going to lose, but we don’t know what we are going to gain”*

3.112 Traditionally the view held by operators is that the PTE is there to run the network, and the operators run buses. This has meant that, in the past, operators have been less likely to come forward to the PTE with suggestions for improvements, network modifications, or infrastructure proposals. However, this attitude is changing and operators are starting to bring a lot more to the table, not just in terms of hotspot interventions, but wider thoughts on transport and the entire public transport network.

3.113 Although in BBA terms, operators do not have any direct responsibility (as they do not hold any budgets) through partnership working they are made accountable for the decisions that the group make. Operators feel that one of the main advantages of the BBA is that they can hold the PTE accountable to what they spend money on.

3.114 Operators are more engaged with the PTE and Sheffield City Council (SCC) than they have been historically. Although the PTE has always been ‘data focused’, with greater input from the operators the data that SYPTC collects is becoming even more focused and so more beneficial for all. This is partly attributable to the partnership arrangements put in place in 2012, but also a result of the BBA.

3.115 Operators are of the opinion that the existing “round table” arrangements work well and the lack of a formal voting structure means that there is not one dominant party – meaning the group is a true partnership. There are, however, some challenges brought about by this structure. Due to commercial confidentialities and the potential for collusion, there cannot be complete openness during meetings and discussions as other operators around the table are in direct competition. However, through relationships with the PTE and SCC operators feel that they can raise concerns separately if necessary.

3.116 There are some ongoing tensions between the PTE and SCC, who are required to deliver some larger capital elements of the BBA scheme. As well as the budget from the BBA, SCC is spending LSTF and LTP money. SCC will prioritise tasks based on funding priorities, so there is the risk that the BBA schemes get pushed back in place of other schemes.

3.117 The process so far has been a steep learning curve, and this will likely continue throughout the five-year BBA period. The level of detail that was required for the initial BBA bid meant that some schemes, like the Parkway bus lane, were high-level concept schemes. There now begins debate on the benefits of such schemes and if they are deliverable in the timescales, or if the money is better spent somewhere else. This is a challenge that partners will face over the coming years. However, the way that the board is governed means that if a partner were

to put forward a convincing argument for a scheme, then the board is willing to listen and consider the proposal which offers some flexibility to the delivery of the BBA.

- 3.118 The City Council commented that one of the biggest benefits of the BBA is that it allows more sustainable and longer term planning to take place. LSTF and LTP funding has limited timeframes. The five year programme through the BBA is unique and will allow delivery of some larger projects.

#### Problem Resolution

- 3.119 There is, at present, no formal conflict resolution plan. However, all parties believe that strong partnership can overcome these difficulties without the need for formal agreements or voting. The lack of formal structure forces the partners to discuss and compromise as all agree that there is not time to delay any aspect of the work unnecessarily.

#### The Future

- 3.120 It was noted by operators that for the BBA to be successful it is imperative that partners maintain good communication with SYPTE and SCC and maintain the dynamic nature of partnership working.
- 3.121 Operators are starting to see a reduction in BSOG and starting to demand some results from the schemes delivered. The operators feel, therefore, the need to remain proactive and continue to lead and influence the BBA agenda. As the number and scale of schemes increase over the life of the BBA operators' expectations become greater, there is a strong urgency and desire to see tangible benefits as the amount of BSOG devolved increases.
- 3.122 There are no plans, at the moment, to change the structure of the group. One of the benefits of the current set up is that, although not directly linked, the BBA is under the shadow of the partnership which has, i) been successful ii) developed relationships, and iii) has a more formal structure. The converse of this is that if the partnership weakens so will the BBA.
- 3.123 SYPTE and operators feel that the partnership and the BBA Board are working well but this is mainly down to the individuals who attend the group. Unforeseen personnel changes therefore could have a big impact on the group dynamic and poses a real risk in the future. However, the BBA and partnership are built on high level support at both the PTE, Council and operator level and so this should mitigate this risk. The culture of partnership is now embedded in South Yorkshire. Linked to this, local and national political changes could also impact on the delivery of bigger schemes.
- 3.124 There was a sense amongst operators that in the next two years there will be an increase in scheme delivery and therefore more decisions will be taken and the "stakes will get bigger". It will therefore be interesting to see how the partnership arrangements develop over time.

#### Sheffield partnership learning points

- 3.125 This section will briefly summarise the contributory factors to successful (and less successful) partnership working arrangements. The factors included below are drawn from the interviews with stakeholders and are based on experiences in delivering BBA thus far.
- 3.126 The factors that are important to successful partnership working may change over time as the BBA programme continues and partnerships develop. The points below are not intended as a critical assessment of progress to date, but more of an aid for other local authorities and operators that may currently wish to embark upon partnership working.

3.127 The factors that have assisted effective partnership working and achieving the objectives of the BBA programme in Sheffield's experiences to date are:

- ❑ **Operators led discussions on partnership working initially** – given the possibility of quality contracts, the partnership arrangements were very much led by operators in order to find a way of improving bus services to benefit the bus user and halt declining patronage trends.
- ❑ **Operators have an equal say on schemes** – the partnership arrangements are dependent on all parties having an equal say when taking decisions. Operators were keen to encourage infrastructure projects and discourage 'PTE pet projects'.
- ❑ **Good quality evidence helps better decision making** – SYPTE highlighted the need for good quality data in order to make informed decisions on appropriate courses of action. SYPTE feel that they have this data now.
- ❑ **Partners should enter into the partnership in the right spirit** – operators in Sheffield have entered into the BBA arrangements in the right spirit and find a way of managing disagreements. Partners have to 'find a way' through round table discussions which requires compromise; but it helps to focus on the reason for being a BBA: to grow patronage through partnership working.
- ❑ **BBA encouraged operators to be more proactive** – operators are now more likely to make proposals and suggestions to improve infrastructure for the betterment of bus services. BBA has resulted in a change in attitude on the part of operators and the PTE.
- ❑ **Accountability ensures partners play their part** – operators feel that they can hold SYPTE accountable for what they spend money on. This puts pressure on SYPTE to deliver what they say they will deliver, but also ensures operators are more proactive.
- ❑ **5-year programmes allows for longer term planning** – LSTF and LTP have limited timeframes whereas BBA enables a longer term view to be taken.

3.128 The factors that have challenged effective partnership working and achieving the objectives of the BBA programme in Sheffield's experiences to date are:

- ❑ **Lag between operators losing BSOG and schemes being implemented** – the nature of BBA funding places pressure on the BBAs to deliver schemes quickly, otherwise operators will be worse off for a longer period of time. This could – in future – lead to dissatisfaction on behalf of the operators and – in a worst case scenario – place a strain on partnership arrangements.
- ❑ **Lack of certainty on the longevity of BBA.** As a result, BBAs cannot plan too far ahead, and with the largest schemes programmed for delivery towards the end of the five-year BBA period, there is potential for increasing pressure on SYPTE to deliver.
- ❑ **Spending conflicts from other funds** – City Council required to deliver schemes funded by LSTF and LTP as well as BBA. There is a risk that other schemes are prioritised based on the Council's priorities which could delay BBA schemes.

## West of England

3.129 This section draws together the findings from the interviews carried out with local authorities and operators within the West of England. It clearly sets out what partnership arrangements have been implemented and how these arrangements function.

3.130 The following organisations were interviewed as part of this process evaluation:

<b>Local Authorities</b>	<b>Bus Operators</b>
Bristol City Council	First Bristol
Bath and North East Somerset Council	Somersetbus
BBA Project Manager	
South Gloucestershire Council	

### Summary

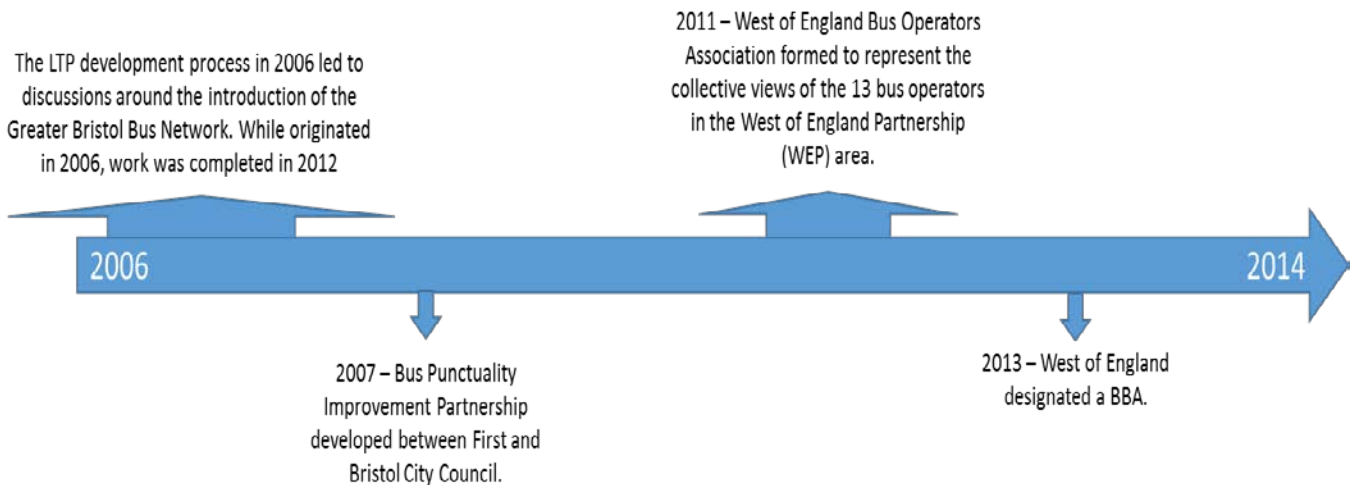
- ❑ There has been formal partnership working in the past, but this did not involve smaller bus operators
- ❑ There is a desire between all partners to work together and collectively improve the bus culture in the sub-region.
- ❑ Smaller operators had to be strongly encouraged to accept the loss of BSOG and support BBA bid.
- ❑ Authorities over-estimated the amount of funding that would come through BBA, and once funding was awarded had to revise which schemes would be possible. This was not readily communicated to operators who assumed all schemes in bid would be delivered.
- ❑ The partnership is built on trust and faith which is, at present, being tested due to a lack of delivery.
- ❑ Current BBA governance arrangements are relatively loose and this creates uncertainty, which could develop into a lack of trust and negatively affect the partnership in the longer term.
- ❑ Operators are concerned about a lack of accountability if schemes are not delivered as expected.
- ❑ The time lag between losing BSOG and seeing schemes delivered (and then delivering improved services) is a significant issue for operators.
- ❑ All partners remain hopeful that the future of the BBA in the West of England will be successful, but the key is for operators to see schemes being delivered.

### Partnership arrangements before BBA

3.131 There have been a number of partnership arrangements of various formats and partners predating the BBA partnership, but to date the majority of formal partnerships have mainly been between the local authorities and First. Figure 3.4 presents a timeline of partnership working in recent years.



**Figure 3.4 Timeline of key partnership arrangements since 2006**



3.132 The partnership involving First and local authorities was seen as a significant success as it created sustained increases in patronage across targeted services. This partnership also gave the authorities confidence in their ability to win funding and deliver large projects.

Establishing the BBA

3.133 Further developing partnership working across the region was a key aim of the local authorities when embarking upon bidding for BBA funding. According to the BBA project manager, there was a desire for partnership working between the local authorities and all operators to be the ‘norm’ for delivering bus services across the West of England. First was also enthused to build on the successes of the GBBN and further develop the partnership approach.

3.134 The way that the BBA was designed, by building upon the corridor-based approach from the GBBN, was a key reason for First to be supportive of the BBA approach. First were consulted on the development and design of the schemes and were central to those discussions. Notably, the investment in infrastructure improvements is considered important and BBA offered the operators a novel opportunity to see these improvements realised.

3.135 Internally, First had a desire to continue to improve the bus culture across the sub-region and this was timed well against central government’s change in approach to delivering BSOG through BBA. This provided an opportunity to try something new. The uncertainty over the future of BSOG was a factor in this decision as it is not known what may happen to BSOG in future and there may be benefits of being part of these “pilots of devolution”. First took the view that being a part of the BBA could either limit the risks of the removal of BSOG or could help mitigate against the effects if it was removed. The BBA was seen as a potential way of securing ongoing central government funding.

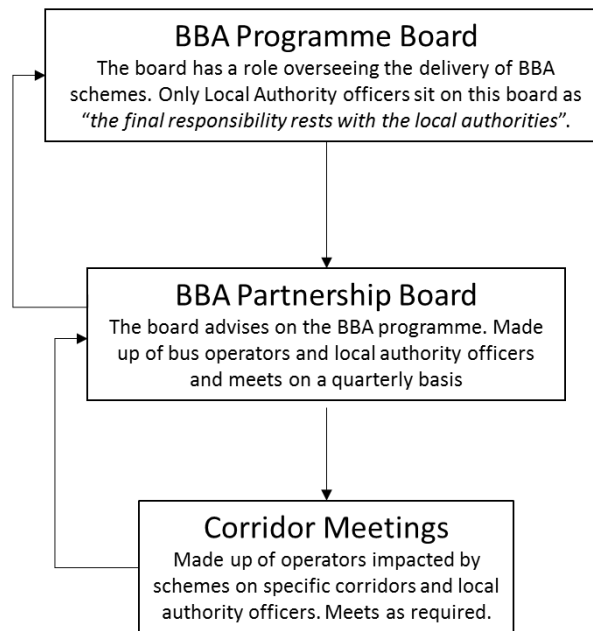
3.136 There is a sense amongst local authority officers that the DfT sees the West of England as a ‘good region’ in terms of the potential for partnership working. Added to this, the local authorities have an excellent track-record of securing funding and due to this, bidding for BBA funding was seen as a viable possibility.

3.137 In terms of planning the various schemes, initially the operators provided the local authorities with a ‘wish-list’ of improvements to various routes. These were then reviewed and, if accepted, compiled into the bid.

- 3.138 There is an imbalance of power between the large and smaller operators as First are the dominant bus operator in the region. This meant that the larger operator's suggestions were more likely to be represented in the BBA bid, particularly as it took smaller operators some time to lend their support to the bid and to get involved.
- 3.139 Notably, First took the lead on persuading smaller operators to join the bid and accept the reduction in their BSOG. First were the most willing of the operators to be involved and felt that the smaller operators were harder to convince.
- 3.140 The local authorities were unsure how much influence First placed on the smaller operators. Equally however, there was a general view that even had the smaller operators objected the bid would most likely go ahead anyway. This inevitability of the bid going ahead led to smaller operators accepting and supporting the bid. One smaller operator stated:
- "It's better to be in on it with the chance to have some influence than potentially out of pocket with no say."*
- 3.141 Smaller operators highlighted one issue from the BBA bid process. All operators provided letters of support for the bid; however operators were asked by the local authorities to revise their letters as they were deemed "too negative" for submission. The view of one operator was that BSOG accounts for a significant proportion of their turnover; therefore the removal of BSOG represents a significant financial risk to the operator.
- 3.142 While smaller operators are keen for the BBA schemes to be successful, there is a feeling of dissatisfaction that this has been imposed on them and a concern about the real value of the programme to them – many of whom rely on the BSOG to form a not-insignificant part of their profit margin.
- 3.143 There was another key issue that arose during the setting up of the BBA that has had longer term implications for the levels of partnership working. When bidding for BBA funding, the local authorities over-estimated the amount of funding that they would receive and therefore were too ambitious in what schemes they would be able to deliver. The authorities intended to refine the list of schemes; however this was not communicated clearly to operators who assumed that all of the schemes included in the bid would be implemented. They were not sufficiently aware that there would be a process of refinement after the funding had been awarded and this has caused some difficulties within the partnership, which is further discussed below.

#### New BBA Arrangements

- 3.144 Figure 3.5 illustrates the BBA governing arrangements in place in the West of England. There are three primary tiers of governance. The first tier is made up of local authority officers from each of the three authorities; the second tier is responsible for the main strategic management of the programme and involves operators and officers; and the third tier deals with the finer detail of specific schemes on a corridor by corridor basis.

**Figure 3.5 BBA Governance Arrangements**

- 3.145 The overarching view from local authority officers is that the ultimate responsibility of delivering the BBA schemes rests with the authorities themselves. The authorities are of the view that they need to be seen to be fully committed to delivering the schemes “in good time” in order to maximise the value of BBA for bus operators.
- 3.146 As the local authorities and the operators have slightly different primary objectives in what they want to get from the partnership (authorities are interested in building partnership, operators interested in generating additional revenue through infrastructure improvements), there is a need to manage implementation closely so that operators’ needs are met.
- 3.147 The operators take the view that the balance of power is weighted towards the local authorities as the authorities hold the money and implement schemes. Operators have to trust the authorities to deliver what they have agreed and then have to “deal with the consequences” should anything not be delivered. At the time of interview, there was a perceived lack of delivery progress by the authorities which was testing partnership arrangements.
- 3.148 There was some uncertainty over the ability of bus operators to hold local authorities to account. Operators are not aware of where the accountability lies and what recourse there is if they are unhappy. Operators feel that they do not have any leverage with which to pressure authorities for speedier implementation. There is a sense that the only option is to “go to the DfT” with concerns, but even then there is a lack of confidence that DfT would be interested in handling such issues.
- 3.149 A problem with the current governance arrangements was highlighted by one of the local authorities. The officer noted that with the Partnership Board being attended by senior managers who discuss strategic issues, and with scheme details discussed by staff responsible for a specific corridor, then there can be a lack of internal communication to the extent that the senior managers are not aware of the finer details of specific schemes. This has, at times, led to incorrect and insufficient understanding of the current situation within Partnership Board meetings. This disconnect should be addressed internally by each partner for the partnership to function efficiently.

### Implementation

- 3.150 A variety of issues related to the implementation of BBA schemes were highlighted by operators and local authorities. For operators, a key issue is the pace of implementation, which has not been as fast as desired. There was a perception that the councils were not moving forward fast enough with implementation, and that this was further raising questions for them regarding the value for money of the programme. One operator noted that they had been provided with the implementation timetable for the BBA infrastructure, but they were not entirely satisfied with it. However, the operator feels that they do not have the power within the partnership to influence this.
- 3.151 Another concern for operators was that previous partnership successes led to a level of complacency in setting up the BBA, and therefore perhaps there was not a great enough appreciation (by both operators and authorities) of the unique context that it represents, and challenges it poses. It was noted that:
- Plans have been changed and re-scheduled with no management of this through the partnership. Operators stressed that they need to know if the scheme is going to be changed as they need to re-model the business impacts. Operators do not feel they have been made adequately aware of such changes.
  - Authorities are perceived to be having difficulties delivering what they have agreed to.
- 3.152 There appears to be an understanding amongst operators that there are practical issues that impact upon delivery. However they stress that at the same time they have already lost some of their BSOG and perceive this as an unfair unintended effect of the programme. This is mainly related to the 'lag' between BSOG sacrifice and scheme implementation. For operators, the reduction in BSOG started from the very beginning of the BBA process, yet the delivery of a number of schemes may not be for years which leaves them financially worse off in the short to medium term.
- 3.153 This lag between the reduction in BSOG revenue and when a scheme is delivered (and generates the benefits anticipated) contributes to the feeling of an imbalance of power in the partnership. Specifically, where BSOG reduction is fixed but the delivery of schemes by local authorities is not fixed. One operator described this as:
- “losing concrete money for a promise which has no backing”*
- 3.154 This would suggest that there is a need for local authorities to show more commitment to delivery in good time to develop value in the schemes for operators. Commitment from authorities to delivery is very important in this regard in building trust with the operators.
- 3.155 From the local authorities' perspective, they recognise the stance of operators. However, a key issue for the authorities is managing delivery expectations within the partnership. Partners see the partnership as an opportunity to learn from one another, and yet at the same time the differences in expectations of one another mean that tensions can arise that are difficult to manage. The key issue for the operators is that they see the BBA funding as 'their money' which they have provided to the authorities to improve and upgrade infrastructure on their behalf (and for the general betterment of the bus network). From the authorities' perspective, the operators do not fully understand the complexity of the implementation context, and so they find themselves in a difficult position in trying to manage operators' expectations.

- 3.156 One authority feels that the partnership arrangements are perhaps a bit too loose and informal. The governance is not always clear in terms of responsibilities for different roles, and who is responsible for making final decisions. There is a question over who makes the final decision if responses to consultation have not been received within a certain period:

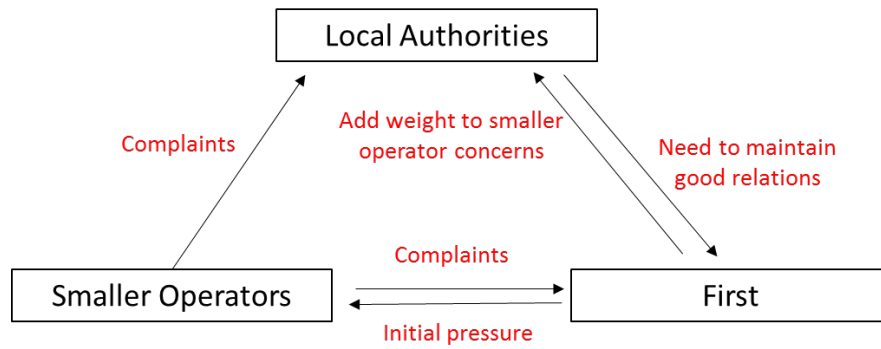
*“Loose partnership brings uncertainty, uncertainty erodes trust”*

- 3.157 The local authorities considered whether their needs are being met by the implementation of the BBA programme, and the general view was that their needs are being met. While there is recognition of the issues discussed above, they believe that more partnership working will benefit the sub-region in the long term as there will be a greater focus on delivering services for bus passengers.
- 3.158 In relation to this, one local authority discussed the need to effectively communicate the objectives and benefits of partnership working such as the BBA to the general public. It was suggested that there is sometimes not a very good understanding amongst local residents of how public money is being spent on the bus network, and why this could be of value to them and to the sub-region.

#### Problem Resolution

- 3.159 The bus operators are of the view that there are no formal dispute resolution procedures, and note that there have been no ‘formal’ disputes to date. However, they did note that there have been informal discussions related to poor BBA scheme delivery which have been discussed at Partnership Board meetings.
- 3.160 The authorities were clearer on there being an informal dispute resolution process. They were of the view that if there were to be disputes, this would be managed according to the size of operator. Larger operators would be given priority in disputes, which is seen to be a necessity in order to maintain relationships and the current partnership working. It was noted that the authorities suggested there could be some merit in formalising this arrangement.
- 3.161 There are other facets to the partnership arrangements in relation to disputes. While First are the dominant operator, the smaller operators have been more vocal in their dissatisfaction with a lack of progress in scheme delivery. It is perceived that as smaller operators are in a position of reduced power in the partnership, they have less to lose and can be more openly critical of the authorities.
- 3.162 First’s prominent role in encouraging operators to take part in the BBA has led to an interesting relationship with smaller operators. The smaller operators feel they have little influence over local authorities individually, so in some instances they use First to lend weight to their arguments and complaints. First then raise these with the authorities, and as disputes are managed according to size, authorities have to take these complaints on board. This results in the smaller operators feeling that there is a mechanism by which they can influence changes to BBA schemes. Figure 3.6 illustrates this dynamic.

**Figure 3.6 Relationship dynamics between authorities and operators**



3.163 Finally, First noted that there was a missed opportunity following BBAF as schemes were not evaluated. This could have been an opportunity to inform the shape of this new BBA programme. The authorities noted that there is a project diary in place to record progress and lessons from the project, although this is not currently being filled in to the extent necessary. In addition, the evaluation of specific scheme impacts is extremely complex and not viable for this phase of BBA.

The Future

3.164 Over the course of the five years it is envisaged that there will be greater involvement from all partners. According to the authorities, to ensure that this happens it is essential to demonstrate value to the operators to encourage their active participation in the partnership. To ensure the future of the BBA partnership there is a need to continue developing trust by following through on delivery promises. In turn, BBA schemes need to be given greater priority in terms of resourcing within the authorities.

*“If other schemes start to take priority then this could lead to further delays in delivery”*

3.165 There is uncertainty over the future of BSOG and a lack of clarity relating to BBA funding beyond 2015-16. This breeds a lack of trust. A lack of trust creates the experience of a “no-man’s land” which leads to half-commitments and reduced efficiency. Schemes such as BBA rely upon full commitments from all partners, and uncertainty leads to them being half committed and ready to back out, leading to instability.

3.166 Operators are of the view that at present, BBA offers very poor value for money compared to BSOG. First noted that until there is implementation of schemes, there is effectively no value for money to them, and furthermore that even once implementation has been achieved, they will not recoup the losses in BSOG encountered in the lag between initial BSOG sacrifice and scheme delivery. Despite this they conceded that if all the proposed infrastructural upgrades are completed, there is the potential for value for money in the long-run.

3.167 First felt that for the scheme to be successful over the course of its five-year lifetime there needs to be real involvement in the process for operators in terms of decisions regarding implementation and changes to schemes. Somerbus foresaw that the partnership would develop positively over the five year period, provided that implementation starts to happen in earnest and operators start to see some value from the schemes.

3.168 Overall, there remains goodwill between operators and authorities and all want the BBA process to succeed. However, operators appear to have significant concerns relating to the

delivery of schemes and that this could jeopardise partnership arrangements in future years if there continues to be a lack of progress.

- 3.169 Whilst there are challenges to be overcome in the West of England BBA scheme, both operators and local authorities noted that this has not negatively impacted on wider partnership working or their working relationships. The BBA is set within a broader sub-regional context of a positive attitude towards partnership working and a desire to continue making improvements to the bus culture for the benefit of passengers and operators alike.

West of England partnership learning points

- 3.170 This section will briefly summarise the contributory factors to successful (and less successful) partnership working arrangements. The factors included below are drawn from the interviews with stakeholders and are based on experiences in delivering BBA thus far.
- 3.171 The factors that are important to successful partnership working may change over time as the BBA programme continues and partnerships develop. The points below are not intended as a critical assessment of progress to date, but more of an aid for other local authorities and operators that may currently wish to embark upon partnership working.
- 3.172 The factors that have assisted effective partnership working and achieving the objectives of the BBA programme in the West of England's experiences to date are:

- ❑ **Strong desire for partnership working to be the norm** – all stakeholders see partnerships as key to the future of public transport service delivery and creating a bus culture. Partners can see the value in BBA and have a strong desire for it to work.
- ❑ **Dominant operator taking responsibility for smaller operators** – this gives smaller operators a voice and an opportunity to influence local transport policy when they otherwise might not be heard. This is reliant, however, on good co-operation between operators and First.
- ❑ **Recognition of Local Authorities' responsibilities in scheme delivery** – authorities are very aware of their responsibilities to deliver schemes to benefit bus services as quickly as possible so that they can build trust with operators. In the context of BBA, trust between partners appears to be essential in order to maintain the partnership.
- ❑ **Full commitment required from all partners** – it was suggested that commitment by all partners helps to build trust, but without full commitment uncertainty can build and erode trust.

- 3.173 The factors that have challenged effective partnership working and achieving the objectives of the BBA programme in the West of England's experiences to date are:

- ❑ **Good planning for BSOG devolution required to manage expectations** – when bidding for BBA status, the WoE authorities mis-calculated the amount of funding they might receive and therefore could not deliver all the schemes included within the bid. This led to disappointment from operators when they realised this.
- ❑ **Lack of accountability** – under current BBA arrangements, there are no safeguards for operators and no accountability if schemes are not delivered. Operators are unclear if they have any recourse on this and must trust authorities but this trust has been tested.

- ❑ **Loose partnership arrangements** – the roles and responsibilities of partners in the WoE are not clear and this has created uncertainty. Uncertainty over time can erode trust which can inhibit partnership working.
- ❑ **Time lag between BSOG sacrifice and scheme delivery** – as operators lose BSOG at the start of the financial year, they are immediately in a worse off situation. As there is then, inevitably, a delay in scheme delivery this is revenue that is perceived unlikely to ever be recovered.



**York**

3.174 This section draws together the findings from the interviews carried out with local authorities and operators within York. It clearly sets out what partnership arrangements have been implemented and how these arrangements function.

3.175 The following organisations were interviewed as part of this process evaluation:

<b>Local Authority</b>	<b>Bus Operators</b>
City of York Council	First Yorkshire Transdev Reliance Motors East Yorkshire Motor Services

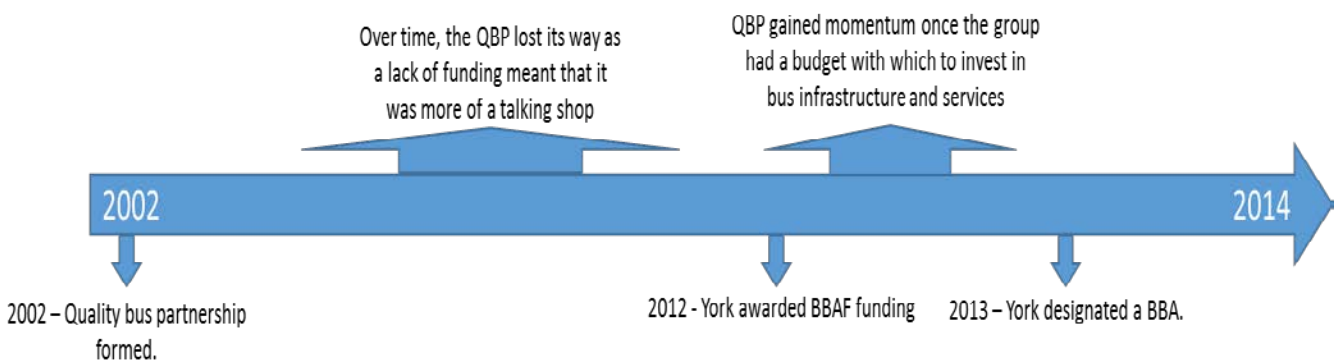
**Summary**

- ❑ There has been formal partnership working in the past, but this did not involve smaller bus operators
- ❑ The BBA has developed under the umbrella of the Quality Bus Partnership which was formed in 2002 between the Council and all operators.
- ❑ The BBA Group has a defined Heads of Terms that set out, among other things, objectives, voting structure and limitations on partners’ actions.
- ❑ The BBA Group meetings focus on high level priorities and allow the operations groups (and other sub groups of the QBP) to pick up more of the day to day issues (and then feedback to the BBA Group).
- ❑ The BBA Group is a capital decision making group, and has responsibility for the BBA budget.
- ❑ Although there is a formal voting structure in place, as yet this has not been needed. All actions have been passed unanimously through ‘round table’ discussions.

Partnership arrangements before BBA

3.176 There have been a number of partnership arrangements predating BBA. Figure 3.7 presents a timeline of the key examples of partnership working in recent years.

**Figure 3.7 Timeline of key partnership arrangements since 2006**



3.177 The QBP is considered by operators and the Council to have served its purpose well, with stakeholder relationships the healthiest they have been in a number of years. The partnership has resulted in a number of positive outputs including the introduction of a multi-operator ticket.

#### Establishing the BBA

3.178 Following from the success of the BBAF, the Council was keen to further engage operators and encourage them to be more active in the development of the transport network in York. The council felt that the removal of BSOG would act as a catalyst for this, and so wrote the initial BBA bid which was taken in draft form to operators for consultation.

3.179 Following initial discussions the scheme was refined - specifically the scheme area and exclusions. The bus network in York is not self-contained; often the York network forms part of an operator's wider network, with inter-urban services forming important local services as well. The Council proposed three alternative BBA scheme areas ranging in size:

- Within the inner ring road (small)
- Within the inner ring road + 1 mile outside (small-medium)
- The whole of York (large)

3.180 During the development stage operators were consulted individually, offering the opportunity to discuss what they would be willing to relinquish in terms of BSOG and what schemes they thought should be implemented. During this time, the focus of operators and the Council was primarily on increasing revenue through increased bus patronage as opposed to reducing bus operating costs. There was no 'replacement BSOG' identified in York's BBA bid.

3.181 The bid went through numerous iterations before it was finalised. The Council defined the final scheme area (inner ring road + 1 mile extra) and the schemes to be included within the bid; which mainly consisted of continued funding for BBAF measures.

3.182 In general, operators and the CPT were positive about the opportunity to inform and shape the BBA, and felt it was right that the Council took the lead initially in planning it. One operator did comment that although the 'bigger picture' was explained well, the 'devil's in the detail' and this didn't come until much later (although the operator acknowledged that this was due to the tight timescales of bid formulation).

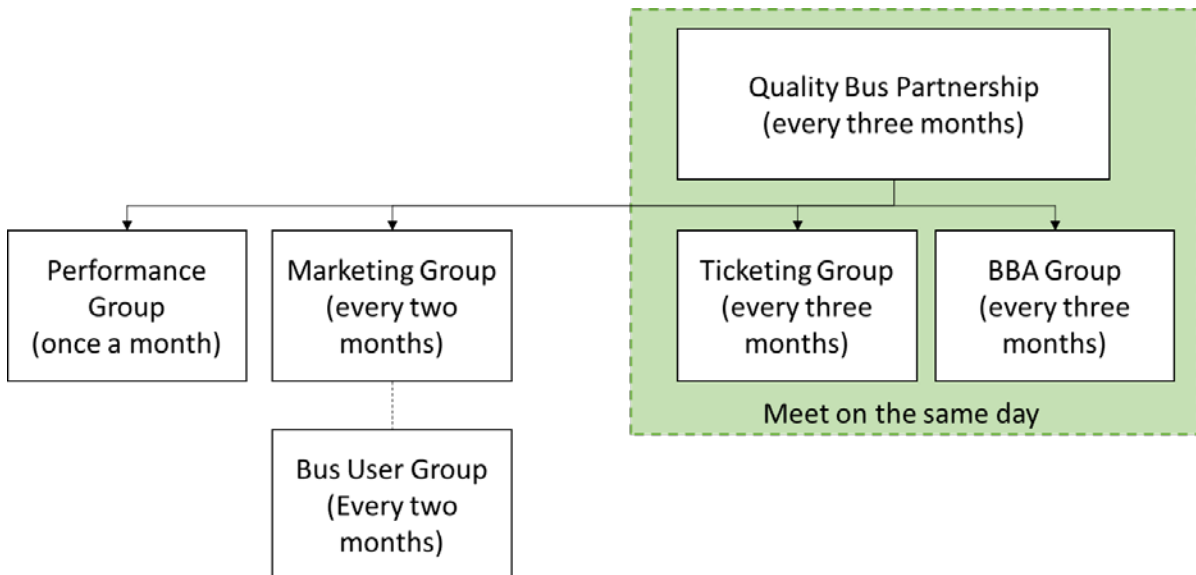
3.183 There are nine operators operating within the York BBA. All nine agreed to take part in the BBA bid and while some operators had reservations initially, several factors encouraged them:

- The limited scope of the BBA area, and so the limited value of BSOG lost
- The uncertainty over the future of BSOG funding
- The BBA Group being developed as a capital decision making group, as opposed to having to take proposals to the QBP
- It was viewed that there was huge potential to grow patronage in the area, and the BBA allowed opportunities that individual operators or the council would not be able to resource or afford individually
- Some measures were tweaked to generate benefits for smaller operators

### New BBA Arrangements

- 3.184 The BBA Group has been established and sits under the wider QBP, as shown in Figure 3.8. The BBA group is the only sub-group with responsibility for a budget. All operators who have given up BSOG are invited to attend the group, along with the council and the CPT. The Group's meetings are 'closed door' (unlike the main QBP meeting), which has allowed operators to discuss more sensitive issues in an open manner.
- 3.185 The QBP, Ticketing Group and BBA Group meet on the same day every three months, with back to back meetings. There is also a Bus User Group every two months. Whilst this group is not part of the QBP it is strongly related to its activities and the chair of the Bus User Group attends QBP meetings to relay the bus users' perspectives to partners.

**Figure 3.8 The York QBP / BBA structure**



3.186 The BBA Group has a Heads of Terms document which outlines:

- ❑ Coverage of the BBA area
- ❑ Objectives of the BBA Group
- ❑ Administration of the BBA
- ❑ Voting structure of the BBA
- ❑ Chair
- ❑ Frequency of meetings
- ❑ Freedom of information
- ❑ Limitations on partners' actions
- ❑ Changes to the Heads of Terms

3.187 The BBA Group has been established to deliver the following:

- ❑ To manage BBA funding for the benefit of the bus network in York.
- ❑ To make decisions on allocation of the BBA budget and report back to the main QBP.
- ❑ To facilitate the pooling of data and knowledge and to co-ordinate partners with the aim of inputting into successful business cases for bus schemes in York, e.g. financed by the West Yorkshire Transport Fund, property developers or one-off opportunities such as BBAF1.
- ❑ To work with the other QBP groups (performance, marketing, ticketing) to improve York's bus network (which may involve funding some activities).

- 3.188 Like the other QBP subgroups, the BBA Group has a nominated chair who is one of the city's operators. In addition, there is a dedicated BBA manager from the council who has responsibility for delivering the BBA under the Group's direction.
- 3.189 Although the partnership was slow to get going, it now has more momentum. Operators are generally content with how things are progressing, and the larger operators feel their contribution is welcomed and their voice heard. Operators spoke positively about the governance arrangements and were encouraging about the strong leadership from the Council in terms progressing and delivering the work plan.
- 3.190 One operator commented:
- “One of the advantages of the funding available through BBA is that operators have more of an ability to push measures that are of most benefit to the network and hold the council accountable to get things done on time.”*
- 3.191 Although there is one dominant operator in York, the majority of other operators felt that their views and opinions were still valued and listened to. The frequency and structure of the QBP/BBA Group meetings were generally thought to be right at present and combining the BBA Group, Ticketing group and QBP meetings on the same day was seen as a good thing for those who had to travel to attend. One operator commented that there was a risk of 'meeting burn-out' for operators who don't have the resource to attend numerous meetings.
- 3.192 One of York's smaller operators was keen to highlight that the reduction in BSOG in York was marginal for the bigger operators, but for some smaller operators it constituted a considerable reduction in their turnover. In addition, there are perceived to be limited benefits of their involvement as those schemes implemented typically target higher frequency corridors.

#### Implementation and Problem Resolution

- 3.193 Both operators and the Council commented that one of the key factors for success in both the QBP and BBA is getting the right people to sit around the table, not only in terms of personalities and relationships (which are critical), but also having personnel who are senior enough to make decisions.
- 3.194 It is apparent that there is a strong correlation between the QBP and BBA in York. One operator commented that, in York, it is impossible to see the QBP and the BBA group as separate entities: they must work together to develop the network in York. Another operator stated:
- “Although it's early days yet, the last two years have been positive and the partnership is active and progressing public transport in York. There is no doubt that BBA pushed the wider QBP forward; targeted measures and the congestion busting pot mean that there is a better focus and actual money to spend. It has also brought operators and the Council closer together “*
- 3.195 The Heads of Terms that govern the partnership arrangements state that, 'All measures pursued through the BBA will be subject to a vote. It is agreed that voting rights will be proportional to the level of funding each partner puts into the BBA in any given year. However, any proposal must be proposed then seconded by a second bus operator before being put to a vote.'

- 3.196 Although there is a formal voting structure in place, to date there has been no need to initiate it; all actions have been passed unanimously through 'round table' discussions. Both the council and operators hope they will be able to continue to resolve problems and conflict in this manner. However, should the need arise there is a formal resolution system in place to fall back on. Any motion has to be proposed and seconded so that the group is not held at the will of the largest vote holder.
- 3.197 One operator felt that the fall back of having a voting system wasn't necessarily a good thing, as if initiated it meant that one or a number of partners would end up unhappy, they commented that '*this seems to go against the general principles of a partnership*'.
- 3.198 Another operator stated that, due to the scale and scope of the measures in the BBA, it was unlikely that any major conflict between operators would occur.
- 3.199 Operator expectations are managed through regular updates to a transparent and detailed delivery plan. Although the Group only meet once every three months, regular e-mail contact between partners, and the BBA officer sitting on the other QBP sub-groups, means that schemes and plans are being progressed and operators kept abreast of any issues.

#### The Future

- 3.200 Operators and the Council see partnership arrangements continuing in the same vein over the coming years, although there are apparent risks. One of the greatest risks to the delivery of the BBA in York is political change. Unlike other local authorities, members of the City of York Council are all re-elected every four years, rather than on a phased basis. This could potentially lead to a sudden political change of direction and so there are ongoing concerns about the upcoming election and the impact that a change in political leadership could have on the speed of implementation of capital schemes.
- 3.201 An additional risk, highlighted by some operators and the Council, was the limited resources available within a small council to deliver some of the capital projects. It was, however, noted that BBA funding at least gives an opportunity for bigger pieces of work that otherwise would not take place.
- 3.202 Two operators commented that the lack of a long term plan, or exit strategy, could be an issue in future. They felt that the partnership might benefit from a better roadmap of what is planned over the next few years and beyond. They noted that the capital spend for 2015-16 has not yet been defined as an example of a lack of long term strategy.
- 3.203 Overall, the group has not come across any major barriers yet. Things may be different in a few years' time when operators are losing more BSOG but, as several operators commented, the BBA does not cover anyone's entire networks so the risks associated with BBA are limited.

#### York partnership learning points

- 3.204 This section will briefly summarise the contributory factors to successful (and less successful) partnership working arrangements. The factors included below are drawn from the interviews with stakeholders and are based on experiences in delivering BBA thus far.
- 3.205 The factors that are important to successful partnership working may change over time as the BBA programme continues and partnerships develop. The points below are not intended as a critical assessment of progress to date, but more of an aid for other local authorities and operators that may currently wish to embark upon partnership working.

3.206 The factors that have assisted effective partnership working and achieving the objectives of the BBA programme in York's experiences to date are:

- ❑ **Consultation and operator involvement at the earliest stage** – it was seen as very positive that operators had an influence over the scope of the BBA geographic area. Operators were heavily involved in this decision making process.
- ❑ **Limited scope of the BBA encourages operators to take part** – with the scope of the BBA limited, it means that operators forego less BSOG and therefore take fewer risks.
- ❑ **Conducting different meetings on the same day**– meetings for the BBA and QBP are conducted on the same day and minimise the time required for operators to spend travelling to meetings.
- ❑ **Structured heads of terms create a clear framework for all partners** – the heads of terms sets out clear objectives which the BBA group can follow. This helps create certainty and gives the partnership a strong direction.
- ❑ **Voting structures are important, but agreement has been possible without the need for a vote** – Operators feel that a voting structure is useful to have, but find that it has been possible to make decisions in a 'round table' environment where partners can agree on the way forward and not alienate anyone.
- ❑ **Get the right people around the table** – it is important to get senior staff members from the Council and bus operators talking to each other so that decisions, and progress, can be made.
- ❑ **Regular communication and updates from the Council** – the Council provides regular updates against the delivery plan so operators are clear of progress on BBA funded schemes.

3.207 The factors that have challenged effective partnership working and achieving the objectives of the BBA programme in the York's experiences to date are:

- ❑ **Political uncertainty** – while not limited to York, the fact that council elections are carried out every four years for the whole of the council could lead to sudden political changes which poses a risk to the longevity of partnership working in York.

## 4 SYNTHESIS OF FINDINGS

- 4.1 This chapter brings together results from the five BBA case studies presented in the previous section. This section is based on the themes presented in the previous chapter and identifies factors that have supported effective partnership working and have presented challenges to partnership working and delivering the BBA programme.
- 4.2 Table 4.1 at the end of this chapter presents an overview of the directly comparable practical aspects of each BBA and how each is delivered as a reference. The remainder of the chapter focuses on the more qualitative aspects of BBA delivery.

### Partnership arrangements before the BBA

- 4.3 Partnership working between local authorities, PTEs and operators is nothing new with all five BBAs having previously attempted to develop partnership arrangements long before the introduction of BBAs, albeit with differing elements of success. Nottingham, York and the Liverpool City Region appear to have had the longest lasting partnership arrangements and these continue to develop through BBA. How these arrangements came about differed, however, with Nottingham's partnership being initially driven by operators but then taken on wholeheartedly by Nottingham City Council. In the Liverpool City Region, partnership working had taken place before 2008, but Liverpool's role as European Capital of Culture was a catalyst for partnership-focussed delivery of public transport services. The City of York's formal partnership arrangement dates back to 2002 but was thought to have 'lost its way' as it had no resource with which to deliver improvements to bus services.
- 4.4 What is notable about Nottingham, the Liverpool City Region and the West of England, is that partnership working had proven to be a successful mechanism for delivering improvements to bus services for a number of years. Specifically, the introduction of quality partnerships – both voluntary and statutory – had led to an increase in investment from authorities/PTEs and operators. These experiences helped encourage all parties to bid for BBA funding and continue these partnership arrangements.
- 4.5 Elsewhere, partnership working is slightly newer to the authorities and operators. It is notable that in Sheffield, partnership working was a mechanism proposed by operators following discussions relating to quality contracts. It was put forward by operators as a way of appeasing council member concerns and ensuring that public transport services would be improved to better suit the needs of the travelling public across Sheffield. There were similar circumstances in York i.e. a discussion relating to the introduction of quality contracts, ahead of bidding for BBA funding.
- 4.6 When talking to operators about the different elements that have allowed partnership arrangements to develop and flourish, trust was highlighted as an essential ingredient. Without trust, as was highlighted by operators and authorities within the West of England, relationships could break down and partnerships cannot function effectively.
- 4.7 Trust between partners typically comes about through the development of personal relationships between the key personalities involved in a specific area. In the West of England one of the operators stated that they like to work with BANES council due to the relationship with the lead officer at the council. In Nottingham, operators' relations with the Head of Public Transport were instrumental in the acceptance and ultimate support of the BBA bid; while in Sheffield, personnel changes were highlighted as a key risk for the future of the BBA. In the

Liverpool City Region officers at Merseytravel were cited as being instrumental in the delivery of the BBA by operators.

- 4.8 While it is positive that personal relationships and trust develops over time, this also presents a risk to partnership arrangements in the longer term. If there are changes to personnel at local authorities or bus operators, then it will take time for relationships to build again with the new people involved, which could impact upon partnership arrangements in the short term. This suggests that local authorities and bus operators need to recognise this and ensure that greater levels of trust are generated at an organisational level rather than just between individuals.

#### Establishing the BBA

- 4.9 Sheffield was the first BBA as it was approached by DfT in 2012 to consider taking part in a new approach to delivering bus subsidies. SYPTTE spent a number of months liaising with DfT, but also engaged operators at the earliest opportunity and worked closely with them to examine how the concept of being a BBA could work in practice. Given that Sheffield was the trailblazing BBA, it had different experiences to other BBAs. Other authorities/PTEs all followed the same route to becoming a BBA, through responding to the opportunity provided by DfT to submit applications.
- 4.10 The main reasons for becoming a BBA differed between BBAs and differed between operators and BBAs. Operators were generally of the view that BSOG has a limited shelf-life, with many suggesting that BSOG probably will not exist beyond 2018-9 when the BBA programme ceases. This uncertainty meant that the additional top-up funding that was on offer was enough of a carrot to encourage them to support bidding for BBA status.
- 4.11 For authorities, some wanted to maintain and develop partnerships with operators, while for others the opportunity to bid for more funding was a key driver in the decision. The 20% top-up funding was enticing as well. BBA funding also enabled authorities and PTEs to continue delivering schemes funded through BBAF, LSTF and other funding initiatives.
- 4.12 Interestingly, all five BBAs were initially led by the local authorities/PTEs. While it was the authorities/PTEs that had to submit the bid for BBA funding, the initial discussions between authorities/PTEs and operators were instigated by the authorities/PTEs. Conversely, no bus operators approached authorities/PTEs to ask to take part in BBA.
- 4.13 Although authorities did not say this explicitly, operators suggested that the transfer of power to authorities through the devolution of BSOG was another factor in authorities' desire to bid for BBA funding. This was highlighted in several BBAs including Nottingham and Sheffield. This also ties in with the fact that, in Sheffield and York in particular, there had been discussions around introducing quality contracts, and the involvement within the BBA enabled the authorities/PTEs to take slightly more control over the delivery of bus services without the more radical step of introducing quality contracts.
- 4.14 It was notable that a number of authority officers highlighted the importance of involving operators in the early discussions around becoming a BBA. For operators to support the BBA bid, their involvement in the initial discussions as well as ongoing negotiations and scheme development was essential. This helped garner some trust and ensured, in some BBAs at least, that all parties submitted their bids with agreed objectives and proposals. This was



particularly notable within the Liverpool City Region where all partners appeared to be fully supportive following their extensive role in bid development.

- 4.15 Nottingham, by contrast, involved all operators at an early stage but a lack of communication led to uncertainty amongst some operators who were of the belief that the bid would not be submitted following a lack of operator support in early discussions.
- 4.16 The selection of the specific BBA geographical scope was a key consideration for operators on whether they were willing to be involved. In the Liverpool City Region, operators were very positive towards the selection of the BBA area as services in areas such as St Helens and Widnes were marginally profitable and therefore BBA was seen as a potentially good vehicle to ensure the long term sustainability of these services.
- 4.17 This was clearly a discussion that was had in York as some radial corridors were not included within the BBA, while in the West of England the BBA followed on from the corridor approach of previous funding programmes such as BBAF. In Nottingham, some operators voiced concern over the selection of the scheme area as, contrary to the experiences in the Liverpool City Region, services were considered to be profitable and of high quality to the extent that only marginal improvements could be made to those services. It is evident that the selection of the BBA geographical area is an important factor in encouraging operator participation.
- 4.18 BBAs took different approaches to encouraging operators to take part within the BBA. In several BBAs, authorities offered to ensure that operators will not be worse off financially through some form of rebate of BSOG, such as through a local BSOG scheme (Nottingham), or through increased concessionary fares payments, reduced bus station departure fees or other similar mechanisms (Sheffield and Liverpool City Region). In York and the West of England – which have significantly smaller schemes financially – it appears that there is not a mechanism for reimbursing some of the BSOG lost.
- 4.19 The ‘making good’ of BSOG lost within the larger BBAs was an attempt by authorities to reduce the risks to operators of taking part. Without this safety net, operators would most likely not have supported the bid, particularly in the three largest BBAs (Liverpool City Region, Nottingham and Sheffield). While this is not in the spirit of BBA, without the authorities doing this, some of the BBA schemes may not have gone ahead.
- 4.20 Operators across all five BBAs highlighted a reduction in revenues as a key risk to their involvement within the BBA, although this could be mitigated to an extent if BSOG were to be reduced or removed by government in coming years.
- 4.21 While obvious, it was evident from discussions with operators and authorities/PTEs that communication during the bidding stage was vitally important. While operators were involved in the development of the bid in the West of England, the complexity of calculating fractional BSOG reductions on a corridor basis led to an overestimation of funding by authorities, and it was necessary to review the schemes it had included within the bid. This was not sufficiently communicated to operators and appears to be the root cause of early dissatisfaction with delivery between operators and authorities.

#### New BBA Arrangements

- 4.22 Table 4.1 details many of the governance arrangements implemented by each BBA. It is notable that each BBA has adopted a slightly different approach with some common elements, but all have adopted an approach that builds upon the arrangements that had been in place

previously. The exception to this is in Nottingham where there are no specific BBA arrangements and BBA funded schemes are discussed through existing partnership fora.

- 4.23 Managing expectations is an area in which some operators felt authorities/PTEs had done well while others felt they had been managed less successfully. Within the Liverpool City Region, operators appear fully aware of scheme delivery due to the involvement of local authorities within the regular steering group meetings. Elsewhere, operator expectations within the West of England were less well managed at the bidding stage as the authorities miscalculated how much BSOG they may receive and therefore committed to a greater scope of work than they can now fulfil. In addition, operators feel that there has been a lack of recent progress in scheme delivery which is falling short of their previous expectations.
- 4.24 Operators across most BBAs feel that they have a genuine say in how the BBA develops. In York, Liverpool and Sheffield, both larger and smaller operators felt that they could contribute to meetings, that their voices were heard, listened to and their opinions valued. In the West of England, operators occasionally used the dominant operator (First) to ensure they were listened to by the local authority officers. In Nottingham there are no formal BBA governance arrangements so operators do not feel that there is a legitimate way in which they can voice their opinions. Interestingly, in Nottingham, while conducting the process evaluation interviews two operators suggested that they feel that there is an opportunity to introduce more formal BBA governance arrangements to give operators a greater say over what and how schemes are delivered in Nottingham.
- 4.25 It is encouraging that operators across BBAs feel that they have a say and contribute to the functioning of the BBA. Without that, partnership working would likely be less successful which could impact negatively on the delivery of BBA.

#### Implementation

- 4.26 In implementing schemes issues have arisen that were previously not considered or appreciated by operators. Specifically, it was noted in Sheffield and the West of England that there is a lag between BSOG reducing (and therefore reduced revenues for the operator) and schemes being delivered (and therefore the possibility of an increase in operator revenues). This lag means that operators are, in the short term at least, worse off and operators view this 'loss' of revenue unrecoverable. This increases the financial risk to operators of taking part in the BBA programme and introduces concerns for operators already taking part.
- 4.27 In turn, this also places pressure on the authorities/PTEs to deliver schemes quickly which, based on evidence so far, has been difficult to do. In Sheffield, operators noted that the idea of allowing operator staff members to base themselves within the urban traffic control centre was delayed by over six months by what they perceived as 'bureaucracy'. In addition, operators within the West of England noted that there has been a lack of schemes delivered thus far which is causing some concern. The authorities are aware of this; however due to the workings of local government and of the nature of the schemes, these take longer to deliver than operators perhaps realise.
- 4.28 As discussed in the previous section, it should be highlighted that within the Liverpool City Region, operators were grateful for the ability to meet with and talk to local authority officers in order to understand the issues they face. This helps to manage operator expectations as well as give them an opportunity to guide and potentially influence road and junction improvements.

- 4.29 In some BBAs – notably Nottingham and Sheffield – the higher cost schemes are all planned for later in the BBA programme. This brings with it some additional difficulties as, by their nature, they are larger schemes and require long term planning. This planning requires funding but it is not easy to carry out this planning at the start of the BBA process. This puts the delivery of those schemes at risk, and as it is at the end of the five-year programme and as operators will have foregone all BSOG by that stage, it will be difficult to re-allocate that funding to other schemes. This is something that BBAs will therefore need to plan long in advance to prevent such difficulties arising.
- 4.30 If BBA were to be introduced again in future, there may be merit in examining closely how and when operators forego BSOG and how DfT provides funding to the local authorities/PTEs. There was a suggestion by some authorities and operators that DfT could provide a significant amount of funding up front, which would then be recouped over time as BSOG is reduced. This would help remove or reduce the lag between scheme delivery and benefit realisation. It would also help alleviate the issue of the higher cost schemes as planning could take place at an earlier stage as there would be sufficient funding for it.
- 4.31 While some BBAs appear to have developed strong BBA governance arrangements, operators within two of the BBAs highlighted a lack of accountability for the authorities should they not deliver what was in the BBA bid. In the West of England, this issue occurred very soon after they received BBA funding where they realised more schemes had been proposed than for which funding was available. Since then, operators have queried the accountability of the authorities in the West of England BBA if they do not deliver what was subsequently agreed. This appears to be isolated to the West of England BBA, and has caused some initial concern amongst operators. If BBA is to be adopted again in future, then prospective BBAs must work with operators at the earliest opportunity to ensure this issue does not arise.
- 4.32 Nottingham is another example of where operators have concerns over the lack of ring fencing of funding. Of particular concern is the Turning Point South scheme which is the major scheme planned for the end of the BBA period. Operators are concerned that now the Council has funding, it can choose what it wishes to spend the money on. In the view of an operator this may not necessarily be on transport schemes that improve bus services. Clearly, this is not the intention of BBA. However, this could be symptomatic of a lack of BBA governance arrangements to enable operators to work with the City Council and discuss these specific issues, and appears to suggest that regular communication is key to delivering BBA funded schemes.
- 4.33 Smaller operators find formal partnership working quite difficult as they do not have sufficient spare resource to engage fully within partnerships. The lack of engagement amongst some smaller operators across four of the BBAs (Nottingham, York, Sheffield and West of England) was in part due to the relatively small financial impact of the BBA programme and in part due to the result of a lack of time to attend meetings. This is understandable – on the part of the operator – however the BBAs should engage and maintain communication with these operators to ensure that they are not marginalised and not, significantly, negatively affected by BBA.

#### Dispute Resolution

- 4.34 In four of the five BBAs, there are no formal dispute resolution procedures (see Table 4.1). Only within the Liverpool City Region are there any formal procedures involving, first,

discussion within the steering group, second, discussions amongst directors, and then finally seeking advice from DfT if an impasse remains. For the other BBAs, there are different processes that some follow that mean that dispute resolution procedures are not required.

- 4.35 In Sheffield and York, the BBA governance structure is such that operators must come to an agreement relating to issues that arise. There is a round-table process whereby authorities and operators must openly discuss and come to a conclusion. This requires compromise which operators suggested that they are happy to do if required. This is not overly different to the approach that the Liverpool City Region has adopted as much depends on discussion between different parties before reverting to the DfT for advice. This appears to be a very sensible approach to putting in place agreements and progressing schemes, but as BBAs are still in their relative infancy, these processes may, perhaps, not have been tested as much as they might be in future years when more and larger schemes are due to be delivered.
- 4.36 It is interesting to note that in the West of England and Nottingham operators are uncertain over any dispute resolution processes due to the lack of formal processes put in place.

#### The Future

- 4.37 In the immediate future, operators are starting to show concern over the delivery of BBA schemes as they are starting to see their BSOG claims reduce and want to see some positive impacts to make up for this loss of BSOG. In the West of England and Sheffield in particular, operators are keen to start seeing some tangible progress and results for what they see as their financial investment and commitment in the BBA.
- 4.38 Despite some of the issues raised by BBAs and operators, almost all were positive towards the future of the BBA. This differed between BBAs, with some partners suggesting that now they are BBAs, they should maximise the benefits of their involvement. Others, notably within the Liverpool City Region, suggested that they expect the good working relationships to continue.
- 4.39 In some areas where partnership working is perceived as working less well (such as in Nottingham, for example) operators were keen to use the evaluation process offered by this research as an opportunity to think again about the BBA and put in place governance arrangements now whilst still at an early stage of the scheme's delivery.
- 4.40 Operators remain uncertain regarding the future of BSOG. There appears to be a general acceptance that BSOG will be reduced or removed in coming years, with some operators seeing this as a benefit of being involved within the BBA, as it may lead to a medium term net increase in investment in bus services compared to not being involved within the BBA.
- 4.41 The lack of clarity over what happens at the end of the five year BBA period is a concern for some and perhaps something for DfT to consider discussing with BBAs once there is more political certainty over the future of BSOG and BBA.

**Table 4.1 Comparison of BBA governance arrangements**

	Liverpool City Region	Nottingham	Sheffield	West of England	York
Partnership arrangements before BBA	City Centre bus operators group, Merseyside Bus Board. Quality corridor schemes have been operational for several years.	Quality voluntary partnership scheme since 2004  Statutory quality partnership scheme since 2010	Historic attempts in mid-2000's to introduce North Sheffield Quality Partnership Scheme. Sheffield QBP introduced in 2012.	Greater Bristol Bus Network	QBP scheme since 2002
Performance of arrangements before BBA	Performing well. Strong co-operation between Merseytravel and operators, particularly since 2008.	Performing well. Operators seemed largely content with the delivery of the SQPS.	Performing well. Brings more stability to the bus network, gives SYPTTE greater control over the bus network, greater passenger engagement.	Performing well. Led to increased bus patronage, and showed willingness of operator to improve bus services across the region.	QBP had lost momentum and had become a 'talking shop' with little action.
Key reasons for bidding for BBA	Merseytravel keen to take lead in demonstrating benefits of devolving BSOG.  20% top up funding was significant carrot.  General belief that BSOG would disappear or reduce anyway.	To continue funding schemes from BBAF, LSTF etc.  To maintain Nottingham's status as one of the best bus areas in the UK  General belief that BSOG would disappear or reduce anyway.	Initially approached by DfT as trail blazer authority. Desire to continue partnership working to discourage the introduction of quality contracts.	Broaden and strengthen partnership arrangements, and continue improvements to bus services gained through the GBBN	To continue progress from BBAF, and reinvigorate the QBP.
Formal BBA arrangements	Regular meetings involving all operators within the BBA, Merseytravel and local authorities.  No formally written arrangements, but	None, as BBA schemes are largely a continuation of BBAF and LSTF funded schemes, and as operators receive their foregone BSOG in other ways, there was deemed to be no need	BBA Board includes operators, PTE, Sheffield City Council and CPT. BBA board separate from the Sheffield Bus Partnership.  No formally written arrangements, but	Nothing formally written; however there is a partnership board that takes strategic decisions while additional corridor meetings enable partners to discuss scheme details.	Yes, Heads of Terms formally and clearly set out all formal processes for the delivery of the BBA in York.

	operators willing to enter into the spirit of partnership.	for formal BBA arrangements	operators willing to enter into the spirit of partnership.		
Frequency of meetings	6-8 weeks, although monthly meetings when setting up the BBA	N/A – BBA funded schemes are discussed through SQPS channels with meetings twice a quarter.	Every 6-8 weeks	BBA Partnership Board meet quarterly, corridor meetings held as and when required.	Every quarter, although held on the same day as the ticketing sub-group within the QBP structure.
Voting structure	Decisions taken by consensus and require agreement amongst all partners to proceed.	N/A	None. Decisions made via a 'round table' process where all parties discuss and reach a compromise.	Proportional voting is not possible due to the size disparity between operators, First tend to be the dominant voice as they are the largest operator.	Voting rights will be proportional to the level of funding each partner puts into the BBA in any given year. However, any proposal must be proposed and seconded by different operators.
Contact between meetings	Regular emails, particularly ahead of meetings providing information and plans of schemes	N/A	Contact through other channels (e.g. QBP), but ad-hoc contact as and when required.	Corridor meetings occur as required, occasional email contact between BBA Partnership Board meetings.	Contact through other QBP meetings and email contact as required. Detailed delivery plan regularly updated and circulated amongst operators.
Chairperson	Merseytravel officers chair meetings, but remain neutral when decisions are taken.	SQPS quarterly meetings chaired by Stephen Joseph	SYLTE chair BBA board meetings	Alastair Cox of Bristol City Council	Operators chair the various QBP meetings. East Yorkshire Motor Services chair the BBA Board.
Formal dispute resolution procedures	Yes, three stage approach involving discussion through the steering group forum, then involvement of directors, then advice sought from DfT.	None	None. Decisions made via a 'round table' process where all parties discuss and reach a compromise.	None. Operators unsure of recourse if there is a dispute.	Any proposal must be proposed and seconded, ensuring that no one operator can push through a specific proposal. This reduces the need for a formal dispute resolution procedure.

## 5 CONCLUSIONS

- 5.1 This report has presented an in-depth account of how the BBA programme has been delivered in its first year (or first two years in Sheffield's case) by local authorities, PTEs and bus operators. The main purpose of this report is to attempt to answer the key research question posed within the Evaluation Plan and highlighted again within chapter 2: what lessons can be learned from the partnership arrangements put in place in each BBA?
- 5.2 Chapters 3 and 4 have highlighted many issues and learning points from the relatively early stages of the BBA programme. The key conclusions are therefore as follows:
- BBAs have tended to build upon existing partnership arrangements rather than put in place something specifically different. This appears to be sensible as it builds upon mostly strong recent partnership working practices.
  - Most operators required some form of persuasion to be involved within BBA, and some were only content to be involved through either a financial cushioning of the impacts of BSOG devolution or due to a complete reimbursement of BSOG through some other arrangement. This was inevitable as involvement within a BBA posed (and continues to pose) a significant risk to the financial viability of bus services.
  - Operator involvement and general transparency in the development of BBA schemes is important to ensure ownership of the BBA amongst operators. In areas where there has been a very strong operator involvement in the development of schemes – notably in the Liverpool City Region – there also appears to be a general contentment amongst operators regarding the governance arrangements and understanding of what will be delivered and when.
  - It is apparent that many of the stronger partnerships were built upon long standing relationships between individuals at local authorities, PTEs and bus operators. These personal relationships with a build-up of trust can act as a positive catalyst for developing partnerships. However, they also pose a risk should those individuals depart or move into other roles.
  - An important aspect for operators in their involvement within BBA is to know that there is some accountability should local authorities/PTEs not deliver on what they originally promised. Currently within BBA there is no real accountability, as there is no ultimate sanction of returning devolved BSOG to operators. There is therefore, a significant amount of trust and hope placed upon the shoulders of local authorities/PTEs. Some of these authorities are finding it difficult to deliver what they agreed. The lack of accountability is a significant risk to partnership arrangements.
  - While there is a lack of accountability, it is apparent that regular communication and involvement in decision making processes helps to manage operator expectations. These are vitally important attributes to successful partnership working within the BBA context.
  - There are different ways in which decisions are made and at this stage it is difficult to suggest which is the most effective. In Liverpool decisions are taken on an equitable basis whereby all operators have an equal say and decisions are taken only if all partners agree. In York and Sheffield, round table discussions are used to ensure operators reach

agreements, even if it involves compromise. In the West of England, First are the dominant operator and therefore have a greater say when decisions are taken. At this early stage, all three approaches seem to be working well; however it is important to monitor this in subsequent process evaluation exercises to see how each approach progresses over time.

- It is easier for larger operators to be involved in BBA compared to smaller operators, as they have sufficient resources to attend and contribute to regular BBA meetings. In some areas there was a feeling that there were too many different meetings for different groups which makes it difficult for them to attend. To this extent, local authorities and PTEs need to be mindful of smaller operators when putting in place partnership and scheme governance arrangements to ensure that they can contribute.
- There is also a suggestion that smaller operators or those who operate less frequent and longer distance services may be disproportionately affected as they lose BSOG but are less likely to benefit from the improvements to the same extent as those who operate shorter distance routes. This is an issue DfT should be aware of and should consider when embarking upon similar projects in future.
- There is a lack of certainty for all concerned within BBAs. While operators face a lack of certainty on the delivery of schemes, the BBAs themselves face a lack of certainty around whether they will continue to receive this funding beyond 2015-16. This could hold back progress in delivering larger schemes towards the end of the BBA period. Planning needs to start early, but the lack of certainty means that PTEs and local authorities cannot commit to planning these schemes.

5.3 Overall, there are many lessons to learn from this research on how partnership arrangements have worked so far. However, the BBA process is still in its relative infancy. Operators, PTEs and authorities will be under greater pressure later in the BBA programme and this may influence how the BBA governance arrangements work in practice.



## 6 NEXT STEPS

- 6.1 This report has presented the experiences of local authorities, PTEs and bus operators in the delivery of the BBA programme. For most partners, BBA is still in its relative infancy with few schemes actually delivered and operators only just starting to see modest reductions in their revenues as a result of the stepped reduction in BSOG.
- 6.2 It is evident that there are some potential tensions starting to build, although it is also evident that some operators are keen to build on progress to date and start influencing governance arrangements and how the BBA is delivered in their area. Understanding how schemes and partnerships change or develop over the medium to long term would therefore be valuable to see what other factors influence the success, or otherwise, of BBA delivery and partnership working between local transport authorities and bus operators.
- 6.3 With this in mind, it is recommended that this process evaluation exercise is carried out twice more over the course of the BBA programme. It is suggested that a similar process evaluation exercise be carried out firstly in autumn 2016, and then again in 2018-19 upon completion of the BBA programme of schemes (although it is recognised that in the Liverpool City Region there is an agreement to spread the life of BBA over six years and not five, which requires careful consideration).
- 6.4 The final output of our commission, due in February 2015, will present to the DfT the data collection strategy and methodology for post-implementation data collection. As part of this, the study team will consider in more detail the later process evaluation data collection exercises and how they should be carried out. The February report will therefore provide greater detail of the proposed methodology that could be used in order to elicit maximum understanding of how lessons can be learned from partnership arrangements put in place through BBA.

**APPENDIX A – PROCESS EVALUATION QUESTIONNAIRE**

Question Themes	Questions
Partnership arrangements before BBA	<p>Were there any formal or informal LA/operator partnership arrangements in place before BBA? If so, what did they entail?</p> <p>How do you think the arrangements were performing before BBA?</p> <p>If you were not part of a partnership before, were there any reasons why not? How did things operate within your area without any arrangements?</p>
Establishing the BBA and agreeing on the BBA schemes	<p><b>To Local Authorities</b></p> <p>What were your reasons for bidding for BBA funding?</p> <p>How did you approach operators to take part?</p> <p>Were operators willing to take part? Did any operators require any encouragement? If so, how? Where there any issues that had to be addressed?</p> <p>Were operators involved in the development of the schemes? If yes, how? If no, why not?</p> <p><b>To Operators</b></p> <p>Were you involved in the development of the BBA bid in your local area? How?</p> <p>Were you involved in the formation of proposed schemes to be funded through BBA? If yes, how were you involved? Please provide details. If no, was there a reason behind this?</p> <p>Why did you want to take part in the BBA programme?</p> <p>What did you want to gain from being involved in BBA?</p> <p>Are there any risks to your involvement in BBA? If so, what are these risks and how do you intend/hope to manage them?</p> <p>How did the partnership agree on the schemes that would be implemented under BBA?</p>
The new BBA arrangements	<p>Please give an overview of the type of BBA governance arrangements adopted.</p> <p>What contact is there between BBA partners?</p> <p>How often does the BBA partnership meet?</p> <p>How are decisions made within the partnership?</p>

Question Themes	Questions
	<p>Do you feel your interests are met through the partnership? If yes, how? If no, why not?</p> <p>Are you aware of what schemes will be implemented and the timetables for implementation? If no, why not?</p> <p>Are any changes from the BBA bid managed appropriately within the partnership arrangements?</p> <p>How are expectations around delivery and implementation of schemes managed?</p> <p>As a partner do you feel your opinion is listened to, can you hold other partners to account? Why / why not? How are partners held to account?</p>
Implementation	<p>Have the governance arrangements of the BBA so far met your expectations? How? Why? Why not?</p> <p>Were any specific targets or success factors defined which would measure how the partnership is working – are they being met?</p> <p>Are there any elements of the partnership arrangements that have been better or worse than you expected? Why?</p> <p>Has partnership working improved or got worse compared to (formal or informal) arrangements in place before BBA? Why?</p> <p>Are there any unforeseen issues that have arisen through BBA? How were they dealt with?</p> <p>Has this BBA affected your working relationships with other partners? If yes, how? If no, why not?</p>
Problem resolution/flexibility/adaptability/feedback	<p>Have there been any disputes in the development and/or delivery of the BBA programme? What? How were they dealt with?</p> <p>What arrangements are there in place to deal with resolving disputes?</p> <p>Are there any monitoring or feedback structures in place so that lessons can be learned, or opportunities taken advantage of?</p>
The future	<p>Based on your experience so far, how do you see the partnership arrangements continuing over the course of the five years of the BBA programme? Why?</p> <p>Is there anything that you think could be done in future to ensure partnership arrangements are maintained or improved?</p>

Question Themes	Questions
	<p>Is there anything that you foresee that could jeopardise the BBA partnership arrangements over the coming years?</p> <p>Do you feel that the proposed BBA schemes might be able to offer better or less value for money than BSOG did? Why?</p>
<p>BBA specific questions</p>	<p><u>York, Nottingham, Sheffield, WoE:</u></p> <p>What impacts have there been following the introduction of the CCTV feed / staff member within the CCTV control centre?</p> <p>How has this affected your operations?</p> <p>In your opinion, do you think this initiative is good or poor value for money? Why?</p> <p><u>WoE:</u></p> <p>What are your views of the extension of bus corridor improvement measures?</p> <p>Have these benefitted your operations? How?</p> <p>Do you feel the schemes delivered through BBA would have been delivered either by the operator or by the LA in the absence of the BBA partnership?</p> <p><u>Nottingham and York</u></p> <p>How will the smartcard retail network affect how passengers purchase PT tickets?</p> <p>What benefits do you think will be obtained from the delivery of the smartcard retail network?</p> <p>Are there any issues that you foresee with the delivery and ultimate functioning of the retail network?</p>