

Decision Report

ISLE OF WIGHT COUNCIL

DECISION UNDER DELEGATED POWERS

DECISION CANNOT BE TAKEN BEFORE 22 FEBRUARY 2024

Title **BUS SERVICE IMPROVEMENT PLAN PLUS FUNDING**

Report of **CABINET MEMBER FOR TRANSPORT AND INFRASTRUCTURE,
HIGHWAYS PFI AND TRANSPORT STRATEGY**

Executive Summary

1. This report sets out the Bus Service Improvement Plan Plus (BSIP+) funding that the Isle of Wight Council has been allocated for the current and next financial years. Likewise, recommendations for approval on how this funding should be spent.
2. This funding shall be used to deliver on the objectives set out within the Bus Service Improvement Plan (BSIP) which was adopted in October 2021.
3. The proposals set out within the report allow for this funding to be utilised at pace to promptly benefit Island residents and visitors within the next two years.
4. The proposals for consideration, are as per below:
 - (a) Continue grant funding for additional evening journeys, Mondays to Saturdays, on the Southern Vectis local bus service 6 which operates between Newport and Ventnor, serving Gatcombe, Chillerton, Chale, Niton and Whitwell.
 - (b) Continue grant funding for additional evening journeys, Mondays to Saturdays, on the Southern Vectis local bus service 12 which operates between Newport and Alum Bay, serving Shorwell, Brighstone, Brook, Freshwater Bay and Totland.
 - (c) Grant funding to increase the frequency from three buses per hour to four buses per hour, of the Southern Vectis local bus service 5 which operates between Newport and East Cowes.
 - (d) Grant funding support for services 6 and 12 during the winter period October to March, to ensure it continues to operate at current service levels.
5. All such proposals shall be delivered in line with the BSIP + funding conditions via

grant funding and shall be monitored accordingly.

Recommendation

6. That the Cabinet Member for Infrastructure, Highways PFI and Transport approves the recommended proposals for local bus service enhancement and support funding as set out below:
- (a) Approve continued grant funding for additional evening journeys, Mondays to Saturdays, on the Southern Vectis local bus service 6 which operates between Newport and Ventnor, serving Gatcombe, Chillerton, Chale, Niton and Whitwell.
 - (b) Approve continued grant funding for additional evening journeys, Mondays to Saturdays, on the Southern Vectis local bus service 12 which operates between Newport and Alum Bay, serving Shorwell, Brighstone, Brook, Freshwater Bay and Totland.
 - (c) Approve grant funding to increase the frequency from three buses per hour to four buses per hour, of the Southern Vectis local bus service 5 which operates between Newport and East Cowes.
 - (d) Approve funding support for services 6 and 12 during the winter period October to March, to ensure it continues to operate at current service levels.

Background

7. In October 2021 the Isle of Wight Council adopted the Isle of Wight Bus Service Improvement Plan (BSIP), which was developed in partnership with the local commercial bus operator in line with the National Bus Strategy for England. The BSIP sets out how the Council shall work together for the benefit of residents and visitors to the Island, through improved local bus services.
8. The BSIP set out the following ambitions for local bus services:
 - (a) Deliver intensive services and investment on key corridors, with routes that are easier to understand.
 - (b) There must be significant increases in bus priority.
 - (c) Fares must be lower and simpler.
 - (d) There must be seamless, integrated local ticketing across all types of public transport on the Island.
 - (e) Service patterns must be integrated with other modes.
 - (f) The local bus network is presented as a single system that works together, with clear passenger information.
 - (g) Modern buses and decarbonisation
 - (h) Give bus passengers more of a voice and support measures to ensure that bus services are perceived to be safe by all.
 - (i) More demand-responsive services and 'socially necessary' transport
 - (j) Longer term transformation of networks through Bus Rapid Transit and other measures
9. Whilst the Island was not successful in securing any initial BSIP funding, the Council did continue to work with the local commercial and community bus operators on different proposals to meet the ambitions set out above.
10. However, with the announcement of a further round of BSIP+ funding in 2023, it does provide an opportunity to deliver on some of these proposals, which otherwise, at this time, would not be possible.
11. These recommended proposals build upon the ongoing capital investment in transport as part of Councils' own programme of transport and highways infrastructure improvements, as well as larger scale projects such as the Ryde Transport Interchange, funded through the Department for Transport's Transforming Cities Fund for the Portsmouth City Region. The latter which builds in many of the ambitions set out within the BSIP.
12. Furthermore, since the Covid 19 pandemic, national and local public transport has been on a pathway of recovery due to a significant decline in usage and changes in commuter travel patterns. Various efforts have been made to encourage the use of public transport, which for the Island has been very successful as the local bus operator is reporting that commercial travel has recovered to 2019 levels and concessionary travel at slightly above 80 per cent of travel, compared to 2019. This performance is very much above levels reported by other local authorities.

13. One such national scheme to encourage the use of local bus services was the introduction of the £2 capped fare on single journeys. The local commercial bus operator has advised that the outcome of has been an average increase in the region of four percent across all bus services on the Island.
14. The recommended proposals set out within this report, build upon these efforts to encourage the use of public transport. This is also a local priority set out both within the Council's current Corporate Plan and the Climate and Environment Strategy.
15. The proposals developed in partnership with Southern Vectis, as our local principal commercial bus operator, are as follows:
16. An additional journey in the evenings in both directions on the local bus service 6 which operates between Newport and Ventnor, serving Gatcombe, Chillerton, Chale, Niton and Whitwell at a cost of £45,750.00 per year. This is a predominantly rural service which connects some of the more isolated communities along the route with the main towns. The purpose of this enhancement is to enable travel in the evening allowing the public to access the evening economy and stimulate increased sustainable use of the service.
17. Like the above proposal, the proposal is for an additional journey in the evenings, in both directions, on the local bus service 12, Shorwell, Brighstone, Brook, Freshwater and Totland, at a cost of £45,750.00 per year. This route has a similar profile to the above and the purposes are the same.
18. A further proposal is to increase the frequency of the local bus service 5, which operates between Newport and East Cowes, serving Whippingham along the route. Whilst this is a more established commercial route within the existing local bus service network for the Island, it would benefit from an increased in journey frequency. Likewise, it already benefits from higher patronage when compared to the other more rural routes. Though this alone does not at present commercially justify an increase from three bus per hour to four without some initial funding support. Therefore, the proposal is to utilise £150,000.00 of the BSIP+ funding per year over two years to kick start the additional journey per hour, following which Southern Vectis shall in turn commit to operate for at least a further 12-month period. It is the aspiration that with the this initial term benefitting from the funding, It shall ensure that the increase frequency is thereafter commercially sustainable.
19. Finally, it was agreed that £53,500.00 was allocated to services 6 & 12 during the winter months 2023/24, to help maintain and support existing service levels at this time of the year. This is to ensure continual operation during the period when patronage is particularly low. The need for further utilisation of the BSIP+ funding shall be considered for winter 2024/25 following an evaluation of the service performance.

Corporate Priorities and Strategic Context

Responding to climate change and enhancing the biosphere

20. The proposals, if approved are likely to have a positive impact on the local climate and align with the Councils Climate and Environment strategy, as well as a number of United Nations Sustainable Development Goals.
21. Principally improved public transport provision will help local communities to access services in relation to education, employment, healthcare, social care and retail, which otherwise may not be available. It helps to address social isolation, especially in rural areas, where geographical and economic factors that otherwise limit transport options.
22. Use of public transport as a sustainable mode of transport, is also beneficial to the environment, through reducing the number of sole occupancy car journeys.
23. Due regard to the Council's commitment to the Climate and Environment Strategy 2021 - 2040 has been given at the formative stage of this proposal. The Climate and Sustainable Development Impact Assessment Tool has been used to complete **Appendix 1** (CSDIA Rationale).
24. The assessment has been reflected in the Climate and Sustainable impact assessment wheel below:



Economic Recovery and Reducing Poverty

25. It is widely recognised that lower income families are likely to rely on public transport. Therefore, these proposals to invest in the improvement of local bus service will be of benefit to local low-income families, especially when accessing, employment, education, retail and healthcare.
26. It should also be noted that some of the routes serve identified local areas of deprivation and rural isolation. As such these communities will directly benefit from improved local public transport.

Impact on Young People and Future Generations

27. Improvements to local bus service will benefit young people and future generations both directly as well as indirectly. Many young people utilise public transport, especially those who can travel independently, though still too young to drive, when accessing various activities and education. The recommended proposals shall assist them in accessing greater opportunities and social activities, which otherwise would not be available to them. This is particularly an issue for young people living in rural communities, which will hopefully be addressed by some of the proposals.
28. Use of public transport, as a sustainable means of travel, can benefit future generations through reducing pollution and improving the wider environment, when compared with private car usage.

Corporate Aims

The recommended proposals align with the Council's aspiration of 'committing to develop sustainable transport' in relation to Environment, heritage and waste management and the ongoing business of the Council, to 'continue to work with the transport infrastructure board to improve infrastructure, public transport and mainland connectivity' in relation to Highways PFI, transport and infrastructure, as set out within the Corporate Plan 2021 to 2025.

Consultation and Engagement

29. This proposal aligns with the previous consultation that was undertaken in relation to the adoption of the Enhanced Partnership (EP) Plan and Scheme in October 2023 which formalises the relationship between the Isle of Wight Council and Southern Vectis in meeting the ambitions set out within the BSIP. No objections were received during the statutory consultation, which allowed for its adoption and subsequently the process through which these recommendations have been developed.
30. In development of the proposals for the enhancements to the services 6 and 12, local Councils and Councillors were contacted regarding the proposals, from which emails of support were received.
31. Likewise, through direct engagement, we have also received support for the proposals from the Isle of Wight Bus and Rail User Group.

32. Further engagement on the performance of the services shall be undertaken during the funding period. This will be with stakeholders directly on these proposals and the wider public via the way of a survey.

Financial / Budget Implications

33. The Isle of Wight Council has been allocated a total of £580,050.00 for BSIP + funding for the financial years 2023/24 and 2024/25. These will be split into two equal payments of £290,025.00, once per financial year.
34. The costs of the recommended proposals are as follows:
- (a) Additional journeys on services 6 and 12 totals £91,500.00 per year
 - (b) Increased frequency on service 5 totals £145,025.00 per year
 - (c) Service 6 and 12 winter funding £53,500.00 per year
35. The total per year equates to £290,025.00 which is within the BSIP+ funding allocation to the Isle of Wight Council.
36. The Department for Transport (DfT) has set out a number of terms and conditions for this funding in a Memorandum of Understanding (MoU) which has been signed. These conditions include:
- (a) The Council must maintain its bus budgets from all sources. This must demonstrate that BSIP+ funding is additional to previously agreed council budgets.
 - (b) To be eligible for future funding, including 2024/25 BSIP+ funding, the overall authority bus budget must be maintained at least at the same level.
 - (c) If concessionary travel reimbursements to bus operators are reduced, the corresponding budget must be reinvested in other bus measures.
 - (d) Should the terms and conditions not be met, DfT may require the repayment of the whole or part of the grant. DfT reserves the right to withhold BSIP Plus funding, or any other grant funding provisionally awarded by DfT to the Council, should the conditions of the MoU not be met.
 - (e) The terms and conditions mean that the Council's bus budgets could not be reduced during the funding and delivery period of this BSIP Plus funding.
37. It is the intention that funding, or these proposals shall be made by the way of a grant funding agreement. This shall be subject to terms and conditions to ensure that this funding is spent as intended and achieves best value for the Council.
38. These terms and conditions will be monitored in a number of ways:
- (a) Through regular liaison meetings with operators
 - (b) Through a standard agenda item at the Enhanced Partnership Working Group
 - (c) Through escalation to the Enhanced Partnership Board where necessary.
39. This three-pronged governance structure provides assurance that funding is spent in accordance with Isle of Wight's BSIP and offers best value for the Council and the Island.

Legal Implications

40. The duty to take the decision is in line with Transport Act 1985 Section 63(1) 'Duty to secure the provision of such passenger transport services as the Council considered appropriate to meet any public transport requirements which would otherwise not be met' and Transport Act 1985 Section 63(5) 'Power to enter into an agreement providing for service subsidies for the purpose of securing any service.'
41. The BSIP + grant funding Memorandum of Understanding contains conditions of the grant. The grant payments may be reduced, suspended or may need to be repaid if the conditions are not complied with.
42. Any possible subsidy control implications will be considered if they arise.

Equality and Diversity

43. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
44. Under the Equality Act 2010 we are required to have due regard to our equality duties when making decisions, reviewing services, undertaking projects, developing and reviewing policies. This must be done at the formative stage of your proposal, not retrospectively as justification for the recommendation.
45. Due regard to the Council's responsibilities under the Equality Act 2010 has been given at the formative stage of this proposal. An Equality Impact Assessment form has been completed in **Appendix 2** (EIA form).

Options

46. **Option 1** To approve the recommended proposals for local bus service enhancement and support funding as set out below:
 - (a) Approve continued grant funding for additional evening journeys, Mondays to Saturdays, on the Southern Vectis local bus service 6 which operates between Newport and Ventnor, serving Gatcombe, Chillerton, Chale, Niton and Whitwell.
 - (b) Approve continued grant funding for additional evening journeys, Mondays to Saturdays, on the Southern Vectis local bus service 12 which operates between Newport and Alum Bay, serving Shorwell, Brighstone, Brook, Freshwater Bay and Totland.
 - (c) Approve grant funding to increase the frequency from three buses per hour to four buses per hour, of the Southern Vectis local bus service 5 which operates between Newport and East Cowes.
 - (d) Approve funding support for services 6 and 12 during the winter period October to March, to ensure it continues to operate at current service levels.

47. Option 2 Not to approve the recommended proposals and request that these are reviewed, with new proposals submitted for consideration in due course.

Risk Management

48. An initial risk associated with this report is the potential that the recommended proposals are not approved. This would mean a further set of proposals would need to be developed and agreed with the local bus operator.
49. To mitigate this risk, the current proposals have been developed in partnership with the local bus operator, being that they have clear commercial insight into the operation of local bus services. Thereby ensuring that only the most appropriate proposals have been recommended to align with the current priorities for the Council and benefits the wider island community.
50. To mitigate the risk of the proposals not being implemented by the local bus operator, a grant funding agreement shall be drawn up, which sets out the requirements of the BSIP+ funding conditions and those of the Council in respect of the service provision.
51. Further to which there will be an ongoing programme of monitoring and evaluation. Both on the performance of the service enhancements as well as the use of the funding.
52. Another risk is the possibility of having to return the funding if not fully utilised or not in line with the Memorandum of Understanding (MoU). To mitigate this risk, relevant conditions shall be made clear to the local operator via the grant funding agreement. Likewise, the proposed local bus service enhancements are only those that comply with the funding conditions.
53. Furthermore, an Enhanced Partnership and Public Transport Officer shall be recruited, who's responsibility shall include overseeing, monitoring and reporting back on the performance of the BSIP+ funded proposals.

Evaluation

54. Option 1 is being recommended as it sets out the proposals for local bus service enhancements which align with the adopted Isle of Wight BSIP. This recommended option likewise aligns with the current Corporate Plan 2021 to 2025 and the adopted Climate and Environment Strategy.
55. Option 1 is within the BSIP+ funding allocation for the Island and is therefore affordable. Likewise, is cost effective as the proposals will benefit many residents and visitors across a significant proportion of the Island. Especially where current transport options are very limited.
56. Option 2 is included as this allows for an alternative decision which would require a reworking of the proposals alongside the local bus operator. Though this is riskier

given the restrictive timescales for utilising the funding and the related funding conditions on demonstrating the delivery of improvements.

Appendices Attached

Appendix 1 – CSDIA Rationale

Appendix 2 – EIA

Background Papers

57. The English National Bus Strategy - <https://assets.publishing.service.gov.uk/media/6086912fd3bf7f013c8f4510/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf>
58. The Isle of Wight Bus service Improvement Plan - <https://www.iow.gov.uk/transport-and-parking/transport/transport-policy/bus-service-improvement-plan-and-enhanced-partners/>
59. Bus Service Improvement Plan Plus (BSIP+) funding allocations [Bus service improvement plans: local transport authority final allocations 2022 to 2025 - GOV.UK \(www.gov.uk\)](#)
60. Southern Vectis local bus service network plan - <https://images-islandbuses.passenger-website.com/2023-09/ISLAND%20MAP.pdf>

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