

BUSINESS CASE

Plymouth Bus Service Improvement Plan Plus Programme (BSIP+)



EXECUTIVE SUMMARY

This project seeks approval to commence the delivery of the Plymouth Bus Service Improvement Plan Plus (BSIP+) Programme.

Plymouth City Council have secured £1,633,126 funding from the Department for Transport's Bus Service Improvement Plan+ (BSIP+) Fund. This is a new fund being made available to 'help support and improve bus services for passengers'. It is revenue funding split equally between the 2023/24 and 2024/25 financial years.

In order to maximise the impact of the grant funding and achieve the principle objective of the grant, i.e to drive passenger growth, a programme has been developed which allows the implementation of the majority of the revenue measures set out in the draft 2023 Plymouth Bus Service Improvement Plan, in order to test the effectiveness of the measures to generate a sustained growth in bus patronage and an increase in bus passenger satisfaction. Through doing so the programme helps to deliver against the Vision of the 2023 BSIP and the nine passenger priorities which underpin the Plan.

The proposal is to deliver a flagship east-west demonstration corridor supported by complementary ancillary activities with all activities fully funded by the BSIP+ grant.

The outcomes and benefits of this proposal are:

- The introduction of a BSIP+ demonstration corridor in Plymouth delivering service enhancements, improved passenger information, bus stop improvements and site improvements at Coypool Park and Ride,
- The retention and expansion of Plymouth's non-commercial routes network,
- Support for Access Plymouth; allowing access to key services by residents unable to use traditional public transport,
- Continuing to staff the George Junction P&R travel centre,
- Funding an apprentice within Public Transport to support the delivery of the expanded programme of works being managed by the team

The measures will be delivered until, at least, March 2025.

This project supports the Councils Net Zero Action Plan through the reduction of private car use.

The key risks associated with the programme are costs exceeding the budget available, which will be managed through contracts only being awarded if within the budget available and, failure to deliver programme outcomes within 12 months of receipt of funding, potentially detrimentally impacting on the payment of the second year grant payment. This is being managed by the timely completion of the approval process for the programme and subsequent commencement of the necessary procurements.

The BSIP+ programme is a two year programme commencing in October 2023.

SECTION I: PROJECT DETAIL

| | | | |
|--|-----------------------|---|----------------------------------|
| Project Value (indicate capital or revenue) | £1,633,126 Revenue | Contingency (show as £ and % of project value) | £163,313 10% of project value |
|--|-----------------------|---|----------------------------------|

| | | | |
|--|---|-------------------------|--|
| Programme | Plymouth Bus Service Improvement Plan Plus (BSIP+) | Directorate | Please select Directorate |
| Portfolio Holder | Councillor Mark Coker, Cabinet Member for Strategic Planning and Transport | Service Director | Paul Barnard, Service Director for Strategic Planning and Infrastructure |
| Senior Responsible Officer (client) | Philip Heseltine, Head of Transport | Project Manager | Rosemary Starr, Sustainable Transport Manager |
| Address and Post Code | Strategic Planning and Infrastructure Plymouth City Council Ballard House West Hoe Road Plymouth PL1 3BJ | Ward | Citywide |

Current Situation: *(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)*

Plymouth City Council have secured £1,633,126 funding from the Department for Transport's Bus Service Improvement Plan+ (BSIP+) Fund. This is a new fund being made available to 'help support and improve bus services for passengers'. It is revenue funding split equally between the 2023/24 and 2024/25 financial years. A condition of the funding is that '[the grant is] spent within a reasonable timeframe and outputs delivered within 12 months of funding receipt'. The funding is due to be received by the Council by the end of September 2023.

The funding is being provided in recognition of the fact that buses are the most widely used form of public transport in the UK and the importance of local bus networks in enabling people to get to work, to education, and access services such as healthcare as well as accessing leisure and hospitality.

The objective of the BSIP+ Fund is to 'grow long term patronage, revenues and thus maintaining service levels, whilst maintaining essential social and economic connectivity'. In order to maximise the impact of the grant funding and achieve the principle objective of the grant the Plymouth BSIP+ programme has been developed to allow the implementation of the majority of the revenue measures set out in the draft 2023 Plymouth Bus Service Improvement Plan. This will allow the effectiveness of the measures within the Plymouth BSIP to generate a sustained growth in bus patronage and an increase in bus passenger satisfaction to be tested, ahead of wider implementation across Plymouth as and when funding allows. Through doing so the programme helps to deliver against the Vision of the 2023 BSIP 'to create a thriving bus network where everyone can be connected to important people and places, by services that are frequent, reliable, fast, affordable, safe and clean, which will also help Plymouth to achieve its net zero goals by 2030' and the nine passenger priorities which underpin the Plan; frequent, reliable and fast, affordable, safe, clean, simple and understandable, direct and connected, accessible and modern.

Proposal: *(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and*

(What would happen if we didn't proceed with this scheme?)

The programme proposes to introduce a flagship scheme and complementary, ancillary activities, in order to achieve the objectives of the Fund i.e. growing long term patronage, revenues and thus maintaining service levels, whilst maintaining essential social and economic connectivity.

Flagship Proposal:

- Introduction of a BSIP+ demonstration corridor in Plymouth

The proposal is to deliver an east-west demonstration corridor in which we use the BSIP+ funding to deliver the following measures set out within the draft 2023 BSIP.

- Service enhancements
 - Addressing
 - Weekday daytimes and evenings
 - Saturday daytimes and evenings
 - Sunday daytimes and evenings
 - Providing new direct links to employment, healthcare and leisure opportunities
- Improved passenger information
 - Combined timetables
 - Passenger information
- Bus stop improvements
- Bus stop clearways
- Site improvements at Coypool Park and Ride

The demonstration corridor will span four of the six core corridors set out within the Bus Service Improvement Plan:-

- City Centre – Devonport (via Union Street) – St Budeaux Square
- City Centre – Plympton Ridgeway
- City Centre – Plymstock Broadway
- City Centre – Wolseley Road - Saltash

In addition to the delivery of the demonstration corridor it is also proposed to deliver the following measures as part of the BSIP+ programme.

Ancillary proposals:

- Expansion of Plymouth's non-commercial routes network to include a dedicated leisure service to Bovisand and the reinstatement of a bus service to the communities of Mannamead, Hartley Vale and Peverell which lost their bus in January this year¹.
- Retention of Plymouth's existing non-commercial routes network until , at least, March 2025
- Support for Access Plymouth; allowing access to key services by residents unable to use traditional public transport
- Continuing to staff the George Junction P&R travel centre

¹ These proposals are the subject of a separate Executive Decision
\$onezpmbt.docx

- Funding an apprentice within Public Transport to support the delivery of the expanded programme of works being managed by the team
- Monitoring and evaluation of the impact of the BSIP programme; with particular emphasis on the demonstration corridor

The use of the Bus Service Improvement Plan Plus funding is governed by the conditions of the grant. These are that:

- ‘The funding must be spent on bus measures. It cannot be used for measures that primarily benefit other modes of transport, with secondary benefits for buses (e.g. road maintenance).
- We expect you to use the funding to maintain existing service levels or on measures that are consistent with Departmental guidance on Bus Service Improvement Plans (BSIPs)...’

Therefore, all options considered for the BSIP+ programme relate to the delivery of Plymouth’s Bus Service Improvement Plan. The alternative options considered and rejected were therefore:-

- *Development of an alternative BSIP+ programme, where projects are delivered citywide, rather than a focus on a flagship corridor.*

Whilst a citywide programme of measures was considered this was rejected, in favour of a demonstration corridor, with accompanying, complementary ancillary measures, in order to maximise the impact of the funding. By concentrating delivery on a defined area it allows the programme to test the impact of as many as possible of the Plymouth Bus Service Improvement Plan revenue measures and assess their combined effectiveness in boosting bus patronage and increasing passenger satisfaction, two of the four Bus Service Improvement Plan targets. This will help inform the roll out of the BSIP interventions citywide when further funding becomes available.

- *Development of an alternative BSIP+ programme, which includes ticketing and fares initiatives.*

The Fund does allow the delivery of fares initiatives. However, this was rejected due to the ongoing, national, fare cap programme which is expected to continue until November 2024. It was considered that the funds could be better used to support other aspects of the Plymouth Bus Service Improvement Plan, whilst a nationally funded fares initiative was being delivered.

Should a BSIP+ programme not be delivered by the Council the funding would need to be returned to the Department for Transport.

| Milestones and Date: | | |
|-----------------------------|--|---|
| Contract Award Date | Start On Site Date | Completion Date |
| From October 2023 | Various; dependent on the project within the programme | Various; dependent on the project within the programme. |

| | | |
|--|--|---|
| | | The final outputs of the programme are expected to be delivered by August 2025. |
|--|--|---|

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).

| Potential Risks Identified | | Likelihood | Impact | Overall Rating |
|--|---|---|---------------|-----------------------|
| Risk | Programme costs exceed the budget available | Medium | High | High |
| Mitigation | The programme includes a contingency and all procurements undertaken in relation to this programme will only be awarded if affordable within the programme budget. | Low | High | Medium |
| Calculated risk value in £ (Extent of financial risk) | £163,313 | This is the value of the contingency | | |
| Potential Risks Identified | | Likelihood | Impact | Overall Rating |
| Risk | The programme outputs are not deliverable within 12 months of receipt of funding, a condition of the Grant | Medium | High | High |
| Mitigation | Early commencement of appropriate procurements to ensure timely delivery of the Fund measures | Low | High | Medium |
| Calculated risk value in £ (Extent of financial risk) | £816,563 | This is the value of the 24/25 Grant payment which might be affected if there is poor performance with regard to the delivery of measures funded by the 23/24 grant payment | | |
| Potential Risks Identified | | Likelihood | Impact | Overall Rating |
| Risk | The BSIP+ Programme is not included within the statutory Plymouth Enhanced Partnership, a condition on the Grant, in a timely manner | Low | High | Medium |
| Mitigation | Early approval of the BSIP+ programme to allow the programme to be included in the statutory Plymouth Enhanced Partnership Scheme ahead of the 24/25 grant payment being made | Low | High | Medium |
| Calculated risk value in £ (Extent of financial risk) | £816,563 | This is the value of the 24/25 Grant payment which might be affected if there is poor performance with regard to the delivery of measures funded by the 23/24 grant payment | | |

Outcomes and Benefits

List the outcomes and benefits expected from this project.

*(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)*

*(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)*

Financial outcomes and benefits:

Non-financial outcomes and benefits:

Outcome 1: £1,633,126 invested in measures to support Plymouth's bus services, supporting the delivery of the draft 2023 Plymouth Bus Service Improvement Plan.

Outcome 2: Up to £1,633,126 invested in the local Plymouth economy, supporting Plymouth's economic growth.

Outcome 3: Funding for a new apprenticeship opportunity within the Council's Sustainable Transport Team, supporting the Council's commitment to providing apprenticeship opportunities.

Outcome 1: The retention, and expansion, of Plymouth's current Non-Commercial Routes network until at least March 2025 benefitting residents and visitors who use the services which, without financial support from the Council, would not be commercially operated.

Outcome 2: The enhancement of bus services on the east-west demonstration corridor, providing better frequencies and new direct links to employment, healthcare and leisure opportunities benefitting residents and visitors looking to travel in and around Plymouth by bus.

Outcome 3: Improved passenger information and bus stop environment improvements benefitting bus users by making public transport safe, clean and simple and understandable.

Outcome 4: Site improvements at Coypool Park and Ride benefitting users of the Park and Ride and tenants at the site.

Outcome 5: Support for Access Plymouth; allowing access to key services by residents unable to use traditional public transport

Outcome 6: Continuing to staff the George Junction P&R travel centre, allowing customers of the Park and Ride to continue to benefit from the facilities.

These outcomes are expected to lead to passenger growth and an increase in bus passenger satisfaction.

Low Carbon

What is the anticipated impact of the proposal on carbon emissions

The vision of the draft Plymouth 2023 Bus Service Improvement Plan (BSIP) is to create a thriving bus network where everyone can be connected to important people and places, by services that are frequent, reliable, fast, affordable, and safe and clean, which will also help Plymouth to achieve its net zero goals by 2030.

The draft 2023 Plymouth BSIP is underpinned by nine passenger priorities which, if addressed, should lead to increased bus patronage which can be sustained due to increase customer satisfaction.

| | |
|---|--|
| | <p>The Plymouth Bus Service Improvement Plan Plus programme responds to the passenger priorities and delivers, in part, seven of the BSIP revenue measures. In doing so it should achieve modal shift, thereby reducing carbon emissions from the private car.</p> <p>Furthermore, through the procurement of the bus services included within the programme it will be possible to stipulate the maximum age of the vehicles used on the services delivering a better environmental outcome than might occur in an unregulated environment.</p> |
| <p>How does it contribute to the Council becoming Carbon neutral by 2030</p> | <p>Cutting emissions from travel is a top priority for the city. Transport accounted for the largest part of our city's CO₂e emissions in 2019 (29%) and transport as a sector is not decarbonising at the necessary pace to make Plymouth carbon neutral by 2030.</p> <p>Public transport, particularly buses, plays a key role in the net zero transition. The successful delivery of the draft 2023 Bus Service Improvement Plan is a cornerstone of our city's net zero strategy. The delivery of an enhanced bus network offering cheaper fares, enhanced frequencies, improved reliability and greater convenience will encourage modal shift away from the private car, thereby reducing carbon emissions. The Plymouth BSIP+ programme delivers, in part, the 2023 BSIP.</p> |
| <p>Have you engaged with Procurement Service?</p> | |
| <p>Procurement route options considered for goods, services or works</p> | <p>The strategy and route to market will be discussed and agreed with the appropriate Procurement Category Lead ahead of each individual procurement commencing, where the measures within the Programme are not already covered by a valid contract.</p> |
| <p>Procurements Recommended route.</p> | <p>The strategy and route to market will be discussed and agreed with the appropriate Procurement Category Lead ahead of each individual procurement commencing, where the measures within the Programme are not already covered by a valid contract with the Council.</p> <p>However, with regard to the bus services within the programme it is recommended that the contract(s) will be tendered through the Devon County Council Provision of Passenger Transport Dynamic Purchasing System (DPS) (CPI 185-15), which is the Councils preferred Procurement route for tendering local bus services.</p> <p>The main benefits of using the DPS are:</p> <ul style="list-style-type: none"> • The Council do not need to undertake a full public procurement process that is subject to the Public Contract Regulations 2015 (PCR 2015) as this has already been done by Devon County Council in setting up the DPS |

| | |
|--|---|
| | <ul style="list-style-type: none"> • The DPS provides a quicker route to market as suppliers listed on the DPS have already been assessed for their financial stability, track record, experience and technical & professional ability, before being awarded a place on the DPS • The DPS offers the opportunity to a wider audience, providing the ability for new operators to consider tendering • The use of the DPS has potential to allow longer contracts (up to eight years) and hence encourage a wider base of tenderers and investment in better vehicles • The Council has successfully used the DPS on previous tender opportunities, including the last full retendering exercise in 2022 • Cost savings to Plymouth City Council if compared with undertaking our own procurement process in accordance with the PCR 2015 • The Councils Contract Award processes at the point of contract award still apply. <p>If there is, a change in circumstances and the recommended procurement route cannot be undertaken or no longer represents best value for the Council any subsequent procurement route undertaken will be in accordance with the Council's Contract Standing Orders and Procurement Law.</p> |
| Who is your Procurement Lead? | Paul Williams, Category Lead, Procurement Service |
| Is this business case a purchase of a commercial property | No |
| If yes then provide evidence to show that it is not 'primarily for yield' | |
| Which Members have you engaged with and how have they been consulted (<i>including the Leader, Portfolio Holders and Ward Members</i>) | |

SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.*

CAPITAL COSTS AND FINANCING

| Breakdown of project costs including fees surveys and contingency | Prev. Yr. | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | Future Yrs. | Total |
|---|---|-------|-------|-------|-------|-------|-------------|-------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| | Not applicable; the BSIP+ programme is a revenue funded programme. | | | | | | | |
| | | | | | | | | |
| Total capital spend | | | | | | | | |

| Provide details of proposed funding: <i>Funding to match with Project Value</i> | | | | | | | | |
|---|---|---------|---------|---------|---------|---------|---------------|---------|
| Breakdown of proposed funding | Prev. Yr. £ | 23/24 £ | 24/25 £ | 25/26 £ | 26/27 £ | 27/28 £ | Future Yrs. £ | Total £ |
| | Not applicable; the BSIP+ programme is a revenue funded programme. | | | | | | | |
| Total funding | | | | | | | | |

| | |
|---|--|
| Which external funding sources been explored | |
| Are there any bidding constraints and/or any restrictions or conditions attached to your funding | |
| Tax and VAT implications | |
| Tax and VAT reviewed by | |

REVENUE COSTS AND IMPLICATIONS

Cost of Developing the Capital Project (To be incurred at risk to Service area)

| | |
|---|--|
| Total Cost of developing the project | Not applicable: the BSIP+ programme is a revenue funded programme |
| Revenue cost code for the development costs | |
| Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria | |
| Budget Managers Name | |

Ongoing Revenue Implications for Service Area

| | Prev. Yr. £ | 23/24 £ | 24/25 £ | 25/26 £ | 26/27 £ | 27/28 £ | Future Yrs. £ |
|---|-------------|----------|----------|---------|---------|---------|---------------|
| Service area revenue cost | | | | | | | |
| Other (eg: maintenance, utilities, etc) | | | | | | | |
| Loan repayment (terms agreed with Treasury Management) | | | | | | | |
| Total Revenue Cost (A) | | £816,563 | £816,563 | | | | |
| Service area revenue benefits/savings | | | | | | | |
| Annual revenue income (eg: rents, etc) | | | | | | | |

| | | | | | | | |
|---|---|----------------------|---|-------------------|---|-------------------------|---|
| Total Revenue Income (B) | | £816,563 | £816,513 | | | | |
| Service area net (benefit) cost (B-A) | | £0 | £0 | | | | |
| Has the revenue cost been budgeted for or would this make a revenue pressure | The BSIP+ programme is a revenue programme, funded by a Department for Transport revenue grant (BSIP+); the programme will be fully funded from the grant awarded and hence does not make a revenue pressure for the Council. | | | | | | |
| Which cost centre would the revenue pressure be shown | 2671 | | Has this been reviewed by the budget manager | | Y | | |
| Name of budget manager | Rosemary Starr | | | | | | |
| Loan value | £ | Interest Rate | % | Term Years | | Annual Repayment | £ |
| Revenue code for annual repayments | Not applicable: No borrowing is required to deliver the programme. | | | | | | |
| Service area or corporate borrowing | | | | | | | |
| Revenue implications reviewed by | | | | | | | |

Version Control: (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)

| Author of Business Case | Date | Document Version | Reviewed By | Date |
|--------------------------------|-------------|-------------------------|---|-------------|
| Rosemary Starr | 18/09/2023 | v 1.0 | Philip Heseltine and James Quintrell-Harris | 19/09/2023 |

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Cabinet Member for Strategic Planning and Transport:

1. Approves the Plymouth Bus Service Improvement Plan Plus Programme Business Case;
2. Authorise the commencement of the procurement processes required to deliver the Bus Service Improvement Plan Plus programme;
3. Delegates the authority to award the contracts to the Service Director for Strategic Planning and Infrastructure, where they do not already have the authority to do so.;
4. Delegates the authority to dynamically manage the programme, in consultation with the Cabinet Member for Strategic Planning and Transport, where necessary and within financial approval thresholds to the Service Director for Strategic Planning and Infrastructure.

| | |
|---|---|
| Cabinet Member Mark Coker, Cabinet Member for Strategic Planning and Transport | Paul Barnard, Service Director for Strategic Planning and Infrastructure |
| Either email dated: 27.09.23 | Either email dated: 19.09.23 |

| | |
|-------------------|-------------------|
| Or signed: | Or signed: |
| Date: | Date: |