

Get in on the Act

Bus Services Act 2017

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Background

The Bus Services Bill (the Bill) was introduced in the House of Lords on 19 May 2016. The Bill was first announced in the Queen's Speech 2016 to provide elected mayors and local transport authorities with the power to improve bus services for the people who use them. It provides Mayoral Combined Authorities (MCAs) with significant London-style powers to franchise local services. As with the system in London, franchising will provide local authorities with the ability to determine and specify the bus services to be provided in an area, with bus operators bidding to provide the services. This will allow local authorities to specify the services that passengers want and deliver an integrated network of services with co-ordinated timetables, ticketing and branding. The Bus Services Act 2016 (the Act) offers a simpler and more cost-effective route to franchising than the current quality contracts approach.

Alongside bus franchising, the Act delivers a variety of partnership options for councils and bus operators. This involves strengthening the current Quality Partnership Schemes in England (which will become known as Advanced Quality Partnership Schemes) and introducing new Enhanced Partnerships. It is an improvement upon quality contracts because local transport authorities could enter into voluntary partnerships with bus operators, but these were not legally enforceable or they required local transport authorities to provide new infrastructure as their contribution to the scheme.

The new Enhanced Partnerships facilitate better joint working between local transport authorities and bus operators. They expand the types of standards that partnership schemes can cover; providing for more joined-up network planning; and allowing local implementation and enforcement of the scheme's requirements. These powers will allow local transport authorities and operators to deliver some of the outcomes that would only be possible under a franchising model. The development and creation of these new and existing partnership tools is positive. They will enable councils to offer other measures, such as parking or traffic management policies, as well as facilities provided by them, such as bus lanes as part of the partnership scheme.

The Act also makes it easier for passengers to access information about routes, fares and timetables, and ensures ticketing schemes meet passengers' needs. Better use of open data has the potential to provide more accurate door-to-door journey planning. This should lead to better information services that will make bus travel more attractive to local people.

The legislation completed its passage through Parliament on Tuesday 25 April 2017 and received Royal Assent on Thursday 27 April 2017.

The Act is made up of 10 parts that are split into a number of chapters. Further information on measures is included in this guide.

- Advanced quality partnership schemes (Sections 1-3)
- Franchising schemes (Sections 4-6)
- Advanced ticketing schemes (Sections 7-8)
- Enhanced partnership plans and schemes (Section 9-15)
- Powers to make traffic regulation orders (Section 16)
- Information for bus passengers (Section 17)
- Information about English bus services (Section 18)
- Registration of bus services (Sections 19-21)
- Bus companies: authorities in England (Section 22)
- General (Sections 23-27).

This publication aims to provide an introduction to the Act and summarises the main issues on which the Local Government Association (LGA) lobbied.

The role of the LGA and local government in influencing the legislation

The LGA worked with MPs and peers to provide background information and research on the proposals, support amendments to the legislation, and influence Government policy. We sought to improve provisions in the Bill that would have a detrimental effect on local authorities. Our campaigning on behalf of local government was developed with the support from and input of councils from across the country. It led to a number of positive changes, including:

- The LGA played a crucial role in securing the extension of immediate and automatic bus franchising powers to Mayoral Combined Authorities. All local authorities now have the opportunity to bid for franchising powers via the Secretary of State and they are able to pursue partnership schemes. We worked to ensure that the new franchising model is simpler and more cost-effective than the existing quality contracts approach. We also called for all Government decisions on franchising to be transparent, timely and achievable. Following Royal Assent, the LGA will continue to work with the Department for Transport to ensure the secondary legislation is clear about the process for accessing franchising powers, in order to secure the best deal for all councils, including those in non-Mayoral Combined Authority areas.
- The LGA secured a commitment from the Government that the legislation would not affect any current municipal bus company arrangements and would only apply to the formation of new municipal bus companies. The Government recognised the innovation and hard work of councils all over the country and confirmed the Act would provide a range of powers that authorities need to achieve even more.

- We supported amendments to the Bill to ensure local authorities have the power to enforce traffic offences. It was positive to see a £690 million competition to tackle urban congestion announced in the Spring Budget 2016, and we are working with the Government to ensure all councils have enforcement powers to deal with moving traffic offences to help improve the reliability and punctuality of buses, making them a more attractive mode of travel.
- We advocated the strengthening of existing partnership arrangements between local authorities and bus operators. This change removes the requirement for a quality partnership scheme to always involve new infrastructure. The new enhanced partnerships will allow local authorities and bus operators to agree their own standards for all services in their area. This could include setting emission standards to improve air quality or introducing common branding, marketing and ticketing rules over a wider geographical area.
- We campaigned for greater funding for bus services, particularly the devolution of the Bus Services Operators' Grant to local authorities. It is positive to see the Government announced it would invest in schemes such as the £30 million low emission bus scheme and £7 million in the clean bus technology fund. The Government also confirmed it would review the Bus Service Operators' Grant system, with the aim of ensuring that funding is targeted where it is most needed in line with local authority objectives. Through that work, the Government said it would establish and set out their priorities and objectives for the funding that is provided.
- We will continue to work with the Department for Transport to secure funding commitments for bus services and additional resource for the national statutory concessionary fares scheme.

The key provisions and their implications for local government

Advanced quality partnership schemes

Section 1: Advanced quality partnership schemes

This section allows for a local transport authority to set up an advanced quality partnership scheme with their local bus operators. The partnership means the local transport authority commits to providing new infrastructure and the bus operators commit to providing services of a particular standard. The local transport authority will set up an advanced quality partnership scheme if they are satisfied that the scheme will contribute to the implementation of their local transport policies. The purpose of the advanced quality partnership scheme is to secure an improvement in the quality of local services that benefits people using those services. The scheme should also aim to reduce or limit traffic congestion, noise or air pollution. It should seek to increase the use of local services or reduce the decline in the use of local services.

The new standards of service for the advanced quality partnership scheme include requirements relating to the marketing and promotion of bus services, ticketing and fares; how passenger information is provided; and bus operators' participation in ticketing and smartcard schemes.

Section 2: Further amendments

Section 2 contains technical amendments in relation to advanced quality partnership schemes.

Section 3: Transitional provision

This section allows for an existing quality partnership scheme (for a local transport authority in England) to be treated as if it were an advanced quality partnership scheme when the Act commences, if it meets the necessary criteria.

Franchising schemes

Section 4: Franchising schemes

The section outlines the criteria for a franchising scheme, where a local transport authority identifies which local bus services should be provided in an area, rather than bus operators determining the vast majority of services on a commercial basis. Local transport authorities are required to prepare and consult on an assessment of the proposed franchising scheme and evaluate the performance of the scheme once it's in place. The scheme will also need to take account of emission standards.

Section 5: Power to obtain information about local services

Section 5 ensures that bus operators in the area of the proposed franchising scheme are required to provide information to the local transport authority, within the timescales set by the authority. If it appears to an authority that an operator has failed to take all reasonable steps to comply with this requirement to provide information, the authority needs to inform a Traffic Commissioner.

Section 6: Further amendments

Section 6 contains further minor amendments relating to advanced quality partnership schemes.

Advanced ticketing schemes

Section 7: Advanced ticketing schemes

This section strengthens the powers that local transport authorities in England have for ticketing schemes. The aim of advanced ticketing systems is to achieve a more joined-up approach to ticketing issues across local transport authority boundaries and accommodate a range of technological possibilities.

Section 8: Further amendments

Section 8 includes minor changes to the ticketing schemes.

Enhanced Partnership plans and schemes

Section 9: Enhanced Partnership plans and schemes

Section 9 creates a new type of partnership arrangement available to local transport authorities in England known as an enhanced partnership. An Enhanced Partnership is intended to be easier to apply to a wide geographical area than a quality partnership or an advanced quality scheme. Should a local transport authority want to pursue such a scheme, it would be required to invite bus operators to participate in the work of the partnership so that practice arrangements will be developed collaboratively between operators and local transport authorities.

A local transport authority can create multiple schemes for an area covered by one plan. The scheme can set out facilities that the local transport authority will provide, measures that the local transport authority will take and requirements bus operators in the scheme area will need to comply with. The enhanced partnership plan will need to describe the authority's plans for consulting users of local services to seek their views on how well the plan and scheme(s) are working.

Section 10: Information about local services

Section 10 provides local transport authorities in England with the ability to obtain information from bus operators to assist in preparing, reviewing, varying or revoking an enhanced partnership plan or scheme. It also outlines the sanctions imposed by a Traffic Commissioner.

Section 11: Registration of local services

This section inserts provisions to enforce requirements in Enhanced Partnership schemes through the bus registration system.

Section 12: Cancellation of registration etc

This section allows the Traffic Commissioner to cancel registration of bus services that are not complying with the relevant operation or route requirements. This section also gives the Secretary of State the power to specify in regulation the services that can be registered in place of bus services whose registration has been cancelled.

Section 13: Appeals

This section provides bus operators the right to appeal the decision of the responsible registration authority. For example, appealing against a refusal of registration or cancellation of registration. If the Traffic Commissioner is the responsible registration authority, then the appeal is made to the Upper Tribunal. If a local transport authority is the responsible registration authority, then the appeal is to be made to the Traffic Commissioner.

Section 14: Traffic commissioner functions

This section details the functions of the Traffic Commissioner where an Enhanced Partnership scheme is in place. It requires the local transport authority to notify the Traffic Commissioner whether a new or varied scheme includes operation or route requirements.

Section 15: Further amendments

This section contains minor amendments in relation to an Enhanced Partnership scheme.

Powers to make traffic regulation orders

Section 16: Powers to make traffic regulation orders

This section provides certain transport authorities with the power to make traffic regulation orders, as a result of the introduction of the new franchising, Advanced Quality Partnership and Enhanced Partnership schemes provisions.

Information for bus passengers

Section 17: Information for bus passengers

This section creates a power for the Secretary of State to ensure bus operators provide information to passengers travelling on local bus services, with the specific aim of enabling disabled people to travel. This could include information identifying the route, the direction of travel, upcoming stops or places where the bus is diverted from its intended route.

Information about English bus services

Section 18: Power to require provision of information about English bus services

This section ensures open data is provided on all bus services in England, outside London. New applicants registering bus services, existing operators, franchising authorities and in some circumstances Traffic Commissioners may be required to provide information on bus services. This information will be recorded in one central place containing all the information about routes, timetables, fares and tickets for local buses including live information about vehicle location and bus arrival times. The information collected will be open to the public.

Registration of bus services

Section 19: Variation or cancellation of registration: service information

Section 19 outlines the details that bus service operators are required to provide the local transport authority relating to patronage and revenue of the service when making an application to vary or cancel a bus service. This includes how much historical information the bus operator has to provide, when and how information is to be provided and the role of Traffic Commissioners in ensuring compliance.

Section 20: Rail replacement bus services

This section excludes temporary rail replacement bus services in England from registration.

Section 21: Registration of English local services: fees where functions contracted out

This section allows an authorised person (acting instead of the Traffic Commissioner) to recover the costs of their activities when accepting applications to register, vary or cancel a bus service. The fee amounts will be set by the Secretary of State.

Bus companies: authorities in England

Section 22: Bus companies: limitation of powers of authorities in England

This section prevents a local transport authority from forming a new municipal bus company. Existing municipal bus companies are not affected.

Next steps

We will continue to work on behalf of councils to ensure this legislation is deliverable for councils, particularly as the Government draws up secondary legislation and guidance.

A note of thanks

As the legislation went through Parliament we worked closely with our Vice-Presidents, as well as other MPs and peers, briefing them ahead of debates and suggesting amendments. On behalf of local government, we are grateful to all those parliamentarians who supported us and championed our concerns and arguments.

Useful links

For the full text of the Act and the explanatory notes please refer to: www.legislation.gov.uk

For the LGA's briefings at each stage of the Bill, please go to: www.local.gov.uk/parliament/briefings-and-responses/bus-services-bill

The Urban Transport Group: Bus resources: www.urbantransportgroup.org/resources/bus



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