

Better Bus Area Fund: Guidance for Bidders

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Foreword



There's nothing that says Britain quite like the British bus.

It's up there with the Beatles and Big Ben as part of our national cultural furniture. When politicians go on the campaign trail they board the "battle" bus. When our teams celebrate victory they crowd an open top bus. Even in the courts "the man on the Clapham omnibus" became a byword for the archetypal reasonable person.

And it's important to remember that the bus is far more than a cultural or historical curiosity. It continues to play a vital function in many communities up and down the country and is the preferred way of getting to work or the shops for many in our towns.

We believe buses could have as vital role to play in our country's future as they have in its present and past. More affordable and convenient, buses could help encourage more people in busy urban areas out of their cars – helping us cut carbon in the process. However, if we look at bus services as passengers see them, it will quickly become clear that there is some way to go to meet these aspirations. So the £50 million challenge we've set local authorities in urban areas is to find a way of working in partnership with bus operators to use the bus to help grow the economy and cut carbon at the same time.

The Better Bus Area Fund is a sister fund to the Local Sustainable Transport Fund. As with that investment, the new Better Bus Area fund will support bids from local councils of up to £5 million, where it can be demonstrated that the money can help create growth and cut carbon. The difference, of course, is that this fund is intended solely for bus-related measures.

Working together will be the key to making this work. But it will be worth it. If we get this right we'll find that, rather like buses, three prizes come along at once – happier customers, a cut in carbon and a boost to economic growth.

A handwritten signature in dark ink that reads "Norman Baker". The signature is fluid and cursive.

Norman Baker MP, Transport Minister

1. Introduction

Objectives of the Better Bus Area Fund

- 1.1** Many of our most vibrant urban areas are held back by congestion. There may be delays whilst employees and suppliers are stuck in traffic and difficulty finding parking spaces once a journey is completed. This can be a real barrier to further growth and the reliance on cars means that carbon emissions are higher than they need be.
- 1.2** However, this is not true everywhere. In some of our towns and cities today, the bus network provides a real alternative to the car for workers and shoppers alike. They provide a stress free, cheap and quick way to get in and out of urban centres, making space for growth and reducing the impact of urban transport on climate change.
- 1.3** Most of our bus journeys are provided by the private sector, but local government has a real role in creating and sustaining these bus networks.
- 1.4** For bus travel to be attractive, buses must be frequent, reliable and punctual and they must provide a flexible way of travelling. 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. This help can take a number of forms: local authorities may get involved in developing multi-operator ticketing, improving bus stops and stations, and changing traffic management and parking arrangements to favour the bus.
- 1.5** The Better Bus Area Fund is intended to support those local authorities who take a partnership approach to bus services in congested urban areas where increasing bus occupancy and achieving modal shift can free up valuable road space and reduce carbon emissions.

2. How to Apply

Submitting your proposal

- 2.1** Applications should be no longer than twenty pages in total and should be emailed to buses@dft.gsi.gov.uk no later than February 24th 2012.
- 2.2** If you have any questions about this guidance, including clarification on the information and appraisal requirements for bids to the Fund, please email buses@dft.gsi.gov.uk or phone Elizabeth Mundy on 02079445379.

Who can apply

- 2.3** Any English local transport authority outside London – County Councils, Integrated Transport Authorities, Metropolitan District Councils and Unitary Authorities – can apply for funding. Applications can cover geographical areas that cut across local authority boundaries in which case one transport authority should be identified as the lead authority with others as partner authorities. Bids, for example, might relate to particular bus routes that run across more than one authority.
- 2.4** In metropolitan areas, the Department will expect an application to come from the ITA. As there are separate transport funding arrangements covering London local authorities there are not eligible for funding, but it is open to them to seek to work in partnership with neighbouring bidding authorities. Other external partners should be separately identified in the application.
- 2.5** Preference will be given to applications from conurbations and large urban areas.¹

Essential requirements

¹ Definitions of Conurbations and urban areas are given in DfT's appraisal guidance: <http://www.dft.gov.uk/webtag/documents/expert/unit3.13.2.php>

- 2.6** Successful proposals will improve bus patronage, encouraging growth and reducing carbon emissions, for example by reducing congestion, improving the reliability and predictability of journey times or enhancing access to employment.
- 2.7** Proposals may include funding for interchange with other modes such as rail or car. Funding for low carbon buses is not available through the Better Bus Area Fund.
- 2.8** Proposals must be submitted in partnership with key local bus operator(s). They will be judged on the strength of evidence and analysis used to demonstrate the following aspects:
- growth,
 - reduction in carbon emissions,
 - partnership working,
 - value for money,
 - deliverability,
 - financial sustainability
 - and affordability.
- 2.9** The stronger the bid in each of these areas the better its chances of success.

3. Criteria for Selection

Section A. Overview

- 3.1** This fund is aimed at bus projects worth up to £5m which support growth and reduce carbon emissions by improving bus patronage. Examples of projects which could be funded under the BBA include:
- bus priority schemes;
 - marketing and information schemes (including provision of fares and real - time information);
 - development of smart and/ or multi-operator ticketing schemes;
 - enhancement of bus infrastructure: stops and stations;
 - elimination of pinch points that significantly affect bus punctuality.
- 3.2** This list is not exclusive. It is for the local authority to demonstrate how the mix of measures proposed will promote growth and cut carbon. Bids which tackle an interchange with other modes such as rail will be considered.
- 3.3** Funding is not available through BBA to support the purchase of hybrid buses, to provide ongoing funding to uneconomic bus routes, or to provide direct support to bus companies which may not be allowable under State Aid rules. Proposals should not rely on a forthcoming successful bid to the Local Sustainable Transport Fund.

Section B. Partnership working

- 3.4** Bus services can thrive in areas where local authorities and bus operators work together to identify and solve problems, so proposals will only be considered if supported by key bus operator(s).
- 3.5** However, local authorities should guard against proposals which favour one bus company over another so preference will be given to proposals which are supported by all key local bus companies operating in the area covered by the proposal.

- 3.6** The best proposals demonstrate commitment and clear action from the bus operators throughout the proposal.

Section C. Package Details and Rationale

- 3.7** This should set out as clearly as possible the action that will be taken with the funding granted, the measurable outputs intended and the rationale. Measures should improve bus patronage, but may for example include interchanges with other modes of transport such as rail or car.
- 3.8** Bidding authorities may wish to refer to local plans and policies, including the Local Transport Plan, but should do so succinctly.
- 3.9** It is for local authorities to decide what tools and evidence they draw upon in designing solutions and ensuring their implementation achieves the desired effects. Measures might, for example, include: bus priority and demand management schemes; new / improved bus services / routes, smart / integrated ticketing; real time information at bus stops and interchanges; web-based services and smart phone apps for bus times and routes; bus shelters and bus stops, park and ride extensions / enhancements; measures to lock in patronage improvements over the long term; smarter choices/softer measures to influence travel behaviour towards using bus services (see <http://www.dft.gov.uk/pgr/sustainable/smarterchoices/>).
- 3.10** Measures should show clearly how they will address the problems identified. Applicants may wish to refer to available supporting research carried out by DfT or others (e.g. AECOM and published by the department on the role of soft factors in the bus market in England²). An example of intervention framework is set out at Annex A. This section is intended to show the logical structure behind the development of the proposals.

Sections D and E. Value for Money and Evidence

- 3.11** Value for money will be a key consideration in the assessment process. The measures brought together in a bid package need to maximise the overall benefits and seek to identify all the positive and negative impacts.
- 3.12** Proposals will have to describe the likely impact of the scheme on the local bus market, bus users, and other modes of transport. Local

² <http://assets.dft.gov.uk/publications/role-of-soft-factors-in-the-bus-market-in-england/report.pdf>

authorities can draw on their own evidence or use the results from recent similar packages of measures implemented elsewhere to explain the impacts and benefits expected from their bid proposals. Wherever possible quantitative data and supporting analysis should be used.

3.13 DfT will assess the value for money of proposals using information submitted by bidders on package components costs, outputs delivered and demonstrable expected outcomes, along with information held by the Department e.g. on decongestion benefits. In order that the Department can calculate the likely quantifiable benefits from the package proposals, information should be provided of the impacts starting from the year before the measures come into operation, and then for each subsequent year. Information should include relevant supporting data such as:

- absolute change in congestion and car traffic levels or number of car trips as a result of package;
- bus passenger journeys per year and expected absolute change in journeys as a result of package;
- number of passengers affected by the measures (both existing passengers and new);
- punctuality / reliability changes as a result of package;
- demand for particular modes as a result of package;
- average journey times by mode as a result of package;
- access to employment impacts as a result of package;
- baseline carbon emissions and changes due to this package. Please ensure this estimate breaks down the carbon emission changes due to changes in car traffic and those that have resulted from other means e.g. low carbon buses;
- bus mileage per year and expected change in bus mileage as a result of package, by conventional or low carbon bus;
- absolute change in conventional diesel bus mileage replaced with low carbon bus mileage;
- absolute change in the average length of a bus trip per year as a result of package;
- impact of the provision of information about fares and real-time performance as a result of package;
- absolute change in the cost of an average journey by mode as a result of package;
- other impacts or benefits

3.14 It is for the applicant to decide which of these indicators is relevant and suggest any others that should be taken into consideration.

3.15 Applications should demonstrate how the evidence supports the projections given, setting out assumptions used and data sources. Inevitably there are differences between the case-studies used for research and the local situation. Applications should identify clearly

which parts of the research are applicable and assess how this affects the projections used.

- 3.16** Applicants will need to state what information they will provide to show deliverables of outputs and outcomes. More specifically, they will need to state what indicators and at what frequency they will publish on-line.

Section F. Delivery and Costs

- 3.17** In total £50m is available to fund a minimum of 10 local authorities. Applications for up to £5m will be considered. Funding is available for revenue or capital or a mix of both. However in aggregate the split between revenue and capital is expected to be of the order of 50:50.
- 3.18** Preference will be given to bids which demonstrate financial commitment or match-funding from either the local authority or bus operators, but this is not an essential requirement.
- 3.19** Proposals must be able to demonstrate that they have a sound implementation strategy for delivering each component of the package. Applications should detail how implementation will be managed within the local authority and with partners.
- 3.20** The applicant should confirm that the package for which BBA support is sought has not already commenced or, if the package has commenced, that (i) it has stalled and it will not be restarted without BBA support, or (ii) BBA support will allow the scope of the package to be expanded in a way that will deliver additional benefits in line with the objectives of the fund.

Section G. Fit with the Local Sustainable Transport Fund

- 3.21** The Better Bus Area Fund and Local Sustainable Transport Fund are strongly aligned in terms of policy outcomes – both are focussed on achieving local growth and reducing carbon. However LSTF is designed to support packages of measures irrespective of mode, over the lifetime of this Parliament, whereas BBA is designed specifically to support the bus market, realising benefits in the short term.
- 3.22** Where a bus component of a LSTF bid also meets the BBA criteria, the Local Authority may also submit a bid for the BBA. However, it is

important that Local Authorities use section G to explain how the two bids are linked.

- 3.23** It is also important that the bus component can be successfully decoupled from the wider LSTF package. A successful application for Better Bus Area funding will not imply that the wider bid will be successful under the Local Sustainable Transport Fund, or vice versa. Where you intend to bid under both programmes, DfT will decide which bidding criteria the component meets best. There will not be an opportunity to replace LSTF package components.

A.1 Annex A - An Intervention Framework

