

Brighton & Hove City Council

Cabinet

Agenda Item 176

Subject: Concessionary Fares and Bus Service Improvement Plan Update Report

Date of meeting: 20 March 2025

Report of: Cabinet Member for Transport, Parking and Public Realm

Contact Officer: Name: Paul Nicholls
Tel: 01273 293287
Email: paul.nicholls@brighton-hove.gov.uk;
owen.mcelroy@brighton-hove.gov.uk

Ward(s) affected: All Wards

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For General Release

1. Purpose of the report and policy context

- 1.1 This report (a) updates Cabinet on negotiations with bus operators in the city for a fixed deal to cover the cost of concessionary fare journeys made by eligible older persons and disabled concessionary pass holders for the period commencing 1 April 2024 and (b) seeks approval for the Bus Service Improvement Plan (BSIP) programme for 2025-26 to release grant funding from the Department for Transport (DfT)
- 1.2 The policies which this report seek to promote are:
 - promote and improve health and wellbeing, to reduce health inequalities, and to support people to live independent and fulfilling lives.
 - a city to be proud of making it easier to move around the city.

2. Recommendations

- 2.1 Cabinet notes the conclusion of negotiations on concessionary fares payments with bus operators and agrees to the payment of the fixed deals as set out in Part 2 of this report.
- 2.2 Cabinet agrees to the use of negotiated fixed deals as the preferred option for the next 3 years with all bus operators for the reimbursement of concessionary fares and grants delegated authority to the Corporate Director for City Services to conduct and conclude such negotiations so that expenditure is less than would otherwise be calculated using the new DfT calculator.

- 2.3 Cabinet approves the BSIP Delivery Plan required for release of the 2025-26 Bus Grant totalling £9.729 million.

3. Context and background information

- 3.1 The Council reimburses bus operators for Concessionary Travel undertaken by older people and eligible disabled pass holders. There are over 42,000 pass holders in Brighton & Hove of which 7,000 are issued to qualifying disabled residents.
- 3.2 In 2023 negotiations were held with Brighton & Hove Bus and Coach Company (B&H Buses) who agreed to a fixed deal for the financial year ending 31 March 2024.
- 3.3 In November 2023 the DfT produced new guidance on the new DfT Calculator to calculate concessionary fares reimbursement to bus operators. Use of the new DfT calculator is not mandatory as the Council is still able to enter into fixed deal arrangements provided that both parties can agree on an annual sum to be paid for concessionary fares on the principle of 'no better or worse off'.
- 3.4 The Council has made representations to the DfT to the effect that the new DfT calculator does not appear to work fairly for certain high frequency inner city bus networks. Brighton & Hove has the highest per capita bus use outside London with an integrated high-frequency network of services resulting in many hop on-hop off concessionary journeys at low expense to the operator. The new DfT calculator does not appear to adequately take these factors into account.
- 3.5 Concessionary passenger numbers have increased by up to 10% this year adding to this budgetary pressure.
- 3.6 The Council's concessionary fares scheme operates for additional hours compared to the statutory scheme, as follows:

Location	Weekdays	Weekends and bank holidays
Statutory minimum scheme hours	9.30am to 11pm	All day
Brighton & Hove – Disabled	All day	All day
Brighton & Hove – Older Persons	9am to 3:59am	All day

2025-26 Bus Grant (BSIP Delivery Plan)

- 3.7 The National Bus Strategy (NBS) for England was published in March 2021, requiring all local transport authorities (including Brighton & Hove City Council) to develop a Bus Service Improvement Plan (BSIP). This set out a vision, objectives and delivery plan to meet the targets of the LTA, local bus service operators and other key stakeholders, in accordance with the aims of the NBS.

- 3.8 The key targets defined in the Brighton & Hove City Council BSIP are:
- **Journey times:** by 2030, for the average time for a bus to have completed its route to have reduced by 10% from 2018 to 2019
 - **Reliability:** by 2030, 'on time' performance for services operating within the city to have increased to 90%
 - **Passenger growth:** By 2030, the target is for bus passengers to have increased 15% on the 2018 to 2019 baseline
 - **Customer Satisfaction:** by 2025, the National Highways and Transport (NHT) satisfaction survey to record an "overall satisfaction with local bus services" score of 80%, and a "satisfaction with bus fares" score of 60%
- 3.9 This BSIP was approved by the Environment, Transport and Sustainability Committee in September 2021.
- 3.10 Brighton & Hove City Council was awarded £27.9m of funding for the 2022-23, 2023-24 and 2024-25 financial years to deliver this BSIP programme. To date, a wide range of projects and initiatives have been implemented using this funding including, but not limited to:
- The launch of a new 1X express service between Mile Oak and Brighton Marina, offering residents faster connections
 - Enhancement of socially necessary bus services such as the 16, 47, 52, 37/37B, Breeze network (77/78/79), 17, 273 and 21 routes
 - Development of several bus priority schemes which improve journey times for passengers
 - Discounted fare offers such as free accompanied youth travel, 50p unaccompanied youth travel, discounted citySAVER tickets, and £1 Short Hops
 - Improving equality of access for all through accessibility improvements at bus stops, inclusivity research projects, and improved bus stop signage
- 3.11 In December 2024, it was confirmed that BHCC was awarded a £9.279 million Bus Grant to continue delivery against its BSIP targets with a focus on improving bus services and keeping fares down. This grant replaces the BSIP funding programme. This has required that the council submit a Delivery Plan with a new programme of works. The receipt of a costed BSIP Delivery Plan, alongside an update to the BSIP, is a requirement for the release of the grant funding for the 2025-26 financial year. An updated BSIP is planned before the end of the financial year to comply with this.
- 3.12 An initial draft programme has been developed between Transport team leads within the City Infrastructure Department. The views of current bus operators in Brighton & Hove, as well as Brighton & Hove Bus Watch, have been considered. A range of projects which aim to achieve the BSIP targets listed above, and help the council deliver against key targets, have been selected.
- 3.13 Change control processes will permit Brighton & Hove City Council to adjust allocations of funding towards specific schemes with project

adjustment requests, provided that new schemes meet BSIP objectives. This provides flexibility to the 2025-26 programme should any new schemes be identified which would demonstrate greater value for money or a higher priority than those currently identified.

- 3.14 The Delivery Plan (without financial information) is available to view in Appendix B, with full financial detail provided in the Part 2 report. A summary of priorities is provided below:

1. Delivering affordability through Fares to sensitive populations	Continuing daily and weekly fare cap offers, youth fare offers and Short Hops (£1), with potential future fare offers if budgets allow
2. Driving patronage growth in suburbs and to neighbouring areas	Supporting a new Express Service along the A23 corridor and continued enhancements to the 1X route , as well as joint route enhancements project with West Sussex and Park & Ride feasibility work
3. Improving journey times	Bus priority and red routes at key locations, and surface reinforcement works to future-proof bus stops and key bus corridors Reliability schemes on routes which suffer from congestion (23/25, 27 and 46)
4. Maintaining revenue support for socially necessary services	Including the 37/37B, 16, 47, 52 and 21 routes, as well as the Breeze up to the Downs Network (77/78/79)
5. Improving Passenger Experience	Bus Stop accessibility and real-time information, enhanced customer service hours , passenger research, franchising study& supporting operators to modernise ticketing technology e.g.TOTO and the national DFT sponsored CORAL project

- 3.15 The programme continues to deliver successful revenue schemes such as fares offers, support for socially necessary services and express routes, as well as identifying new capital schemes such as bus priority and carriageway strengthening. This directly supports the Council's priority "A city to be proud of making it easier to move around the city", as well as positive impacts upon equalities, health and wellbeing and sustainability goals.
- 3.16 The programme supports the administrations priorities regarding Park & Ride both through revenue allocation towards feasibility work in identifying suitable sites, as well as by supporting express services in the city which would be able to support faster journey times into the city centre when a site is operational.

- 3.17 It should be noted that BSIP funding is unable to directly fund school bus routes, as they must offer a realistic route towards commercial viability for revenue support. However the programme does otherwise help with links and capacities on the school bus network, by supporting socially necessary services which fill gaps in the commercial network as well as providing revenue support on commercial routes for the much-needed capacity growth during morning and afternoon peak hours.
- 3.18 Further BSIP funded enhancements to increase the frequency of B&H Buses commercial and socially and economically necessary bus services to a value of about £2m are under consideration, subject to resources and priorities and the agreement of the DfT
- 3.19 B&H Buses are currently in receipt of subsidies annually from the Bus Service Improvement Plan comprising of discounted bus fare support, socially and economically necessary enhancements to bus routes and frequencies, marketing and publicity, extended customer service opening hours and an additional dedicated civil enforcement officer enforcing bus stop obstruction. This is in addition to capital schemes improving bus priority on the highway network which benefits their operations. Total values are provided within the Part 2 report.
- 3.20 During the development stage of the BSIP Delivery Plan for 2025-26, operators were requested to submit recommendations for schemes which they believed would help to achieve BSIP targets. These are usually revenue-based schemes, which provide financial support to a project which would be unprofitable commercially but offer benefits to bus use.
- 3.21 All schemes proposed by operators are considered to align with BSIP targets, delivering improved journey times and reliability for passengers, which is expected drive patronage growth and passenger satisfaction with the network.
- 3.22 The future of devolution should have a positive impact on bus services in the city.

4. Analysis and consideration of alternative options

- 4.1 The option of paying operators using the DfT calculator rates was considered but discounted for to the reasons explained in this report.
- 4.2 The submission of a BSIP Delivery Plan for 2025-26 and a refreshed BSIP (published no earlier than April 2024) is a condition for the release of the £9.279 million Bus Grant for 2025-26 with no alternative options.
- 4.3 The development of the draft BSIP programme also included a consideration of a range of schemes. Of particular consideration were fare offers which might improve the affordability of bus travel within the city. This included an evaluation of the cost of maintaining a £2 bus fare cap. However initial forecasts suggested that this option would be highly

unaffordable to the council, and targeted fare offers would provide a more affordable option in delivering value for money.

5. Community engagement and consultation

- 5.1 A wide range of key stakeholders were consulted upon for the original BSIP document in 2021. This included bus operators, local politicians, representatives of disabled people, representatives of bus/transport user groups and other organisational representatives such as education and business.
- 5.2 As the 2025-26 BSIP Programme is considered as a continuation of ongoing work to deliver against priorities outlined in the 2021 BSIP, a full consultation is not a statutory requirement. This is in line with guidance issued by the Department for Transport
- 5.3 The timescales required to develop a new programme for the 2025-26 BSIP funding tranche have necessitated a streamlined consultation process. An initial draft programme has been developed between Transport team leads within the City Infrastructure Department.
- 5.4 The views of current bus operators in Brighton & Hove, as well as Brighton & Hove Bus Watch, were heard at the Enhanced Partnership meeting on 07/02/2025, with a formal request for comments on a draft 2025-26 BSIP programme shared on 31/01/2025
- 5.5 No consultation was undertaken for the Concessionary Fares negotiations.

6. Financial implications

The Council approved a budget for Concessionary Fares payments to operators in 2024/25 of £9.862m, this is showing a pressure in 24/25 of £0.365m and reported as part of the Targeted Budget Monitoring (TBM) process. Following the negotiations took that place a fixed deal was agreed in January for 24/25.

Service pressure have been requested as part of the budget setting process for 25/26 financial year reflecting current deals and potential uplifts in the new year to ensure the service operates within budget. Expenditure as part of BSIP Delivery Plan will be funded by the 2025/26 Bus Grant. Any significant variations will be reported as part of the council's TBM process.

Name of finance officer consulted: John Lack Date consulted 18/2/25

7. Legal implications

- 7.1 The Council operates its concessionary fares scheme in accordance with the Transport Acts 1985 and 2000, the Travel Concession (Eligibility) Act 2002, the Concessionary Bus Travel Act 2007 and the Mandatory Travel Concession (England) Regulations 2011. The provision of a

concessionary travel scheme in accordance with the national minimum is a statutory duty. There is discretion for councils to provide a scheme that extends the entitlement of services over and above the national minimum. The statutory framework for travel concessions does not stipulate a minimum or maximum duration for an individual scheme. It is for the travel concession authority (i.e. the Council) to propose a start and end date, and to seek agreement with the bus operator over the length of this term.

- 7.2 The BSIP programme will constitute part of the Enhanced Partnership Plan and Scheme that is in place and has to be implemented in accordance with the requirements of the Transport Act 2000 and the Bus Services Act 2017

Name of lawyer consulted: David Fairfield Date consulted: 19/2/2025

8. Equalities implications

- 8.1 Concessionary travel passes help passholders access services throughout the city and live independent lives, particularly those without a private vehicle.
- 8.2 Bus services are disproportionately used by those on lower incomes, younger and older people and people with disabilities. The BSIP will enhance bus services in the city, including fare offers delivering affordability and vital supported bus services amongst other schemes.
- 8.3 An Equality Impact and Outcome Assessment (EIA) was undertaken for the original BSIP in 2021. As the 2025-26 BSIP Delivery Plan is considered as a continuation of ongoing work to deliver against priorities outlined in the 2021 BSIP, an updated EIA is not considered to be required.

9. Sustainability implications

- 9.1 The provision of concessionary travel passes encourages older person and disabled pass holders to use the bus rather than their own vehicles, reducing congestion and per capita emissions of pollutants and carbon. Similarly, improvements to bus services in the city will encourage greater modal shift away from the private car for all resident groups, encouraging sustainable travel and reducing transport related emissions.

10. Health and Wellbeing Implications:

- 10.1 The provision of concessionary travel passes support older person and disabled pass holders to be more active and supports their wellbeing through increased social interaction particularly if they don't have private means of transport
- 10.2 Enhancements to bus service provision through the BSIP will also facilitate easier and more reliable access for all residents to healthcare providers and leisure opportunities. Bus travel encourages healthier lifestyles by

encouraging regular physical activity in walking to and from bus stops, as well as reducing private car-related emissions.

11.0 Conclusion

- 11.1 The fixed deal offers that have been accepted by bus operators for concessionary fares payment in the city are considered to be reasonable and sustainable in terms of council finances and meet the principles of 'no better no worse off' for the operator.
- 11.2 The Bus Service Improvement Plan programme for FY25-26 builds upon the success of the original grant-funded programme delivered across 2022 to 2025. A range of schemes have been identified alongside operators as part of the Enhanced Partnership which deliver against council priorities and BSIP targets to encourage a more inclusive and attractive public transport system for residents and visitors, and with these priorities and targets.

Supporting Documentation

1. Appendices

- 1. 2025-26 BSIP Delivery Plan