

Report to the Transport for South Hampshire Joint Committee

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Report by: Heather Walmsley, Major Schemes Project Co-ordinator,
Hampshire County Council

tel: 01962 846089 **email:** heather.walmsley@hants.gov.uk

Subject: South East Hampshire Bus Rapid Transit Progress Update

Purpose of the Report

This report acknowledges the successful opening of the South East Hampshire Bus Rapid Transit (BRT) Phase 1/Eclipse following an extremely challenging construction and delivery programme. The report highlights key features which will be rolled forward as the wider network develops beyond opening.

This report also presents the findings of the BRT Future Phases Study and identifies a strategy to develop, fund and deliver the next stages of the sub-regionally significant wider Eclipse network. The report outlines the financial and delivery strategy contained within the study, which provides a critical guide to inform stakeholder liaison and provides a positive and evidenced-based approach to future phase business case preparation and bid submission.

Recommendations

- 1. That the conclusions of the Eclipse Bus Rapid Transit Network Future Phases Study be approved as a flexible basis for progressing the short, medium and longer-term wider Bus Rapid Transit network and that the study and findings be adopted as the way forward.**
- 2. That design work be progressed, commencing with those schemes on the short-term network in Gosport and Fareham; the A3 ZIP Corridor, links to the Queen Alexandra Hospital, Havant and Waterlooville; and measures in Portsmouth, including links to The Hard and Southsea in order to have a range of schemes in a state of readiness which can enable a flexible approach to be taken as funding opportunities arise.**
- 3. That the findings of the Funding and Delivery Strategy forming a key part of the study be adopted and that work commence on the**

preparation of more detailed operational, economic and financial appraisals and that business case preparation be commenced.

- 4. That the benefits of close working with South Hampshire Bus Operators Association and individual bus operators be recognised and continued as a critical part of the successful progression of the wider network.**

Introduction

1. The opening of the South East Hampshire Eclipse Bus Rapid Transit Phase 1 took place on the 22 April 2012, following a hugely challenging construction period which commenced in October 2010. The opening marked a significant milestone in the transition from construction to operational phase. The scheme provides a unique new infrastructure asset for the County Council and also, through the provision of a fleet of branded high quality buses, facilitates a new high-specification, dedicated bus route and service for the bus operators and local residents.



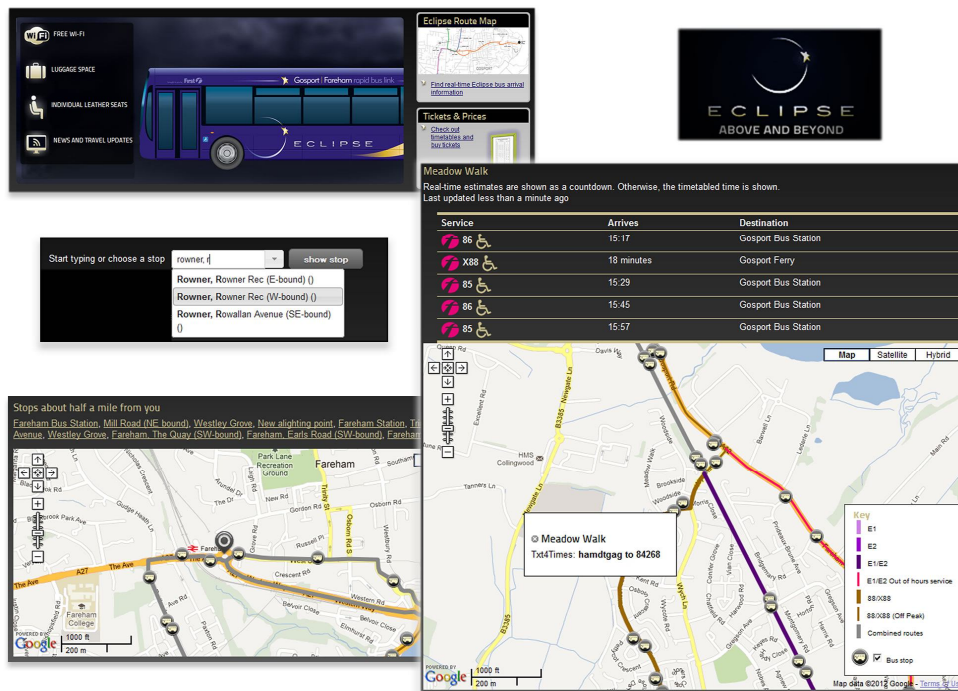
2. The challenge is now to continue to work closely with the Operators and other stakeholders to find ways to develop, fund and deliver both the wider network as well as a range of new Eclipse services, in order to extend and add value to Phase 1 and provide greater connectivity with key destinations for residents in South East Hampshire.
3. This report will:
 - (i) briefly highlight information pertinent to the opening of the Eclipse and the changing context of the scheme;
 - (ii) present the findings of the Eclipse BRT Future Phase Study and Funding and Delivery Strategy; and
 - (iii) identify next steps in order to progress the wider Eclipse network as soon as possible.

Eclipse BRT Phase 1

4. The opening of the Eclipse BRT Phase 1 has resulted in a significantly enhanced public transport offer in the Gosport Peninsula with state-of-the-art buses and associated information technology. Journey reliability and improved comfort, combined with real-time arrival and departure information, has provided a step change which is presented in this report as the basis upon which we now need to build moving forward across South East Hampshire.

5. Close working with bus operators has been key throughout both scheme development and delivery. A new Route Manager has been appointed by First Hampshire and Dorset to help ensure that the operational phase continues to be a success. The Phase 1 Operational Agreement is a key element which will be used as a basis for developing Agreements for the future phases, and working with South Hampshire Bus Operators' Association (SHBOA) and individual operators will be critical as future phases are developed.

6. The impressive new technological initiatives and branded livery detailed more fully in the previous Joint Committee report, and which have formed a key part of Phase 1, will be rolled out across the network as it starts to get developed. As part of the higher specification information provision, interactive route maps and timetable information are available online on the Eclipse microsite: www.eclipsebus.co.uk and through smart phone applications. Microsite key features are shown below as this will form a fundamental part of future phases.

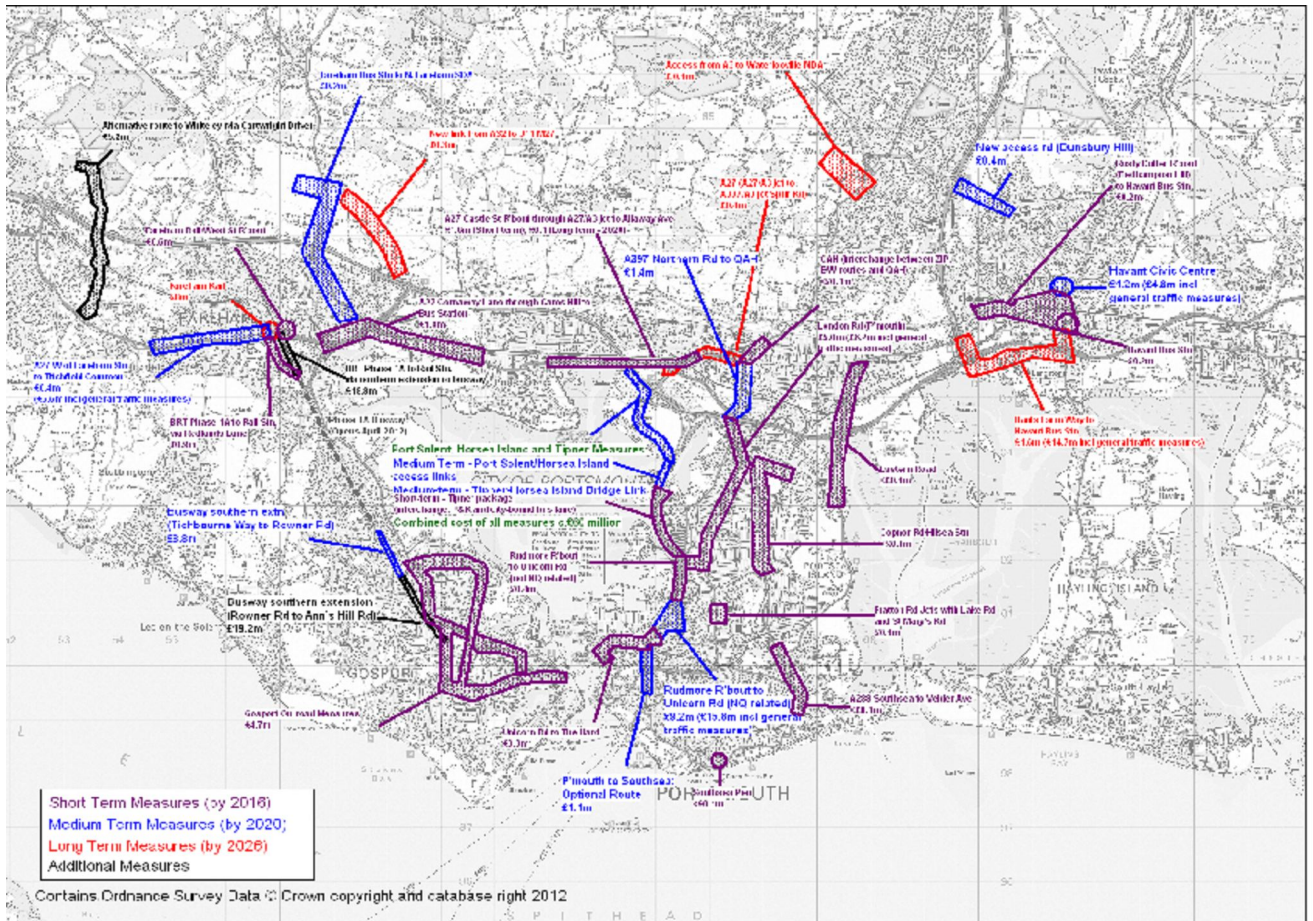


Eclipse BRT Future Phases

7. The opening of the first phase of the scheme is only the start of a much larger project which will improve accessibility and transport choice and will fundamentally help bring forward planned economic and housing growth in parts of the sub-region which are in need of economic growth but suffer from traffic congestion. The delivery of the wider network proposition will help reduce the transport constraints to growth at planned strategic sites coming forward up to 2027 (including Tipner, Horsea Island, Lakeside, Dunsbury Hill Farm, Waterlooville Major Development Area; North Fareham Strategic Development Area, and Gosport Waterfront etc). The Eclipse network will also provide a critical role in facilitating other development sites as well as other jobs directly created by the construction and operation of the Eclipse network. The scheme will help unlock the provision of direct and indirect jobs associated with developments including approximately 11,700 new homes at the strategic sites and an estimated 10,000 or more new jobs in the wider area. The scheme is critical to help provide sustainable connectivity with key destinations, reducing journey times and help to improve productivity whilst reducing carbon emissions.
8. Atkins together with Ernst and Young have recently completed a comprehensive package of work which sets out a wider network proposition and identifies a future funding and delivery strategy. A clear understanding of what constitutes the wider network; which parts should be delivered next; how much it will cost; and how it will be funded, is essential to inform business case development and to secure stakeholder confidence moving forward. The key findings from the study are set out below and further details are included in a Summary Report which is included as an Appendix to this report.
9. The study undertook an appraisal based around the potential for:
 - (i) infrastructure measures along key corridors; and
 - (ii) new and improved Eclipse services along key routes and corridors.
10. In relation to infrastructure measures the study identified good potential for a range of affordable measures which could deliver real journey time benefits to conventional bus services and also enable the development of a wider Eclipse BRT network. Outline feasibility designs have been prepared along with costs and implementation schedules following an assessment of parts of the network where delay points were observed or predicted and where measures could potentially have benefit. The measures encompass highway modifications (including bus lanes where appropriate) Intelligent Transport System (ITS) measures and upgrades to bus and bus stop infrastructure provision. Value for money, deliverability and funding viability were used to inform which measures are likely to be viable, subject to service viability. Although funding was yet to be identified, a

large proportion of measures will cost less than £1 million and can be delivered quickly with existing highway powers and with negligible impact upon general traffic, land-use and the environment. The plan below shows potential infrastructure measures identified in the study.

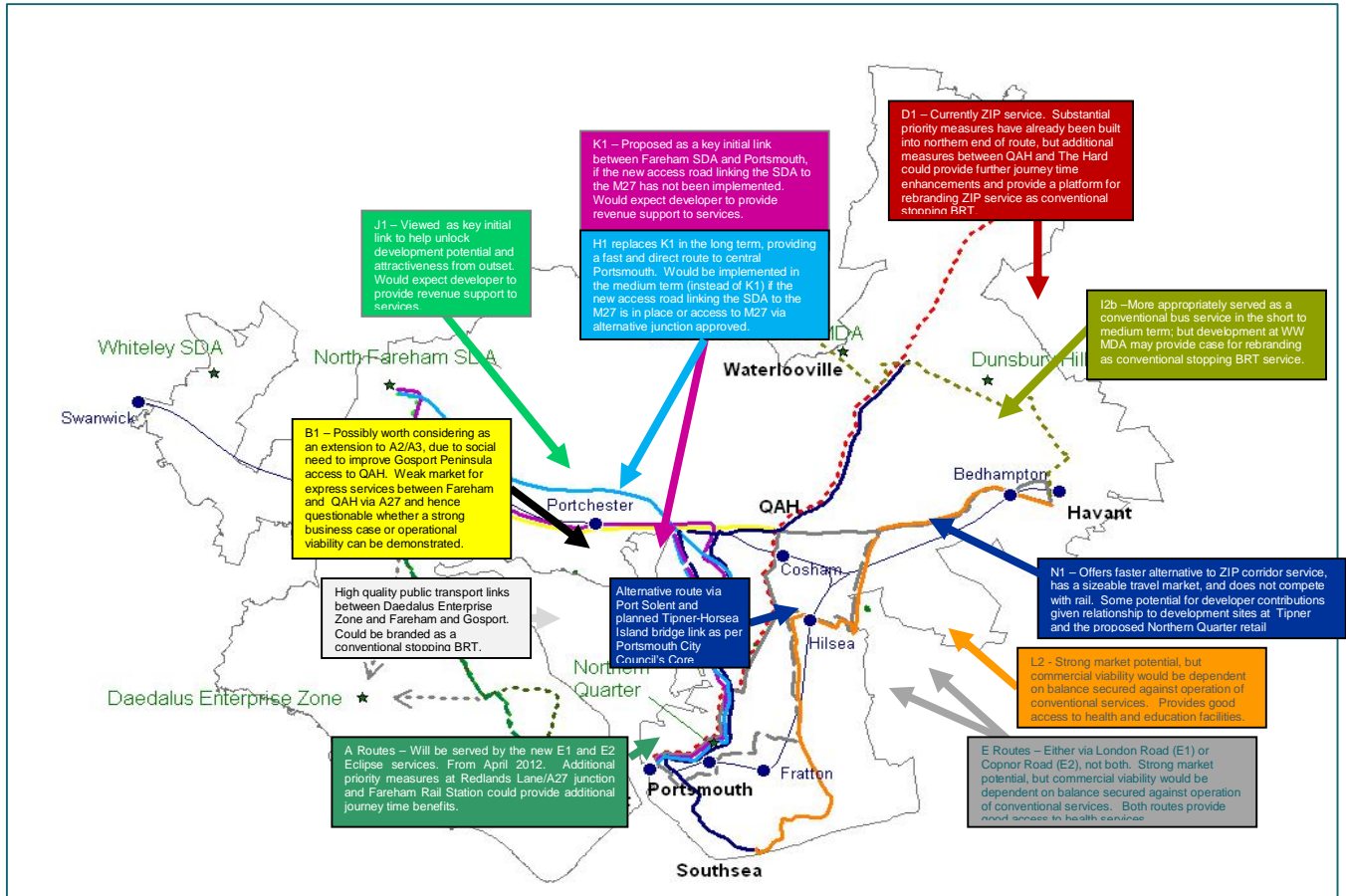
Proposed Infrastructure Measures for Future Phases



11. In relation to the assessment of service viability, the study identified a range of journey time savings relating to the provision of more direct services, the implementation of priority measures, improved journey time reliability and the provision of more limited stopping BRT services. These time savings will result in a genuine improvement in the competitiveness of bus versus car journey times. An assessment of movements and demand was undertaken in liaison with the operators, based upon current public transport provision and an assessment of both existing and predicted future market potential. A range of indicators derived from the Sub Regional transport Model (SRTM) and other relevant data sets were used to highlight demand, and a high-level assessment was undertaken of potential operating service routes against criteria relating to strategic case, value for money, service commercial viability and delivery timescales. The outputs were used to identify short (by 2016), medium (by 2020) and longer term (by 2026) network propositions. The phased short term network includes extensions of the Gosport and Fareham 'A' routes;

the upgrade of the A3 Zip corridor; and other routes from both Waterlooville and Havant to Portsmouth and Southsea. The medium term network includes North Fareham SDA links and an alternative route via Port Solent and Tipner-Horsea Island bridge link as per Portsmouth City Council's Core Strategy. The longer term network includes motorway enhancements to the North Fareham links and links to Dunsbury Hill Farm. The phased network propositions are presented in more detail in the appended summary report. The longer term network proposition as a whole is shown on the next page.

Proposed Service Network Proposition for Future Phases



- Rail Stations
- Fareham to Gosport**
 - A2: Fareham to Gosport (via Redlands Lane S. Extn to Busway to Rowner Rd) - Conventional stopping BRT
 - A3: Fareham to Gosport (via Redlands Lane S. Extn to Busway to Rowner Rd) - Conventional stopping BRT
 - A4: Fareham to Gosport (via Redlands Lane S. Extn to Busway to Rowner Rd) - Conventional stopping BRT
 - J1: Extn of A2/3 to N. Fareham - Conventional stopping BRT
 - High specification public transport links between Daedalus Enterprise Zone and Fareham and Gosport (not assessed as a BRT route in this study)
- Fareham to QAH/Portsmouth/Southsea**
 - B1: Fareham to QAH - Limited stopping BRT
 - H1: N. Fareham to P'mouth via QAH - Limited stopping BRT
- Clanfield/Waterlooville to Portsmouth/Southsea**
 - D1: Clanfield to P'mouth via QAH - Conventional stopping BRT
 - N1: Waterloooville to P'mouth via QAH - Conventional stopping BRT
- Havant to Portsmouth**
 - E1: Havant to P'mouth via QAH - Limited stopping BRT
 - E2: Havant to P'mouth via Copnor Rd - Limited stopping BRT
 - L2: Havant to Southsea (poss extn to P'mouth) - Limited stopping BRT
- Havant to West Waterloooville MDA**
 - I2b: Havant to WoW MDA - Conventional stopping BRT

Costs

12. The indicative costs of the identified infrastructure measures (exclusive of operational costs at this stage, which it is assumed will be met by the operators as for Phase 1) have been broken down by implementation timescale and geographical area:
- (i) the cost of measures for Gosport and Fareham has been identified as £25.8 million, with further possible additional infrastructure measures including extending the dedicated busway north to Fareham Railway Station and south beyond Rowner Road to Anns Hill Road, and also measures towards Whiteley via Cartwright Drive, totalling an additional £43.1 million. Of these more expensive additional measures, there is likely to be justification in the future to bring some of these forward, particularly the northern extension of the busway to Fareham railway station, which is costed at £18.8 million;
 - (ii) the cost of the measures in Havant and on the A3 Corridor has been identified as £3.7 million; and
 - (iii) the cost of the measures in Portsmouth has been identified as £20.2 million.

Based upon the above, the cost breakdown by timescale has been identified as follows:

TIMESCALES	COSTS
Short term by 2016	16.3 million
Medium term 2016-2020	22.8 million
Longer term 2020-2026	10.6 million
SUB TOTAL	49.7 million
Additional measures	43.1 million
TOTAL	92.8 million

Funding and Delivery Strategy

13. As part of the commission, Ernst and Young examined potential funding routes and sources for infrastructure measures including grant funding, borrowing, and other authority sources including Developer Funding. The funding sources were appraised to determine what was likely to be achievable over time. More details are presented in the appended summary report and outlined in brief below:

Short Term (to 2016): £15 million-£20 million (2012 prices) of capital works

- Largely low-cost schemes <£1 million and limited scope for 3rd Party Contributions.

- Variety of Government sourced funding pots likely to be the predominant funding source.

Medium Term (2016-2020): c.£20m-£30m (2012 prices) of capital works

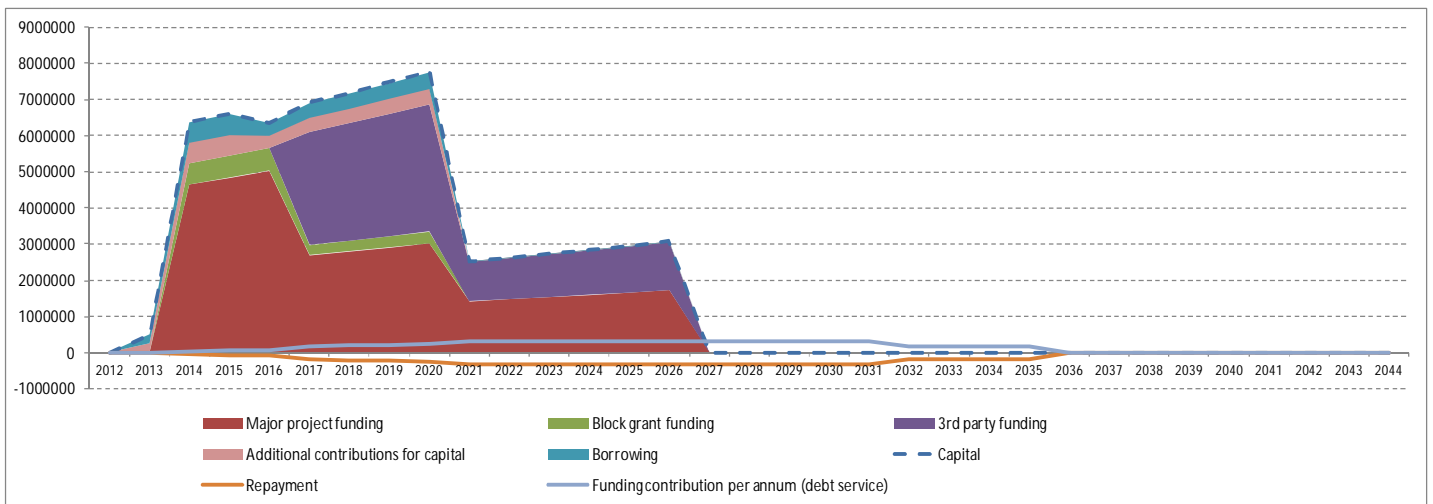
- Number of works packages in excess of £1 million and in some cases exceeding £5 million.
- Significant scope for 3rd Party (Developer) Contributions – critical to delivery in some cases (Northern Quarter).
- Anticipated that a combination of 50% Government grant, 50% 3rd Party funding balance might be achievable.

Long Term (2020-2026): c.£10 million-£30 million (2012 prices) of capital works (northern busway extension c.£20 million).

- Anticipated that 3rd Party (Developer) contributions could account for 30% of funding required.

14. The following graph shows an indicative funding and finance profile demonstrating that the bulk of capital grants will be required to deliver short and medium term measures with third party funding increasing during the medium term and into longer term. Borrowing will mean debt repayment is likely to continue to 2041. (A larger version with a fuller explanation can be found in the Appendix at Figure 8.)

Indicative Cost Profile for Viable Infrastructure Measures Investment Programme



15. The devolution of Department for Transport (DfT) Local Major Schemes funding away from central Government from 2015 will have a key influence on funding decisions for this project, and the future role of the Local Enterprise Partnerships (LEPs) and Local Transport Bodies in decision-making will be key. The report has considered three funding models which vary depending upon the extent to which the LEP is to be

involved in decision-making at the local level. More details are set out in the Appendix.

Where Next?

16. It is proposed that the initial focus of work should be based around a number of flexible packages:
 - (i) **Design Work** - The engineering design package should be focused initially upon work relating to the progression of infrastructure measures for the short-term network as the most logical place to start followed by progression onto other sections. Measures include: extending the on-road sections of the Eclipse network in Gosport and Fareham to build upon the success of Phase 1; upgrading the A3 ZIP Corridor, links to the Queen Alexandra Hospital, measures between Havant and Waterlooville; and measures in Portsmouth, including links to The Hard and Southsea. These routes cater for corridors with high market potential, score well in terms of value for money and ease of deliverability and are relatively lower cost. Close working with Portsmouth City Council is critical to delivering a large proportion of these future measures;
 - (ii) **Operational Assessment** - A second key package of work is focused around the Operational dimensions and Economic Appraisals, which are essential to identifying service viability and to inform business case and bid preparation. This package needs to be progressed alongside and in tandem with the design elements. Infrastructure enhancements will have little benefit unless service provision is operationally viable. Additional SRTM testing will be critical to help the bus operators determine the cost benefits and potential market benefits of future new service provision and route viability moving forward and this will help inform commitment to invest in delivering the buses and services essential to ensuring project success. Financial modelling to support the scheme will be required and will form the basis of bids to central government for funding. An assessment of operational costs versus revenue, service and route practicalities relating to the impact upon current provision and different bus brands and also how the operational agreement can be applied to services and routes on existing highway is an essential part of this tranche of work. The best way to roll forward the Eclipse brand across the network and market this together with how this relates to existing brands also needs careful discussion with the operators.
 - (iii) **Stakeholder Working** - A third package of work relates to the need for close working with stakeholders. Officers will need to work closely with the Solent LEP and proposed South Hampshire Local Transport Body, who will be extremely

important to the successful delivery of the future scheme. There is a need for close working with developers and local planning authorities to bring forward infrastructure proposals focused around unlocking development sites to facilitate economic growth particularly at the strategic development sites including Tipner, North Fareham SDA, West of Waterloo MDA, and Dunsbury Hill Farm in the medium and longer term. Working with stakeholders to help identify crucial next steps to fund and deliver the wider scheme will enable all opportunities to be fully explored. A flexible approach to funding will be essential to moving the project forward given recent changes to funding structures and mechanisms.

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE	LOCATION
South East Hampshire BRT Study April 2012 - Atkins	TfSH