

Title: Bus Service Improvement Plan (BSIP) Customer Experience Revenue Funding – Cleaners
Report of: Heather Jones, Head of Enhanced Partnerships
Portfolio: Transport

Report Summary

The purpose of this report is to request a delegated decision to enable the Chief Executive to approve and sign Grant Funding Agreements (GFAs) with a total value of £808,500 for interventions funded by the Bus Service Improvement Plan (BSIP).

The total value requested is for Turnaround Cleaner roles employed by Arriva, Go North East, Stagecoach and Durham County Council at key bus interchanges across the region.

Recommendations

The Chief Executive is recommended to:

- I. Approve a total of £808,500 BSIP spend for Turnaround Cleaners to be deployed across bus stations and key interchanges across the region until 31 March 2026.
- II. Approve entry into appropriate Grant Funding Agreements.

A. Context

1. Background

- 1.1 In April 2022, following a bid for BSIP funding, a total of £163.5 million was allocated to the North East region by the Department for Transport (DfT).
- 1.2 The BSIP sets out a wide range of significant proposed improvements to every aspect of bus services, which we are delivering through the North East Enhanced Partnership, a formal partnership of the North East Combined Authority, bus operators, local authorities and Nexus.
- 1.3 The total allocation was made up of interventions covering 'Customer Experience', 'Fares and Ticketing', 'Highways and Infrastructure', and 'Network Improvements'. A variety of projects have been created under each of these headline interventions.
- 1.4 The BSIP Programme fund allocations were approved by the Joint Transport Committee in June 2022.
- 1.5 In March 2024, JTC Members approved and allocated the remaining unallocated BSIP revenue funding to several sub-programmes which align to the refreshed BSIP and the Enhanced Partnership Plan and Scheme. This included an indicative allocation for the Additional Staffing sub-programme of £2.86m of which the turnaround cleaners form part.
- 1.6 Delegated authority was granted to the Chief Executive to enter into the required grant funding agreements to facilitate these interventions. This programme of spend had previously been set out and agreed by the Joint Transport Committee on 19 March 2024.
- 1.7 The Turnaround Cleaner roles are essential to delivering the aims and objectives of the BSIP and therefore the wider objectives of the combined authority.

- 1.8 The project will provide turnaround cleaners at key interchanges across the region. The main aim is to improve passenger perceptions of cleanliness on buses which has been a common complaint in various surveys conducted.
- 1.9 At present, bus operators only provide cleaning at depots at the end of service, meaning that as the day progresses more and more litter builds up and creates a poor passenger environment. The presence of cleaners actively entering and being seen cleaning buses at high footfall locations will improve perceptions in itself, as well as helping to ensure a consistent standard of cleanliness on buses regardless of the time of travel.
- 1.10 Although the project is expected to improve customer experience, it is difficult to quantify the impact on ridership. Therefore, it is not something that operators would fund themselves commercially. In addition, providing this resource centrally ensures that all bus routes at each interchange are covered regardless of operator. In addition, where there are heavier soling instances, the presence of Turnaround Cleaners may allow buses to stay in service which would otherwise have to be taken to the depot to be cleaned.
- 1.11 The improvement in customer perception will be monitored through questions on the Transport Focus 'Your Bus Journey' survey and also other surveying conducted by North East CA and its partners (such as by other BSIP-funded roles like Bus Champions and Ambassadors or the 'Moving Buses Forward' engagement)
- 1.12 The locations for the Turnaround Cleaners will be as follows:

Location	Provider	Commencing
Durham Bus Station	Durham County Council	December 2024
Gateshead Interchange	Go North East	December 2024
MetroCentre Interchange	Go North East	December 2024
Park Lane Interchange	Go North East	December 2024
Fawcett Street, Sunderland	Stagecoach	September 2024
Blackett Street, Newcastle	Stagecoach	September 2024
South Shields Interchange	Stagecoach	September 2024
Haymarket Bus Station	Arriva	November 2024
Eldon Square Bus Station	Arriva	November 2024
Blyth Bus Station	Arriva	November 2024

- 1.13 To achieve best value from the cleaning resource, these interchanges have been chosen as they (a) have a sufficient volume of services, (b) are located at the end of routes which have sufficient turnaround time, (c) have services which have the highest passenger loadings and (d) have services which cover the widest area of the region. This results in a positive improvement for the largest number of buses and passengers across the region.
- 1.14 Locations for Turnaround Cleaners will be kept under review to ensure that the deployment is as effective as possible.
- 1.15 Grant Funding Agreements (GFA) are being developed, prepared, and will be approved by Newcastle City Council Legal for onwards agreement with scheme promoters. It has been determined that in respect of subsidy control, the use of BSIP funds for the purposes stated above is not a subsidy due to:
- (i) in the case of Arriva, Go North East and Stagecoach the financial assistance does not confer an economic advantage on any of the three. The funding will flow through each operator to the main beneficiaries who are the end users of the bus services. Such end users are individuals and members of the public who are not engaged in commercial activity and are therefore not enterprises for the purpose of subsidy. Any benefit to any of the three operators would be incidental and any payments to its staff/contractors would be on a market cost basis

resulting in this scheme being operated on a 'not for profit' basis. The cleaning services would be performed in addition to the operators' usual roles so this funding is not displacing any other activity or payments. For those stated reasons, the Grants are made to the three operators on the basis that there is no element of Subsidy.

- (ii) In the case of Durham County Council, the Grant to be provided to the Recipient relates to payment for a role to support delivery of the BSIP. This is funding provided from a public body (North East CA) to another public body (Durham County Council). As such, the Grant is considered to fall outside the scope of the Subsidy Control Act 2022 and is therefore made on the basis that there is no element of Subsidy.

B. Impact on North East Combined Authority Objectives

BSIP and its programme of activity supports the strategic aspirations of the North East CA, as detailed in the North East Devolution Deal signed in December 2022 and the Deeper Devolution Deal agreed at the June meeting of the North East CA Cabinet.

The roles recruited through this project will support us in delivering our BSIP and will impact the following objectives of the North East Combined Authority:

Improving wellbeing – the roles will help to increase modal shift from private to public transport. The impact of this will be a reduction in air pollution, thereby improving wellbeing across the region.

Outputs	Total
Total cleaning hours to be funded	573 hours per week from commencement date to 31 March 2026 (~15 FTE)
Actual new part time job roles created	~28

C. Key risks

The main risk of this work is that the roles do not deliver what is expected and required. This would have an impact on the aims and expected benefits of the BSIP.

In order to mitigate this risk, the GFAs will reference the objectives of the roles and the Enhanced Partnership will require the delivery partners to submit written reports with their quarterly claims, detailing the number of hours of cleaning delivered. North East CA officers will also conduct spot checks and if we have concerns that the hours are not being delivered or that the cleaners are not being used for the purpose outlined in the job description, we will withhold funding and work with the partner organisation to rectify the issue. As the location of the cleaners is customer facing, away from depots and will not be in place until end of service, operators will still require cleaners at depots to service and clean buses at the end of service so there is a minimal risk of operators substituting existing cleaning hours.

Another risk is the ability of partners to deliver their committed cleaning hours in full, however funding will only be released based on the actual number of hours delivered. This could result in an underspend.

D. Financial and other resources implications

The funding for these staffing interventions is being drawn from the BSIP grant funding, which has already been received by the North East Combined Authority and held for the purpose of delivering the aims and expected benefits of the BSIP. Approval for allocation of the funding has been given by the North East Joint Transport Committee and the North East CA Cabinet, and the grant funding

agreements are in line with these decisions. There are no other financial implications for the North East Combined Authority.

The financial profile for the programme is outlined below:

Funding source- BSIP Revenue	2024/25	2025/26	Total
Total (£)	£227,500	£581,000	£808,500

Although the current funding expires on 31 March 2026, if the project is successful in its objectives then the North East CA may seek to identify further funding to continue beyond this date.

E. Legal implications

The comments of the Monitoring Officer have been included in this report.

F. Equalities implications

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader.

All cleaners will be paid at the minimum of the National Living Wage hourly rate.

G. Consultation and engagement

No specific consultation was undertaken for these roles; however they are aligned with requirements for delivering the BSIP which were reaffirmed by members of the Enhanced Partnership during the BSIP refresh in June 2024.

H. Appendices

None

I. Background papers

The BSIP is available on the North East Combined Authority website [Bus Service Improvement Plan Schemes \(northeast-ca.gov.uk\)](https://www.northeast-ca.gov.uk/bus-service-improvement-plan-schemes)

National Bus Strategy [bus-service-improvement-plans-guidance-to-local-authorities-and-bus-operators-2024.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/123456/bus-service-improvement-plans-guidance-to-local-authorities-and-bus-operators-2024.pdf)

J. Contact officers

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K. Glossary

BSIP – Bus Service Improvement Plan
GFA – Grant Funding Agreement
LTA – Local Transport Authority
UTMC – Urban Traffic Management Centre

L. Sign-off

1) Cabinet Member: Yes	2) Director/Head of Service: Yes	3) Director of Finance and Investment: Yes	4) Monitoring Officer: Yes
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