enhancing public transport authorities in Europe

epta

EPTA PROJECT

D4.4
Position Paper & Guidelines

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1.INTRODUCTION

EPTA (European model for Public Transport Authority as a key factor leading to transport sustainability) is a European Territorial Cooperation project funded under the Interreg IVC EU Programme which commenced in January 2012. The Interregional Co-operation Programme INTERREG IVC, financed by the European Union's Regional Development Fund, helps Regions of Europe work together to share experiences and good practice in the area of innovation, the knowledge economy, the environment and risk prevention.

The overall objective of EPTA is the transfer of experience, knowledge and good practices about **Public Transport Authorities**. The focus within EPTA is to assist small rural areas and medium sized urban areas that are considering developing PTAs. This is aimed at increasing public transport sustainability by focusing on environmental, energy and economic aspects, through the identification of appropriate "model(s)" for a PTA as a powerful tool of governance. The EU has established policy goals to achieve a more sustainable transport system. (European Commission, 2011) The complexity of meeting the mobility needs of all its citizens requires a clearer vision and an effective and co-ordinated governance approach. It is important for policy makers and local governments to co-ordinate competences among different stakeholders at different levels within a clear and proper policy framework.

In order to increase transport sustainability in large urban areas, with specific actions on public transport, different approaches have already been adopted throughout Europe over many years through the establishment of specific authorities. These authorities (Public Transport Authorities–PTAs or Organising Authorities–OAs) act in the public interest to ensure a well-functioning integrated transport system operates within their territory. As the European Transport market is becoming more open to encourage competition many authorities in smaller cities and rural areas are considering restructuring of transport planning and delivery into operating units and controlling bodies (PTAs). The operating transport conditions vary from country to country and sometimes from region to region within a country. This makes it difficult to produce a single transferrable model for a PTA. This report (D4.4 Position Paper & Guidelines) draws on all the activities within the EPTA project and represents the capitalisation of the project experiences on the creation of pre-conditions for an effective establishment and management of a PTA in small rural to medium sized urban areas.

The aim of D4.4 is to transfer the most relevant EPTA results to policy decision makers and stakeholders. This report will act a tool used both as a strategic guide on a PTA MODEL and as a practical guide with concrete suggestions for PTAs setting up and /or management.

Based on previous studies, published literature and experiences of operating PTAs across the world the EPTA project identified seven pillars (or functions) of a PTA model: Regulate, Plan, Tender/Award, Integrate, Promote, Management of Contracts, Control of Contracts (see EPTA D3.1 'Functions of a PTA Model').

Associated with each pillar are a number of key identifiable tasks. Some tasks relate only to one pillar while others have a relationship with more than one pillar. The work within EPTA has identified the pillars and sub-tasks for a PTA with full functionality. This is presented in Figure 3.1.

The sub-tasks identified in Figure 3.1 have been established during the course of the project through transfer of experiences between project partners and local attendees at a series of EPTA workshops, training courses and staff exchanges within component 3 of the project. Several of the sub-tasks have been investigated in more detail within 8 feasibility studies by project partners (See D4.1). The cross site evaluation (D4.2) has assessed the relevance and importance of these sub-tasks in different operating environments and under differing governance structures. The findings from this form the basis of the guidance presented in the remainder of this report.

2. THE ROLE OF A PTA

In describing a position paper and guidelines for Public Transport Authorities (also referred to as organising authorities) it is relevant to first consider the International Association of Public Transport (UITP)[i] definition of what PTAs are, or should aim to be:

> *"Organising Authorities are organisations, which act in the public interest to ensure a well-functioning, attractive & integrated transport system. They provide the framework for successful public transport directed at economic, social and environmental value for citizens and business"*

Source: Organising Authorities Mission Statement (UITP-2009)

As illustrated in Figure 2.1, the Public Transport Authority makes the link between political decision-makers and the public transport operators.

- PTAs provide the framework to organise and coordinate the different mobility options across a defined geographical area in order to ensure delivery of efficient, comfortable, and high quality public transport.
- Whether an operator is public or private, the PTA role is to act within the public interest to ensure different modes are well integrated, affordable and accessible and to organise this in a manner which complies with strategic level goals and targets set by politicians.
- These strategic level goals can relate to public transport and accessibility targets but can also be related to policies in related fields such as environment, land use, social inclusion, parking or traffic planning.
- The transport authority has a set and often limited budget with which to achieve this.

In practice it is government officers (at either national, regional or local levels) who ensure the strategic goals are complied with. The extent to which a PTA should be involved with the strategic level activities and/or the operational level activities varies according to local circumstance but is largely influenced by the scale of the city / area being served. The next section provides guidance on this.

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i UITP (L'Union internationale des transports publics) is the organisation for public transport authorities and operators, policy decision-makers, scientific institutes and the public transport supply and service industry.

Figure 2.1. : Levels of responsibility in transport provision

Source: Markets in Motion, UITP (2005)

3. PTA MODEL IN LARGE URBAN AREAS

It is now universally recognised that large urban/ metropolitan areas benefit from having a PTA and typically these follow a decentralised organisational structure which is operated by a dedicated statutory agency. Previous studies by EMTA (2003), Finn and Nelson (2004) and UITP (2011) have identified the main activities and responsibilities in providing transport services for the public. These have been consolidated within EPTA to form the 7 main pillars: Regulate, Plan, Tender/Award, Integrate, Promote, Management and Control of Contracts (see EPTA D3.1 'Functions of a PTA Model').

The EPTA project has expanded these 7 pillars to identify a larger number of key functions or sub-tasks associated with the 7 main pillars. This is illustrated in Figure 3.1 where the inner ring shows the EPTA pillars surrounded by a second ring showing the key sub-tasks or functions which PTAs can be active in. Some of these sub-tasks span more than one pillar. The subtasks contained in Figure 3.1 combine the tasks and responsibilities of all three actors represented in Figure 2.1; namely politicians, transport authorities and operators. In practice it is government officers (at either national, regional or local levels) who ensure the strategic goals are complied with.

Figure 3.1: Model for a PTA with full functionality

Due to the scale of transport provision required in large metropolitan areas the PTAs in large cities tend to have an active role in all of the sub-tasks identified in the outer ring of Figure 3.1. The extent of their involvement varies by sub-task and by local circumstances. Metropolitan PTAs are the main responsible body for all tasks associated with tender/award, management of contracts, promotion and integration pillars. The one exception to this is service delivery which is largely the domain of the operators, however even here PTAs sometimes act as the operator of certain services. The European Metropolitan Transport Authorities position paper[ii], and more recently the findings of the CAPRICE project[ii] ('CAPital Regions Integrating Collective transport for increased energy Efficiency') stress the importance of a strong integration of transport networks and of co-ordination with policies of land planning and urban development. These sub-tasks associated with the planning and regulation pillars in Figure 3.1 increasingly becoming part of the PTA role in large metropolitan cities.

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ii http://www.emta.com/IMG/pdf/emta_position_50_years_cemt_en.pdfi
iii http://www.caprice-project.info/spip.php?rubrique1

Example for a large Metropolitan PTA: London

Transport for London (TfL), the PTA for the Greater London area, has involvement in all the subtasks identified in Figure 3.1. Its role is to implement the Mayor of London's Transport Strategy and manage services across London, for which the Mayor has ultimate responsibility.

TfL manages London's buses, London Underground (LU), the Docklands Light Railway (DLR), London Overground and London Tramlink. They have a competitive tender process for 700 bus service routes where they prescribe in detail the terms of service (constructive planning) detailing the service routes, frequencies and fares. Contracts are awarded on a gross cost basis which requires significant staff resource to monitor performance and undertake revenue enforcement through ticket inspectors. They do not deliver bus services themselves, but they do run the underground, overground and light rail/tram systems in London.

TfL have developed a ticketless 'contactless' smart card (the Oyster card) for payment on any TfL managed public transport service. Each week, around 57 million journeys are made using Oyster cards and they are used for more than 85 per cent of bus passenger journeys.

TfL also act as the highway and traffic authority for Greater London with the following responsibilities:

– Full operational responsibility for the Transport for London Road Network (TLRN) – 580km of major roads in the Capital. These make up five per cent of London's roads but carry more than 30 per cent of its traffic.

– Has strategic responsibility for coordinating works and ensuring the free flow of traffic (including pedestrians) on the wider Strategic Road Network (SRN) – a further 500km of Borough-maintained A roads.

– Manages and maintains all of London's 6,000 traffic signals and has real-time operational control of the road network through the London Streets Traffic Control Centre (LSTCC)

– Manages and operates the Congestion Charging, Low Emission Zone (LEZ) and Source London schemes, as well as enforcement of decriminalised traffic offences on the TLRN, including parking, loading and bus lane regulations.

Operational revenues including fares and congestion charge income, account for more than 47% of total funding and amount to approx. £5billion p.a. The remainder of the revenue comes in the form of a central government grant but this is increasingly being replaced by local taxation (in the form of local business rates and taxes) over which TfL have more control.

The Mayor's Transport Strategy (MTS) is the principal policy tool through which the Mayor and TfL exercise their responsibilities for the planning, management and development of transport in London. The development of this strategy has been delegated TfL although the Mayor retains responsibility approving the consultation documents. TfL was delegated responsibility for undertaking the necessary consultation exercises and impact assessments.

The above illustrates the extent of the tasks which a large metropolitan PTA has responsibility for. However, this level of activity requires significant resource in terms of finance and staffing. TfL employs over 20,000 staff and annually requires over £5billion in funds in addition to the operating revenues generated.

4. PTA MODEL IN SMALL AND MEDIUM SIZED URBAN AREAS

While the model described in section 3 (and illustrated in Figure 3.1) may represent the typical situation for a PTA in a very large metropolitan city, the EPTA project has learnt that such a level of functionality would not be suitable nor possible for a PTA in a small rural or medium sized urban area. While PTAs in some large metropolitan areas have powers devolved to them by legislation enabling them to set policy specific to their jurisdiction with statutory powers of enforcement and autonomy to raise their own finance to fund services and PTA activities, smaller cities and rural areas do not have such powers. The result of this is that there is simply not the expertise and influence at the policy level, nor the financial resource and manpower at the operational level in a small rural or medium sized urban area PTA to take an active role in all the sub-tasks identified in Figure 3.1.

The key question, which EPTA attempts to answer, is what is the most suitable model for PTA organisation and delivery for small and medium sized towns. The current economic pressures and environmental priorities are providing the catalyst for transport authorities of all sizes to review the structure under which transport is managed and provided in their jurisdictions and to consider the suitability of establishing a PTA. Driven by the need to make efficiency savings there have been many examples of changes to authority boundaries (enlargement) to reduce costs, changes to regulation to encourage more competition and a continuing trend for decentralisation of various powers from central governments to the local level. At the same time there is the growth in demand for more environmentally friendly transport initiatives which local authority transport departments historically have little experience of.

Within EPTA, as well as investigating the suitability of different models of PTA structure in medium sized urban and small rural areas, the feasibility of various different functions (most relevant to the project partners) within the EPTA pillars has been examined through 8 different feasibility studies.

The 8 feasibility study sites which have been examined are:

- THEPTA (Greece): Tendering and awarding the bus transport services in Thessaloniki
- ALOT (Italy) : Business Plan for a PTA – Awarding the service
- SRM (Italy): Design and Control of a Public-Transportation Service Contract
- Brasov (Romania) : Structure and role of the Brasov Metropolitan PTA
- ALMADA (PORTUGAL): Mobility House of Almada
- ROGALAND (Norway): Integration and simplification of the fare and ticketing system in Rogaland
- RAZLOG (BULGARIA): Bicycle Sharing System and Car Pooling System
- PRAGUE Suchdol (Czech Rep): Establishing more and better consultation with local partners and the public

The analysis of the EPTA feasibility studies revealed that despite the different studies having very different aims and different environments in which they were examined, a number of key findings emerge:

1. The level of involvement by the PTA needs to be based on the scale of the operation. PTA involvement has a resource and time cost associated with it. So what works in big cities is often not appropriate or possible in small towns and medium sized cities. In general, the larger the population covered, the more functions the PTA can take responsibility for.

2. The contract design and award is key to PTAs of any size. This is where PTAs have the power to influence who operates the services and the way in which operators act – this has a bearing on quality and levels of service, expectations for supply of service performance data, levels of integration with other operators and other modes. This dictates the operator requirements for service monitoring and for supporting integration action which the PTA may implement. The type of contract can influence the marketing strategy and approach of an operator – e.g. net cost contracts places the onus on the operator to attract passengers and so this tends to result in operators providing innovative and well marketed

services. For more detailed information and advice on implementation see the EPTA online training module on contract design and award.

➤ http://www.eptaproject.eu/training/on-line-training/on-line-training-tool-contractaward/

3. Large metropolitan PTAs are inclined to have a hands on approach to the service monitoring and promotion activities rather than delegating these tasks to operators. Medium and small sized cities, on the other hand, do not have the resources to dedicate significant manpower to service promotions and monitoring of services and instead tend to focus on approval and supervision of operator led monitoring of services and on activities related to integration between operators, modes and sectors. For more detailed information and advice on implementation see the EPTA online training module on monitoring and incentives.

➤ http://www.eptaproject.eu/training/on-line-training/monitoring/

4. Large metropolitan cities take an active role in policy forming to ensure that policies in land planning and urban development are integrated with transport. They also are integral in planning of transport infrastructure investments which impact on their area (e.g. airport, rail and road building initiatives). Medium and small city PTAs have little or no input to these matters as their planning is undertaken at a higher level (often national or regional government) and paid for through national or local government funding. It is vital that there is better communication and integration between the PTA and these external departments at the planning stage. The EPTA project has identified the need for a more formalised mechanism by which local needs and concerns can be more strongly represented in the policy and planning process. This is relevant not only to medium and small city PTAs having a voice in regional or national policy and planning, but also for single municipalities within a large metropolitan city being able to feed into higher level policy making and planning which impacts on their citizens. The recommendation from EPTA is that a policy and strategic level planning committee which provides the platform for coordination and cooperation between local municipalities, PTAs

and Metropolitan/Regional government should be constituted. The make-up of this committee should consist of PTA representatives, national/regional government decision makers/politicians, locally elected politicians, local government officers as well as including the addition of specialist groups of experts (e.g. University, Third Sector etc) to advise and feed into the planning and decision process. These specialist experts feed into the policy/planning process to help ensure local interests are being represented without political bias.

5. A Policy and Strategic Level Planning committee (as detailed above) could also preside over financing and fundraising/spending decisions. This makes it more plausible to adopt local funding strategies such as local levies on fuel sales, employment or local sales taxes. These provide a democratic and locally accountable means of raising funding for public transport. The presence of locally elected representatives on the committee ensures local citizens' preferences are upheld. This could result in a more flexible and locally focussed funding stream which enables PTAs to better respond to the needs of their people rather than being restricted by national or regional funding constraints. For more detailed information and advice on implementation see the EPTA online training module on funding.

➤ http://www.eptaproject.eu/training/on-line-training/funding/

Based on the above findings and recommendations from the EPTA project, Figure 4.1 illustrates the PTA model for a medium or small city PTA proposed by EPTA.

Figure 4.1 Model for a PTA in medium or small city

5. PTA STRUCTURE IN SMALL AND MEDIUM SIZED URBAN AREAS

The findings from the EPTA project suggest that the most cost effective PTA structure for small and medium sized cities appears to be that of a decentralised agency which is contracted /commissioned by the regional or national government. The primary focus is then to provide approval and supervision of services and to facilitate/enforce integration between operators, modes and sectors.

If the model of Figure 4.1 is adopted, including the formation of a policy and strategic planning committee, then the PTA can operate as an independent organisation with the following advantages:

– local financing and funding becomes possible,
– user needs remain at the centre of the actions of the PTA,
– the focus on a more limited set of functions allows more expertise in these functions to be developed by employees ensuring effective control of performance of the contract of transportation services to high quality standards,
– many of the risks and of providing services and resources required for service data collection and promoting services are borne by the operators.

The biggest advantage of the above approach is that the cost of PTA provision can be relatively modest since the staffing levels are much lower than those required for a large city PTA where involvement in service design, monitoring and promotion is generally much greater. The agency approach also allows for flexibility in staffing when required as it is easier to appoint additional staff on a temporary or short term basis than if a relatively small municipality were to appoint staff directly. The establishment of a Policy and Strategic Planning committee also removes the need for the PTA to have a top heavy management structure comprising of locally elected politicians since they sit on the committee alongside the PTA representatives rather than on a PTA board of directors.

All the above contributes to a very lightweight staffing structure whilst remaining responsive to peaks in activity/workloads. This results in a low cost solution to forming a PTA which is a critical requirement in small rural and medium sized cities.

Example of the PTA structure and functions/responsibilities are provided below for two EPTA project partners: SRM Bologna and the proposed Brasov Metropolitan Area PTA.

Example for a medium sized city PTA: Bologna, Italy

SRM (Reti e Mobilità Srl) is the agency which acts as the Public Transport Authority of the Province of Bologna (serving a population of almost 1 million across 60 municipalities). It is a joint-stock company, whose capital is entirely public owned by Municipality and Province of Bologna. It was established in 2003 when several functions of public interest were delegated to SRM from local governmental bodies in the field of public transport.

The budget to fund the public transport services delivered totals 96M Euros per annum, with over 80% of this provided by the Regional Government (Emilia-Romagna Region in the case of SRM) based on parameters such as total PT km per year, etc. The remaining funding comes from local bodies.

SRM manage this entire budget and also control the main assets necessary to provide public transport services. With this budget they have complete control of the tender and award process and they fund the local PT Operators on the basis of the Contract of Service which they agree with the operator.

The management and the control of contracts are also tasks delegated to SRM. SRM has some role in promotion of service integration but strategic functions such as planning and setting fare levels are retained by local municipalities and the Province of Bologna while policy/regulation is mainly set by the Regional government.

As a result SRM has a very light staffing structure employing only 9 persons. The budget for this is provided from a 0.5% cut of the Regional PT Funding (360,000 Euro per year) plus around 400,000 Euro per year from rent relating to transport infrastructure.

In the recent months, SRM has tendered for and been awarded the management of on street parking on behalf of the Municipality of Bologna. As a result an additional 2 members of staff will be appointed. This illustrates the flexibility and ability to respond to additional opportunities which is offered by the Agency approach to PTA delivery in small and medium cities.

Proposal for a medium sized city PTA: Brasov, Romania

The Brasov Metropolitan Area PTA has been established as a reaction to the highly unregulated manner in which transport services are provided in the Brasov City Region (aprox 450 000 inhabitants in a relatively compact area). The PTA has been developed during the EPTA project and it has gained from European best practices identified both within and outside the EPTA partnership.

The PTA for the Brasov Metropolitan Area is basically an NGO agency of local public bodies. This structure is in line with the Romanian legislative framework and it allows, for the first time, for small communities local authorities to be involved in organizing the public transport system in and around their local community.

A newly formed Association for the Sustainable Development of Public Transport Brasov was established in 2013 and comprises of the 15 communities in the metropolitan area together with the Brasov Metropolitan Agency PTA. This association will take strategic decisions on policy/regulation and planning.

The initial approach is for the Brasov PTA to tackle a limited set of functions such as tendering / awarding and control with inputs to planning and regulation through the Association for the Sustainable Development of Public Transport Brasov. Other functions will be integrated in the PTA model as the organisation grows and a favourable local critical mass is in place.

The permanent staffing structure for the PTA must be small (4-8 full-time employees). Different specialists can be hired temporarily for specific tasks when necessary.

Given the reduced staff structure, a large part of the responsibility for monitoring of the service contracts is to be transferred to the selected operators. The PTA will establish procedures for monitoring and verify compliance as well as collect monitoring process data. To compensate for the small human resource employed by the PTA it is desirable, where possible, to use ICT technology especially for service monitoring purposes.

The annual budget for the proposed PTA is around 157 000 Euro, but a minimal budget would allow functioning of the PTA with only 100 000 Euro/year.

6. CONCLUSIONS

This report draws on all the activities within the EPTA project and represents the capitalisation of the project experiences on the creation of pre-conditions for an effective establishment and management of a PTA in small to medium sized urban areas. The aim is to transfer the most relevant EPTA results to policy decision makers and stakeholders. This report acts a tool used both as a strategic guide on a PTA MODEL and as a practical guide with concrete suggestions for PTAs setting up and /or management.

Guidelines for PTA functions

While user needs remain at the centre of the actions of the PTA, the level of functionality provided by metropolitan PTAs would not be suitable nor possible for a PTA in a small or medium sized urban area. Figure 4.1 presents the model for a PTA in small and medium sized urban areas. The main elements of this model are:

1) The contract design and award is key to PTAs of any size.
2) Thereafter the primary focus of the PTA is to provide approval and supervision of services and to facilitate/enforce integration between operators, modes and sectors.
3) Delegation to operator of resource intensive daily activity (service delivery, monitoring and promotion)
4) The focus on a more limited set of functions (in comparison to Metropolitan PTAs) allows more expertise in these functions to be developed by PTA staff ensuring effective control of performance of the contract of transportation services to high quality standards.
5) Many of the risks of providing services and resources required for service data collection and promoting services are borne by the operators.
6) Integration should remain a core element of PTA activity in small and medium cities
7) Local needs and concerns to be more strongly represented in the policy and planning process through formation of a policy and strategic planning committee - enabling formal inputs from PTA and local stakeholders to planning and regulation/policy decisions.

Guidelines for PTA structure

The most cost effective PTA structure for small and medium sized cities appears to be that of a decentralised agency which is contracted /commissioned by the regional or national government.

The PTA can operate as an independent organisation with the following advantages:

➤ local financing and funding becomes possible,
➤ the cost of PTA provision can be relatively modest since the staffing levels are much lower than those required for a large city PTA where involvement in service design, monitoring and promotion is generally much greater.
➤ the agency approach also allows for flexibility in staffing when required as it is easier to appoint additional staff on a temporary or short term basis than if a relatively small municipality were to appoint staff directly.
➤ formation of a Policy and Strategic Planning committee removes the need for the PTA to have a top heavy management structure - locally elected politicians can sit on the committee rather than on a PTA board of directors.

The result is a very lightweight staffing structure whilst remaining responsive to peaks in activity/workloads. This provides a low cost solution to forming a PTA - essential in small/medium sized cities.

EPTA (European model for Public Transport Authority as a key factor leading to transport sustainability) is a European Territorial Cooperation project funded under the INTERREG IVC EU Programme lasting from January 2012 to June 2014.