

TRANSPORT COMMITTEE

**MEETING TO BE HELD AT 1.00 PM ON FRIDAY, 27 MAY 2022
IN WELLINGTON HOUSE, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
 1. To highlight Agenda Item 8 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
 2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out Agenda Item 8.
 3. If the recommendation is accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Agenda Item 8 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 4. MINUTES OF THE MEETING OF THE TRANSPORT COMMITTEE HELD ON 4 MARCH 2022**
(Pages 1 - 8)

- 5. BUS SERVICE IMPROVEMENT PLAN**
(Pages 9 - 32)
- 6. THE STATE OF THE BUS NETWORK**
(Pages 33 - 46)
- 7. BUS REFORM ASSESSMENT**
(Pages 47 - 54)
- 8. LOCAL ELECTRIC VEHICLE INFRASTRUCTURE PILOT BID**
(Pages 55 - 64)
- 9. SUMMARY OF TRANSPORT SCHEMES**
(Pages 65 - 70)

Signed:

A handwritten signature in black ink, consisting of the letters 'BGM' in a stylized, cursive font, with a horizontal line underneath.

**Managing Director
West Yorkshire Combined Authority**



MINUTES OF THE MEETING OF THE TRANSPORT COMMITTEE HELD ON FRIDAY, 4 MARCH 2022 AT WELLINGTON HOUSE

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Kim Groves	Leeds City Council
Councillor Manisha Kaushik	Kirklees
Councillor Martyn Bolt (Leader of the Opposition)	Kirklees Council
Councillor Neil Buckley	Leeds City Council
Councillor Colin Campbell	Leeds City Council
Councillor Suhail Choudhry	Bradford Council
Councillor Allan Garbutt	Wakefield Council
Councillor James Homewood	Kirklees Council
Councillor Rizwana Jamil	Bradford Council
Councillor Charlie Keith	Wakefield Council
Councillor Naveed Riaz	Bradford Council
Councillor Taj Salam	Bradford Council
Councillor Daniel Sutherland	Calderdale Council

In attendance:

Councillor Eric Firth	Kirklees Council
Councillor Helen Hayden	Leeds City Council
Councillor Matthew Morley	Wakefield Council
Councillor Alex Ross-Shaw	Bradford Council
Councillor Jane Scullion	Calderdale Council
Dave Pearson	West Yorkshire Combined Authority
Helen Ellerton	West Yorkshire Combined Authority
Dominic Martin	West Yorkshire Combined Authority

49. Chair's Update

The Chair welcomed everyone to the first meeting to take place in the newly refurbished Wellington House.

It was noted that this would be the last meeting where Councillor Groves would be in attendance as a member of the Committee, as she would be standing down at the upcoming elections. The Chair thanked Councillor Groves for her invaluable contribution in supporting transport in the region throughout her time on the Committee.

50. Apologies for absence

Apologies were received from Cllr Thornber, Cllr Cunningham, Cllr D'Agorne, and Mark Roberts.

51. Declarations of disclosable pecuniary interests

Cllr Salam noted his employment with a bus operator, though this had been disclosed and recorded prior to the meeting.

52. Exempt information - possible exclusion of the press and public

There were no items that required the exclusion of the press and public.

53. Minutes of the meeting of the Transport Committee held on 5 November 2021

Resolved: That the minutes of the Transport Committee meeting of 5 November 2021 be approved.

54. Notes of the informal meeting of Members of the Transport Committee held on 7 January 2022

Resolved: That the notes of the informal Transport Committee meeting of 7 January 2022 be noted.

55. Transport Network Update

The Transport Committee received an update on the current performance of the transport network in West Yorkshire, including an overview of the Combined Authority's activity and responses. It was noted that there had been further changes to the current situation since the report had been published.

Members discussed the impact of bus service reductions, particularly in Wakefield and Kirklees, arising from staff shortages. Similar reductions to rail services were also raised, with the Huddersfield to Castleford service in particular being highlighted. It was noted that these reductions, along with increased levels of timetable changes and route alterations, risked damage to the customer base in the long-term, as early experiences of the bus service being confusing or unreliable could lead to people avoiding public transport in the future. However, the Combined Authority had intervened to maintain links on a number of routes, particularly in Wakefield, and it was hoped that the work being done as part of the Bus Service Improvement Plan (BSIP) process, including the path to potentially franchising the service, would lead to a stronger and more reliable service in the longer-term.

Concern was also expressed for rural areas in particular, which had previously needed to be subsidised and on a number of routes had always had limited services of one bus per hour. There was a need not only to recover from the effects of the pandemic but to expand the service, but it was noted that the patronage was not present for many of these routes to be profitable under the standard model, and a new network model would be needed to make rural

routes a sustainable part of the bus service.

Members also noted that although the report referred to replacement bus services, these were not a like for like replacement for rail journeys, as bikes could not be carried onto a bus.

Resolved: That the Transport Committee note the updates on the current performance of the public transport network provided in the submitted report.

56. Bus Service Funding

The Transport Committee received an update on the current position regarding bus service funding and on the bus transport related cost pressures faced by the Combined Authority in 2022/23.

It was reported that although the Bus Recovery Grant making up the shortfall to the bus service caused by the pandemic had been due to come to an end on April 5 2022, this funding would now be extended until the end of October, although the mechanism would now be weighted to take into account the current patronage and revenue, with the Combined Authority weighting its own payment of concessionary fares in a similar manner. The extension of this funding was welcomed by Members, but it was felt that this still a short-term approach which left a great deal of uncertainty regarding funding after October, and that this pushed bus operators into taking a more reactive role, particularly in terms of service reductions. Discussions with operators were underway to try to limit the amount of these reductions and to increase patronage, but Members raised concerns regarding the impact of inflation, as well as international events which may impact on fuel costs, though it was noted that operators being locked into contracts may mitigate temporary increases in the cost of fuel.

Members questioned how much funding bus operators had been granted. A figure of £180 million had been publicised but officers advised that some of the funding was given directly to bus operators relating to their own revenue claims and this left the exact figure unclear, but the Combined Authority had requested more transparency regarding this in its conversations with operators. However, Members noted that this seemed an unrealistic figure for preventing upcoming issues regarding the viability of an expanded bus service rather than simply deferring those issues. It was agreed that it would be vital to lobby Government for more sustainable funding going forward, and to work with the Mayor to draft a letter pursuing this.

The region was noted to be in a better position than many others regarding the recovery of bus patronage, with a particularly strong showing among under-19s, and Members praised initiatives such as the £1 evening fare. The Mayor's efforts to raise the importance of hiring more drivers were also praised, but it was noted that the shortage was still ongoing, and that it would be vital to make the industry one an attractive one for people to remain in.

In light of the uncertainty regarding future funding, it was questioned whether bus operators had provided a list of services at risk of being cut. Officers advised that an independent review was being undertaken regarding this to

gather more detail beyond what operators had already shared. The delivery of approximately 90 remaining eco-friendly buses to the region was also raised, though no update was available on this.

Resolved: That the Transport Committee notes the current position regarding bus funding.

57. BSIP/Enhanced Partnership

The Transport Committee received an update on the next steps of the Bus Service Improvement Plan and Bus Enhanced Partnership.

The Combined Authority was still awaiting notification of an indicative amount of BSIP funding to be awarded. Once this had been received, a business case outline would be composed and submitted to Government, before notification of the final amount of funding would be given. Members noted that the total pot of funding available had fallen since initial announcements, and it was now believed it would be unlikely the £168 million of revenue funding being sought would be awarded. However, the challenges present also created opportunities; rising petrol prices would encourage people to consider alternatives to private car usage, and delivering a reliable and dependable service through the BSIP would support modal shift and grow a larger customer base.

Members requested clarification regarding the lack of buses for Calderdale and Kirklees within the Zero Emissions Bus Regional Area (ZEBRA) bid. It was explained that the Combined Authority had coordinated bids to achieve the best result for all districts, and to compensate for the disparity within the ZEBRA bid Calderdale and Kirklees were being supported by a separate £4 million pot of funding for electric bus services, funded by the Combined Authority.

It was also questioned how the figures noted in the report regarding specific numbers of buses were decided upon. Officers advised that these were the buses that operators were willing to buy with the top-up money available.

Resolved: That Transport Committee notes the update on the Bus Service Improvement Plan and Enhanced Partnership development.

58. Rail Strategy

The Transport Committee received an update on the ongoing work on the Combined Authority's Rail Strategy, in the light of the Authority's response to two recent calls for evidence from the UK Parliament Transport Select Committee: Integrated Rail Plan (IRP); and the Great British Railways Transition Team: Whole Industry Strategic Plan (WISP).

The Transport Select Committee had visited the region in the week prior to the meeting, and had discussed levelling up through the IRP and wider connectivity for the region. It was hoped that these discussions would support efforts to challenge some elements of the IRP. The release of the Combined Authority's Rail Strategy was being delayed to focus on the response to the

IRP, with a working plan due to be released toward the end of April. A Combined Authority-TransPennine Route Upgrade briefing session was also due to take place in the week following the meeting.

The importance of North-South links, including the Penistone line, was highlighted by Members, with strong benefits potentially available from links through Sheffield to Birmingham and beyond. It was also noted that as with buses, an unreliable service would lead to a loss of customers in the long-term. Enhancing the current service would be a significant challenge, however.

Members discussed the potential for a second Leeds rail station in the light of the cancellation of HS2, given the large developments currently ongoing. It was noted that there was some debate as to whether HS2 was fully off of the table, and the Government still requested that the Combined Authority hold on to the land which had been earmarked for HS2. However, it was felt that track studies would need to be completed before potential sites for a second station could be usefully discussed, if it were determined that one was needed.

Resolved: That Transport Committee:

- a) note the update on the development of the Rail Strategy.
- b) note the following submitted Call for Evidence responses and the implications these have to the development of the Rail Strategy:
 - UK Parliament Transport Committee: Integrated Rail Plan Inquiry Call for Evidence response, at Appendix 1 of the submitted report;
 - Great British Railways Transition Team Whole Industry Strategic Plan Call for Evidence response, at Appendix 4 of the submitted report.

59. Connectivity, Shared Transport and Mass Transit Update

The Transport Committee received an update on the development of the City Region Sustainable Transport Settlement (CRSTS) submission to Government, the Connectivity and Shared Transport Strategies and Mass Transit.

It was noted that since the publication of the papers, timelines had changed slightly, and the Connectivity and Shared Transport Strategy and Mass Transit submissions discussed in the report would not be submitted to the Combined Authority later in the month, but would be held back until a future meeting in order to make some adjustments and ensure all engagement was reflected.

Members questioned how bus operators would interact with a potential mass transit system. The importance of all modes of transportation working together to create a system that prioritised the end user was strongly emphasised. Conversations were already underway with bus operators regarding this, and it was noted that space existed for them to be a key part of any solution, with bus operators in many countries running tram systems, for example.

The shortage of facilities for HGV drivers was also raised, following on from discussion at a previous meeting. It was requested that officers update Members with further information regarding the status of the £52 million of funding which had been set aside for roadside facilities, and whether bidding was 'live' for this.

The report's mention of a gender neutral transport network was discussed. It was clarified that this referred to creating an accessible bus network that was safe for all users, and took account into the different kinds of journeys undertaken by different groups, including variances between men and women. In a similar vein, Members discussed the need for operators to consider how to attract more female drivers to mitigate current shortages, and it was hoped that recent efforts towards more flexible working arrangements would help in this regard.

It was clarified that a significant portion of the CRSTS funding had already been announced as part of the Transforming Cities Fund, and that roughly £400-500 million was 'new' money.

Resolved: That the Transport Committee has discussed the Connectivity Infrastructure Plan and West Yorkshire Shared Transport Strategy as part of the wider West Yorkshire Transport Plan suite of documents and recommends it for discussion at the Combined Authority (for their approval).

60. Transport Committee Review

The Transport Committee received an update on the Transport Committee Review following the Combined Authority meeting on 3 February, including the proposed next steps.

Members were thanked for their contributions to the process of the Transport Committee Review, and it was noted that the changes would strengthen links with local communities, particularly by ensuring each district's transport portfolio holders were voting Members. The Committee would also take responsibility for approving relevant capital schemes going forward; this would be vital as the Combined Authority began to deliver a greater number of projects going forward due to the opportunities devolution had provided.

Some concerns were expressed about changes noted in the report to the District Consultation Sub-Committees (DCSCs), as Members were keen to ensure the valuable feedback being gained from the current format of meetings was not lost. However, it was advised that the aim of the changes was to create a more flexible format and to adjust the scope to allow a wider engagement, as well as freeing officer resources. It was suggested that a meeting with DCSC Chairs be arranged prior to the elections, to gather feedback and model a potential set-up for the DCSCs going forward.

An Independent Remuneration Panel was currently forming a recommendation for allowances going forward. Once this was completed, the Transport Committee Review would be considered for approval at the Combined Authority meeting in March, to be implemented in the 2022-2023 municipal year

Resolved:

- a) That Transport Committee notes the update on the Transport Committee Review, including the proposals agreed in principle by the Combined Authority.
- b) That members of the Committee have used the opportunity to provide any final feedback to the Chair and/or Lead Director before the review is finalised.

61. LCR Transport Update

The Transport Committee received an update on current issues not covered elsewhere on the agenda.

Members discussed freight and logistics strategy in light of the Transport for the North consultation mentioned in the report, and an update was requested that included the potential for using canals for freight. It was noted that the Combined Authority currently lacked the capacity to undertake a detailed exploration of freight, but that information from the rollout of freeports and other areas' experiences with freights would be studied.

Members also noted that Chris Boardman had been appointed as the first Active Travel Commissioner for England, and agreed to draft a letter with the Mayor congratulating him on his appointment and inviting him to a future meeting of the Committee.

It was also requested that the Combined Authority take an active approach in informing the region's residents of recent changes to the Highway Code, following the example of Calderdale Council, which had used a variety of methods such as advertisements on buses.

Resolved: That the Transport Committee notes the updates provided in the submitted report.

62. Summary of Transport Schemes

The Transport Committee considered a report informing them of transport-related project approvals from the most recent meetings of the Combined Authority, the Finance, Resources and Corporate Committee, and the Place, Regeneration and Housing Committee.

Resolved: That the report be noted.

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Report to: Transport Committee

Date: 27th May 2022

Subject: **Bus Service Improvement Plan**

Director: Dave Pearson, Director, Transport and Property Services

Author: Thomas Lock, Policy Officer

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 The purpose of this report is to provide Transport Committee with an update on the Bus Service Improvement Plan and the required next steps for the West Yorkshire Bus Alliance and the Enhanced partnership.

2. Information

Bus Service Improvement Plan – funding award

Background

- 2.1 The Combined Authority submitted its Bus Service Improvement Plan (BSIP) to the Department for Transport (DfT) in October 2021. The development of the BSIP – which sets out our ambitious vision and plan for improving local bus services – was a requirement of the ‘Bus Back Better: The National Bus Strategy for England’ (2021).
- 2.2 The National Bus Strategy also required local authorities to develop an Enhanced Partnership (EP) with local operators or a Franchising scheme to be eligible for future government funding support for local bus services including from a dedicated funding pot to support delivery of BSIPs. The Enhanced Partnership, which is managed by the West Yorkshire Bus Alliance, was established in April 2022.

- 2.3 The West Yorkshire BSIP set out a plan of interventions across five key delivery areas, which work towards:
- **An enhanced, fully inclusive and more cohesive bus network** – which takes people where they need to go, when they need to go.
 - **Clear and simple fares** – to make paying for bus travel more affordable, easier, convenient and flexible.
 - **Improved, more inclusive customer service and support** – so passengers have the tools to travel with confidence and help they need if their journey does not go to plan.
 - **Priority for buses on our road** – so journeys by bus are quicker, with less time spent stuck in traffic, and are a viable alternative to the private car.
 - **More green and better vehicles** – to improve the onboard experience and make bus the sustainable choice for travel in West Yorkshire.

- 2.4 The BSIP Executive Summary is shared as a background document to this report.

Indicative Bus Service Improvement Plan funding award

- 2.5 In April 2022, the Combined Authority received confirmation from the DfT that based on the strength of its BSIP, it had successfully been awarded an indicative settlement of £69,974,070 revenue funding over three financial years (2022/23, 2023/24, 2024/25) to support delivery. The full letter is included in Appendix 1 of this report.
- 2.6 Although this award is one of the highest received by any local authority in England, it does fall significantly short of the West Yorkshire BSIP's original associated funding ask of £399,622,000 (£168,780,000 revenue and £230,842,000 capital) over five financial years.
- 2.7 Nevertheless, the Combined Authority propose to prioritise this funding to subsidise fares (driving down the cost of single journey and day tickets / the 'daily cap') and invest in new routes and enhanced services, radically improving the local bus network and delivering significant improvements for local passengers.
- 2.8 The headline fare reductions were announced publicly by the Mayor in early May and build on the original proposition set out in the BSIP seeking to cap single fares at £2.00 and the WY Day Saver ticket (the maximum price anyone should pay for a day's bus travel in the region) at £4.50. The fare setting process, wider ticket range and subsidy methodology will be prescribed within the Enhanced Partnership scheme following detailed discussions with bus companies and the West Yorkshire Ticketing Company. The maximum fares will be reviewed each year based upon inflation indices.
- 2.9 Investment in the network will aim to reconnect communities, particularly in towns and villages, left isolated by service changes and cuts made over recent years. There will also be a focus on better connections to work, education,

health and leisure opportunities across the region rather than just supporting travel in and out of major urban centres. The details of this network plan will be developed over the coming months (as explained under Item 8).

- 2.10 Other prioritised investments include improvements to network travel information, shared training for all customer facing staff, initiatives to support safer travel, and marketing and communications to promote and maximise the benefits / passenger uptake of these BSIP interventions.
- 2.11 A summary of this proposed spend, as submitted to DfT on the 3rd May 2022 for further discussion, is included in Table 1 below.

Table 1: Summary of proposed BSIP revenue funding spend

Outcome	Total revenue spend - 3 years (£000m)
Clear and simple fares	34,000 (49%)
• Fare reduction / simplification	24,500
• Additional fare incentives	9,000
• Mobility Credits and targeted marketing	500
An enhanced bus network	25,350 (36%)
• New and improved services + service reinstatements	13,500
• Superbus – town network enhancements	10,600
• Demand Responsive Transport pilots	1,000
• Mobility Hubs	250
Improved customer service and information	4,350 (6%)
• Management of network disruptions	450
• Extension of the Travel Plan Network	500
• Shared training for all customer-facing staff + mystery shopper	2,400
• Enhanced Safer Travel Campaign	1,000
Behaviour change, targeted and general marketing campaigns	1,000 (2%)
Internal resource and capacity	5,000 (7%)

- 2.12 Capital funding from the Combined Authority's City Region Sustainable Transport Settlement (CRSTS) is also expected to support delivery of the BSIP, including:
- More bus priority schemes
 - New zero emission buses
 - Integration initiatives including the technical onboard infrastructure for contactless capping, Mobility Hubs and Demand Responsive Transport schemes.
- 2.13 These investments will be made against the backdrop of significant challenges for the local bus system including ongoing suppressed patronage as result of the Covid-19 pandemic, cost inflation (both to operate services and, more generally, rising living costs which are impacting passengers spending power), driver shortages and, finally, the resultant commercial service withdrawals. These issues and the Combined Authority's response to them are covered in more detail under Item 8.
- 2.14 Furthermore, the time-limited nature of the BSIP funding (3 financial years) means the Combined Authority must be focussed on supporting the commercial sustainability of these initiatives beyond that period to avoid sudden fare increases and service withdrawals in the future.

Next steps for the West Yorkshire Bus Alliance / Enhanced Partnership

- 2.15 The DfT require the Combined Authority to submit by 30th June 2022 a final funding summary table as well as a draft Enhanced Partnership Scheme, which explains how the West Yorkshire Bus Alliance will work together to implement the relevant interventions.
- 2.16 The Enhanced Partnership will therefore be the mechanism through which the Combined Authority will seeks to negotiate the subsidy of single fares to a maximum of £2.00. Operators have engaged in positive discussions regarding fare subsidies to date, but this still has to be formally agreed.
- 2.17 This paper seeks endorsement from Transport Committee of this approach, including the proposed funding priorities, with sign off on the final submission to be provided by the Combined Authority at its committee meeting on 23rd June.
- 2.18 From July, the DfT is then expected to review the documents, provide feedback and agree it meets their expectations before final confirmation of the funding settlement.
- 2.19 The Combined Authority expects to receive the funding and begin delivery of the associated initiatives from the Autumn onwards.

Engaging the public – 'The Big Bus Chat'

- 2.20 The Combined Authority is proposing to conduct a public engagement exercise starting in June 2022 to understand current, post-pandemic attitudes

to bus travel and how far the existing iteration of the BSIP goes to meeting their ambitions for the system.

- 2.21 It is proposed that the engagement will focus primarily on the BSIP themes of the bus network, fares and ticketing, customer service and information, air quality and decarbonisation, bus priority and general attitudes to bus travel
- 2.22 Feedback from this engagement will be used to inform the next version of the BSIP, which is due its annual update in October 2022, as well as be used as an input to the Bus Reform Assessment.
- 2.23 A key aim of the engagement will be to communicate with non or infrequent bus user and seldom heard community groups in order to ensure the views gained are truly reflective of the region's diverse population and provide useful insight into how more people can be encouraged to travel by bus.
- 2.24 It is proposed to begin the engagement in mid-June for approximately six weeks, with key activities including a survey, utilisation of YourVoice and social media to record views, A Q&A webinar with industry leaders, in-person events at bus stations and other non-transport related venues, #TellTracy events led by the Mayor to engage with community groups, Partnership activity with operators to promote passenger and driver involvement, communication activity to raise public awareness.
- 2.25 Participants will also be invited to share their contacts for involvement in future consultation and engagement activity as our plans for transforming local buses continue develop.

Free Bus Sunday 5 June 2022

- 2.26 To encourage passengers back to the bus and to celebrate The Queen's Platinum Jubilee, the Mayor has announced that bus travel in West Yorkshire will be free for everyone on Sunday 5 June. All operators with services in West Yorkshire are supporting the day, including major operators Arriva, First and Transdev. No special ticket will be required – passengers simply need to board the bus and make as many trips as they like within West Yorkshire for free.

3. Tackling the Climate Emergency Implications

- 3.1 A key aim of the West Yorkshire Bus Service Improvement Plan is to support the decarbonisation of the local bus network, including delivery of a carbon-zero bus fleet by 2036, as well as encourage more travel by bus and other sustainable modes in order to tackle the climate emergency.

4. Inclusive Growth Implications

- 4.1 Key aims of the West Yorkshire Bus Service Improvement Plan are create a more inclusive, accessible bus service and to better connect communities,

particularly those area of high deprivation, in order to support the region's inclusive growth ambitions.

5. Equality and Diversity Implications

- 5.1 Supporting Equality and Diversity through ensuring the bus service is attractive, inclusive and accessible for all is a key aim of the West Yorkshire Bus Service Improvement Plan.
- 5.2 The planned public engagement will also prioritise engaging with seldom heard groups and, where possible, obtaining data on protected characteristics from participants, in order to strengthen the insights it provides to support Equality and Diversity.
- 5.3 An Equality Impact Assessment has been completed and will be reviewed regularly throughout the programme's delivery.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report, but subject to agreement from the DfT, the Combined Authority will receive £69,974,070 in total in revenue funding over the next three years from 2022/2023 to support delivery of its Bus Service Improvement Plan.
- 6.2 The cost of Free Bus Sunday is jointly borne by the Combined Authority and bus companies.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Transport Committee approves the approach to the spend of the BSIP funding.
- 10.2 That the Transport Committee endorses the intention to seek agreement with operators to deliver these initiatives through the Enhanced Partnership in preparation for submission in draft to the DfT on the 30th June 2022.
- 10.3 That the Transport Committee endorses the approach to public engagement to support next steps in development and delivery of the BSIP.

11. Background Documents

BSIP Executive Summary

12. Appendices

Appendix 1 – BSIP funding award letter

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Department
for Transport

Stephen Fidler OBE FCIHT
CO-DIRECTOR: LOCAL TRANSPORT
DEPARTMENT FOR TRANSPORT

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LONDON
SW1P 4DR

Web Site: www.dft.gov.uk

4 April 2022

Transport Director
West Yorkshire Combined Authority

[by email]

Dear Transport Director,

BSIP: Indicative funding allocation for West Yorkshire Combined Authority

Thank you for your recent engagement with us on your Bus Service Improvement Plan (BSIP). We appreciate the time and effort you and your local bus operators have put into development of your plans.

We are pleased to offer you an indicative funding allocation of up to **£69,974,070 (revenue)** to commence delivery of your BSIP. This is total funding from 2022/23 to 2024/25.

This letter does not constitute a formal or binding grant offer. Funding confirmation will be conditional on your submission and implementation of a transformational Enhanced Partnership (EP) which includes firmer and more detailed commitments, from the Local Transport Authority (and any other relevant local authorities) and local bus operators, to deliver a package of prioritised and ambitious improvements to bus services, in line with:

- i. your BSIP;
- ii. the Department's previous feedback on it and commitments made in and after clarification emails; and
- iii. the guidance provided with this email, such as the prioritisation of bus priority schemes (where relevant) and high profile and impactful interventions that reduce and simplify fares.

Whilst we appreciate that it has taken some time to provide this indicative funding allocation, Ministers remain keen to progress quickly with implementing BSIPs. They wish to ensure that, if at all possible, that funding is confirmed and EPs are in place in sufficient time to inform final decisions on service levels once recovery funding ends from October. Our planned next steps are:

- a) By **Monday 2 May** please can you complete the summary table at Annex 4, setting out how you intend to use this funding allocation - showing your prioritised interventions, delivery timelines and costs in a standard format and

with as much detail as possible of how it will be reflected in your EP. Ultimately, we will expect final summary tables to be published alongside your EP. We recognise that it may be challenging for some authorities to secure formal agreement to this update given timescales and forthcoming elections. Its purpose is to provide us with an early sense check of how your EP is developing and allow us to support you in meeting our criteria to receive finalised funding allocations. We will need to receive an update from all LTAs, which we will aim to discuss with you during May and provide further feedback. Please indicate if your update does not have formal or political approval, which we will recognise in our engagement with you. This update supersedes our earlier request for a draft Enhanced Partnership (or variation) by the end of April.

- b) As soon as possible, and **by the end of June**, please provide:
- an updated summary table, incorporating the feedback we are aiming to provide in May;
 - a draft EP (or variation to an existing EP) which shows how relevant aspects of the BSIP will be implemented. This does not need to have completed the statutory process for operator objections but should be accompanied by letters of support from sufficient operators to demonstrate that it is likely to be supported at that stage;
 - a separate document which sets out how any commitments which would not be implemented through or included in detail in an EP (such as the tendering of additional services or new DRT schemes) have been selected and will be delivered - with clear outcomes, outputs, milestones and costs; and
 - confirmation from your section 151 officer that they consider that the funding represents value for money (vfm) and that they will continue to monitor this and comply with our vfm reporting and approval requirements.
- c) We will review your draft EP and either provide further feedback, to be incorporated before we can provide funding, on it or agree that it meets our expectations and the criteria set out above, and confirm your funding allocations. If further feedback is provided you will have an opportunity to strengthen your EP before any amendment or withdrawal of your funding allocation.
- d) If and when funding has been confirmed, you should proceed to make your EP (or variation).

The following annexes set out more detail about the next steps and our requirements:

- **Annex 1** sets out detail of what the Department expects of Enhanced Partnerships, and by when, in order to confirm and release funding.

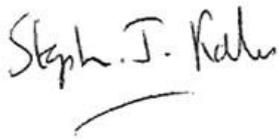
- **Annex 2** provides guidance on the Department's investment priorities and exclusions. We recognise that you may face difficult choices on how to prioritise funding within the indicative allocation. In particular, this annex sets out that we expect the vast majority of your allocation to be spent on ambitious and eye-catching initiatives to reduce and simplify fares, and increased service frequencies and new or expanded routes.
- **Annex 3** summarises the basis on which grant funding will be provided, including our expectations on our value for money, branding, and the Public Sector Equality Duty.
- **Annex 4** contains the summary table to be completed.

We will finalise funding profiles with you before funding is confirmed. As far as possible, please shape your plans around the broad national funding shown in the table at Annex 4.

Do not hesitate to contact us with any queries by emailing BSIP@dft.gov.uk.

We look forward to working with you.

Yours sincerely,

A handwritten signature in black ink that reads "Steph. J. Fidler". The signature is written in a cursive style with a horizontal line underneath the name.

Stephen Fidler

Annex 1 - Requirements for those delivering BSIP outcomes via an enhanced partnership

Required content for the draft EP to be submitted to DfT by the end of May 2022.

It is important that the draft EP that you submit to us captures as much detail on how you will deliver BSIP outcomes as possible. There are two elements of this:

EP Plan content

The EP plan is a high-level strategic document that sets the bus network in the EP area into context. Further information on the role of the EP Plan is at paragraphs 3.3-3.4 of the EP Guidance to be found at:

[The bus services act 2017: enhanced partnerships \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101212/BSIP-Enhanced-Partnerships-Guidance-2017.pdf)

And

[National Bus Strategy. Creating an Enhanced Partnership: example format and structure \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101212/BSIP-Enhanced-Partnerships-Guidance-2017.pdf)

As explained in the published BSIP guidance and EP template, the EP Plan should draw heavily on the published BSIP – updated to reflect the latest circumstances, anticipated future network requirements reflecting post-pandemic demand and the development of your proposals following feedback from the Department and funding allocation. In addition to the statutory requirements on content for all EP plans (as set out paragraph 3.4 of the EP Guidance), we expect all EP plans to include content covered in the following sections of the published BSIP template at Annex B of the published BSIP guidance:

Section 1 – Overview

This will not include (referring back to paragraph 3.4 of the EP guidance) the information at bullets 3 and 4, but should include the information referred to at bullets 1 and 2 – i.e. Name of LTA(s) that the BSIP covers (also setting out whether the BSIP covers a single LTA or more than one and the justification for that decision) and a map showing geographical area(s).

Section 2 – Current Bus Offer to Passengers

Section 3 – Headline targets

EP Scheme content

The EP mechanism allows local transport authorities (LTAs) to include specific commitments on how BSIP outcomes will be delivered ‘on the ground’ using:

(a) the funding allocation outlined in this letter; and

(b) other funding that individual LTAs will invest in buses. This should include commitments on funding levels for tendered services and any DRT (which may

support overall patronage), concessionary fares budgets and staff resources devoted to bus issues within the authority or which support the Enhanced Partnership more widely. Other relevant funding (e.g. through block grant funding or funding from s.106 agreement) should also be included.

Commitments without significant costs – such as to parking charges or other policies should also be included.

These commitments are recorded in the EP Scheme (not the EP Plan) and the published EP template sets out what the statutory content must cover. We expect all draft EP schemes submitted to DfT to include content as set out in the following sections of the EP template:

Section 3 – Obligations on the local authorities

This is a very important section of the draft EP scheme that we will scrutinise closely because it contains details on how you will support buses in your area. It should include all existing activity to support bus services (including bus lanes, Key Route Networks, funding etc) and set out clearly what improvements will be delivered and by when. It will need to reflect any prioritisation choices made as a result of the funding available and relevant commitments made in the BSIP, clarification meetings with the Department, the Department's feedback on your BSIP and your response to it. It should cover all enhancements whatever the funding source (including for example planned investment through the City Region Sustainable Transport Settlements or Levelling Up Fund where relevant). All commitments should be specific and have clear timescales for delivery.

Each commitment included in the draft EP scheme needs to be either:

Facilities – These are new physical assets or changes to them that are provided at specific locations within the scheme area. This is particularly relevant to bus priority measures – where we expect to see all existing and proposed new bus priority included in the EP scheme however it is funded – but will also cover other physical enhancements such as improvements to bus stops or information displays. We expect to see all significant facilities that the LTA provides to support bus services re-committed to in the scheme.

Measures – an LTA can also include in an EP anything that is within its powers – either statutory or otherwise – to deliver the BSIP. There is deliberately no definition of what a 'measure' is, so there is total flexibility for LTAs and operators to agree what LTA commitments to include as 'measures' to deliver BSIP outcomes and meet the requirements of the Strategy. The only requirement is that 'measures' must be for the purpose of:

- increasing the use of local services serving the routes to which the measures relate or ending or reducing a decline in their use; or
- improving the quality of local services.

Examples of measures include:

- Better information provision (eg a centralised website or app)

- Funding for discounted fares (and how it will operate on a fair and equitable basis – either directly or via reference to a supporting document)
- Reviews of parking policies or cost of council parking,
- Enforcement action on bus lanes
- Management of a Key Route Network (whether new or existing) are all examples of measures that could be included in an EP.
- Commitment to promote eligibility for the concessionary bus pass and/or contact those who are eligible to receive it.

This section should also include any steps the authority needs to take to implement the Passenger Charter in the BSIP.

We would expect all EPs to contain as a measure:

- Significant bus priority (unless there is demonstrably no need for it) which includes bus lanes wherever there is a congestion problem and physical space to install them
- Funding for impactful reductions and/or simplification of multi-operator fares
- Commitments to work with operators to promote concessionary bus travel and to proactively inform local residents when the authority becomes aware that they are eligible for such a concession.
- Commitments to overall funding that the authority will provide for buses, from all sources, in each financial year of this funding. This should demonstrate that the indicative funding provided is additional to previously planned 2022/23 bus funding levels and that base funding for buses is not reduced.

Further information on how these mechanisms work is at paragraphs 3.29-3.33 of the EP Guidance document.

Section 4 – Obligations on bus operators

This section should set out clearly the reciprocal actions that operators will take under the EP and BSIP. It should include commitments that are both made voluntarily or through savings generated or as a result of funding committed to in the measures section of the scheme (for example on fares).

Examples of potential obligations include:

- Impactful changes to fares levels and structures – such as discounted, capped or zonal multi-operator fares (including to no or limited premium to the price of multi-operator tickets).
- Commitments to promote and offer multi-operator tickets
- Commitments to publish information about other operators' services or to not publish operator-specific timetable or other information
- Branding of buses, websites etc
- Provision of CCTV
- Provision of Audio-Visual Information
- Driver training (including on disability awareness)
- Commitment to the Passenger Charter and actions within it

- Frequency of timetable changes
- Provision of information to the LTA
- Advertising and marketing commitments

We expect that wherever the Department is funding bus priority measures (through this funding or other sources), any operating expenditure savings resulting from that new bus priority should be reinvested by the bus operators that benefit from them in other BSIP commitments. This should be written into the EP scheme as part of the obligations on bus operators.

We also expect to see commitments in EPs that either bus operators will include all services within their operating area (regardless of who provides them) on their timetables and websites, or that there will be a single set of multi-operator information available across all operators. This is so that passengers do not need to consult multiple sources to find out about all the bus services they may wish to use or mistakenly believe there are fewer services than actually operate.

The obligations in the EP will apply to all registered local bus services in the area. So the authority should take care to include exemptions for any services they do not intend to include – such as sightseeing tours, long distance coaches registered as local buses or charity events with historic vehicles (that operate for hire or reward and also fall within the definition of a ‘local service’).

Level of detail in the EP scheme

The ultimate goal is that the EP scheme is very specific with full details of all measures and obligations. For example, it would specify exactly what bus priority will be provided by in what form and where as a measure and the operators would make explicit commits on the obligations that would fund.

However, the funding offered in this letter is only indicative at this stage, some elements of the scheme (such as detail of bus priority) may need detailed work to finalise and we recognise that there may be continued uncertainty on future passenger demand and commercial service levels as patronage continues to go. There may therefore be limits on how specific some aspects of the EP scheme may realistically be when it is first made or amended to reflect this funding.

For a bus priority scheme, for example, further detailed design and consultation may be required before precise details can be included. In that case we would expect the draft EP to contain as a minimum commitments as part of the measures to:

- The corridor that the priority will serve, with clear start and end locations.
- Targets for journey time savings and reductions in peak vehicle requirements (overall or for particular services) agreed with operators that the detailed scheme design will seek to achieve.
- The next steps and delivery timescales for the scheme including a target operational date.

- Commitments to consultation on the scheme, including measures to understand the full breadth of support – such as surveys of bus users on the corridor and representative polling¹.
- Details of how operators will be engaged in scheme design and consultation.

In the same way if the operating savings arising from a planned bus priority scheme are not clear, or patronage is sufficiently uncertain that firm funding commitments cannot be given we expect to see detailed in the obligations sections of the draft EP:

- the operating cost information that operators should share on a transparent (and if necessary confidential) basis for each bus priority scheme and to what timescales;
- how and when that will be used to calculate the funding to be reinvested by the operators in improvements for passengers;
- what those improvements will be, who they will be set by and how the money will flow (including whether it will be reinvested directly by the operator concerned with the agreement of the LTA or will involved funding being contributed to support measures across the EP as a whole).

Similar principles apply to any fares or other arrangements which require further work – the delivery timescales, outputs (e.g. types or cost of ticket), process and benefits (e.g. patronage growth sought) should all be clearly specified and transparent in the draft EP (or variation) in terms of both measures and obligations.

This scale of commitment will be needed to give the Department sufficient confidence to move from an indicative funding allocation to confirmed funding. Funding will be confirmed once a draft EP or variation has been reviewed by the Department, we have confirmed (following any agreed changes or clarifications) it is sufficiently detailed and meets our expectations for funding and it has then been formally made or varied.

We would then expect you to move to progress at pace to implement the commitments made in the EP. The further detail, once worked up, should then be included in the EP scheme using the scheme's variation mechanism. For example, a table describing precisely where new bus lanes or junction improvements will be made, what they will be, who is responsible for delivery and when those interventions will be made – see the EP Template for an example. It may be appropriate to vary the EP scheme at regular intervals to achieve this.

As EPs are varied LTAs and operators should ensure that the outcome objectives set for each intervention will still be achieved. If a specific intervention funded through this grant is not taken forward, is expected to have noticeably lower benefits, is not expected to offer value for money or is intended to be stopped or removed the

¹ When planning bus schemes you are reminded to have regard to the Department's additional Network Management Duty statutory guidance issued in May 2020 and updated in July 2021. Consultations, especially on schemes where there is public controversy, should ideally use objective methods such as professional polling to British Polling Council standards, to establish a truly representative picture of local views and to ensure that minority views do not dominate the discourse. Polling results should be one part of the suite of robust, empirical evidence on which decisions are made.

Department's agreement to alternative interventions will be required, otherwise funding may be reduced or withheld. This will be reflected in the grant funding letter.

All other schemes to support or enhance bus services of infrastructure which are funded directly or indirectly by central government should also be incorporated into the EP scheme once funding is secured – on a similar basis to the approach set out above.

Annex 2 – BSIP funding priorities and exclusions

The indicative funding allocation we have offered will require you to carry out some prioritisation or refocussing of the ambitions set out in your BSIP.

Annex 1 set out our ask of your draft Enhanced Partnership (EP) or draft EP variation; this annex sets out further guidance on:

- (a) the types of investment we wish to see prioritised
- (b) the types of investment that we do not expect to fund.

As with BSIPs themselves, we do not expect all plans to look the same and fund exactly the same outputs; you will understand the make-up of interventions needed in your local areas. But we are looking for your plans to reflect national priorities where possible.

The guidance in this annex should help you to prioritise between types of intervention. If, given the size of your indicative allocation, you also need to prioritise within these interventions, we would expect to see investment focussed in a smaller number of areas where there is the most potential to grow bus usage – rather than to be spread more thinly across the geographical area.

If your BSIP contains the types of measures described under (a), but you believe it is essential to fund other measures instead or as the vast majority of your indicative funding, please contact us as soon as possible to discuss this.

Your updated plan will only receive funding if the Government is satisfied that the proposed spend is consistent with this guidance, or there is a compelling local case for different spend.

These are guidelines specifically for use of BSIP funding from the Department, not guidance on the wider content of plans and investment from other sources of funding.

a) Investment priorities which we expect to use the vast majority of your indicative funding allocation

- Our top priority for capital investment is **bus priority** given the significant benefits it can deliver and the operating cost savings it can realise for reinvestment in other aspects of the BSIPs. For funding to be confirmed you will need to demonstrate that you intend to deliver significant bus priority (or that it is demonstrably not required) and that, as set out in the National Bus Strategy, your plans will include bus lane on any roads where there is a frequent bus service, congestion, and physical space to install one. This will involve providing bus lanes in areas where they are most needed, not just where they are easiest to deliver. All bus priority should be based on data from operators, the Analyse Bus Open Data service or other sources which evidence where it is needed most. Bus operators should be fully involved in the development and finalisation of these plans.

- For revenue allocations, our top priorities are:
 - **ambitious and eye-catching initiatives that reduce and/or simplify fares, at pace.** For funding to be confirmed we will be looking for plans that will capture the imagination of potential bus users and make the experience for non-users and existing passengers demonstrably better – not simply reducing the price of an existing complex ticketing product which is not well understood. We are keen to see pilot reductions start as soon as possible during 2022/23 (to seek to attract passengers back after the pandemic and reflecting the end of recovery funding from October) and on a temporary basis where new services, bus priority or other enhancements are introduced. We expect LTA investment in fares reductions to reduce over time as patronage grows and operators are able to reinvest the operating cost savings from bus priority measures being implemented (where relevant)².
 - **increased service frequencies and new/expanded routes** – including better evening and weekend services, new routes that serve identified priorities such as employment sites and services and new Demand Responsive Transport. We recognise that the starting point for service enhancements may now be lower than originally envisaged in your BSIP or potentially than services currently provided, given the end of recovery funding in October. If so, this should be explained clearly in the document to be provided to accompany your draft EP including why you believe the baseline will be lower and why the improvements selected have been chosen. You should not simply use funding to support existing service levels and patterns.

b) Investment types we do not expect to be funded from your indicative allocation

- Any schemes where it is not clear that the primary benefits accrue to buses – e.g. road schemes which increase network capacity with only a tangential or subsidiary benefit to bus services.
- Generic marketing or advertising costs that are not directly related to specific improvements (such as a fares change, or new services). We would expect operators to fund routine marketing and for expectations on its co-ordination and funding levels to be set in the EP. Where there are specific local issues identified with post-COVID recovery, Bus Recovery Funding can be used by operators and the LTA for local travel demand management measures to attract people back to bus. We are also continuing to consider the best timing for a national “Back to Bus Campaign” as promised in the National Bus Strategy.

² We are continuing to work with potential partners of a technical solution to facilitate Pay-As-You-Go multi-operator revenue allocation, and will update you in due course.

- Provision of on-bus hardware such as CCTV or audio-visual equipment. Where required, we expect these to be operator-led contributions and commitments to deliver them to be included in the EP – if necessary as measures to be funded through operating cost savings generated by bus priority measures.
- Investment in existing infrastructure unless there is an evidenced case that it directly tackles barriers to bus use (notably safety) and drives patronage growth. We do not expect to fund, for example, wholesale replacement of functioning, non-life expired infrastructure which meets accessibility and safety requirements but is not consistent in its branding or look and feel.

Annex 3 – Anticipated funding conditions

We envisage funding being provided as a grant under s.31 of the Local Government Act 2003. A draft grant letter will be provided following our review of your draft Enhanced Partnership and any accompanying delivery commitments. We will reserve the right to reduce funding (from this or other DfT funding to the authority) if EP or other funded BSIP commitments made by the LTA are not delivered, or the ambition of the EP is reduced significantly.

Transparency, Accountability and Monitoring

You will be expected to publish, once funding is confirmed, your final summary table setting out your delivery commitments and timescales, the funding which the LTA is committing from this and other sources and what improvements are funded by operators.

You will also be expected to agree a clear plan for ongoing monitoring and evaluation of progress against your delivery commitments and report at least 6-monthly against your BSIP targets and potentially other specified metrics – giving Government and local electorates the opportunity to judge your performance. The Department may publish information about the delivery commitments and BSIP targets of each LTA receiving this funding, and progress against them, on a single, easily accessible website.

We will reserve the right to reduce funding (from this or other DfT funding to the authority) if EP or other funded BSIP commitments made by the LTA are not delivered, modified, delayed significantly or removed or if the ambition of the EP is reduced significantly.

Public Sector Equality Duty

You should consider how best to design your interventions to make sure that the impacts on and benefits for all transport users are taken into account. As such, West Yorkshire Combined Authority should have due regard to the public sector equality duty under section 149(1) of the Equality Act 2010 in exercising its functions, and in particular when developing schemes.

Value for Money

The value for money of all individual investments under £50m should be considered through the local authority's governance frameworks in the usual way – with confirmation sent to the department by the s151 officer that this funding continues to represent value for money at least annually. We will also provide a form to be signed by your s.151 officer and returned with your draft EP plan and scheme.

Any individual intervention over £50m in total value may require a business case to be developed and approved by the Department.

Concessionary Travel

All LTAs receiving funding for their BSIP are expected to promote bus use wherever possible. This includes promoting the availability of the England National Travel Concessionary Scheme (ENCTS) and ensuring that it is easy to apply for. They should also encourage operators to promote ENCTS (and not prevent them from doing so through funding agreements). Unless there are exceptional circumstances we would expect any existing “no marketing” clauses in concessionary travel funding agreements to be removed by 1 April 2023.

Demand Responsive Transport

Demand responsive transport (DRT) services provided under this funding should offer free travel to ENCTS passholders, between 09:30 to 23:00 on weekdays and at all times on Saturdays, Sundays and bank holidays. We would not normally expect DfT to replace existing standard bus services significantly, but where such services are replaced, the concessions offered should not be reduced.

Where DRT is planned, we expect to see clear arrangements in place to ensure a high standard of integration with other services and a clear timeline for delivery, with particular regard to elements such as continuity of service, accessibility, safety and fare levels. Where the intention is to use DRT or community transport to provide services which fall outside the EP, we would encourage the use of a separate contractual agreement, a memorandum of understanding or, for section 22 operators, a voluntary partnership agreement to set out the arrangements in place to support the delivery of BSIP outcomes.

Branding and publicity

Whilst there are important benefits of local brands for transport services - including promoting local identity, loyalty and accountability - to emphasise the role played by government funding, you must also prominently co-brand any vehicles, signage, websites and all public-facing printed material. Media announcements and releases about improvements funded or part-funded by this money must also be co-branded, must prominently acknowledge the role played by HMG funding and offer HMG the opportunity in good time to include a comment.

Annex 4 – Summary table



BSIP summary
template April 22.xlsx

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Report to: Transport Committee

Date: 27th May 2022

Subject: **The State Of The Bus Network**

Director: Dave Pearson, Director, Transport and Property Services

Author: Edwin Swaris, Head of Mobility Services

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To advise Transport Committee on current issues impacting on the West Yorkshire Bus Network, to update on bus funding and the requirements of Department for Transport for a Bus Service Sustainability Review and to set out the approach to developing a five year plan for the bus network.

2. Information

Pressures On The Bus Network

- 2.1 **Bus Patronage and Revenues** – the reduced travel during the pandemic lockdown periods had a profound impact on bus use which, at some stages, was as low as 30% of normal. Many that were using the bus during this period were key workers and this reinforces to importance of bus travel for essential members of the workforce. Whilst bus use increased as restrictions eased, longer term changes to travel behaviours are developing in particular reduced peak time commuting. At the time of writing, bus use is currently at around 82% of equivalent period in 2019. There continues to be a revenue gap which has been addressed in the short term by a combination of central and local government funding. As this support falls away, the commercial viability of some elements of the network comes into focus.

- 2.2 **Driver and Engineer Shortages** – wider labour market issues have resulted in a high number of staff leaving the bus industry than can be recruited in their place. This has caused some operators to temporarily reduce service frequencies and some services have been withdrawn. The CA has supported efforts to encourage new entrants particularly women into the industry and to facilitate a training programme funded by the Adult Education Budget. Whilst there are signs that the workforce issues are beginning to stabilise, the service remains vulnerable
- 2.3 **Rising costs**- the rise in global fuel and material costs is having an impact along with rising wage costs to address the workforce availability issues. The fuel cost increase is having a particular impact on SME operators (school, rural, socially necessary services etc) who largely operate under contract with the Combined Authority. This is being reviewed on a contract-by-contract basis, but some cost pressures are moving to the Combined Authority.

Government COVID Bus Service Funding

- 2.4 Since April 2020, Government has issued emergency funding to bus operators and Local Transport Authorities and continued to pay Bus Services Operators Grant (BSOG) at pre pandemic rates. It requested that Local Transport Authorities (LTAs) continue to make concessionary fare and tendered service payments to operators at pre pandemic rates.
- 2.5 The Combined Authority has complied with the Government request to make concessionary fare and tendered service payments to operators at pre pandemic rates. Specific conditions were attached to these payments ensuring bus operators work collaboratively with the Combined Authority and financial and patronage data is shared. These conditions have been amended at each stage in the pandemic.
- 2.6 On 1 March, Government announced a further funding programme for bus and light rail, the Local Transport Fund. This provides funding for six months direct to bus operators and LTAs calculated on the basis of the difference between costs and revenues and therefore intended to reduce as passenger revenues increase. The CA has been awarded £2,029,088 for the period 6 April to 4 October. Bus operators will similarly receive funding for this period.
- 2.7 Government has made it clear that no further funding will be provided after October. A condition to the current funding applicable both LTAs and operators is that they must collaborate on a Network Sustainability Review to understand the position when funding ends. DfT requires both parties to submit a pro forma by July confirming that they have undertaken a review to identify actions to restore patronage and maintain the network. Failure to submit this pro forma will result in Department for Transport withholding some or all of the grant payment from LTAs and operators.

Network Sustainability Review

- 2.8 The Department for Transport is asking LTAs and bus operators to identify services which are viable, marginal or non commercial and to develop a plan to maintain the network and restore patronage and revenues. The DfT has mandated an open book approach to costs and revenues to support this.
- 2.9 The Combined Authority has commissioned advisors to support the data analysis and commercial discussions necessary to undertake the review. The advisors will undertake an appraisal of the socio/ demographic characteristics of each route together with analysis of costs and patronage. This will inform decisions on the social value of the impacted routes.
- 2.10 The outputs of this work will be available in June to facilitate further discussions with operators on their intentions from October onwards. This process may result in a requirement for the Combined Authority to fund the marginal services beyond October. BSIP funding cannot be used for this as DfT have stipulated that should be for transformative enhancements only.
- 2.11 In addition to the Network Sustainability Plan, there are a number of contracts for local bus services and school bus services which are due for renewal. The ensuing procurement process may result in changes to the network and additional costs.
- 2.12 The outcomes and actions emerging from this review will be advised to the July meeting of Transport Committee.

Developing a Bus Network Plan

- 2.13 Alongside the reactive aspects of the Network Sustainability Review, work is underway to develop a five-year bus network plan which will set out an 'aspirational' network that the Combined Authority can use to inform decisions around how best to deploy BSIP funding and, ultimately, the bus network it may choose to operate under franchising. This will establish a baseline connectivity requirement for each community and set the key network principles and standards such as service frequencies and hours of operation.
- 2.14 The bus network plan will identify the gaps in the existing bus provision and will inform how the funding available in the Bus Services Improvement Plan can be deployed to address them. A pragmatic approach to implementation timescales will be needed given the operational pressures referred to earlier in the report.
- 2.15 The bus network plan will be informed by the "Big Bus Chat" public engagement campaign detailed elsewhere on this agenda. The Transport Committee will be engaged at each stage in the development of the five-year bus network plan.

3. Tackling the Climate Emergency Implications

- 3.1 A key aim of the bus network is to enable people to travel by sustainable modes in order to tackle the climate emergency.

4. Inclusive Growth Implications

- 4.1 The Network Sustainability Review will seek to protect services to communities, particularly those area of high deprivation, in order to support the region's inclusive growth ambitions.

5. Equality and Diversity Implications

- 5.1 Supporting Equality and Diversity through ensuring the bus service is attractive, inclusive and accessible for all is a key aim of the West Yorkshire Bus Service Improvement Plan.
- 5.2 An Equality Impact Assessment will form part of the Network Sustainability Review.

6. Financial Implications

- 6.1 The CA has been awarded £2,029,088 Local Transport Grant from Government in 2022/23 to sustain its cost in supporting the bus network.
- 6.2 As reported to the Finance, Resources and Corporate Committee in April, bus service support is expected to be a major cost pressure in the current and subsequent financial years

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That Transport Committee notes the existing challenges to the bus network and that a further report be submitted outlining the outcome of the Network Sustainability Review.

10.2 That Transport Committee endorse the approach to creating a five year Bus Network Plan

11. Background Documents

None

12. Appendices

Appendix 1 – Local Transport Grant Award letter and conditions including Network Sustainability Review pro forma

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Local Transport Fund (LTF) Grant Determination Letter - West Yorkshire Combined Authority



Matthew Crane
Deputy Director, Local Transport
Department for Transport
33 Horseferry Road
London
SW1P 4DR

Website: www.dft.gov.uk

10 May 2022

Dear Local Transport Authority,

The Local Transport Fund (LTF) is provided under Section 31 of the Local Government Act, 2003. Funding is provided by the Department for Transport (DfT) on behalf of the Secretary of State in respect of socially necessary bus services and light rail services, as applicable.

Local Transport Fund

The Local Transport Fund (LTF) is effective from 6 April 2022 until 4 October 2022 and is a successor grant scheme to the Bus Recovery Grant paid to local authorities (hereafter LTA BRG) and the Light Rail and Tram Recovery Grant (LRTRG). The LTA BRG was in place between 1 September 2021 – 5 April 2022 and the LRTRG was in place between 20 July 2021 – 5 April 2022.

For the purposes of this grant agreement letter, definitions are provided in **Annex A**.

Payment

The Secretary of State, having obtained consent from the Treasury, has approved the LTF.

Two fixed amounts of the overall Grant will be paid over the course of the funding period. The total LTF allocation for **West Yorkshire Combined Authority** is **£2,029,088**. Refer to **Annex B** for a breakdown of funding as well as an explanation of how the individual authority allocation has been apportioned.

Deliverables

This funding is provided to Local Transport Authorities (LTAs) for the provision of bus services which require local authority support, including tendered bus services and, for applicable areas, light rail/tram services. The funding is provided solely for these two transport services. LTAs will receive a single combined Grant for both transport modes, which LTAs will have autonomy over allocating.

The Grant provides funding in addition to, but not as a replacement of, any normal funding the LTA receives for the running of tendered bus services or light rail/tram services. The Grant is provided for the following “Deliverables”:

- A. Continued provision of socially necessary tendered bus and light rail/tram services. See, **Annex A**, 'Network Provision' section for details
- B. Development of local area network reviews. See **Annex A**, 'Network Reviews' section for details.
- C. For light rail/tram operators, continued engagement with the fare's taskforce. See **Annex A**, 'Fares Taskforce' section for details.

Further terms and conditions of funding, including data provision requirements can be found in **Annex A**.

This letter and its Annexes, (the "Agreement") sets out the terms and conditions of the Secretary of State's offer of a Grant. If you wish to accept this offer of Grant (on the terms and conditions set out in this Agreement), please sign, and return a copy of this Agreement to the Department at BRG@DfT.gov.uk by **13 May**.

You can contact the Department at BRG@DfT.gov.uk if you have any questions about the above.

Yours faithfully,

Signed



Matthew Crane, Deputy Director,
Bus Recovery Division
Department for Transport

Signed (Grant Recipient)

Print Name and Local Authority

Enclosed:

- **Annex A** – Terms and Conditions
- **Annex B** – Payment Breakdown

Annex A: Terms and Conditions

1. Definitions

In this Agreement, except where the context otherwise requires:

“Deliverables” means the requirements set out above and further below.

“Grant” means the amount up to and not exceeding the amount allocated to each Local Transport Authority provided by the Secretary of State for the purposes of the Deliverables.

“Grant Recipient” means the LTA which, having accepted this offer of Grant, is responsible for receiving, expending and accounting for funds paid under it for the purposes of the Deliverables and for ensuring compliance with all the terms and conditions of this Agreement.

“Local Authority” means a local transport authority in England, outside London.

“Service Providers” means those responsible for the delivery of bus or light rail and tram services.

2. Purpose of the Grant

The purpose of the Grant is to allow the Grant Recipient to deliver the Deliverables set out in the ‘Deliverables’ section of this Agreement.

The Department reserves the right to amend these terms and conditions at its discretion.

3. Network Provision

Whilst in receipt of the LTF, LTAs must ensure their local transport network provision meets local needs. This process should have regard to the objectives of the National Bus Strategy and locally agreed Bus Service Improvement Plans.

Local network provision means socially necessary bus and light rail/tram (where applicable) services but does not mandate a specific or minimum level of service for either mode.

4. Eligible use of funding

The LTF can be used for:-

- (a) Light rail/tram services (where applicable)
- (b) For claims for tendered services procured by the LTA that are valued at £29,999 or more, irrespective of the size of the LTAs supported bus services budget
- (c) To cover losses where an LTA, or lower Tier Authority, takes the revenue risk on a tendered service
- (d) To cover losses where an operator takes the revenue risk on a tendered service
- (e) To ensure the provision of a replacement service where a commercial service has been withdrawn, subject to prior agreement with the Department.
- (f) To provide additional tendered services or to alter existing tendered services
- (g) To support community transport services
- (h) To provide bespoke support such as, but not limited to, rates relief to individual bus operators where the LTA believes that additional support is required, and

withdrawal of services by a specific operator would result in increased costs to the taxpayer, subject to prior agreement with the Department.

The LTF **must not** be used for:-

- (i) activities of a political or exclusively religious nature
- (j) input VAT reclaimable by the Grant recipient from H.M. Revenue & Customs and for the avoidance of doubt any irrecoverable VAT associated with the scheme will be met with this Grant
- (k) gifts
- (l) entertaining
- (m) statutory fines, criminal fines, or penalties

Grant recipients and/or service providers are permitted to make an operating surplus whilst in receipt of LTF funding.

Grant recipients and/or service providers are permitted to make changes to their current fares and fare structures.

Light rail services will no longer be subject to the 'cost cap' included under the Light Rail and Tram Recovery Grant (LRTRG). However, in allocating funding to Light Rail services, LTAs should work with operators to ensure that funding continues to be used efficiently.

LTAs/operators must clear any outstanding debts with the Department before accessing this Grant.

LTAs/operators must maintain and operate effective monitoring and financial management systems for the Deliverables to ensure that the application of the Grant for delivering the Deliverables can be clearly identified.

5. Network Reviews

As part of receiving LTF funding, LTAs must ensure they, along with bus and light rail/tram operators, carry out network reviews. LTAs will be required to produce a single review incorporating all bus and light rail/tram operators as well as LTA tendered services which will outline a plan to ensure for the sustainability of its commercial, as well as tendered network, following the end of funding. These plans should be user focused and consider what the 'new normal' service requirements look like for their area. Where an operator runs a service across LTA boundaries, LTAs will work to agree with neighbouring LTAs who should be the lead for nominated routes.

6. Fares Taskforce

Light rail/tram operators and/or LTAs must continue to engage with the fares taskforce and monthly workshops as well as implement the universal method to monitor fare evasion in its various iterations, in order to be eligible for funding.

Light rail/tram operators and/or LTAs should provide monthly data into fare evasion rates recorded using the universal method and share best practice on revenue protection measures.

7. Data Provision

LTAAs will be asked to provide DfT with information on the services that the Grant has been used to support. This will include:

- Bus, light rail/tram services supported by the Grant, including the financial contribution (as appropriate).
- Frequency of service/service level or kilometres operated (as appropriate).
- Patronage levels on a monthly basis.

In addition, for local authorities responsible for light rail and tram services, DfT reserves the right to request further financial information, including but not limited to:

- Actual and forecast revenue achieved (farebox, commercial and other),
- Actual and forecasts costs (fixed, semi fixed, variable).

Forecasts supplied to the Department should be based on modelling carried out by the local authority which takes into consideration a range of local exogenous and endogenous factors impacting future demand and revenue.

DfT will request this data, and any additional information that may be required by the Department on reasonable notice, toward the end of the 6-month LTF scheme.

DfT reserves the right to carry out an open book reconciliation exercise with operators should the Department need to seek clarity on the financial impact of the LTF as well as to assure future forecasts. Operators/ LTAs will be required to cooperate with the Department and its advisors, including all reasonable data requests, as part of any reconciliation exercise.

DfT reserves the right to amend the information being requested from operators.

DfT reserves the right to use this information to inform the broader Government local Public Transport policy.

All deadlines for data provision are final. Submissions after the deadline may result in no further funding being provided and will only be accepted in exceptional circumstances and at the discretion of DfT.

8. Payment arrangements

Subject to the conditions set out in this Agreement the Secretary of State's funding will be paid by Grant to the Grant Recipient.

Payments will be made in 2 equal instalments, in arrears. Payment 1 will be provided after this Grant Agreement has been signed and returned, payment 2 will be provided subject to:

- (i) the requirements for network provision in this Annex,
- (ii) the requirements for the fares taskforce (for light rail/tram) in this Annex,
- (iii) the requirements for network reviews in this Annex, as well as associated guidance, and share a final version of the network review with the Department publishing this, so as to be accessible to local residents, and
- (iv) the provision of data requested in this Annex.

The Grant Recipient/s are required to sign and return to the team leader of the Bus Recovery Division of the Department for Transport this Agreement.

If a Grant Recipient/s fails to comply with any of the conditions contained within this Agreement, the Minister of State may-

- a) reduce, suspend or withhold grant; or
- b) by notification in writing to the authority, require the repayment of the whole or any part of the grant.

9. Conflicts of interest and financial or other irregularities

Officers, members, and employees of the Grant Recipient must be careful to avoid conflicts of interest. The Grant Recipient must set up formal procedures to require all such persons to declare any personal or financial interest in any matter concerning the Deliverables and to be excluded from any discussion or decision-making relating to the matter concerned.

If the Grant Recipient has any grounds for suspecting financial irregularity in the use of any Grant paid under this Agreement, they must notify the Secretary of State immediately, explain what steps are being taken to investigate the suspicion, and keep the Secretary of State informed about the progress of the investigation. For these purposes "financial irregularity" includes fraud or other impropriety, mismanagement, and the use of the Grant for purposes other than the purposes of the Deliverables.

10. VAT

The Grant Recipient shall not charge the Secretary of State VAT in respect of any expenditure made to deliver the Deliverables as grants are outside the scope of VAT.

11. Escalation of disputes

In the event of a dispute about the Grant or the payment of the Grant, the matter will be referred to the Department's Deputy Director, Bus Recovery and the Grant Recipient's Chief Financial Officer who will work together to resolve the dispute.

12. Invoicing

Appropriate independent evidence, as reasonably specified by the Secretary of State of the delivery of the Deliverables is required to support any Grant claimed via the invoicing process for the associated Deliverable. Invoicing will take place following completion of the Deliverables.

Appropriate independent evidence as reasonably specified by the Secretary of State will be sent with the invoice requesting payment linked to those Deliverables.

13. Compliance

The Grant Recipient will comply with all applicable procurement laws when procuring goods and services in connection with the grant and the Department shall not be liable for the [LTA name]'s failure to comply with its obligations under any applicable procurement laws.

The Grant Recipient will ensure that its use of the funding complies with State Aid laws, the UK's international obligations in relation to subsidy control and any UK subsidy control legislation.

The Grant Recipient will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Department to comply with the same and respond to any proceedings or investigation(s) into the use of the funding by any relevant court or tribunal of relevant jurisdiction or regulatory body.

The Grant Recipient acknowledges and represents that the funding is being awarded on the basis that the use of the grant will not affect trade in goods and electricity between Northern Ireland and the European Union and shall ensure that the funding is not used in way that affects any such trade.

The Secretary of State may require repayment of any of the grant already paid, together with interest from the date of payment, if the Secretary of State is required to do so as a result of a decision of the European Commission or the Court of Justice of the European Union by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol and/or a decision of a court, tribunal or independent body or authority of competent jurisdiction by reason of breach of the UK's obligations under the Trade and Co-operation Agreement or the terms of any UK subsidy control legislation.

The Grant Recipient will ensure they comply with the 2010 Equality Act and the Public Sector Equality Duty. This includes considering impacts of the project on protected characteristic groups in the monitoring and evaluation stage.

Annex B - Payment Breakdown

The Department will pay 50% of an LTAs LTF allocation at the beginning of the scheme following the return of a signed Grant Agreement.

LTAs will be eligible for the remaining 50% of their LTF allocation at the end of the scheme, provided LTAs meet the conditions listed in paragraph 8 of Annex A. Table ii) shows an indicative payment schedule for LTF.

Your allocation can be found in Table i). Please note that, if relevant, allocations are inclusive of Light rail funding. For ease, Light rail allocations have been separated out in the final column. The Department reserves the right to amend this allocation in the event a Grant Recipient or Service Provider fully suspends or significantly reduces their light rail, tram or bus service before the beginning of the LTF start date or at any time within the period of funding.

DfT has opted not to ringfence money between transport modes, giving LTAs autonomy to decide how best to spend this funding across their transport system. The total allocation has been based on a calculation taking into consideration the following factors:

- the application of inflationary increases to local transport systems due to emerging cost pressures,
- estimated passenger demand recovery on local transport systems, and
- local transport funding allocations under LTA BRG and LRTRG
- size of the supported bus network in the LTA area

Table i)

LOCAL TRANSPORT AUTHORITY	TOTAL LTF ALLOCATION	LIGHT RAIL ALLOCATION if relevant (INCLUDED IN LTF ALLOCATION)
West Yorkshire Combined Authority	£2,029,088	

Table ii) Indicative payment schedule

LOCAL TRANSPORT AUTHORITY	First instalment May 2022	Second instalment
West Yorkshire Combined Authority	£1,014,544	£1,014,544



Report to: Transport Committee

Date: 27th May 2022

Subject: **Bus Reform Assessment**

Director: Liz Hunter, Interim Director Policy and Development

Author: Helen Ellerton, Interim Head of Transport Policy

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 The purpose of this report is to provide Transport Committee with a progress update on the Bus Reform Assessment and to recommend approval to the Objectives and options for consideration as part of the Bus Reform Assessment.

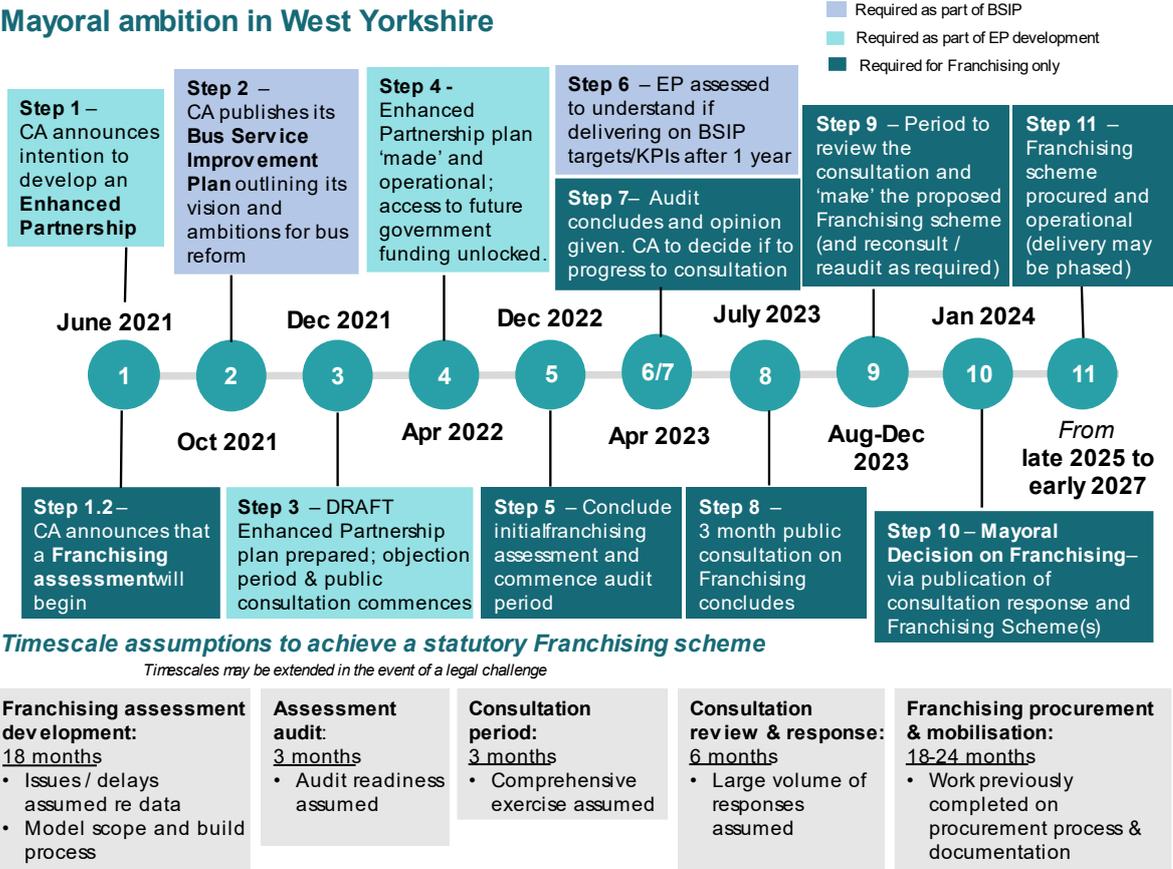
2. Information

Background

Context

- 2.1 A Notice of Intent to conduct an assessment of a Franchising scheme was issued by the Combined Authority in June 2021, as part of its programme of bus reform and in line with Mayor Brabin’s pledge to ‘Bring buses back under public control, introduce simpler fares, contactless ticketing and greener buses’.
- 2.2 Figure 1, below provides an overview of the Combined Authority’s bus reform timelines, including development of an Enhanced Partnership and working towards a mayoral decision on Franchising in Quarter 1 2022.

Figure 1: WYCA’s bus reform roadmap



Programme overview

- 2.3 A bus reform programme has been established. The programme is currently in a ‘pre-assessment’ inception period, where alongside set up of the relevant programme management structures, officers are completing key activities which will set the strategic approach of the assessment. These are detailed in the following section of this paper.
- 2.4 An indicative budget of £4-7m has been set aside to fund the assessment, with approval to draw down an initial £1m granted by the Combined Authority committee in January 2022.

Key activities

- 2.5 Guidance from the Department for Transport (DfT) sets out the key activities that must be completed as part of the assessment in order to comply with the statutory process as legislated under the Bus Services Act (2017). These are summarised in Figure 2, below.

Figure 2: Key activities in the Franchising assessment process, as per DfT guidance



Case for Change

2.6 A Case for Change has been developed to evidence the current challenges in the bus offer across West Yorkshire. The key challenges and opportunities are summarised in Table 1.

Table 1: Challenges and opportunities for bus in West Yorkshire.

Challenges	Opportunities
<ul style="list-style-type: none"> • Declining bus use – including a higher than the national average fall in trips per person, and the impact of the Covid-19 pandemic. • Poor customer satisfaction – across a range of different service areas, over a number of years. • Increasing reliance on public sector support – including £26m budget for socially necessary support, covid support and threat of further costs/market failure as bus recovery grant ends. • A perception of poor value for money – including rising cost of bus travel and complexity of local ticketing offer. • Poor punctuality and reliability of services - with underperformance against targets, as result of road network congestion and variability in bus priority measures. • Inadequate inclusion and accessibility - compounding problems with poor access to local services and social exclusion. • Regional disparities in services – across West Yorkshire districts, particularly rural areas. 	<ul style="list-style-type: none"> • Future demand for bus in West Yorkshire <ul style="list-style-type: none"> ○ The Strategic Bus Network review identifies opportunities for growth in each district areas ○ TfN Future Travel Scenarios identifies ongoing demand for bus travel even as societal work and living patterns evolve. • Future Transport Vision and Connectivity Plan – evidences the growth opportunities across the region and the role of transport in unlocking these. <ul style="list-style-type: none"> ○ Integration with mass transit – including potential for cross subsidy and the maximisation of regional connectivity. • Supporting the inclusive growth agenda • Tackling the climate emergency • Recovery from the pandemic

Challenges	Opportunities
<ul style="list-style-type: none"> • Carbon impact and air quality - including only approx. 3% zero-emissions fleet. • Wider transport and travel challenges – including the overcapacity and underfunded local rail network further compounding the dominance of travel by car. 	

Assessment objectives

- 2.7 The next key activity requires the Combined Authority to set out the objectives it is trying to achieve through reform, independent of the proposed means to achieving them.
- 2.8 The Bus Service Improvement Plan (BSIP) – which sets out the Combined Authority’s overarching vision for the buses in the region – was approved and published by the Combined Authority in October 2021. The objectives set out in the BSIP are to:
- Establish bus as a key mode of choice for travel in West Yorkshire.
 - Establish a financially sustainable bus service.
 - Improve operational delivery to provide the passenger with a service they can feel confident in using.
 - Improve connectivity for communities, especially those facing deprivation, inequality and exclusion.
 - Ensure the bus service is integrated to deliver sustainable connectivity.
- 2.9 It is proposed to also use these objectives for the bus reform assessment, as well as an additional new objective, which is to:
- Improve environmental performance and reduction in carbon emissions of the bus network.
- 2.10 To enable the Assessment to take place, the objectives will be developed to be SMART (specific, measurable, attainable, relevant and time-based) objectives.

Bus Reform Assessment Options

- 2.11 A range of options for bus reform have been developed which the Combined Authority proposes to use as the basis for the detailed assessment. These are:
- Enhanced Partnership - as is
 - Enhanced Partnership - plus
 - Franchising – Total (Gross Cost) approach
 - Franchising – Medium (Net Cost) approach
 - Franchising – Light (shared risk) approach

- 2.12 The Combined Authority entered into an Enhanced Partnership (EP) with local bus operators in April 2022. As such, the **‘Enhanced Partnership - as is’** forms the do-minimum option.
- 2.13 Under this option, the bus system remains commercially led and operators take full revenue risk. However, the status quo does rely on a level of public sector funding support – the Combined Authority spends approximately £26m per year commissioning tendered bus services and delivering concessions in addition to investment in customer service and information (via Metro) and other projects such as capital investment works.
- 2.14 The **‘Enhanced Partnership - plus’** is a theoretical alternative whereby further commitments / concessions are made by commercial operators to run local buses in line with the Combined Authority’s own vision. This will have to be defined more clearly through engagement with operators to understand what they are likely and unlikely to agree, and the terms for this (including reciprocal funding).
- 2.15 The three variations of Franchising provide different levels of Public Sector management and revenue sharing with bus operators.
- 2.16 **‘Franchising – Total (Gross Cost)** – the Combined Authority would own all depots and vehicles, and take full ownership of the fare box revenue.
- 2.17 **‘Franchising – Medium (Net Cost)** - the Combined Authority would take full ownership of the fare box revenue but commission services from operators who would continue to own the depots and assets.
- 2.18 **‘Franchising – light (shared risk)** – the Combined Authority utilises the relevant powers to take control over the network but agrees the fares and pricing strategy with operators who take some of the profits and share the revenue risk. Operators would also continue to own the depots and assets.
- 2.19 Franchised bus systems (or similar models) exist across the world in cities such as Hong Kong, Singapore and Sydney but notably, London is the only current franchised system in operation in England. Under this system, in contrast to other areas where the local bus systems were deregulated in 1987, bus patronage has grown significantly since then.
- 2.20 Greater Manchester is the only other authority in the country to have progressed through the assessment process and formally decided to establish a Franchising scheme.
- 2.21 The Enhanced Partnership model was established under law through the Bus Services Act 2017 and is unique to England but, as per requirements of the National Bus Strategy for England (2021), most local authority areas are now

progressing towards the establishment of this arrangement with their local operators.

- 2.22 Additional options, a Voluntary Partnership Agreement (VPA) and Municipal Ownership have both been excluded from consideration as part of the detailed assessment. This is because the National Bus Strategy for England (2021) requires authorities to have moved beyond VPAs to qualify for further government funding support and the Bus Services Act 2017 legislation prohibits the establishment of any new municipally owned bus companies.
- 2.23 This report recommends that Transport Committee approves all options for delivering franchising and the Enhanced Partnership are considered as part of the Bus Reform Assessment.

Next steps

- 2.24 The next step is to proceed with the procurement of external consultancy support to complete the detailed assessment activity.
- 2.25 The proposed public engagement, to be conducted throughout the summer (see Item 6 for further details), will also be used to inform the bus reform assessment. A statutory public consultation is also required following completion of the assessment and its audit before the Mayor can make a decision on whether to proceed with Franchising.

3. Tackling the Climate Emergency Implications

- 3.1 A key aim of bus reform is to support decarbonisation of the local bus network and provide improved sustainable travel options for the region, to support West Yorkshire's response to the Climate Emergency.

4. Inclusive Growth Implications

- 4.1 A key aim of bus reform is to ensure the local bus network better support the Combined Authority's inclusive growth ambitions, including by ensuring better bus connectivity in areas of economic deprivation to major employment sites.

5. Equality and Diversity Implications

- 5.1 A key aim of bus reform is to enable the local bus system to better support Equality, Diversity and Inclusion across the region, including that is safe and accessible for all and adapted to suited individual different needs.
- 5.2 An Equality Impact Assessment has been started and will be continually considered / updated throughout the Bus Reform process.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 Deloitte has been appointed to support the Combined Authority through the initial stages of the franchising process, ahead of the detailed assessment activity. Their consultation has informed some aspects of this paper.

10. Recommendations

10.1 That the Transport Committee endorses the overview of the Case for Change.

10.2 That the Transport Committee approves the bus reform objectives and options for detailed assessment.

10.3 That the Transport Committee notes the programme update and next steps.

11. Background Documents

A. 'The Bus Services Act 2017: Franchising Scheme Guidance', Department for Transport (2017).

B. 'The West Yorkshire Bus Service Improvement Plan', West Yorkshire Combined Authority (2021)

12. Appendices

None

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Report to: Transport Committee

Date: 27th May 2022

Subject: **West Yorkshire Local Electric Vehicle Infrastructure (LEVI) Pilot**

Director: Liz Hunter, Interim Director of Policy and Strategy

Author: Roseanna Brett-Davis, Policy Officer

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 The purpose of this report is to provide Transport Committee with an overview of the developing West Yorkshire Local Electric Vehicle Infrastructure (LEVI) Pilot bid proposal and to request that the Transport Committee approves the submission of the bid and delegates the final submission to the Managing Director in consultation with the Mayor and Chair of the Transport Committee in June 2022.

2. Information

Background

Context

- 1.2 Transport is now the UK's largest carbon emitting sector, and 91% of those emissions come from road transport. The UK Government has committed to net zero emissions by 2050, with the sales of new petrol and diesel vehicles ended by 2030 and for all new cars and vans to be fully zero emission at the tailpipe by 2035. It is expected there will need to be around 300,000 public chargepoints as a minimum in the UK to meet this need. Currently, there are around 29,600 UK public chargepoints.

- 1.3 The Combined Authority formally declared a climate emergency on 27 June 2019 and, in consultations with partners, strengthened the city region’s ambition to become net zero-carbon by 2038. To meet our carbon reduction targets significant increase in uptake of electric vehicles is required. The West Yorkshire Climate and Environment Plan 2021 – 2024 set a commitment to accelerate the deployment of electric vehicle charging points across the region with a focus on ensuring equity in provision.
- 1.4 A range of public EV charging infrastructure schemes have already been delivered by the Combined Authority and our Partners, includes the ULEV taxi scheme, delivering over 100 charging points across the region for taxis and public use, alongside additional schemes to deliver public charging at sites such as council owned car parks.

Local Electric Vehicle Infrastructure (LEVI) Pilot Funding

- 1.5 On 25th March the Government published ‘[Taking Charge: the Electric Vehicle Infrastructure Strategy](#)’ which sets out the governments strategic approach to delivering charging infrastructure out to 2030 to remove potential charging infrastructure barrier and accelerate the pace of adoption. The strategy recognises that the majority of drivers will do most of their charging at home, overnight, and as such focuses interventions on public chargepoints for two main purposes: to enable long distance journeys, and to support those without off-street parking.
- 1.6 Alongside the national electric vehicle infrastructure strategy, the Government announced the Local Electric Vehicle Infrastructure (LEVI) Fund, a £450m capital funding scheme intended to ‘accelerate commercialisation of local, close to home charging’, focusing on supporting charging opportunities for residents without on-street charging by leveraging private investment.
- 1.7 In advance of the full fund release, a £10 million pilot competition has been launched, which will fund between 3 and 8 projects to test the most effective means of supporting local authorities procuring chargepoint deployment by trialling different delivery mechanisms, business models and technologies.
- 1.8 The conditions of the funding require that projects must:
- support the transition to EV use in a local area, with a particular focus on provision for those without off-street parking
 - provide an improvement in accessible EV charging provision that would not otherwise be met by current or planned EV chargepoint infrastructure
 - show innovation – this could be either technical or commercial innovation
- 1.9 The application deadline for proposal is 17th June.

West Yorkshire LEVI Pilot Proposal

- 1.10 In collaboration with District Partners, a West Yorkshire LEVI Pilot Scheme proposal is being developed with the intention of introducing innovative

residential charging hubs to accelerate the commercialisation of close to home charging and scale up local projects targeted at residents without off-street parking. The pilot scheme is being designed to complement the EV infrastructure schemes planned through the City Region Sustainable Transport Settlements, offering opportunities to expand the programme and trial technologies and delivery models in advance of wider rollout.

- 1.11 Engagement with EV infrastructure suppliers is ongoing to explore technology and delivery options to provide optimum charging solutions for West Yorkshire residents and leverage private sector investment in line with the funding requirements.
- 1.12 Projects under consideration include on-street charging facilities, community charging hubs (including rural provision and social housing hubs) and shared charging assets (e.g. car club and community use sites).
- 1.13 Ensuring EV infrastructure meets the needs of local communities, offers equity of access and contributes positively to the streetscape are key considerations of the West Yorkshire pilot scheme. Schemes will look to introduce social value through design and procurement by ensuring fair prices, equal access, and by delivering community assets. The project will focus on fast chargers which represent a highly efficient charging method, in terms of installation costs, user prices, and balancing grid load (because charging load can be spread more evenly across 24hr periods).
- 1.14 Sites targeted for the West Yorkshire LEVI fund are under review with partners but will be drawn from across the region. To meet the terms of the funding, the majority of locations will be on-street or on sites close to residential areas in location with higher densities of housing without access to off-street parking. The West Yorkshire Electric Vehicle Infrastructure Strategy Study carried out in 2021 identified a range of priority locations for early EV infrastructure investment considering strategic importance, demand, grid capacity and gaps in provision. This list of priority sites is being reviewed in accordance with LEVI Pilot Fund guidance, with additional sites considered as identified by District Partners and delivery partners.
- 1.15 Full details of the bid, include details of sites under consideration, can be found in Appendix 1 (confidential).

Next steps

- 1.16 Proposals for the West Yorkshire LEVI pilot scheme are being developed in collaboration with the West Yorkshire Electric Vehicle Strategy Group which includes officer membership from the five West Yorkshire district. Alongside this, conversations are ongoing with infrastructure suppliers to identify solutions and investment opportunities to ensure optimum schemes for the region and secure the private investment needed to support the bid proposal as required by the LEVI pilot fund. The final proposal will be developed in advance of the bid submission in June 2022.

3. Tackling the Climate Emergency Implications

- 3.1 The principal aim of the pilot scheme is to accelerate the proportion of electric vehicles in West Yorkshire to reduce carbon emissions and support West Yorkshire's response to the Climate Emergency.

4. Inclusive Growth Implications

- 4.1 The scheme supports the Combined Authority's inclusive growth ambitions by ensuring equity of access to EV charging infrastructure, particularly in areas higher density housing areas with no access to off-street parking.

5. Equality and Diversity Implications

- 5.1 A key aim of the scheme is to ensure EV infrastructure better supports equality, diversity and inclusion across the region, ensuring provision is accessible to all and meets local needs. An Equality Impact Assessment will be developed as the scheme progresses.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report (no additional match funding required by CA or District Partners).

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 Private infrastructure providers will be engaged through the proposal development process and, if successful with the bid, through delivery of the scheme.

10. Recommendations

- 10.1 That the Transport Committee notes the West Yorkshire LEVI Pilot Proposal under development with District Partners through the West Yorkshire Electric Vehicle Infrastructure Strategy Officer Group.
- 10.2 That the Transport Committee approves the submission of the bid and delegates the final submission to the Managing Director in consultation with the Mayor and Chair of the Transport Committee in June 2022.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – West Yorkshire Local Electric Vehicle Infrastructure (LEVI) pilot Proforma (confidential)

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Report to: Transport Committee

Date: 27 May 2022

Subject: **Summary of Transport Schemes**

Director: Melanie Corcoran, Director of Delivery

Author: Craig Taylor, Head of Portfolio Management and Appraisal

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1 Purpose of this report

1.1 To inform the Transport Committee of the transport related project approvals from the following:

- 08 March 2022 – Place, Regeneration and Housing Committee
- 17 March 2022 – Combined Authority
- 20 April 2022 - Place, Regeneration and Housing Committee

2 Information

The following projects were presented at the Place, Regeneration and Housing Committee meeting on 08 March 2022 - Capital Spend and Project Approvals

2.1 The full agenda and papers for the Place, Regeneration and Housing Committee on 08 March 2022 can be found on the Combined Authority website [here](#).

TCF Dewsbury Bus Station

- 2.2 The scheme will deliver a transformational, comprehensive refurbishment of Dewsbury Bus Station making it a modern, fit for purpose facility that is safer and more accessible and will support wider regeneration in the town centre. The scheme has been developed in response to a range of challenges associated with people not feeling safe using the bus station because of antisocial behaviour, poor walking and cycling access to the bus station, and access to the facilities inside, road safety, a poor waiting environment and a lack of quality services.
- 2.3 The scheme will be funded by Transforming Cities Fund (TCF) and Carbon Mitigation Fund.
- 2.4 The scheme gained approval to proceed through decision point 3 (outline business case) and work commence on activity 4 (full business case).

York Station Gateway

- 2.5 The York Station Gateway scheme will reorganise how vehicles and people travelling on foot or by bike access and move around York Rail Station, creating a more efficient interchange. The scheme will also create attractive public spaces in the area between the medieval City Wall and Grade II Listed station building.
- 2.6 This scheme is being funded from the West Yorkshire plus Transport Fund (WY+TF) and the Department for Transport's Transforming Cities Fund (TCF).
- 2.7 This change request sought approval:
- To reallocate £2,684,000 of development costs, already approved, from the West Yorkshire Plus Transport Fund (WY+TF) to the Transforming Cities Fund (TCF).
 - For additional development costs of £1,050,000 from the Transforming Cities Fund
 - To extend delivery timeframes from February 2023 to August 2024 with the TCF funded element being complete by the end of March 2023.
- 2.8 The scheme gained approval to the change request as detailed above, and work continues on activity 4 (full business case).

The following projects were presented at the Combined Authority meeting on 17 March 2022 - Capital Spend and Project Approvals

- 2.9 The full agenda and papers for the Combined Authority meeting on 17 March 2022 can be found on the Combined Authority website [here](#).

CRSTS Capacity Funding

- 2.10 The government's City Region Sustainable Transport Settlement (CRSTS) programme has been designed to deliver investment in integrated and sustainable transport across a city region, with funding devolved to Mayors over a five-year period to deliver.

- 2.11 Department for Transport (DfT) CRSTS capital funding settlements are complemented by revenue funding allocations to Mayoral Combined Authorities, known as CRSTS Capacity Funding.
- 2.12 The scheme gained approval to proceed through decision point 2 (business justification) and work commence on activity 4 (full business case).

CRSTS Programme

- 2.13 The City Region Sustainable Transport Settlement (CRSTS) 2022- 2027 programme was developed by the Combined Authority in partnership with the five West Yorkshire partner councils.
- 2.14 The programme includes new bus priority and cycle corridor schemes, rail improvements, integration and shared mobility measures which could include integrated ticketing and Information, Demand Responsive Transport Trials, electrification and wider roll out of West Yorkshire Car Club Vehicles and pilot Mobility Hubs, electric vehicle (EV) charging and development and initial delivery of a new mass transit system. The CRSTS programme also includes general highways improvement programmes, asset management and renewal programmes, and road safety measures. Department for Transport (DfT) CRSTS capital funding settlements are complemented by revenue funding allocations to Mayoral Combined Authorities, known as CRSTS Capacity Funding.
- 2.15 The CRSTS Programme includes 61 infrastructure schemes which form 10 packages, supported by programme wide activity including a behaviour change programme in line with the Combined Authority's approach to transport investment.
- 2.16 The programme gained approval to proceed through decision point 2 (strategic outline case) and work commences on the relevant business case for each individual scheme.
- 2.17 The bid received approval from the DfT for the full bid allocation of £830 million, discussions are still being had on the specific projects to be funded.

Transformational – West Yorkshire Mass Transit

- 2.18 The Combined Authority in collaboration with partner councils are developing a mass transit system which will offer a new public transport option and an attractive alternative to car travel. The plan sets out a bold and ambitious plan for a new form of transport for West Yorkshire. Alongside cycling and walking, bus and rail, Mass Transit will be essential in helping our communities thrive and the economy to flourish, bringing people and places closer together.
- 2.19 The programme has been funded from the West Yorkshire plus Transport Fund Transformation Fund up to this point, with a previous approval of £2,041,000 granted at the 27 July 2020 Combined Authority meeting. From March 2022 onwards development is funded from the City Region Sustainable Transport Settlement (CRSTS) where an allocation for £200,000,000 for Mass Transit has been included.

- 2.20 The scheme gained approval to proceed through decision point 2 (strategic outline case) and work commence on activity 3 (outline business case) for the Programme Integration Business Case and on activity 2 (strategic outline case) for the four phased corridor projects within the programme.

TCF: Leeds Public E-bike Share

- 2.21 This scheme is a public bike share scheme using electric bikes. The current funding level would allow provision of approximately 630 e-bikes located at 140 hubs / docking stations.
- 2.22 The scheme is funded via the Transforming Cities Fund (TCF) Carbon Mitigation Measures Fund.
- 2.23 The scheme gained approval to proceed through decision point 2 (strategic outline case) and work commence on activity 4 (full business case).

The following projects were presented at the Place, Regeneration and Housing Committee meeting on 20 April 2022 - Capital Spend and Project Approvals

- 2.24 The full agenda and papers for the Place, Regeneration and Housing Committee on 20 April 2022 can be found on the Combined Authority website [here](#).

A62 to Cooper Bridge Corridor Improvement Scheme

- 2.25 The A62 is the main road link between Huddersfield and North Kirklees, as well as linking Huddersfield with Leeds and Manchester via the M62. The A62 / A644 junction lies close to junction 25 of the M62 and sits on the boundary between Kirklees and Calderdale. It is the corridor with the largest movement of people in the region. This scheme will increase capacity for all forms of transport.
- 2.26 This scheme is funded from the West Yorkshire plus Transport Fund (WY+TF).
- 2.27 The scheme gained approval to proceed through decision point 3 (outline business case) and work commence on activity 4 (full business case).

York Central Access

- 2.28 York Central is a major mixed-use regeneration scheme located on one of the largest city centre brownfield sites in the country, adjacent to the York mainline railway station. It forms part of the wider York Central Regeneration scheme.
- 2.29 The scheme is funded by the West Yorkshire plus Transport Fund (WY + TF).
- 2.30 The scheme gained approval to proceed though decision point 5 (full business case plus finalised costs) and work commence on activity 5 (delivery)

3 Tackling the Climate Emergency Implications

3.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

4 Inclusive Growth Implications

4.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

5 Equality and Diversity Implications

5.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

6 Financial Implications

6.1 The report outlines for information expenditure from the available Combined Authority funding as recommended by the Combined Authority.

7 Legal Implications

7.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

8 Staffing Implications

8.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

9 External Consultees

9.1 Where applicable scheme promoters have been consulted on the content of this report.

10 Recommendations

10.1 That the report be noted.

11 Background Documents

11.1 None.

12 Appendices

12.1 None.

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