

Report to: Transport Committee

Date: 13 March 2020

Subject: **Bus Strategy Update**

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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	3

1. Purpose of this report

- 1.1 This report sets out the process and seek approval for the approach to the DfT announcement of Better Deal for Bus Users Funding. It includes the preferred package of Bus Services that will benefit from the additional Supported Bus Services Funding and seek approval for the approach to developing a preferred option for the Super Bus Fund and Electric Towns Fund.
- 1.2 This report also provides an update on the West Yorkshire Bus Alliance, the pause on the sale of First West Yorkshire Ltd and provides an update on the preparatory works to understand the implications of pursuing franchising should a devolution deal be secured.

2. Information

Better Deal for Bus Users

- 2.1. On the 6 February 2020 the Department for Transport announced a competitive £220m package of improvements for bus. A *Better Deal for Bus Users* includes the following packages of investment:

- 2.1.1. **Super Bus Funding** – to increase bus patronage in a defined urban area through a package of measures including bus priority, reducing bus fares and increasing service frequencies. The location (where there is a population of 75,000 or more) must demonstrate that there has been patronage decline, worsening operational conditions and increasing fares over the last three years.
- 2.1.2. Up to £70m is available to support this project, the DfT are looking to fund 2 to 3 pilot areas in England. An Expression of Interest is required for submission by 30th April 2020. The Combined Authority can submit only one bid. Appendix 1 (exempt) sets out the Combined Authority's approach to bidding for this funding and the proposed short list of schemes.
- 2.1.3. **All-Electric Bus Towns Funding** – the aim of the fund is to tackle poor air quality, the DfT are seeking bids from a town that has a demonstrable air quality problem and a commitment with bus operators to convert 100% of buses operating in that area to electric.
- 2.1.4. Up to £50m is available to support one town in England. The funding will support 75% of the cost of the upgrade from diesel to electric. An Expression of Interest is required for submission by 30th April 2020. The Combined Authority can submit multiple bids but must place them in priority order. Appendix 1 (exempt) sets out the Combined Authority's approach to bidding for this funding and the proposed short list of schemes.
- 2.1.5. **Rural Mobility Funding** – to trial on-demand services in rural and suburban areas the government has established a fund of up to £20 million. As the Combined Authority is eligible for Transforming Cities Fund, it is not eligible for this funding.
- 2.1.6. **Supported Bus Services Funding** – the Combined Authority is eligible for £1.086m of revenue funding to support bus services. The Government expects this funding to be used to improve the provision of local bus services in their area in one or more of the following ways:
- a) to improve current local bus services - for instance increasing evening or weekend frequencies, or supporting additional seasonal services in tourist areas;
 - b) to restore lost bus routes where most needed to ensure people have access to public transport services; and
 - c) to support new bus services, or extensions to current services, to access new housing, employment opportunities, healthcare facilities etc.
- 2.1.7. An Expression of Interest is required for submission to the Department for Transport by 13th March 2020 to receive payment in April 2020. A process has been undertaken gathering input from Council officers and

bus operators to determine a long list of possible bus service enhancements to be funded from this source. The long list was subject to evaluation using a criteria approached based on the DfT guidance. This identified the following schemes for potential funding which will be included in the Expression of Interest submitted to DfT;

- North Bradford employment peak link to Leeds – Shipley, Five Lane Ends, Gain Lane, Thornbury and non stop to Leeds
- Ilkley/ Otley - improved bus/rail connectivity
- Restore lost bus link between Keighley and Halifax via Denholme
- Improvement of links to Todmorden from Cornholme and Portsmouth
- Direct linkage between communities in North Halifax to employment and health facilities in South Halifax/ Elland
- SW Leeds East/ West Ardsley - enhancement of commercial services to improve frequency of service to new housing
- Pudsey- linking the town centre and bus station with New Pudsey rail station and the retail park at Owlcotes
- Restore links between communities in North Kirklees
- Create new links from communities in East Leeds and Five towns to employment in Sherburn in Elmet (requires collaboration with North Yorkshire County Council)
- Restore links to Barnsley and Doncaster from South East Wakefield
- Provide start up revenue support to new Demand Responsive Services

2.1.8. If the Department for Transport accept this proposal, work will proceed in scoping and costing these proposals for implementation later in 2020. This is a single funding award which is available to be spent over two years. Wherever possible, arrangements will be made to provide service enhancements which are sustainable over a longer term.

2.1.9. The Government have also announced its intention to make £5 billion available for buses and cycling in the spending review expected later in 2020. It is anticipated that this would provide further funding for a similar package of initiatives to those funded by the current Better Deal For Bus Passengers funding described in this report.

West Yorkshire Bus Alliance

- 2.2. To date, the Voluntary Partnership Agreement for the West Yorkshire Bus Alliance has been signed by First West Yorkshire and Transdev. Arriva are in the final stages of signing the document and conversations are ongoing with the smaller operators.
- 2.3. Several initiatives have been delivered or are currently in the process of being delivered, including:
- Delivery of a Fare Deal for Young People, this is the subject of a separate report on this Transport Committee agenda

- Development of a shared ticketing agreement for customers to use any operator regardless of ticket during times of adverse conditions due to external incidents such as weather or traffic incidents causing significant delay
- Conclusion of the Clean Bus Technology Fund retrofit programme whereby almost 500 buses will have been converted to Euro VI
- Development of a customer charter to set common standards for customers across each operator
- Development of service standards for the core bus network across West Yorkshire
- Launching MyDay Under 19s day ticket on the Blue MCard
- Making Daysaver products available to purchase on the MCard app

Active Participation in the Sale of First West Yorkshire Ltd

- 2.4. On 29 May 2019 First Group PLC made an announcement to shareholders that it is “pursuing structural alternatives to separate our First Bus operations from the Group” as part of a process of re-structuring the company. On 16 December 2019, First plc announced a change in its disposal strategy for its companies in North America and that, for First Bus, it had commenced a “comprehensive efficiency programme prior to any launch of a formal sale process”. Should a sale proceed, it will now much be later than expected.

Preparatory Work for Franchising

- 2.5. On 6 February 2020, the Combined Authority reviewed the current position with regard to the region’s major bus operators and approved further work to understand the requirements for delivering bus services in West Yorkshire through a franchising model. This includes learning from the experiences of Greater Manchester in developing bus franchising and the emerging position in Merseyside and West Midlands. As the sale of First is delayed, it is proposed that this early scoping work will be delivered using the additional resources previously approved to respond to the sale of First.
- 2.6. In actively looking at options to strengthen local bus services, consideration will also be given to how other publicly funded transport such as that provided in the health and social care sectors might be integrated.
- 2.7. Whilst it is proposed to continue to explore structural options to support the local bus service, it is important to maintain the impetus of improvement through the Bus Alliance and the investment in bus infrastructure in capital programmes. It is recommended that the Combined Authority remains committed to delivering an enhanced bus service for West Yorkshire communities through partnership activity with the commercial bus operators. This will help to ensure these communities get the best from the net £70 million of public funding that goes into buses in West Yorkshire each year.

3. Clean Growth Implications

- 3.1. The report identifies the work currently ongoing to develop the bus network in West Yorkshire and work to obtain further funding from a competitive bidding process from DfT. Improving the bus offer to customers should increase bus patronage, encouraging modal shift to clean public transport and thereby reducing carbon emissions by reducing car use.
- 3.2. Delivering bus services through a different model of ownership or franchising could help tackle the climate emergency by providing the opportunity to influence the fleet and increase the proportion of low or zero emission buses.

4. Inclusive Growth Implications

- 4.1 The bus is vitally important to ensure accessibility for employment and training opportunities. DfT's Inclusive Transport Strategy highlights the importance of connectivity for those with disabilities, allowing access to social networks, employment and education.

5. Financial Implications

- 5.1. This report sets out the approach to spending an additional £1.086m from the Department from Transport and identifies a short list of options for submission to the Super Bus Fund and Electric Towns Fund.

6. Legal Implications

- 6.1. The information contained in Appendix 1 has been identified as exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future negotiations.

7. Staffing Implications

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

8. External Consultees

- 8.1. No external consultations have been undertaken.

9. Recommendations

- 9.1. To approve the submission of an Expression of Interest to the Department for Transport Supported Bus Services Funding based upon the approach outlined in this report

- 9.2. That, in consultation with the Chair of the Transport Committee, bids are submitted to the Super Bus and All-Electric Town Funds based upon the approach outlined in this report.
- 9.3. To endorse the continued progress of the West Yorkshire Bus Alliance
- 9.4. To note the current position regarding the potential sale of First West Yorkshire and the work in progress to understand the requirements for delivering bus services in West Yorkshire through a franchising model.

10. Background Documents

- 10.1. The West Yorkshire Bus Strategy 2040.

11. Appendices

- 11.1. Appendix 1 (exempt) –Super Bus Fund and All-Electric Towns Funding Bids