

**Report to:** Transport Committee

**Date:** 20 November 2020

**Subject:** **Bus Network Sustainability and post COVID Recovery**

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

## 1. Purpose of this report

- 1.1. To provide an update on the work to develop a new approach to delivering bus services in West Yorkshire and the implications that COVID-19 is likely to have on the consideration of future options.
- 1.2. To provide an update on the West Yorkshire Strategic Bus Network Review and set out the next steps.

## 2. Information

### Background

- 2.1. Buses are critical to the economic and social well-being of West Yorkshire's communities and have a critical role to play in meeting our zero-carbon and inclusive growth ambitions. The bus service is already relied upon by people across West Yorkshire to connect them with work, education, and leisure.
- 2.2. The reduced patronage as a result of COVID-19 is impacting on the finances of bus services across the country. The Coronavirus Bus Services Support

Grant (CBSSG) is currently in place to mitigate the short-term impacts of social distancing on the bus network, on an eight week rolling notice period. The government has indicated that it will give notice of reduction or termination when the rules regarding social distancing on public transport are eased or lifted. When the emergency funding comes to an end there is a risk that operators may shrink networks to maintain their trading viability.

- 2.3. As part of the CBSSG arrangement, Government has asked LTAs to continue to pay for concessionary fares at the level operating prior to the pandemic.
- 2.4. In September 2020, through an existing commission with Ernst & Young they estimated that a funding package of £8m per annum during COVID and £4m per annum when social distancing is removed, is needed. The Combined Authority continues to talk to government about ongoing funding support and devolution of existing and any future funding for bus. If this funding is devolved to West Yorkshire Combined Authority, then a closer working relationship with the operators can be created. If CBSSG funding is removed ahead of recovery it is estimated that the Combined Authority will need to find an additional £5m per year to reinstate withdrawn bus services.
- 2.5. A Transport Recovery Plan has been created to draw together in one place the role of transport through the restart and into recovery and what is needed to ensure transport can effectively and efficiency perform that role. The Transport Recovery Plan sits alongside a wider Economic Recovery Plan. Working closely with the operators to enable the devolution of the funding and bring back financial equilibrium is a key part of the Transport Recovery Plan.

#### Proposition for an Enhanced Partnership

- 2.6. The impact of COVID on passenger revenue and the need for ongoing public sector financial support indicates that the deregulated model is unlikely to be appropriate for the post COVID environment. Many communities where isolation is a factor of deprivation could potentially be disadvantaged by a purely market driven approach.
- 2.7. Through the West Yorkshire Bus Alliance, the Combined Authority has taken steps with operators to address the weaknesses of deregulation and worked with operators to ensure buses have been available through lockdown and beyond. However, the economic pressures created by the pandemic and the urgent need to put the service on a sustainable footing for the long-term means further action is needed now.
- 2.8. Buses are key to the recovery of the region's economy and delivering inclusive growth. The impact of the pandemic on the way people are travelling is also posing fundamental questions over the way buses are funded and run. As a next step, the Combined Authority, alongside First, Arriva and Transdev are developing proposals to put to the Government to strengthen our partnership with operators, stabilise the network in the short-term and build the first-choice bus service.

2.9. The Bus Service Act 2017 includes provisions to change how bus services are delivered in an area. The West Yorkshire Bus Alliance is a Voluntary Partnership Agreement, which has a light touch supporting legal document. The Act provides for an Enhanced Partnership which creates a more formal working environment between operators and the Combined Authority by enabling some joint delivery and initiatives such as fare deals. As a Mayoral Combined Authority the Combined Authority will also have access to the Franchising powers within the Bus Services Act.

2.10. Due to the current pressures on the bus network, it is proposed that the Combined Authority and the bus operators of West Yorkshire develop an Enhanced Partnership that will:

- Enable the Combined Authority to prioritise funding to ensure a bus service is provided to those communities most in need of it following COVID
- Enable the Combined Authority to develop fare deals where required to encourage bus usage and enable more affordable travel to target job seekers and the lowest paid
- Enable greater integration and delivery of low emission buses across the region.

2.11. The below summarises the potential scope of the Enhanced Partnership

<b>Theme</b>	<b>Description</b>
Network Management and Development	To reinstate and reimagine the bus network post COVID to facilitate a restoration and growth in patronage. To create an effective and cost efficient bus network
Bus Service Standards	To ensure customers receive a consistent standard of bus service across the network
Organisational Data Sharing	To build on the data sharing agreement in the Voluntary Partnership Agreement and enable delivery of the Enhanced Partnership
Fares and Ticketing	To develop and deliver fare deals that will encourage patronage to protect routes and create ticketing offers to make public transport more accessible to young people, job seekers and vulnerable groups.
Customer Services and Travel Information	Better integration and delivery of customer travel information and customer services
Marketing and Communications	Delivery of unified communications and marketing
Local Authority Requirements	Building on the Leeds Public Transport Investment Programme (LPTIP) and Transforming Cities Funding (TCF) investments, and delivering other interventions that will improve journey time reliability and punctuality. Align local policies, including parking to be complementary to bus policy objectives
Devolution of Funding	To create a single objective for bus funding to enable greater efficiency of delivery and be able to generate a fare subsidy on certain routes or areas

- 2.12. Devolving the emergency CBSSG, together with the Bus Services Operators Grant and then any future funding to support the bus network would provide a more progressive approach to managing the bus network back through the recovery period as the grant can be tapered as demand and fares revenue build back. If the Government is minded to devolve funding to the Combined Authority from 2021, a transitional partnership arrangement will be developed to manage this recovery period whilst an Enhanced Partnership is developed.
- 2.13. Alongside the development of an Enhanced Partnership the Combined Authority will continue to review the case for franchising and will press the Government to give local areas the freedom and funding to pursue the options appropriate to meet local needs, including public ownership.
- 2.14. The Enhanced Partnership or other form of bus reform requires the review and development of targets and key performance indicators. The COVID emergency was not envisaged when the Bus Strategy set a 25% patronage growth target by 2027. It is appropriate to consider whether the target should remain with an extended time period (for example to 2030) or whether a wider group of indicators, including a mode share target would be more appropriate. During the COVID recovery, any transitional partnership will require shorter term targets and indicators to enable success to be measured.
- 2.15. The Combined Authority are engaged in conversations with the Department for Transport on the development of the National Bus Strategy and plans for recovering the bus network post COVID.

#### The West Yorkshire Strategic Bus Network Review

- 2.16. The Combined Authority undertook a strategic review of the bus network (completed February 2020). The review focussed on the Core Bus Network (services with a frequency of every 15 minutes or better) across West Yorkshire and set out a series of interventions, that if delivered could generate patronage growth.
- 2.17. The review provides, by district, a summary of the core bus network (that is services that are 15 minutes or better only) in 2018 and in three future years, 2024, 2028 and 2033. It is likely that COVID will affect the short-term timescales and deliverables but the analysis is still valid, as it demonstrates a direction of travel.
- 2.18. The outputs of the review are included in Appendix 1 and will be presented as part of the Connectivity Plan. The review shows that at least 65% of all addresses in West Yorkshire are within 400m of a bus stop served by 4 buses or more during the morning peak (7-9.30am); the “core network”. The review shows that by improving frequencies, linking to areas of economic growth and investing in vehicles and bus priority measures, could lead to an additional 24 million bus journeys by 2033. The bus network has significant social value across many areas of West Yorkshire and this will continue to be the case. It is estimated that from 2018 to 2033 the number of bus kms on the core network

across West Yorkshire will increase by 20% and the number of bus routes could increase by 6%.

### **3. Clean Growth Implications**

- 3.1. Maximising the bus network will encourage modal shift towards public transport, reducing the impact of transport on the environment and contributing towards the regional carbon reduction target.

### **4. Financial Implications**

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

### **5. Legal Implications**

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

### **6. Staffing Implications**

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

### **7. External Consultees**

- 7.1. No external consultations have been undertaken.

### **8. Recommendations**

- 8.1. That the Committee endorse the way forward to support the bus service as it recovers from the effects of the COVID emergency and to initiate work towards the development of an Enhanced Partnership.
- 8.2. That the Committee endorse the findings of the West Yorkshire Strategic Bus Network Review and its inclusion as part of the draft Connectivity Plan.

### **9. Background Documents**

None.

### **10. Appendices**

Appendix 1 – West Yorkshire Strategic Bus Network Review -output summary