

Report to: Transport Committee

Date: 14 May 2021

Subject: **National 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 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 provide an update to Transport Committee on the publication of the National Bus Strategy and the next steps for the Combined Authority.
- 1.2. To provide an update to the Committee of the current position regarding bus service funding.

2. Information

National Bus Strategy

- 2.1. The national bus strategy, Bus Back Better, was published by the Government on Monday 15 March. It sets out a key role for the bus, outlines the future of bus funding and the commitments needed from Local Transport Authorities and bus operators. The strategy can be accessed here: [Bus back better - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/bus-back-better).

- 2.2. There is a close alignment between the Government's strategy and the twenty year West Yorkshire Bus Strategy which the Combined Authority adopted in 2017. The Government strategy has an emphasis on a number of key themes including more frequent, faster and reliable bus services, with the delivery of bus priority being cited as a key part to achieving this.
- 2.3. The Strategy has a number of key themes seeking to make buses;
- More frequent
 - Faster and more reliable
 - Cheaper:
 - More comprehensive
 - Easier to understand
 - Easier to use
 - Better to ride in
 - Better integrated with other modes and each other
 - Accessible and inclusive by design
 - Innovative; and
 - Seen as a safe mode of transport
- 2.4. The strategy has a strong emphasis on delivering highway schemes which reduce bus journey times, improve punctuality and give priority to buses over other road users.
- 2.5. The strategy also places emphasis on lower, flat fares and setting the price of multi-operator tickets to be competitive 'at a price little if at all higher than single-operator tickets'.
- 2.6. The strategy seeks to strengthen the role of Local Transport Authorities (LTAs) through devolution of funding. £3bn for bus was first announced by the Government in February 2020 and confirmed in the National Bus Strategy. Government has set very specific requirements and timescales for accessing this funding as follows

By the end of June 2021, we expect all LTAs, except MCAs which have started the statutory process of franchising bus services, to commit to establishing Enhanced Partnerships across their entire areas under the Bus Services Act, and all operators to co-operate with the LTA throughout the process..... From 1 July 2021, only LTAs and operators who meet these requirements will continue to receive the COVID-19 Bus Services Support Grant (CBSSG) or any new sources of bus funding from the Government's £3bn budget.

Only Greater Manchester has started the statutory process of franchising therefore the Combined Authority and all other LTAs must commit to Enhanced Partnerships.

Enhanced Partnerships

- 2.7. The National Bus Strategy marks a clear step away from the deregulated system towards a greater level of public influence in the operation of buses. This is in line with the approach that has been taken in West Yorkshire where the Bus Alliance has been effective in safeguarding bus services over the pandemic.
- 2.8. In November 2020, Transport Committee identified an Enhanced Partnership as the next step to enable a more accountable bus service and approved preliminary work in this regard. Positive discussions have taken place with bus operators who have confirmed their willingness to participate. The table below sets out the key themes of the Enhanced Partnership;

Theme	Description
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. To oversee a programme of infrastructure works to improve service performance and resilience
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

- 2.9. The formal process to establish an Enhanced Partnership is through the issue of a Notice of Intent for an Enhanced Partnership. The Notice of Intent must be agreed with bus operators and submitted to the Department for Transport by 1 July 2021. Members of the Committee are invited to provide views to inform a paper to the Combined Authority on 24 June setting out the issues, the

timescales to bus reform and recommending issuing the Notice ahead of the Government's deadline.

Bus Service Improvement Plan

- 2.10. Having met the deadline to commit to an Enhanced Partnership, the next deadline set by Government is to submit, by the end of October, a Bus Service Improvement Plan (BSIP). Details of the requirements for this plan are awaited however it is anticipated that it will set out the Combined Authority's schemes and funding requirements to deliver the objectives of the Bus Strategy. Work is underway to prepare the BSIP and an outline will be provided to the Combined Authority in June. It is intended to arrange a workshop for Transport Committee members to shape the Plan over the summer period ahead of a process to finalise the Plan in the Autumn.

Bus Franchising

- 2.11. Since becoming a Mayoral Combined Authority earlier this year, the Combined Authority now has powers to make a bus franchising scheme. To do so, the Combined Authority would need to prepare and publish an Assessment of the need for a Franchising Scheme (essentially a business plan), subject the Assessment to independent audit and instigate a public consultation. Greater Manchester initiated this process in 2017 and in March 2021 approved the making of a franchising scheme which will be introduced in phases between 2023 and 2025.
- 2.12. On 27 July 2020, the Combined Authority approved expenditure to develop the financial, legal and technical options available to reform the provision of bus services in the region. This work will inform the paper presented to the Combined Authority in June setting out the next steps for bus reform.
- 2.13. Establishing an Enhanced Partnership does not prevent the Combined Authority from initiating the franchising process at a future stage. The Enhanced Partnership will set clear targets and standards to ensure it furthers the overall bus strategy aims increasing patronage and through that securing the wider goals of inclusivity and carbon reduction. If the Enhanced Partnership does not achieve this, then this would provide evidence should a decision be taken to progress a Franchising Scheme.

Bus Funding

- 2.14. Since April 2020, Government has issued emergency funding to bus operators and Local Transport Authorities, the COVID Bus Subsidy Grant (CBSSG), 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. The Government funding arrangement is continuing under a rolling 8 week notice period. The Bus Strategy states that CBSSG will remain in place for "as long as necessary". It is anticipated that notice to end CBSSG

will be given at or around step 4 of the Covid Roadmap (21 June at the earliest) making the end of this funding in late August.

- 2.15. The Government has said that further funding will be available to support the recovery of bus fare revenues will be provided for the remainder of 2021/22. It was initially expected that this funding would be delegated to LTAs however DfT officials indicate that the system is likely to continue payment direct to bus operators. Details of the value and mechanism of this funding are expected in late May. Clearly there is a risk to the bus network if this funding is insufficient or if revenues do not recover at the rate anticipated.
- 2.16. Since April 2020, the Combined Authority has complied with the Government request to continue to pay concessionary fare reimbursements to bus operators at pre pandemic rates. As at week commencing 18 April, only 55% of the expected number of concessionary journeys were being made. A decision was taken by the Managing Director in consultation with the Chair of Transport Committee to continue on this basis until June 2021. It is anticipated that, as part of the recovery funding arrangements, Government will ask LTAs to maintain this arrangement for the remainder of the financial year 2021/22.

Zero Emission Bus Regional Area (ZEBRA)

- 2.17. The Strategy also commits to funding 4,000 zero emissions buses (a tenth of the national fleet) and ending sale of diesel buses. Government have announced a Zero Emission Bus Regional Area (ZEBRA) scheme which is a competitive bidding process for match funding bus operators' investment in electric or hydrogen buses and associated fuelling infrastructure together with contributions from LTAs. Up to four areas in England will be awarded funding under this scheme.
- 2.18. Participation in the ZEBRA scheme is in line with the Combined Authority's target to reduce carbon emissions and to provide a zero carbon public transport system. Transport Committee is recommended to endorse participation in the scheme. A successful bid will need to demonstrate match funding and commitments from bus operators. Discussions are in progress to obtain this commitment.
- 2.19. To participate, the Combined Authority must express interest by June 2021. An expression of interest will be submitted in conjunction with the Chair of the Transport Committee following discussions with bus operators to obtain their funding commitments. An update will be provided to members of the Committee.

3. Tackling the Climate Emergency Implications

- 3.1. It is important that passenger revenues recover to ensure that the Transport Recovery Plan can deliver a transport network which delivers a more favourable situation for air quality and carbon generation than existed prior to the pandemic. If successful, the ZEBRA funding will enable the expansion of zero carbon buses in the region.

4. Inclusive Growth Implications

- 4.1. It is important that the bus network continues to provide access to employment and training opportunities across West Yorkshire.

5. Equality and Diversity Implications

- 5.1. There are no equality and diversity implications directly arising from this report.

6. Financial Implications

- 6.1. Whilst the Combined Authority is paying for concessionary journeys that are not being made, the spend has remained within the budget set aside for this purpose.
- 6.2. Similarly, spend of supported bus services remains within budget however if, as set out in para 2.15 Government recovery funding arrangements are insufficient leading to the risk of service withdrawal, the Combined Authority may need to spend more to maintain community connectivity.
- 6.3. Government has set aside £25 million for LTAs to assist with the costs of adopting the Bus Services Act provisions with an initial payment of £100k to each Local Transport Authority which has now been received by the Combined Authority. This funding will support the legal and technical work necessary to issue the Notice of Intent for an Enhanced Partnership and to develop the Bus Service Improvement Plan which will seek to draw down further on the £25m.

7. Legal Implications

- 7.1. There are no legal implications directly arising from this report. However, the submission of a Notice of Intent (in June 2021) to proceed with an Enhanced Partnership will formally commit the Combined Authority to develop the statutory process for an Enhanced Partnership to be in place from April 2022.

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. To note the publication of the National Bus Strategy by the Department for Transport and the process established by Government to gain access to funding set aside for bus service improvement.
- 10.2. That members of the Committee provide views on a recommendation to the Combined Authority in June to issue a Notice of Intent for an Enhanced Partnership as a step towards greater public influence in the operation of buses.
- 10.3. That members of the Committee provide views on the submission of an Expression of Interest to the Department of Transport under the Zero Emission Bus Regional Area (ZEBRA) scheme.

11. Background Documents

- 11.1. The National Bus Strategy can be accessed here: [Bus back better - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/bus-back-better).
- 11.2. The West Yorkshire Bus Strategy can be accessed here: [Bus strategy - Combined Authority | Unlocking potential, accelerating growth \(westyorks-ca.gov.uk\)](https://www.westyorks-ca.gov.uk/consultations/bus-strategy)

12. Appendices

None