

Section A: Scheme Summary	
Name of Scheme:	Bus Franchising Scheme Needs Assessment
Location of Scheme:	West Yorkshire
PMA Scheme Code:	TBC
Lead Organisation:	West Yorkshire Combined Authority
Applicable Funding Stream(s) – Grant or Loan:	Single Investment Fund (SIF)
Growth Fund Priority Area (if applicable):	N/A
Combined Authority approvals to date:	<p>The Combined Authority approved the following on 24 June 2021:</p> <ul style="list-style-type: none"> • Approval for the publication of the ‘Notice to Prepare An Assessment of the Need for a Franchising Scheme’ and ‘Notice of Intent for the Enhanced Partnership’. • Endorsement of the vision and objectives for the ‘Bus Service Improvement Plan’ as set out in this report. • Endorsement for the deployment of emergency funding for bus services for the remainder of 2021/22. • Approval of funding from the Single Investment Fund for £1m to provide initial resources required to undertake an assessment relating to Bus Franchising and enable the Mayor to bring buses back under public control.
Forecasted Full Approval Date (Decision Point 4):	TBC
Forecasted Completion Date (Decision Point 5):	TBC
Total Scheme Cost for the preferred way forward (£):	£4,000,000- £7,000,000
CA Funding (£):	£4,000,000- £7,000,000
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0

Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No

A.1	Scheme Description
<p>The Mayor was elected alongside a pledge to bring buses back into public control. The Bus Franchising Needs Assessment (the Assessment) forms a key part of supporting this pledge, through building an evidence base to evaluate bus reform options. The Assessment is a statutory process to be undertaken to introduce a Franchising scheme.</p> <p>The National Bus Strategy sets out two bus reform options; Enhanced Partnership and Franchising, both of which will secure future bus funding. The Combined Authority wishes to explore both options to deliver the best bus service for customers.</p> <p>The Assessment will consider and prepare a full business case for the proposed bus franchising scheme. This will incorporate an evaluation of the benefits / impacts of bus franchising and compare these with other bus reform options, an audit of the proposed scheme, and the preparation and launch of public consultation on the documents produced. This process will result in the completion of a full business case.</p> <p>The key benefit of the Assessment is to provide an evidence base on which the Combined Authority can make a fully informed decision on whether to progress with a bus franchising scheme for West Yorkshire and supporting the mayoral pledge of bringing buses back into public control.</p>	

A.2	Business Case Summary
Strategic Case	
<p>The Mayor was elected alongside a pledge to bring buses back into public control. The Bus Franchising Needs Assessment (the Assessment) forms a key part of supporting this pledge, through building an evidence base to evaluate bus reform options. The Assessment is a statutory process to be undertaken to introduce a Franchising scheme.</p> <p>The National Bus Strategy sets out two bus reform options; Enhanced Partnership and Franchising, both of which will secure future bus funding. The Combined Authority wishes to explore both options to deliver the best bus service for customers.</p> <p>The Assessment will consider and prepare a full business case for the proposed bus franchising scheme. This will incorporate an evaluation of the benefits / impacts of bus franchising and compare these with other bus reform options, an audit of the proposed scheme, and the preparation and launch of public consultation on the documents produced. This process will result in the completion of a full business case.</p> <p>The key benefit of the Assessment is to provide an evidence base on which the Combined Authority can make a fully informed decision on whether to progress with a bus franchising scheme for West Yorkshire and supporting the mayoral pledge of bringing buses back into public control.</p> <p>The current relationship (Voluntary Partnership) has had some successes, but patronage is still falling and more Combined Authority financial support may be required as services struggle to be commercially viable.</p> <p>The scheme fits with current national and local policies of/ improving bus services, demonstrating a strong strategic fit for this scheme to be introduced.</p>	
Economic Case	
<p>West Yorkshire's Mayor has pledged to "<i>bring buses back into public control, introduce simpler fares and contactless ticketing, and greener buses</i>". "<i>Bringing buses back into public control</i>" requires the Combined Authority to utilise its mayoral powers to make a bus franchising scheme and it has served notice of its intention to undertake the first step in this process by making a public commitment to preparing and publishing an assessment of the need for a franchising scheme.</p>	

The National Bus Strategy (2021) is very clear that Local Transport Authorities (LTAs) of which the Combined Authority is one need to implement a Bus Enterprise Partnership or be progressing a franchising assessment in return for a share of £3bn transformational funding.

Recruiting individuals to work alongside the procured consultants is considered a cost-effective way of building the skills and knowledge that the organisation will need as it progresses with bus reform, regardless of whether this is through franchising or another route e.g., Enhanced Partnership.

Commercial Case

The National Bus Strategy (2021) acknowledges that the current model of bus deregulation has pushed people further towards the car because it does not meet the needs of a large proportion of people. The current model has few incentives for operators and local authorities to work together resulting in a network that is not strategically planned and is focussed on profitable routes and times of day. Less attractive routes have typically had to be supported by the taxpayer.

COVID-19 has had a significant impact on bus services across the country meaning that more services need to be supported by the taxpayer. Since April 2020, Government has issued emergency funding to bus operators and LTAs, the Coronavirus Bus Services Support Grant (CBSSG), and continued to pay the Bus Services Operators Grant (BSOG) at pre-pandemic rates. To continue to receive this support the National Bus Strategy requires that a notice of intention to establish an Enhanced Partnership with bus operators or undertake an assessment of the need for a franchising scheme is served. The Combined Authority has serviced notice of both.

Financial Case

It is estimated that between £4,000,000 - £7,000,000 will be required to carry out the Assessment. This is based on advice provided by EY. Costings are based on publicly available data from a similar Assessment undertaken in Greater Manchester and informed by EY's experience on other similar programmes and a series of simple assumptions. This is to be refined as part of OBC / FBC development. £1,000,000 has already been indicatively approved by the Combined Authority.

Management Case

The work will be overseen by the Bus Strategy Board with a clear and accountable Senior Responsible Officer (Director of Policy & Development) to oversee the consultancy work. The Project Executive (Head of Transport Policy) and Policy Manager (Franchising) will manage the consultants that are providing the scheme outputs on a day-to-day basis with support also offered from the bus policy team in administrative assistant when required.