

**Report to:** Transport Scrutiny Committee

**Date:** 10 March 2022

**Subject:** **Bus Service Improvement Plan and Enhanced Partnership Update**

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## **1. Purpose of this report**

- 1.1. To provide Transport Scrutiny Committee with an update on the next steps of the Bus Service Improvement Plan and Bus Enhanced Partnership

## **2. Information**

### Background

- 2.1. The National Bus Strategy, Bus Back Better, published in March 2021 signalled a strong commitment from Government to bus. It acknowledges the failures of deregulation and looks to strengthen the role of Local Transport Authorities (LTAs) through the devolution of funding.
- 2.2. The Strategy requires all Local Transport Authorities (LTAs) to have submitted a Bus Service Improvement Plan (BSIP) to Government by 31 October 2021 and to be in a Bus Enhanced Partnership (EP) or actively pursuing bus franchising by the end of March 2022. These requirements are linked to future funding for bus and without them West Yorkshire will not be able to access these funding streams.
- 2.3. In addition, the Mayor of West Yorkshire is actively pursuing a manifesto pledge to 'bring buses back into local control', ensuring buses deliver a service that meets the needs of West Yorkshire residents and businesses.
- 2.4. To demonstrate how the pledge could be met, the Combined Authority has produced a 'roadmap'. It has also served two notices of intent, one of its intention to prepare an Assessment of a Proposed Franchising Scheme and the other of its intention to establish a Bus Enhanced Partnership with operators to improve local bus services.

2.5. The following sections set out progress in developing and implementing the various component parts that will deliver bus reform in the region.

#### Bus Service Improvement Plan

2.6. The West Yorkshire Bus Service Improvement Plan (BSIP) - outlining our ambitions and associated funding ask to transform the local bus system - was submitted to the Department for Transport (DfT) on 29 October 2021.

2.7. At the time of writing this report, the Combined Authority is still awaiting feedback on the BSIP and our funding allocation to support its implementation. We are expecting confirmation of an indicative settlement in February 2022.

2.8. In a letter to all LTAs received in January 2022, the DfT have advised that while they are still currently assessing all BSIPs further details of indicative funding will 'recognise that the budget available for transformation, including for Zero Emission Buses, is around £1.4bn for the next three years and that prioritisation is inevitable, given the scale of the ambition across the country greatly exceeds this amount.'

2.9. In later communication, the DfT have since suggested that:

- A number of LTAs will be allocated indicative funding to deliver all or most of the aspirations set out in their BSIPs. The final funding awarded will be based on the deliverability of their schemes and their Enhanced Partnerships (EPs).
- A further set of LTAs will be allocated indicative funding which will be less than that sought in their BSIPs. We will ask places to re-focus, prioritising schemes which will give the best outcomes for the area.
- A third group of LTAs will not be allocated funding at this stage but will be supported to develop their BSIPs and EPs further, to ensure they are eligible for future funding and other possible investment streams.

2.10. Furthermore, the Combined Authority expects that we will receive only revenue funding from the national BSIP funding pot. This is because we have received capital funding via the City Region Sustainable Transport Settlement (CRSTS) which will, in part, support implementation of the West Yorkshire BSIP.

2.11. As such, it is expected the Combined Authority's specific BSIP funding allocation will fall significantly short of the £168 million revenue sought in our bid. Officers are developing funding scenarios based on likely outcomes (e.g. £10 million, £15 million, £20 million, £30 million and £50 million) to understand what we could spend the money on to best meet our strategic priorities – a safe and inclusive bus service, better connected communities, and decarbonisation and integrated sustainable travel.

2.12. A Strategic Assessment (SA) of our BSIP bid is also currently being progressed through the Combined Authority's internal assurance process in order to ensure we are prepared to receive and spend any funding ahead of the new financial year.

- 2.13. More broadly, a BSIP Implementation Plan is actively being developed to support delivery on its ambitions and deliver benefits to passengers, regardless of the additional funding received.

### Bus Enhanced Partnership

#### Background

- 2.14. The EP will be the mechanism for the delivery of the early stages of the BSIP. It provides details on the Combined Authority's, West Yorkshire local authorities, and operator's shared plan to improve bus services and provision in West Yorkshire and must build on the ideas and interventions set out in the BSIP in much more granular detail.
- 2.15. It is a statutory partnership between the Combined Authority as the LTA, West Yorkshire local authorities and all operators running bus services in the region and needs to be approved by all these parties to come into operation. Each of the Local Authorities of West Yorkshire will be signatories to the EP.
- 2.16. To access discretionary bus funding available from April 2022, Government asked for an EP Plan and one EP Scheme to be in place by April 2022. The EP also needs to be in place to ensure the passenger benefits that can be achieved through bus reform are delivered prior to a decision being made on bus franchising.
- 2.17. The EP Plan reflects the ambitions and content of the BSIP and a large proportion of the content is taken from this document. However, the initial EP Plan takes a shorter-term view, focussing on what improvements can be made in the period up to 2027. This reflects the indicated timescales for deciding on and implementing a bus franchising scheme (if bus franchising is determined to be the preferred option for delivering bus reform in West Yorkshire).

#### Governance

- 2.18. The EP will be overseen by the West Yorkshire Bus Alliance. The governance arrangements that are currently established for the Bus Alliance will be strengthened and adapted for the EP. The Bus Alliance Executive Board will be chaired by the Chair of Transport Committee or Lead Member Public Transport to ensure the electorate is fully represented in the governance of the bus service through the EP.

#### Approach

- 2.19. Due to the original timescales laid down from Government for the EP to be 'made' it has not been possible to produce the full suite of EP Schemes that would be required to meet the ambitions and content of the BSIP. Transport Committee has previously endorsed a modular approach to the delivery of EP Schemes being taken, whereby the initial EP Scheme, focused on bus infrastructure, has been produced to meet the initial timescales, with other EP Schemes being developed throughout 2022 and 2023.

- 2.20. The Bus Infrastructure EP Scheme will begin with the A61(South) in Leeds with other bus infrastructure projects in the other West Yorkshire districts added post March 2022. It will include obligations relating to vehicle standards, bus lane design and operation, and provision / maintenance of facilities such as bus shelters.

#### Statutory Milestones

- 2.21. Prior to the EP coming into force a number of statutory processes have been completed. The Combined Authority approved the content of the EP at its 9 December 2021 meeting, enabling the operator objection period to commence. This completed on 17 January 2022 and no objections were received from operators.
- 2.22. During the objection period, on 11 January, a letter from DfT was sent to all Local Transport Authorities advising of an amendment to the timescales for having an EP in place, and asking for a draft EP Plan and Scheme to be submitted by the end of April 2022. The letter also suggested that if the statutory consultation element of the process had not yet commenced then there would be no need to start this yet and instead, they would recommend pausing until the outcome of the BSIP funding announcement.
- 2.23. Combined Authority officers have carefully considered the implications of the letter and it has been agreed to proceed with the original timescales.
- 2.24. The Combined Authority therefore proceeded with the consultation period with a number of identified statutory consultees such as the Traffic Commissioner, Competition and Markets Authority on 2 February, until 23 February. Should no essential changes be required to be made to the Plan or Scheme, the Combined Authority intends to proceed with seeking approval from the Combined Authority at its 17 March 2022 meeting to make the Enhanced Partnership on 1 April.

#### Zero Emission Buses

- 2.25. While buses are already one of the greenest forms of transport – contributing only three per cent of the UK’s domestic transport emissions – accelerating the roll-out of ZEBs will drive further improvements to air quality and emissions across our region.
- 2.26. The Combined Authority is committed to introducing zero-emission buses across West Yorkshire to drive down harmful emissions. These efforts include utilising the £4m allocated funding from the [Transforming Cities Fund](#) to introduce 8 zero-emission buses on routes in Kirklees and Calderdale, and the [City Region Sustainable Transport Settlement \(CRSTS\)](#) which is a minimum £21m project to introduce ZEBs and associated infrastructure.
- 2.27. On 31<sup>st</sup> January 2022, The Combined Authority submitted its £23m bid to the [Zero Emissions Bus Regional Area \(ZEBRA\) fund](#), which if successful, will deliver 47 double-decker buses for Arriva, 32 single-decker buses for First and 32 single-decker buses for Transdev across Bradford, Wakefield, and Leeds. The bid could make a significant contribution towards our regional net-zero

carbon by 2038 goal, by increasing the percentage of the zero-emission fleet from 2% to 10% and removing 50 tonnes of NOx/year.

- 2.28. Within West Yorkshire there is a link between deprivation and air quality, with areas experiencing high levels of deprivation often also being those adversely affected by poor air quality. Most of the routes selected across this programme serve areas of multiple deprivation that experience disproportionate inequalities in health, income, and air quality. Thus, our investment in zero emission buses seeks to address the link between poor air quality and social deprivation through the introduction of cleaner buses that address both carbon emissions and its effects on spatial inequalities.
- 2.29. Currently, only 2% of buses operating in West Yorkshire are zero emission buses, but as a result of this programme we hope to grow this number significantly, leading to between 14% and 19% of the West Yorkshire bus fleet being zero emission – figures that equate to between 179 and 245 zero emission buses being in service across the region. This is in line with our [Bus Service Improvement Plan](#) commitment to have a carbon-zero bus fleet by 2036.

#### Bus network and funding pressures

- 2.30 At the time of writing, the Government Bus Recovery Grant remains in place until 5 April 2022 with a double payment made to bus operators in March. Bus operators nationally have advised that a complete withdrawal of Bus Recovery Grant may necessitate a reduction in commercial bus service mileage of around 30%. Urban Transport Group commissioned a study by Steer to assess the impact of the pandemic on bus provision and recommended that Bus Recovery Grant is needed for a further 12 months in order to stabilise the economics the economy of the service and provide a platform upon which to deliver the Government's Bus Back Better ambitions. If funding is withdrawn, almost a third of urban bus journeys are at risk.
- 2.31 A short term extension of BRG may defer an immediate risk of service withdrawals necessitating a close working between the Combined Authority and bus operators to identify the nature of the stabilised network and the interventions needed to maintain connectivity for communities when the funding ends. This will be an early priority for the Bus Enhanced Partnership.
- 2.32 The uncertainty around funding and other economic conditions also impact on the Combined Authority's provision of socially necessary bus services, school buses and AccessBus. As with other sectors of the economy, cost pressure especially around wages and fuel are impacting on bus operation. Whilst the Combined Authority's contracts include provision for inflationary costs, there have been a number of contracts for school services where it has been necessary to re-tender because the incumbent SME operator considers the contract value unsustainable. Whilst this has not significantly impacted on service levels it has increased costs
- 2.33 In addition, Arriva Yorkshire has reduced its commercial operation creating several situations where communities access to bus services have been

threatened. In October 2021, the CA stepped in to fund the operation of bus service 205 (Dewsbury- Morley – Pudsey) at a cost of £120k pa

- 2.34 From the end of February, Arriva withdrew its service 117 (Ossett to Leeds), together with links between Knottingley and Castleford and evening services in SE Wakefield. The Combined Authority has made arrangements with other operators to maintain these links pending a longer term review. The current cost to the CA of these interventions is around £15,000 per month.
- 2.35 Depending on the outcome of Government recovery funding, the CA may be under pressure to fund the retention of other key bus links over 2022/23.

### **3. Tackling the Climate Emergency Implications**

- 3.1. A well-used and attractive bus service will support the shift in travel from private cars to more sustainable modes needed to reduce carbon emissions from transport. The Bus Service Improvement Plan sets out a roadmap towards a zero-carbon bus fleet ahead of the Combined Authority's net zero target of 2038.
- 3.2. The EP is a mechanism to help deliver this vision in the shorter term by delivery of zero emission buses, subject to funding, as well as putting in place measures that will help transition journeys from the private car to public transport and active travel. These aims also align with the West Yorkshire Climate and Environment Plan over the next three years.

### **4. Inclusive Growth Implications**

- 4.1. Buses are important in providing and enabling access to employment and training opportunities across West Yorkshire. Interventions outlined in the BSIP which transition into the EP will consider the needs of communities with higher levels of deprivation and those of less affluent travellers.

### **5. Equality and Diversity Implications**

- 5.1. The BSIP seeks to identify options which make travel by bus an attractive and viable option for all members of the community. Where interventions relating to this transition into the EP they will consider the needs of all prospective bus users and will identify actions to promote inclusion.

### **6. Financial Implications**

- 6.1. There are no financial implications directly arising from this report, however the implementation of a number of work areas highlighted in this report will raise financial implications. Where this is the case separate reports will be brought to the relevant committee.
- 6.2. At the time of writing, BSIP funding guidance was awaited from the Department for Transport. It is expected to include revenue funded elements. Government has previously indicated that capital elements would be funded from the City Region Sustainable Transport Settlement.

## **7. Legal Implications**

- 7.1. There are no legal implications directly arising from this report. The process proposed by this report is in line with the provisions of the Bus Services Act and associated guidance.

## **8. Staffing Implications**

- 8.1. There are no staffing implications directly arising from this report, however the implementation of a number of work areas highlighted in this report will necessitate the recruitment of additional human resource. Where this is the case separate reports will be brought to the relevant Committee.

## **9. External Consultees**

- 9.1. West Yorkshire local authorities and local bus operators have been consulted on the Bus Service Improvement Plan and Enhanced Partnership documents. Their feedback has been taken into account and has shaped proposals where appropriate.
- 9.2. In addition, a number of statutory consultees have been consulted on the Enhanced Plan and initial Scheme.

## **10. Recommendations**

- 10.1. That the Committee notes the report and provides any comments and feedback.

## **11. Background Documents**

- 11.1. There are no background documents referenced in this report.

## **12. Appendices**

None.