

Report to: West Yorkshire Combined Authority

Date: 22 July 2022

Subject: **Bus Service Improvement Plan Enhanced Partnership Scheme**

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Is this a key decision?	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 To provide an overview of the content included in the draft Bus Service Improvement Plan (BSIP) Enhanced Partnership Scheme
- 1.2 To request approval of the publication of the Notice of Intent that a draft BSIP Enhanced Partnership Scheme for West Yorkshire has been prepared (subject to feedback from the Department for Transport)
- 1.3 To approve proceeding with subsequent statutory milestones in relation to the Scheme, including operator objection period, consultation and making the Scheme

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. It also sets out that for Local Transport Authorities (LTAs) to access funding from April 2022 there is a requirement to be in an Enhanced Partnership (EP) or actively pursuing bus franchising by the end of March 2022.

- 2.2 In May 2021 West Yorkshire elected its first mayor. Of several mayoral manifesto pledges was the ambition to 'bring buses back into public control'. In response the Combined Authority set out a "roadmap" to achieving this pledge, along with the time needed to meet the requirements of the legislative process.
- 2.3 In addition to the "roadmap" the Combined Authority served notice in June 2021 of its intention to prepare an Assessment of a Proposed Franchising Scheme. Alongside this Notice the Combined Authority also served notice of its intention to establish an EP with operators to improve local bus services and invited all operators running services in West Yorkshire to participate in the formulation of the EP Plan and its associated Scheme(s).
- 2.4 While bus franchising is a longer-term proposition to enact bus reform in the region the EP will, at least until a decision on franchising has been made, deliver benefits to passengers in the short term.
- 2.5 The EP sets clear targets and standards to ensure it furthers the overall bus strategy aims to increase patronage and through that secure the wider goals of inclusivity and carbon reduction. As the Assessment of a Proposed Franchising Scheme will be developed alongside the EP then if the EP does not achieve its aims, then this would provide evidence to support a decision to progress with a franchising scheme. It is intended that the EP will be included as part of the Assessment of a Proposed Franchising Scheme.
- 2.6 While the National Bus Strategy set out the different ways LTAs could access future bus funding it also outlined a requirement to submit a Bus Service Improvement Plan (BSIP) to Government by 31 October 2021.
- 2.7 The BSIP was submitted to Government last year and sets out the Combined Authority's ambition for bus, regardless of the delivery model. It identifies a wide range of interventions that will enable the ambition to be achieved, with those that can be delivered over the short-term being delivered by the EP, and those longer-term actions being delivered as part of the wider bus reform process.
- 2.8 The EP 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 builds on the ideas and interventions set out in the BSIP in much more granular detail.
- 2.9 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 are signatories to the EP.
- 2.10 The EP is overseen by the West Yorkshire Bus Alliance. The Bus Alliance Executive Board is chaired by the Chair of Transport Committee or Lead Member for Public Transport to ensure the electorate is fully represented in the governance of the bus service through the EP.

2.11 A statutory EP must be made up of two distinct elements:

- **EP Plan:** the strategic document setting out the vision and objectives for the EP reflecting the ambitions and contents of the BSIP and providing more detail on proposed interventions where appropriate. It also set out the governance arrangements for the partnership.
- **EP Scheme(s):** linking the commitments around specific interventions that will deliver the EP Plan and identify facilities and/or measures within a defined geography. At least one EP Scheme must always be in place in addition to the EP Plan. Successive iterations of the scheme would be planned, across West Yorkshire.

2.12 The West Yorkshire Bus Enhanced Partnership was created on 1 April 2022. Without this the region would not have been able to access future funding. The EP is also required 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.

2.13 Details of the draft content of the BSIP EP Scheme are outlined in Appendix 1 (with an overview provided below).

BSIP - Enhanced Partnership Scheme

2.14 In April 2022, the Combined Authority received confirmation from the DfT that based on the strength of its BSIP, it had successfully been awarded an indicative settlement of £69,974,070 revenue funding over three financial years (2022/23, 2023/24, 2024/25) to support delivery.

2.15 Although this award is one of the highest received by any local authority in England, it does fall significantly short of the West Yorkshire BSIP's original associated funding ask of £399,622,000 (£168,780,000 revenue and £230,842,000 capital) over five financial years.

2.16 The Combined Authority propose to prioritise 53% of this funding towards subsidising fares (driving down the cost of single journey and day tickets / the 'daily cap') and 44% on investing in new routes and enhanced services, radically improving the local bus network and delivering significant improvements for local passengers.

2.17 The headline fare reductions were announced publicly by the Mayor in early May and build on the original proposition set out in the BSIP seeking to cap single fares at £2.00 and the WY Day Saver ticket (the maximum price anyone should pay for a day's bus travel in the region) at £4.50. The fare setting process, wider ticket range and subsidy methodology will be prescribed within the Enhanced Partnership scheme following detailed discussions with bus companies and the West Yorkshire Ticketing Company. The maximum fares will be reviewed each year based upon inflation indices.

- 2.18 Investment in the network will aim to reconnect communities, particularly in towns and villages, left isolated by service changes and cuts made over recent years. There will also be a focus on better connections to work, education, health and leisure opportunities across the region rather than just supporting travel in and out of major urban centres. The details of this network plan will be developed over the coming months.
- 2.19 Other prioritised investments include improvements to network travel information, initiatives to support safer travel, and marketing and communications to promote and maximise the benefits / passenger uptake of these BSIP interventions.
- 2.20 Capital funding from the Combined Authority's City Region Sustainable Transport Settlement (CRSTS) is also expected to support delivery of the BSIP, including:
- More bus priority schemes
 - New zero emission buses
 - Integration initiatives including the technical onboard infrastructure for contactless capping, Mobility Hubs and Demand Responsive Transport schemes.
- 2.21 These investments will be made against the backdrop of significant challenges for the local bus system including ongoing suppressed patronage as result of the Covid-19 pandemic, cost inflation (both to operate services and, more generally, rising living costs which are impacting passengers spending power), driver shortages and, finally, the resultant commercial service withdrawals.
- 2.22 Furthermore, the time-limited nature of the BSIP funding (3 financial years) means the Combined Authority must be focussed on supporting the commercial sustainability of these initiatives beyond that period to avoid sudden fare increases and service withdrawals in the future.
- 2.23 The DfT required the Combined Authority to submit by 30th June 2022 a final funding summary table as well as a draft Enhanced Partnership Scheme, which explains how the West Yorkshire Bus Alliance will work together to implement the relevant interventions.
- 2.24 The Enhanced Partnership will therefore be the mechanism through which the Combined Authority will facilitate a maximum single fare of £2.00 supported by subsidy funded from BSIP. Operators have engaged in positive discussions regarding fare subsidies to date, which will be formalised into a Reimbursement Scheme setting out the process for calculating and paying this subsidy
- 2.25 This paper seeks approval from the Combined Authority to publish a Notice of Intent that a draft Enhanced Partnership Scheme for West Yorkshire has been prepared, (Appendix 2), subject to feedback from the Department for Transport and to proceed with the subsequent statutory milestones including operator objection period, consultation and making of the Scheme.

- 2.26 From July, the DfT is then expected to review the Enhanced Partnership documents, provide feedback and agree it meets their expectations before final confirmation of the funding settlement.

BSIP Implementation – Cheaper Fares

- 2.27 It is not yet known whether Government will confirm BSIP funding ahead of or after the summer recess. A condition of funding will require the Enhanced Partnership Scheme, as described in this report, to be in operation, hence the need to initiate the process at this meeting. BSIP funding will also be subject to approval under the Combined Authority's Assurance Process which is likely to be in September.
- 2.28 It is proposed to introduce the cheaper fares proposals set out in the Plan ahead of the other elements in the plan ideally in September or October. Preparatory work will therefore be needed during August to enable this. This report recommends that the arrangements proceed to enable the new, subsidised fare system.
- 2.29 Transport Committee will consider an action for expenditure of all other elements in November following which the appropriate procurement process will take place with the introduction of new services early in 2023.

3. Tackling the Climate Emergency Implications

- 3.1 A key aim of the West Yorkshire Bus Service Improvement Plan is to support the decarbonisation of the local bus network, including delivery of a carbon-zero bus fleet by 2036, as well as encourage more travel by bus and other sustainable modes in order to tackle the climate emergency.

4. Inclusive Growth Implications

- 4.1 Key aims of the West Yorkshire Bus Service Improvement Plan are create a more inclusive, accessible bus service and to better connect communities, particularly those area of high deprivation, in order to support the region's inclusive growth ambitions.

5. Equality and Diversity Implications

- 5.1 Supporting Equality and Diversity through ensuring the bus service is attractive, inclusive and accessible for all is a key aim of the West Yorkshire Bus Service Improvement Plan.
- 5.2 The planned public engagement will also prioritise engaging with seldom heard groups and, where possible, obtaining data on protected characteristics from participants, in order to strengthen the insights it provides to support Equality and Diversity.

- 5.3 An Equality Impact Assessment has been completed and will be reviewed regularly throughout the programme's delivery.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report, but subject to agreement from the DfT, the Combined Authority will receive £69,974,070 in total in revenue funding over the next three years from 2022/2023 to support delivery of its Bus Service Improvement Plan.

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.

10. Recommendations

- 10.1 That the Combined Authority approves the publication of the Notice of Intent that a draft BSIP Enhanced Partnership Scheme for West Yorkshire has been prepared (subject to feedback from the Department for Transport)
- 10.2 That the Combined Authority approves progression through the subsequent statutory milestones in relation to the Scheme, including operator objection period, consultation and making the Scheme.
- 10.3 That arrangements to implement the cheaper fares proposal proceed in consultation with the Mayor and Chair of Transport Committee.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Draft BSIP EP Scheme commitments

Appendix 2 – Notice of Intent that a draft EP Scheme has been prepared