

Appendix 1 – Bus Reform programme (Bus Franchising Needs Assessment) – PMA Project Approvals Report

<p>Bus Reform programme (Bus Franchising Needs Assessment) West Yorkshire</p>	<p><u>Scheme description</u></p> <p>This scheme will investigate the options for the proposed bus franchising scheme. This will include a thorough needs assessment, incorporating an assessment of the benefits and impacts of bus franchising, a comparison of these against other bus reform options, an audit of the proposed scheme, and the preparation and launch of public consultation.</p> <p>This scheme supports the Mayor's pledge to bring buses back into public control. This assessment forms a key part of this pledge and is a statutory process.</p> <p>The scheme will be funded by Combined Authority Gainshare funding.</p> <p><u>Impact</u></p> <p>The key benefit of this scheme is to provide an evidence base upon which the Combined Authority can make a fully informed decision on whether to progress with a bus franchising scheme for West Yorkshire.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £5,012,000</p> <p>Total value of Combined Authority funding - £5,012,000</p> <p>Funding recommendation sought - £4,012,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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Project Title	<u>Bus Reform programme (Bus Franchising Needs Assessment)</u>
Stage	2 (scheme development)
Decision Point	4 (full business case)

Background

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.

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.

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.

The key benefit of the Assessment is to provide an evidence base on which the Mayor 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.

A summary of the scheme's business case is included in **Appendix 2**.

Tackling the Climate Emergency Implications

The National Bus Strategy seeks to strengthen the role of Local Transport Authorities (LTAs) through devolution of funding with a total national funding pot of £3 billion for buses first announced in February 2020. It also acknowledges the challenges experienced after the deregulation of buses which has seen patronage continue to decline. This is especially important when acknowledging the climate emergency, with increased bus use of key importance within the Combined Authority's decarbonisation plans.

The Assessment will include the Combined Authority's corporate objectives on the climate emergency in the evaluation of bus reform options. It will also assess whether individuals and groups within the Combined Authority with sufficient authority and accountability are well placed to deliver on climate targets.

Outputs and Benefits

The scheme outputs and benefits include:

- To support the ambition set out in the Mayor's pledge and Economic Recovery Plan to bring buses back into public ownership.
- To enable the mayor to make a fully informed decision on whether to progress with bus franchising for West Yorkshire by January 2024.
- To secure long term, future bus funding post April 2022.
- To enhance the Combined Authority's understanding and evidence base for bus reform in order to inform the mayoral decision by January 2024.
- To ensure the sustainability of the bus network in the future.
- To better understand customer views on the current bus service and future aspirations for the service.
- The potential indirect benefit of an increase in access to bus services and ensure continuity post-COVID.

Inclusive Growth Implications

The schemes inclusive growth implications are likely to be minimal as this scheme will result in evaluating the strategic direction and informing a Mayoral decision on bus reform.

Equality and Diversity Implications

An Equality Impact Assessment has been completed. This scheme is to undertake an Assessment of the need for a Bus Franchising Scheme to facilitate a decision on whether the Combined Authority should progress with a bus franchising scheme in West Yorkshire to achieve benefits for bus users both existing and future. There are therefore no direct EDI implications. Further investigation into the impact on equality and diversity will be undertaken as the outcome of the Assessment is known.

Risks

Key risks to the scheme are:

- A lack of capacity in Combined Authority structure to provide sufficient authority and accountability, this may delay decision making. This is mitigated by the Delivery Team identifying accountable individuals and groups and key decision points to ensure oversight and accountability. This will also strengthen the capacity for decisions and programme management resources.
- Due to internal work pressures and sign-off procedures, there is a risk that progress of the Assessment is delayed impacting the wider bus reform roadmap and mayoral decision. This is mitigated by the appointment of necessary support and identifying the critical activities and what is required to ensure they are completed in a timely manner.

Costs

On 6 January 2022, Finance, Resources and Corporate Committee approved an indicative total scheme cost of £7,000,000 and development costs of £1,000,000 were released to progress development of the full business case and associated activities.

Since then, the costs have been further refined and developed. The total scheme costs for this scheme are £5,012,000 which will be funded through the Combined Authority's Gainshare fund.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	25/05/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer / Chair of Programme Appraisal Team	09/06/2023

Other Key Timescales

Activity	Date
Conclude initial franchising assessment and commence audit period	30/06/2023
Audit concludes. Combined Authority decision required to progress to consultation	30/09/2023
Public consultation ends	29/12/2023
Review consultation and finalise the proposed franchising scheme (reconsult/ reaudit as required)	29/03/2024
Mayoral decision on franchising	29/03/2024

Assurance Tolerances

Assurance tolerances

Combined Authority costs remain within those outlined in this report.

Delivery timeframes remain within those outlined in this report.

Appraisal Summary

There is a clear alignment of this scheme with the mayor's pledges as well as local, regional and national policy. The need for the scheme is a key aspect of wider bus reform and is a key requirement of government as set out in the National Bus Policy.

The project to undertake a Needs Assessment has considered a number of options and has concluded that the preferred way forward is to carry out external recruitment for a number of key positions and to procure external consultancy support. Most of the procurement for consultancy support has concluded.

This scheme is for a programme to be established to oversee the completion of the Bus Reform Franchising Needs Assessment. The aim of the Assessment is to assess the feasibility and value of bus franchising in West Yorkshire for a decision to be made on whether to proceed with franchising, or not. The Franchising Assessment is a statutory process. This FBC is to ask for the remaining funds to complete the Assessment along with the required consultation and audit.

Recommendations

The Combined Authority approves that:

- i) The Bus Reform programme (Bus Franchising Needs Assessment) scheme proceeds through decision point 4 (full business case) and work commences on activity 5 (delivery).
- ii) Approval to the Combined Authority's contribution of £4,012,000 is given. The total scheme value is £5,012,000.
- iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.