

Appendix 2 – Bus Reform programme (Bus Franchising Needs Assessment) – Business Case summary

Project Title	<u>Bus Reform programme (Bus Franchising Needs Assessment)</u>
Main Funding Programme	Gainshare
Funding Applied for from the Combined Authority now	£4,012,000
Total scheme costs	£5,012,000

Scheme Description

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 outline benefits and drawbacks of bus franchising and other bus reform options, an audit of the proposed scheme, and details about public consultation on the documents produced. This process will result in the completion of a full business case.

Business Case Summary
Strategic Case
<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. The assessment will consider and prepare a full business case for the proposed bus franchising scheme.</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. 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 “bring buses back into public control, introduce simpler fares and contactless ticketing, and greener buses”.</p> <p>“Bringing buses back into public control” requires the Combined Authority to utilise its mayoral powers to make a bus franchising scheme and it has served notice of its intention to</p>

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.

The National Bus Strategy (2021) is very clear that local transport authorities (LTAs) 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 many people further towards the car because it does not meet their needs. The current model has few incentives for operators and local authorities to work together, resulting in a network that is focussed on profitable routes and times of day.

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

The total scheme cost is £5,012,000 which will be funded by the Combined Authority's Gainshare /Fund.

Management Case

This scheme will be managed by the Combined Authority and governance structures have been implemented to oversee the work undertaken.