

TRANSPORT BOARD

4/07/2020

BUS REVIEW RESPONSE WORK

Purpose of Report

To update the Board on the Bus Review Response workstream and outline the proposed next steps.

Thematic Priority

Secure investment in infrastructure where it will do most to support growth.

Recommendations

That members of the Transport Board approve the approach to delivering the Bus Review Response work programme through the work packages outlined and note timescales for delivery.

1. Introduction

- 1.1** In February 2019, the Mayor announced a review of the region's bus network. Clive Betts MP was appointed as Chair of this independent review and was supported by a panel of expert commissioners. The purpose of the Review was to investigate the underlying causes of service decline and identify options for improving services. The Bus Review was published on 18 June 2020 and set out 18 recommendations for delivery over the short, medium and long term.
- 1.2** Following consideration of the Review, a proposed set of principles to shape the regions response along with a 7-point work programme was presented and agreed at the July MCA meeting. This paper sets out the work that has begun to establish a work programme to deliver the Plan and the immediate next steps.

2. Proposal and justification

- 2.1** The following 7 point plan was proposed and agreed by the MCA in July, which will guide work over the coming months to respond to the Bus Review:
 - 1. Governance:** Begin the process for integrating the South Yorkshire Passenger Transport Executive (SYLTE) fully within the Sheffield City Region MCA.
 - 2. Route Analysis:** Analyse the South Yorkshire bus network to set out a 'whole system' approach that ensures buses run where people want to go both now and, in the future, along with achieving better integration with other modes. This will take a bottom up approach, focussing on each Local Authority area and the need for integrated routes across South Yorkshire. The analysis will look at the volume, role and timings of bus routes, including patronage by route, speed of journey and

mode integration. The route analysis will identify the service needed by geographical area, before identifying the gap between where are now compared to where we would like to be and the cost of delivery.

3. **Quality Analysis:** Identify the investment and infrastructure required to improve the quality of service/experience for passengers.
4. **Pricing Analysis:** Consider the cost of using the regions bus services to develop a new pricing and ticketing framework to drive patronage and make it affordable, flexible and attractive. This will include a review of concessions to ensure they meet passenger needs.
5. **Environmental Analysis:** Identify the investment and infrastructure required to meet the MCAs net zero commitments.
6. **Model Evaluation:** Work through the legal and financial implications of changing our current bus service delivery model using the powers available in the Bus Services Act 2017. This will include consideration of Enhanced Partnerships, either across South Yorkshire or in specific local authorities. It will also consider the long term legal and financial options for other models such as franchising.
7. **Cost Model:** A financial planning exercise working with Local Authorities and bus operators to produce a new cost model to achieve the objectives set out in the above 7 point plan

- 2.2 Work has taken place to package and sequence the different components of the Plan. It is proposed that the four analysis work strands are prioritised, as the outputs will shape the remainder of the work programme. Of the four analysis pieces, the Route, Quality and Environment Analysis workstreams will be progressed as a package first, as identifying the scope of these elements will enable costs to be calculated and a suitable delivery model to be identified later in a later work package.
- 2.3 The brief for work package 1 is under development and once completed, will produce a set of recommendations for Leaders to consider, outlining the best network that can be delivered using known funding sources but with other factors unchanged (the baseline). From this baseline position other scenarios will be created incorporating policy levers that could be activated to increase patronage and raise additional funds, to allow an optimum combination of measures to be selected by Leaders. The output of work package 1 will be a deliverable Plan that has been developed using known funding sources and policy interventions that are suitable for our region.
- 2.4 To ensure that value for money is obtained from the commission a Resourcing Plan is also being developed. This process will review the resourcing requirements of each element of the work package to see whether internal expertise could be found to undertake the work. Where there is internal capability and capacity, some activities will be undertaken within SYPTE / SCR to use expertise and experience within the system, which will also help to smooth the transition from design to delivery and to help manage costs.
- 2.5 Within the July MCA meeting, it was also agreed that a Bus Improvement Board would be established to guide the development and delivery of the 7 point plan. Work has begun to set out the Terms of Reference (ToR) for this group and to explore the configuration of membership required, to effectively govern this work. Once the ToR have been drafted, they will be brought to October Transport Board for sign off.
- 2.6 The procurement of external support and identification of funding for the analysis commission is being worked through, with MCA Legal and Finance leads. As the scope and size of the brief will largely influence the procurement route taken, the timescales proposed at the July MCA are being reviewed to ensure full compliance with Contract

Procedure Rules and procurement regulations. A revised timescale is proposed below in line with detailed discussions regarding the procurement route for work package 1;

- September 2020: Commission put out to market to undertake the Route, Environment and Quality Analysis.
- November 2020: Consultants appointed, and work begins on the 3 Analysis components of the 7 point plan. The MCA receive a report outlining the proposed approach to integrating SYPTE within the MCA.
- January 2020: The MCA receives a progress report from the 3 Analysis workstreams, including any immediate changes that can be implemented from April 2021 in order to feed into the January budget report. Recognising that the majority of changes are likely to be implemented in subsequent financial years. Consideration also given to the timing of the Pricing Analysis workstream.
- March 2021: The MCA receives the early outputs from work package 1 and agrees a process for making recommended changes that will be implemented moving forwards

3. Consideration of alternative approaches

- 3.1** An alternative approach could be to procure all 7 elements of the plan as a single commission. This approach would limit the procurement routes available and increase the timescales and necessary resources available to proceed with the appointment. By sequencing the analysis workstreams the resource burden on the MCA is reduced and tighter control of the workstream outputs is possible.

4. Implications

4.1 Financial

No budgetary provision was made across the MCA Group for the delivery of the Bus Review recommendations in the current financial year. Whilst some resource could be de-prioritised from existing priorities, or reserves drawn upon, this would need to be considered in the context of the significant latent risk associated with the Covid-19 situation and its likely aftermath. Profiling of the work packages will largely determine what is affordable in the current year. As part of the 2021/22 budget-setting process, careful consideration will be given to the amount of resources required to implement the plan in full. Members will then be presented with costed options which may require choices to be made as to which elements of the plan should be prioritised first.

4.2 Legal

All consultancy support will be procured in accordance with the MCA's Procurement Procedure Rules. In terms of integrating the PTE into the MCA, this will require the Secretary of State to promote an Order under s.85 Transport Act 1985 and will require parliamentary time.

4.3 Risk Management

Close working with the MCA Legal and Finance representatives will ensure full compliance with Contract Procedure Rules and procurement regulations. By sequencing the delivery of the workstreams and reducing the size of the individual commissions, the MCA can remain responsive to risks as they arise.

4.4 Equality, Diversity and Social Inclusion

The Route Analysis commission will consider the role of socially necessary service and propose options for developing a bus network that better serves the needs of all sections of the community.

5. Communications

5.1 None as a result of this report.

6. Appendices/Annexes

6.1 n/a

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: n/a