

Report to Sheffield City Region Overview and Scrutiny Committee

Date of Meeting:	24 September 2020
Subject:	MCA Response to the Bus Review
Purpose of the Report:	To outline the MCA response to the Bus Review and the role of the Traffic Commissioner
Recommendation(s):	That members: <ul style="list-style-type: none"> • Note the findings of the Bus Review and the proposed recommendations. • Note the MCA agreed 7-point improvement plan and associated delivery arrangements.
Category of Report:	Open

Summary:

This report outlines the proposed framework for how the MCA will respond to the Bus Review and the associated work programme.

1. Introduction/Context

- 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, this paper sets out how the MCA has agreed to respond with a 7-point work programme, which is currently under development.

2. Matters for Consideration

- 2.1** The Bus Review investigated the underlying causes of service and patronage decline, gathering evidence from multiple sources including interviews with stakeholders and a public survey, to which 5,900 people responded. The Review highlighted the need for a leader for buses who could drive forward improvements to the system, a role that has been adopted by the Mayor. The Review also identified the following key findings:
- **Frequency:** In many areas of South Yorkshire service frequency is poor or has fallen dramatically.
 - **Reliability:** The South Yorkshire bus network experiences significant reliability issues. Over 60% of the respondents to the bus survey were either dissatisfied or very dissatisfied with bus reliability.
 - **Climate Change:** Buses need to play a bigger role in reducing road transport emissions and tackling climate change.
 - **Policy Alignment:** Despite the National Planning Policy Framework stipulating that new commercial or housing development must be accessible by public transport, the review has found many have little or no service provision.

- **Connectivity:** The Review has found that there is poor connectivity between part of the South Yorkshire bus network and other transport modes.
- **Service Changes:** Passengers felt there is insufficient communication on bus changes without any meaningful consultation.
- **Ticketing:** Passengers are presented with an overwhelming range of ticketing options but little or no information on the best value option.
- **Quality and Accessibility:** The quality of the bus network is variable, and the quality of the bus fleet can vary considerably between local authorities and operators

2.2 Given the range of findings and recommendations within the Bus Review, the MCA has adopted a set of principles which will frame how it intends to respond. These principles set out the platform upon which further work is to be undertaken to drive improvements on the bus network. They are distilled from the findings of the Review to identify at a high level, the types of measures that need to be considered if we are to deliver meaningful improvement to our bus system.

1. Business as usual is not an option
2. More public and private investment is needed
3. We need to make buses a more attractive option for people
4. New funding sources are required
5. We need to set out what a good integrated bus network looks like
6. We need to change the way we make decisions

2.3 To deliver upon these 6 principles, the following 7-point plan has been agreed, which will guide the MCAs work over the coming months:

1. **Governance:** Begin the process for integrating the South Yorkshire Passenger Transport Executive (SYPTe) 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

2.4 Governance – Integration of the PTE into the MCA

The MCA Board will receive a paper (21/09/20) outlining the suggested approach for progressing the integration. Engagement with MHCLG is underway to agree the route and milestones to dissolve the PTE. The precise legislative route to undertake the integration is under discussion with MHCLG but will require a Statutory process and an Order of Parliament to formally merge the 2 bodies. At conclusion of the statutory process all undertakings of the

PTE will transfer to the MCA, including assets, contracts and employees. Until this point the PTE will legally retain its independent identity.

- 2.5** The programme of activity leading to full integration has been broken down into 5 workstreams, defined as:
- Governance
 - HR
 - Finance and Assets
 - Branding and Communications
 - Programmes

A detailed project plan based on the above workstreams is in development and the decisions required by the MCA as this work progresses will be shared. Communications with employees of the MCA Executive and the PTE has commenced and as the plan develops there is a commitment to consult with the Trades Union.

- 2.6** To progress this work in the timeframe set out, it is proposed to procure specialist third party support. Work has taken place to package and sequence the different components of the Plan prior to procuring this support. 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, because 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.

- 2.7** It is recognised that there is a need for real change to happen as soon as possible to meet the expectations of passengers. As such it is proposed to adopt an ambitious and accelerated timescale for undertaking this work, with a view to identifying any changes that could begin from the 2021/22 financial year. A revised timescale has been agreed by the Transport Board in line with detailed discussions regarding the procurement route for work package 1;

- **September 2020:** Commissions 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 SYPTTE 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

- 2.8** The delivery of this work programme will require input from a range of stakeholders, not least all members of the MCA. It has therefore been agreed to form a dedicated Bus Improvement Board to oversee this work. This will be Chaired by an agreed lead Chief Executive and contain nominated senior transport leads drawn from the Local Authorities, SYPTTE and the MCA Executive Team. The Senior Responsible Officer (SRO) for this work will be the MCA's Director of Transport, Housing and Infrastructure. This Board will report directly to the Mayor and the Chair of the Transport Board.

a. Financial

Delivering on the proposals detailed in this paper is likely to be capacity and resource intensive. Whilst there is no current budgetary provision for this activity, a proposal has been made to the MCA to support in-year activity from a draw on the MCA's uncommitted transport reserves. The

forthcoming business planning and budget setting exercise for the new financial year will seek to determine how the residual elements of the activity will be funded.

Dependent on the scope of the proposed activity, the outcome of procurement exercises, and pending a decision on which body within the MCA Group undertakes the contracting, further approvals may be required to enter into contracting arrangements. This reflects the Constitutional Scheme of Delegation which sets thresholds on the values to which officers can commit the Group to contracts.

b. Legal

The procurement of external support will need to comply fully with Contract Procedure Rules and procurement regulations. Under s.85 Transport Act 1985 the integration of the MCA and PTE legally would require a Statutory Instrument to be laid by the Secretary of State and approved by Parliament. This Order would transfer the rights/liabilities/obligations/property etc. of SYPTe to the MCA. Changes to the operating model will require specific legal processes to be followed.

c. Risk Management

As the Mayor commissioned the independent Bus Review, which included a public consultation exercise and is now in the public domain, there will be pressure for the MCA to respond accordingly to address the issues outlined within the Report.

d. Environmental

The Environmental Analysis workstream will identify the investment and infrastructure required to meet the MCAs net zero commitments.

e. Equality Impact Assessment

None as a direct consequence of this report.

f. Performance Management/Measuring Outcomes

The Bus Improvement Board will help to shape the course of the work undertaken and update reports will be given to the MCA at agreed intervals (see timescales above).

3. Consideration of alternative approaches

The MCA could choose to continue with the current arrangements in place for bus service delivery in South Yorkshire. This course of action is not compatible with addressing the issues identified in the review and if pursued would result in a continuation of the decline currently being experienced.

4. Issues the Overview and Scrutiny Committee may wish to consider ...

There was no requirement to consult with the Traffic Commissioner during the course of the Bus Review as this is not within the remit of the Commissioner. Should the MCA decide to progress with a Franchising scheme, there are some provisions in the Bus Services Act 2017 as part of establishing an Enhanced Partnership (EP), where the LTA can require that certain service registration functions of the Traffic Commissioner are transferred to it, as part of implementing an Enhanced Partnership.

5. Recommendations

That the Board:

- Note the findings of the Bus Review and the proposed recommendations.
- Note the MCA agreed 7-point improvement plan and associated delivery arrangements.

6. Appendices/Annexes

n/a

The following section is a legal requirement

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Other sources and references: n/a	