

## Mayoral Combined Authority Board

07 June 2021

### South Yorkshire Bus Improvement Programme and the National Bus Strategy

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Policy Decision
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	Yes
<b>Has it been included on the Forward Plan?</b>	Yes

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**Director Approving Submission of the Report:**

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**Executive Summary:**

This report provides an update on the development of the South Yorkshire Bus Improvement Programme (SYBIP), developed in response to Bus Review, and considers the implications of the recently published National Bus Strategy. The report provides the context to consider pursuing an Enhanced Partnership for the South Yorkshire bus system. It also provides the opportunity to discuss other future delivery models including Bus Franchising.

**What does this mean for businesses, people and places in South Yorkshire?**

A better bus system in South Yorkshire will connect people to the places they want to go through reliable, affordable and accessible services.

**Recommendations:**

- Note the key decisions required by the National Bus Strategy and the deadlines indicated.
- Note the update on the development of the programme and the suggested focus of activity in the next 6-9 months.

- Confirm agreement to pursue an Enhanced Partnership for the South Yorkshire Bus Network.
- Comment on pursuing future alternative delivery models including Bus Franchising.

## **Consideration by any other Board, Committee, Assurance or Advisory Panel**

None

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### **1. Background**

- 1.1 The Bus Review published in 2020 highlighted the challenges within the South Yorkshire bus system and made a series of ambitious and wide-ranging recommendations for improvement based on a portfolio of evidence. In short, it provided the MCA with a case for change. In January 2021, the Transport and Environment Board agreed a paper that outlined how the 7-Point Plan developed in response to Bus Review was to be reconfigured in the light of the COVID-19 pandemic, with work starting on Work Package One, which would provide details on what a 'good' bus network looks like. This work considers routes, quality improvements and achieving our net zero targets.
- 1.2 Alongside Work Package One, there is a significant amount of activity being undertaken, not least how emergency support funding is being used to maintain the network at current levels, but also how the use of MCA resources can improve the network now. We have an opportunity to create synergies and efficiencies and for the South Yorkshire Bus Improvement Programme (SYBIP) to be seen as one significant change programme rather than a series of different projects.
- 1.3 The revised approach was thrown into sharp focus by the publication of the National Bus Strategy, "Bus Back Better", in March 2021. "Bus Back Better" changes the policy direction and timescales even further, with specific requirements, including:
  - An ambition for every Local Transport Authority (LTA) and bus operator in England to be in a statutory Enhanced Partnership or a franchising arrangement;
  - LTAs need to develop Bus Service Improvement Plans (BSIPs) with clear targets;
  - A greater focus on more ambitious bus priority schemes in urban areas to make services faster, more reliable and more attractive to passengers; and
  - Ambitious goals for simpler fares, integrated ticketing, modal integration, digital information, and zero emission vehicles.

However, it is important to recognise that many of the Key Principles set out within the Bus Review and the resulting 7-Point Plan are in line with "Bus Back Better" which puts South Yorkshire in a good place to develop our future plans.

- 1.4 On the basis of "Bus Back Better", the work already underway within the SYBIP has been reviewed and prioritised to ensure that the right things are done at the right time and that the Transport and Environment Board and MCA have a clear path towards an improved bus service in South Yorkshire and the key decisions required to achieve the objectives of the Bus Review and the Mayor's Transport Strategy.

## 2. Key Issues

- 2.1 The COVID-19 pandemic has had a significant impact on bus patronage – one that is likely felt over the next few years at least, and Government reacted to the fall in patronage by providing funding through the Coronavirus Bus Services Support Grant (CBSSG), designed to ensure that there were no network cuts as a result of lost patronage. CBSSG at its current level is likely to remain until June 2021. The withdrawal of this funding prior to demand having recovered to pre-Covid levels would leave operators with a financial deficit and this could put service levels at risk.
- 2.2 Government published Bus Improvement Plan Guidance on 13th May 2021. The Guidance states that by the end of June 2021, to be eligible for continued access to COVID-19 Bus Services Support Grant (CBSSG) every LTA must have:
- Published a statutory notice that they intend to prepare an EP Plan and Scheme; and/or
  - Mayoral Combined Authorities (MCAs), may publish a statutory notice that they intend to prepare a franchising assessment.
- 2.3 The Guidance confirms that from April 2022 the BSIP should be delivered using one of the two statutory options and each LTA will need to have an EP in place. This will be either as an end-state, or as a transition state to franchising. At the DfT's discretion moving straight to franchising may be permitted.

The Guidance notes that franchising can take several years and the National Bus Strategy requires rapid improvements. Therefore LTAs (other than those already pursuing a franchising assessment, such as Greater Manchester) should also commit to establishing an Enhanced Partnership in the meantime.

Given that access to further recovery support funding as well as future transformational funding is dependent on this, it is recommended that the MCA Board pursue an Enhanced Partnership for the South Yorkshire Bus Network.

- 2.4 An Enhanced Partnership is a statutory arrangement under the 2017 Bus Services Act between a local transport authority and local bus operators to work together to improve local bus services tailored to local needs. It includes a clear vision of the improvements that the Enhanced Partnership is aiming for and accompanying actions to achieve them. It can specify, for example, timetables and multi-operator ticketing, and allows the LTA to take over the role of registering bus services from the Traffic Commissioners. Current guidance sets out that the local transport authority has formal responsibility for making the scheme, but at set points in the process they can only proceed with their proposals if they have the support of a defined proportion of local bus operators. The DfT will publish updated guidance on Enhanced Partnerships in the coming weeks.
- 2.5 Issuing a notice to pursue either franchising or an EP does not prevent an LTA from subsequently changing to the other option. LTAs switching from one statutory process to the other would need to begin the new process from the start of its

statutory requirements – i.e. publishing a notice of intent to follow the EP/ franchising process.

The intention remains to examine future delivery as part of the agreed 7-Point Plan, and this can be done in parallel with the preparation of the BSIP and subsequent Enhanced Partnership. At this point, it simply commits us to work with the Operators to develop a BSIP by October 2021 in accord with “Bus Back Better”. If, having followed the statutory process, and in order to secure continuing Government Funding, the subsequent Enhanced Partnership is implemented in April 2022 (as envisaged by Bus Back Better) then that Enhanced Partnership will detail the period that it will remain in force for. At the end of this period an alternative delivery model such as franchising could be put in place if the proper process has been followed.

2.6 On the basis of a commitment to an Enhanced Partnership, the focus of the SYBIP then shifts to what is needed to develop and agree the initial arrangements. Having reviewed the programme as whole, it is suggested that there are three priority activities within the next 6-9 months:

- Network Stabilisation;
- Short/Medium Term Investment; and
- BSIP Development.

2.7 Network Stabilisation – between July 2021 and April 2022, there may need to be some network changes, depending on the level of CBSSG to be provided over that period (which is likely to be less than currently provided). Decisions will be needed on how to use this funding and the relationship with the current network of tendered services in particular – these are likely to be required in July 2021 once the level of future CBSSG funding is known. The aim must be to keep such changes as minimal as possible in terms of an overall reduction, but whatever the network looks like in April 2022 will then form the basis for the initial Enhanced Partnership, so it needs to be robust and have some degree of longevity and so some scenario planning work is already underway. As CBSSG is paid directly to operators, it will need to have their support.

2.8 Short/Medium Term Investment – at this time, there is no co-ordinated investment programme for bus services in South Yorkshire, and very often funding is driven by Government bidding rounds. To aid the recovery in passenger confidence and therefore patronage following the COVID-19 pandemic, there is a need to understand what investment can be made in the short term using existing MCA resources and through a bid to the Levelling Up Fund, which is due in June 2021. The recent announcement on discounted fares for young adults is an example of what can be done. Similarly, having a clear capital investment programme in the early part of the initial Enhanced Partnership will be important to give those arrangements momentum and help maintain a recovery in patronage. This programme should be ready alongside the BSIP for October 2021.

2.9 BSIP Development – “Bus Back Better” makes it clear that the BSIP must be “ambitious”, reviewed annually and include targets against which progress must be reported publicly on a six-month basis. It needs to cover the whole of South Yorkshire and focus on delivering the bus network that the MCA (in consultation with operators) wants to see, setting out a roadmap to better services for

passengers and communities. The fact that future funding will be related to the scope and ambition of the BSIP, and the fact that the initial Enhanced Partnership will be based upon it, makes this a crucial document to get right. There is currently a discussion with Government as to which of the required elements of a BSIP are possible by October 2021 and which will need to follow in early 2022 when our work programme is complete.

The Bus Review puts South Yorkshire in a strong position to understand what challenges exist within the region's bus system. Solutions to these challenges will be evidenced by the outcomes of the Route Analysis, Quality Analysis and Environmental Analysis work commissioned as part of Work Package One.

It is difficult to predict the pace or scale of bus patronage recovery though the COVID-19 pandemic may have long term effects on the way people travel, particularly to work. Current estimates suggest that South Yorkshire may see passenger numbers return to 72% of what they were before the pandemic. Therefore, emphasising that there is a longer-term plan and linking the engagement around the BSIP to the increased marketing of public transport as a safe means of travel as the national restrictions are lifted, could be beneficial.

Overall, the publication of the National Bus Strategy is clearly a welcome step forward in raising the profile of this important mode. However, what South Yorkshire needs is a bus system (in fact, a public transport system) that works for everyone and supports our wider economic, environmental and social objectives and so the work that is already underway should continue at pace, albeit focused around the suggested three priorities, and the timetable for this work should allow for the development of a robust plan for transformation with effective engagement.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

The Mayoral Combined Authority (MCA) pursues an Enhanced Partnership for the South Yorkshire Bus Network.

#### **3.2 Option 1 Risks and Mitigations**

The Government has set out that it intends to update existing Guidance on Enhanced Partnerships. Whilst Government strategy and policy is set out in the Bus Back Better document there are risks associated with pursuing an Enhanced Partnership without additional Guidance.

#### **3.3 Option 2**

The MCA does not pursue an Enhanced Partnership by the end of June.

#### **3.4 Option 2 Risks and Mitigations**

Not committing to an Enhanced Partnership by the end of June would mean that there would be no access to future CBSSG funding or transformational funding. As a consequence, this is likely to mean significant services cuts in Autumn 2021 and/or an increased financial requirement for supported services from the MCA.

#### **3.5 Recommended Option**

Option 1

The Mayoral Combined Authority (MCA) pursues an Enhanced Partnership for the South Yorkshire Bus Network.

#### **4. Consultation on Proposal**

- 4.1 “Bus Back Better” states that BSIPs should be developed by LTAs in collaboration with local bus operators, community transport bodies and local businesses, services and people. Therefore, engaging these stakeholders as our BSIP is developed will be important, even before the formal consultation required for the initial Enhanced Partnership. Consultation will take place through the different elements of Work Package One.

#### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The government expects all Local Transport Authorities to commit to establishing Enhanced Partnerships across their entire areas under the Bus Services Act and to publish a local Bus Service Improvement Plan by the end of October 2021. It is expected that actual delivery of Enhanced Partnerships will be place by April 2022.

#### **6. Financial and Procurement Implications and Advice**

- 6.1 The adopted revenue budget for SYPTE assumes a continuation of government financial support in some form up until patronage recovers to sustainable levels. Whilst local resource has been earmarked to support the transition from the current subsidy model, to a commercially sustainable network, the region’s transport network remains heavily sensitive to the scale and longevity of government support.

#### **7. Legal Implications and Advice**

- 7.1 Section 138 Transport Act 2000 provides the statutory powers to implement an Enhanced Partnership Plan and Schemes. The legislation sets out the process to be followed.

#### **8. Human Resources Implications and Advice**

- 8.1 As the MCA develops and adopts the Bus Service Improvement Plan in the coming months it will be possible to identify the specific resources and skills required to deliver the agreed change programme.

#### **9. Equality and Diversity Implications and Advice**

- 9.1 The MCA will consider equality and diversity in the development of this work. The Bus Service Improvement Plan requires a review of the impact of roadside infrastructure on passenger safety, security and accessibility. The Bus Review highlighted that disabled passengers in particular are not always able to access a good service and that young people and the elderly also experience challenges.

## **10. Climate Change Implications and Advice**

- 10.1 The contribution of the South Yorkshire Bus Improvement Programme to achieving net zero targets, including achieving a zero-mission fleet, will be considered as part of the work underway. The National Bus Strategy sets out that Local Authorities will have expectations for achieving net zero outcomes within particular timeframes and will work with operators to achieve this.

## **11. Information and Communication Technology Implications and Advice**

- 11.1 Any additional IT requirements will be identified as the programme is developed further

## **12. Communications and Marketing Implications and Advice:**

- 12.1 There is likely to be significant public and passenger interest in the MCA's decision, particularly in the context of wider coverage in other regions regarding franchising. Any activity should communicate what tangible change passengers can expect to see in their day to day experience of using the bus network, on issues such as fares, punctuality and infrastructure. Work should be undertaken to communicate the MCA's decision in these terms.

### **List of Appendices Included**

- A Executive Summary

### **Background Papers**

None