



Report to Cabinet

Date:	29 June 2021
Reference number:	N/A
Title:	Bus Service Improvement Plans and Enhanced Partnerships
Relevant councillor(s):	Councillor Steve Broadbent, Cabinet Member for Transport
Author and/or contact officer:	Suzanne Winkels, Head of Transport Strategy, suzanne.winkels@buckinghamshire.gov.uk ; Andrew Clarke, Head of Public Transport, andrew.clarke@buckinghamshire.gov.uk
Ward(s) affected:	None specific
Recommendations:	<ol style="list-style-type: none">That the Council commits in-principle to Enhanced Partnerships with local bus operators as required by the 'Bus Back Better' National Bus Strategy by 30 June 2021.That the Council commits to development of a Bus Service Improvement Plan (BSIP) to secure long term funding for vital bus services by 31 October 2021That the Council commits to entering into an Enhanced Partnership with bus operators no later than 31 March 2022.

Reason for decision:

Enhanced Partnerships between local transport authorities and bus operators will be required for future discretionary bus funding schemes from Government from April 2022 onwards, including future iterations of the Bus Service Operators Grant. A commitment to entering into Enhanced Partnerships with bus operators is required by the end of June 2021

to facilitate this. The Government also expects publication of Bus Service Improvement Plans by 31 October 2021 to outline how these partnerships will improve services.

1. Executive Summary

- 1.1 The Government published its new National Bus Strategy, 'Bus Back Better' in March 2021. This sets out how the government plans to spend the £3bn they committed to improve bus services outside London prior to the COVID-19 pandemic.
- 1.2 Bus use has dropped significantly during the pandemic and is currently around 60% of pre-COVID levels nationally. While ridership is slowly recovering, it is unlikely that the bus market both in Buckinghamshire and nationally will recover to its former position without increased financial support, and a package of measures designed to encourage greater bus use. The National Bus Strategy aims to address a similar set of circumstances across England.
- 1.3 The number of bus journeys originating in Buckinghamshire had not seen significant growth since around 2008/09, remaining steady in the lead up to the COVID-19 pandemic (see Figure 1).

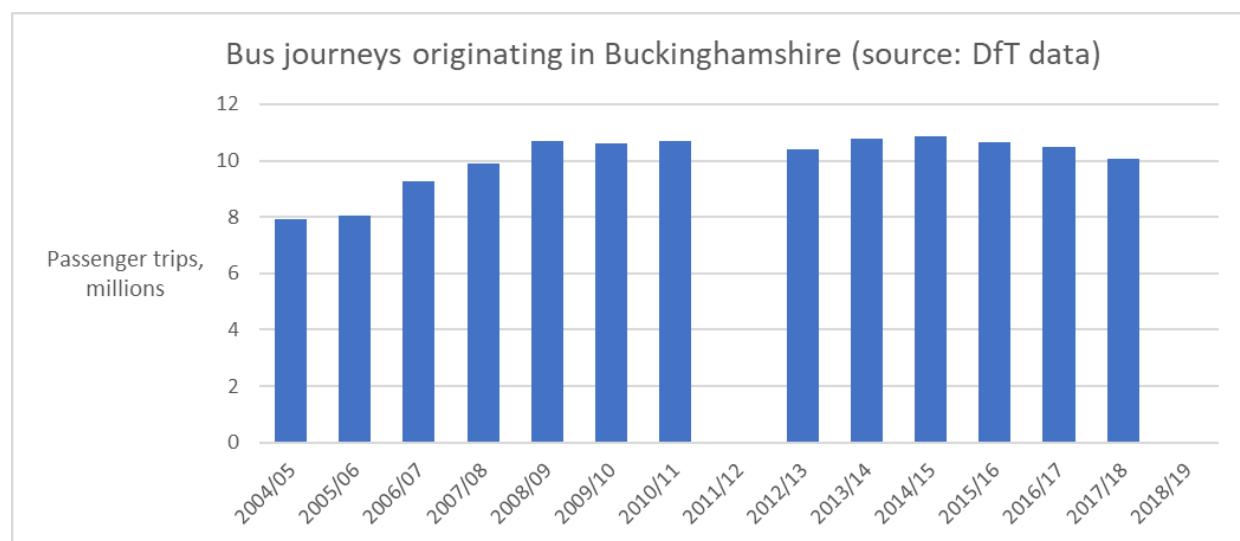


Figure 1 - Source: <https://www.gov.uk/government/statistical-data-sets/bus01-local-bus-passenger-journeys>. No data available for 2011/12 or 2018/19.

- 1.4 The aims of the National Bus Strategy are to make buses more frequent, more reliable, easier to understand and use, better co-ordinated and cheaper and gives a greater role for the Local Authorities in the planning and provision of services.
- 1.5 The Government is seeking more consistency including integrated services, ticketing, bus priority, high quality information better frequencies, and service reliability.

- 1.6 The Strategy commits all Local Transport Authorities (LTAs) (except Mayoral Combined Authorities) to the following actions:
- a) **By the end of June 2021**, commit to establishing Enhanced Partnerships with operators under the Bus Services Act, or (for authorities with an elected Mayor) begin the statutory process of franchising services. From 1 July 2021, only LTAs and operators who meet these requirements will continue to receive the COVID-19 Bus Services Support Grant (CBSSG), or any new sources of funding
 - b) **By the end of October 2021**, publish a local Bus Service Improvement Plan (BSIP), in partnership with operators.
 - c) **From April 2022**, have an Enhanced Partnership in place, *or* be following the statutory process to decide whether to implement a franchising scheme. Only services operated under an Enhanced Partnership or franchising scheme will be eligible for new funding streams to follow the Strategy.
 - d) **Annually** update the Bus Service Improvement Plan
- 1.7 The Strategy sets a consistent framework for bus service planning and delivery across England outside London. It recognises the important role that bus services play in local areas but acknowledges that for decades, buses have been overlooked by policymakers and have not benefited from long-term funding commitments like roads and railways. The Strategy recognises the impacts of the COVID-19 pandemic.
- 1.8 The Strategy acknowledges that bus services can be confusing for passengers, split between different companies who do not accept each other's tickets. Traffic congestion has impacted the reliability and attractiveness of services, and public subsidy has fallen. The industry faces new structural challenges which it cannot meet alone. Usage in many areas continues to fall, and services are too infrequent or do not cover rural areas or indeed parts of urban areas.
- 1.9 Since 1986, the bus market in England outside London has been deregulated. Prior to COVID-19, a large proportion of local bus service mileage outside London was run on a commercial basis whereby operators decide where and when to run commercial services, invest in the buses and facilities, and set their own fares. Before the pandemic, services which were not run commercially were tendered for- and subsidised by Local Transport Authorities (LTAs) including Buckinghamshire if they considered them socially necessary. There are a handful of tendered bus services operating in Buckinghamshire, including the 4, 6/7, 11/11A and 14 in Aylesbury.

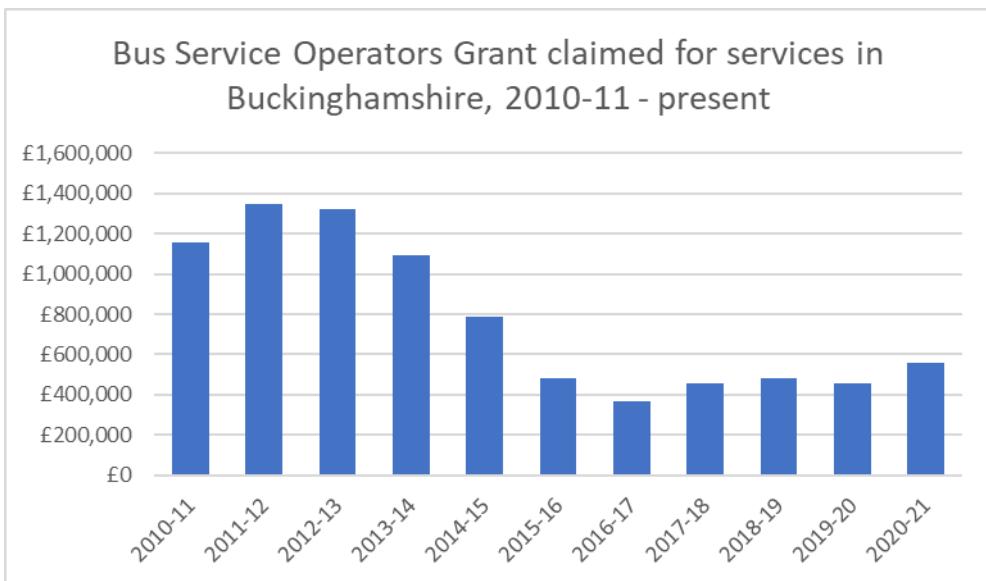


Figure 2 - Source: <https://www.gov.uk/government/publications/bus-service-operators-grant-payments-to-english-operators-from-2010-onwards>

- 1.10 Prior to COVID-19, the sector received funding from central Government through concessionary fares funding, the Bus Service Operators Grant (BSOG), with some local authorities providing subsidy for some local bus routes. Funding received by operators from the Bus Service Operators Grant for services in Buckinghamshire fell sharply between 2012-13 and 2015-16, remaining at similar levels in the lead up to the pandemic (see Figure 2).
- 1.11 The Government feels that this current funding model is not meeting the needs of passengers, with little incentive for integrated ticketing, or for operators to run services that are not profitable outside of peak hours.

2. Main content of report

- 2.1 The National Bus Strategy identifies two alternative approaches to delivering bus service improvements: franchising and Enhanced Partnerships. Adopting one of these service models will be a prerequisite for pursuing discretionary funding streams for buses from April 2022 onwards, with an interim stated commitment to pursuing one of these necessary from July 2021 onwards. Both options require a greater role for the Council in service provision which will have implications for staff resources. These options are:
 - a) **Franchising** is already in place in London where Transport for London determines the network of services which are provided, under contracts for specific routes, by private sector operators. Less onerously, contracts can be let for different parts of a city or to a single operator for a whole network, with significant co-design opportunities for that operator. Franchising

powers are only available automatically to Mayoral Combined Authorities (MCAs) but can be provided to other LTAs through secondary legislation. This option is unappealing for Buckinghamshire for several reasons, including: the need for additional resource to determine routes and manage (multiple) franchise areas; limited scope for commercial operators to propose additional routes. Passengers would also see limited benefits, as the additional staff resource required would largely be to manage the relationship between Council and operators, rather than service enhancement.

- b) An **Enhanced Partnership** is a statutory arrangement under the 2017 Bus Services Act which can specify, for example, timetables and multi-operator ticketing, and allows LTAs to take over the role of registering bus services from the Traffic Commissioners.
- 2.2 The main difference between franchising and an Enhanced Partnership is that operators in an Enhanced Partnership have a much greater role, working with LTAs to both develop and deliver improvements for passengers and having a real say on how bus services should be improved.
- 2.3 An Enhanced Partnership is a more formal extension of the joint working that has existed in Buckinghamshire for a number of years, which led to a number of successful initiatives including introduction of the High Wycombe ‘Smartzone’ multi-operator ticketing scheme and coordinated timetables on two bus corridors via Bus Qualifying Agreements.
- 2.4 Enhanced Partnerships also offer significantly more flexibility than franchising and are expected to be the majority choice for most LTAs. We are opting for an Enhanced Partnership for the reasons outlined in paragraph 2.1 above.
- 2.5 An Enhanced Partnership is comprised of two parts: the plan which defines the problems to be addressed, establishes an evidence base and sets out the ambition and targets to be achieved, and the scheme, which develops the measures to be delivered by each partner.
- 2.6 Each LTA will be required to produce a **Bus Service Improvement Plan (BSIP)** which will combine the plan and scheme into a single document. A BSIP is expected to address the following, with an emphasis on improving bus priority on the road network:
- Cover the LTA’s entire bus service network
 - Set out how they will achieve the objectives in the Strategy
 - Be updated annually and reflected in the authority’s Local Transport Plan

- Be a tool for influencing the share of the £3bn of transformation funding each LTA receives
 - Set targets for journey times and reliability improvements
 - Identify where bus priority measures are needed
 - Set out pressures on the road network, air quality issues and carbon reduction targets which improved bus services could address
 - Setting targets for passenger growth and customer satisfaction
 - Setting out plans and costs for fares, ticketing and modal integration
 - Over time LTAs will be expected to work across transport modes towards enabling a multi-modal ticketing scheme
 - Consider the impact of bus stops and shelters on passenger safety, security and accessibility
 - Consider the needs of schools, health, social care, employment and other services
 - Committing to a Bus Passenger Charter that sets out what passengers can expect from bus operators delivering local bus services across their area.
- 2.7 From a Buckinghamshire perspective, the BSIP could be used as an early engagement mechanism for gauging public transport improvements made in support of local plans, including the High Wycombe Transport Strategy, and eventually the new Buckinghamshire Local Transport Plan (LTP5). Greater local authority involvement in the delivery of bus services would also be able to make use of bus services as a key element in generating a sense of place in new development areas, as put forward by the current National Planning Policy Framework (NPPF).
- 2.8 The Government has recently published detailed guidance on preparing BSIPs (see Background Papers), and is expected to update existing guidance on Enhanced Partnerships and franchising in the near future.
- 2.9 The Strategy also recognizes the importance of bus priority measures, especially in more congested areas. To benefit from new funding, LTAs will be expected to implement ambitious bus priority schemes and draw up ambitious BSIPs. Statutory traffic management guidance will be updated to make promoting bus reliability an integral part of highway authorities' Network Management Duty.
- 2.10 The Government will support the purchase of at least 4,000 new zero emission buses and set a date for ending the sale of new diesel buses in the UK. DfT have recently launched the first round of funding for this, known as the Zero Emission Bus Regional Areas (ZEBRA) scheme. Further funding for electric buses is likely to be predicated on adoption of Enhanced Partnerships.

- 2.11 In lower-density, rural areas, less well-served by conventional buses, the Government will support new forms of provision, such as demand responsive transport (DRT) in smaller vehicles. Buckinghamshire has recently been awarded a grant from the DfT Rural Mobility Fund to deliver two DRT schemes in Aylesbury and High Wycombe, which could pave the way for wider roll-out of similar schemes.
- 2.12 The Government is committed to fundamentally reforming the main funding stream for bus services. The current Bus Service Operators Grant (BSOG) is a fossil fuel subsidy. The new funding regime will take a holistic approach targeted at the delivery of the policies in the Strategy as well as increasing patronage, and efficiency, improving the environment and securing modal shift from the private car.
- 2.13 Note that dedicated school-only services are not in scope for Enhanced Partnerships or BSIPs, as these do not qualify for public transport grants.

Timetable for delivery

- 2.14 **By the end of June 2021**, the government expects all LTAs to commit to establishing an Enhanced Partnership across their entire network, under the Bus Services Act (2017), and all operators to cooperate with the LTA throughout the process. This report is being brought to Cabinet to request approval to take the BSIP to initiate engagement with bus operators to achieve this required commitment.
- 2.15 **Once approved by Cabinet**, officers will commence engagement with operators, and the drafting process for the BSIP.
- 2.16 **From 1 July 2021**, only LTAs and operators who have committed to an Enhanced Partnership will continue to receive the COVID-19 Bus Services Support Grant (CBSSG) or any new sources of bus funding from the Government £3bn budget. In addition, only services operated under these statutory agreements will be eligible for the reformed BSOG.
- 2.17 **By the end of October 2021**, each LTA should finalise and publish their BSIPs. The BSIP will be brought back to Cabinet for sign-off.
- 2.18 **From April 2022**, LTAs will need to have an Enhanced Partnership in place, or be following the statutory process to decide whether to implement a franchising scheme
- 2.19 **Annually**, LTAs will need to update and publish new versions of their BSIPs. The timing of these going forward is currently unclear, but it is assumed that this will be one year after the first BSIP, i.e. October 2022 onwards. Other monitoring requirements are unclear at this stage.

3. Other options considered

- 3.1 The other options available to Buckinghamshire are to either adopt a full Franchise service model, or to not pursue Enhanced Partnerships.
- 3.2 As outlined above, franchising powers are only available to Mayoral Combined Authorities by default. This would also require significant additional staff resource to support, and would be less flexible, especially in terms of enabling access for smaller operators, such as those currently serving in and around Aylesbury. The expectation from DfT is that Enhanced Partnerships would be a more preferable option for most local authorities.
- 3.3 Not pursuing Enhanced Partnerships is likely to preclude any later applications for discretionary bus service funding. Buckinghamshire has recently seen successful bids for Demand Responsive Transport services in Aylesbury and High Wycombe through the Rural Mobility fund; opportunities such as these would be unavailable if not pursuing the Enhanced Partnership/BSIP process. This would likely be detrimental to future efforts to reduce carbon emissions through encouraging public transport use.

4. Legal and Financial Implications

- 4.1 In February 2020 the Government announced long-term funding of £3bn for buses in England outside London, which will be invested in new and increased services (including support to the bus sector to recover from the pandemic); bus priority schemes; and accelerating delivery of zero emission buses. However, there is some concern that the funding available is actually already committed, including for our DRT bids.
- 4.2 Local Authorities such as Buckinghamshire may also not qualify for some funding schemes such as the Zero Emission Buses, which were focused in areas of continual exceedance of air quality standards found more often in cities.
- 4.3 Additionally, there is little funding available for internal Buckinghamshire Council staff resources due to the deregulated market which currently operates in the county.
- 4.4 The Strategy expects bus operators to gain more certainty of continued financial support through what are likely to be several years of recovery post-pandemic; and a commitment by LTAs and Government to address key threats to the future of their operations, most notably traffic congestion.
- 4.5 LTAs will have access to significant new Government funding streams and powers to make influence services in their areas in addition to assistance to build up their in-house capabilities to exercise those powers. LTAs' performance in exercising these

new responsibilities will be taken into account when allocating this and other DfT funding.

- 4.6 DfT have already provided us (and other LTAs) with £100k funding to cover delivery of the BSIP. This has already been used to cover consultancy costs. DfT have indicated that there will be further funding made available for staff or consultant resources. Further guidance on funding and requirements are expected before the Summer Recess. £450m of the proposed £3bn funding to improve bus services in England is expected to be made available this year, with the remainder being distributed at the next Spending Review in late 2021.
- 4.7 However, it is likely that additional staff resource will be needed to manage the ongoing demands of the partnership arrangement and monitoring processes. We currently anticipate that one Senior Range 7 role should be implemented for a period of 5 years to cover these requirements.

5. Corporate implications

- 5.1 The Strategy puts forward an ambitious timetable which places the onus on LTAs to deliver. Critical work will need to commence as a priority in order to meet these challenges timescales. This is especially challenging for Buckinghamshire Council as the deregulated market that we operate means that Buckinghamshire Council's Passenger Transport Team has very limited staff resources.
- 5.2 Many of Buckinghamshire's bus services are linked to provide connectivity to areas outside of the Council area such as: Milton Keynes, Slough, Oxford and Hertfordshire so these operators which will already be entering into partnerships with other Local Authorities.
- 5.3 In addition to this, the DfT has yet to issue guidance on developing Bus Service Improvement Plans therefore there is uncertainty as to the level of resource and capacity needed to prepare a Bus Service Improvement Plan for Buckinghamshire.
- 5.4 The Strategy is clear that if LTAs do not achieve the milestones for committing to establishing an Enhanced Partnership (by 1 June 2021), having prepared a Bus Service Improvement Plan (by the end of October 2021) and have an Enhanced Partnership in place (from April 2022), then there is a risk that funding will no longer be made to bus services in the LTA's area.

6. Local councillors & community boards consultation & views

- 6.1 An earlier version of this report has been presented to the Communities Leadership Team. This is a Buckinghamshire-wide project which at present does not have implications for any specific local Councillors. However, engagement with

Councillors and Cabinet Members will form a key part in developing the BSIP during the drafting stage.

7. Communication, engagement & further consultation

- 7.1 Buckinghamshire Council's Transport Strategy team will lead throughout the process of initial engagement with bus operators, creation of the BSIP, and formation of the Enhanced Partnership(s), with extensive input and support from both the Public Transport team and bus operators themselves.
- 7.2 Once produced, the BSIP will be published, offering a basis for further communication and engagement with the general public and community boards. After October 2021, this will be a working document, forming the basis for future engagement on bus priorities for Buckinghamshire as a whole. It is expected that feedback from the public will enable later versions of the BSIP to improve with local insights, from both the public and bus operators.

8. Next steps and review

- 8.1 In order to meet the first milestone of **30 June 2021**, officers are commencing engagement with bus operators to seek their commitment to an Enhanced Partnership. At this stage, the DfT only require a written commitment to undertake this process, not the full Enhanced Partnership Agreement itself.
- 8.2 We request that Cabinet approves the bus operator engagement process, enabling us to produce a statement of intent to form an Enhanced Partnership by the end of June 2021.
- 8.3 Once approved, work can begin on drafting a Bus Service Improvement Plan (BSIP), in collaboration with bus operators by **31 October 2021**.
- 8.4 We have appointed consultants to assist with initial engagement with bus operators, and will be appointing further support for development of the BSIP, given the tight timescales for delivery.
- 8.5 Sign-off on the draft Bus Service Improvement Plan will be required from Cabinet by **31 October 2021**. We request that this is considered at the meeting scheduled for 19 October 2021.
- 8.6 The formal Enhanced Partnership Agreement between the Council and bus operators will also need Cabinet approval by **31 March 2022**.

9. Background papers

- 9.1 Bus Back Better: national bus strategy for England:
<https://www.gov.uk/government/publications/bus-back-better>
- 9.2 National bus strategy: bus service improvement plans – guidance to local authorities and bus operators: <https://www.gov.uk/government/publications/bus-service-improvement-plan>

10. Your questions and views

- 10.1 If you have any questions about the Bus Back Better Strategy, Enhanced Partnerships, or Bus Service Improvement Plans, please get in touch with the Transport Strategy team (transportstrategy@buckinghamshire.gov.uk), Suzanne Winkels (suzanne.winkels@buckinghamshire.gov.uk), or Rupert Zierler (Rupert.zierler@buckinghamshire.gov.uk). If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk].