

To: All Members and Officers of the Cabinet.

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Date: 14 June 2021

Dear Sir/Madam,

Cabinet - Wednesday 16th June 2021

I have recently forwarded to you a copy of the agenda for the next meeting of the Cabinet.

I am now able to enclose, for consideration at next Wednesday 16th June 2021 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

10. **National Bus Strategy - Enhanced Partnership (Pages 1 - 8)**

John Tradewell
Director of Corporate Services.
Enc

Cabinet Meeting on Wednesday 16 June 2021

National Bus Strategy – Enhanced Partnership



Cllr David Williams, Cabinet Member for Highways and Transport

“The Government’s National Bus Strategy offers this authority an opportunity to work with operators to bid for money to update old vehicles, improve passenger facilities and encourage bus companies to innovate for the future. While we need to understand any residual costs for Staffordshire taxpayers, there is the potential to fund cleaner, more modern buses and make it easier, cleaner and more convenient for passengers.”

Report Summary:

This report outlines the governments approach to Bus Back Better, following the recent publication of the National Bus Strategy, and details the implications and options for Staffordshire County Council and our local bus operators.

Recommendations

I recommend that Cabinet:

- a. Confirm whether they want to commit to developing an Enhanced Partnership (EP), as outlined within the National Bus Strategy (NBS).
- b. Note additional capacity funding of £100k has been received to date, and further capacity funding is expected to be announced following confirmation of intention to work towards an EP.
- c. Note the implications for the local bus network in Staffordshire, should it be decided not to develop an EP.
- d. Note the potential impact on other DfT funding opportunities (not public transport related), should it be decided not to develop an EP.

Local Members Interest
N/A

Cabinet – Wednesday 16 June 2021

National Bus Strategy – Enhanced Partnership

Recommendations of the Cabinet Member for Highways and Transport

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Report of the Director for Economy, Infrastructure and Skills

Reasons for Recommendations:

1. Department for Transport (DfT) recently published the National Bus Strategy (NBS) outlining their ambition to improve bus services in England. The County Council, as the Local Transport Authority, needs to consider whether it wishes to form an Enhanced Partnership or Franchise model by end of June 2021. This decision will have implications for the local bus network in Staffordshire, the majority of which is currently operated on a commercial basis.

Report Summary

2. During 2019/20, local buses in Staffordshire carried 14.6 million passenger journeys, making the bus our most important means of public transport. For context, in the same year, 9.0 million passenger journeys were made to/from railway stations in the County. Notwithstanding this, the bus network in Staffordshire has seen a notable decline in patronage over the preceding decade, from 22 million passenger journeys made in 2009/10. The National Bus Strategy aims to reverse this decline and ensure a sustainable bus network remains in place, with the majority of services being able to operate on a commercial basis.

A Bus Strategy for Staffordshire

National Bus Strategy - Background

3. On 15th March 2021, the government published its National Bus Strategy for England “Bus Back Better”, announcing £3b transformational funding for those authorities that engage in the strategy.
4. “Bus Back Better” sets out a significant step change in the government’s approach to funding and delivering the bus network. Whilst the market remains deregulated, a more co-ordinated partnership approach between operators and local authorities is now required. The Strategy makes clear that there is a commitment to long term increased funding for bus services, both for local authorities and bus operators alike. However, access to funding streams is contingent on the Council having a Bus Service Improvement Plan (BSIP) and entering into either an Enhanced Partnership (EP) or franchising arrangement to deliver the objectives set out in the BSIP.
5. An EP is a formal agreement between the local authority and bus operators setting out what is expected of each party, and the standards that will be met. The basis for an EP is set out in the Bus Services Act 2017 and associated guidance. Franchising is not recommended for Staffordshire as it is very resource intensive and it is felt that improvement can be delivered by adopting the partnership model which retains the ability for our local bus operators to innovate without the significant market intervention that franchising entails.
6. A Bus Service Improvement Plan would include the following elements:
 - a. Targets for journey times and reliability, at both County and city/town level. A progress report is required every 6 months.
 - b. Identify where bus priority measures are needed.
 - c. Set out pressures on the road network including air quality and carbon reduction.
 - d. Passenger growth targets
 - e. Plans for a fare strategy to support growth, including multi operator ticketing.
 - f. Impact of roadside infrastructure – stops, shelters, real time information displays
 - g. How the bus network should serve key destinations such as schools, health, employment etc.
 - h. Local consultation
 - i. Commitment to bus passenger charter.
 - j. A clear expectation is set that a BSIP should be bold and ambitious with the Government expecting areas to consider the following options:
 - k. Implementation of bus priority schemes to reduce bus journey times.
 - l. More services expected to operate evenings / weekends / night and to smaller towns/villages.
 - m. Higher frequency core services.
 - n. Promotion and marketing significantly expanded.
 - o. Bus Stations should be protected from closure and redevelopment and improved.
 - p. Railway stations should be hubs for connecting services – including high quality stops close to station entrances.
 - q. Better services to out of town employment
 - r. Working with bus operators and energy providers to decarbonise the local bus fleet.
 - s. Fares policy to include lower fares in cities / towns, consideration of youth fares, multi-operator ticketing

7. There is a wide evidence base to support the positive benefits that flow from investing in high quality, comprehensive bus services. Some of the key facts include:
- a. Nationally, 2.5 million commuters rely on the bus to get to work with a further 1 million needing the bus as a backup mode. Together this equates to 12% of the working population or £64 billion of gross value added.
 - b. Bus passengers account for £27 billion per annum of shopping and leisure spend, with around £22 billion of this being in town centres.
 - c. KPMG found that targeted investment in bus priority measures generated £3.32 of benefits for each £1 spent.
 - d. A diesel bus at current average occupancy emits 105g CO2 per head per km compared to 158g for a car. An electric bus can reduce this to 36g with no change to occupancy, or 18g if occupancy were doubled.

Staffordshire Approach

8. The existing Staffordshire Bus Operators' Forum (SBOF) has formed the basis of our partnership working in recent years. An Enhanced Partnership would build on the work of the SBOF and provide a formal basis on which to expand collaborative working with our local operators.
9. Within Staffordshire, a BSIP could have wide ranging benefits for our urban and rural areas alike. It offers the opportunity to reverse the long-term decline in bus passenger numbers that have occurred over the past decade. As we come out of the Covid 19 pandemic, robust measures will be needed to restore the public transport network to a strong and sustainable footing.
10. The following list represents an early outline of the elements that could make up our Bus Strategy. Many of these are stipulated within the national guidance and the nature of their implementation would be guided by baseline data analysis and stakeholder consultation.
- a. **Multi operator ticketing** – network wide, always offering the best value option for journeys with more than 1 operator. Inclusion of “tap on/tap off” or equivalent technology to capture proper origin/destination data would provide significant intelligence to inform network planning.
 - b. **Bus priority** – reliability is key to attracting passengers, we will identify hotspots for delays to buses and implement priority where space allows.
 - c. **“Whole route” audits** – identify all causes of delay on core routes and implement measures to address them. These may be individually small but can add considerably to schedules across routes – e.g. parked cars, bus stops difficult to get out of, junctions difficult to turn out of.
 - d. **High quality bus stop infrastructure** – improvements to roadside information and infrastructure, including real time passenger information, bus flags, bus shelters and operation of town centre bus stands / stations.
 - e. **Bus network** – build on core network of direct, frequent, high quality inter-urban services linking key settlements and consider network of evening and Sunday services to support employment, retail and leisure.

- f. **Patronage growth** – seeking to stop declining patronage and see sustainable growth, including through modal shift.
- g. **Customer satisfaction** – targets for satisfaction with journey experience, information, waiting facilities, personal security.
- h. **Emissions** – define emission standards, linking with air quality strategy. Modal shift of itself generates significant environmental benefit.
- i. **Development standards** – consider how design standards and developer contributions could be utilised to increase penetration and sustainability of local bus services.
- j. **Marketing** – co-ordinated, consistent, sustained high profile marketing campaign to promote the network and support patronage growth.

Alignment with Strategic Plan

- 11. A high quality and sustainable bus network could support Staffordshire's economy, by providing access to employment, education and training opportunities and increasing footfall in our town centres. A more reliable bus network could also encourage regular and new users, to consider public transport as a preferred travel option, increasing levels of sustainable travel across the county and supporting Staffordshire's climate change agenda.

Timescale

- 12. Key milestones are:
 - a. Commit to an EP and BSIP – by end June 2021
 - b. Publish BSIP – by end of October 2021
 - c. Commence EP – 1st April 2022

Resource and Value for Money Implications

- 13. In the event that the County Council does not commit to an Enhanced Partnership, the Department for Transport will cease providing Local Transport Authority Coronavirus Bus Services Support Grant (LTA CBSSG) with effect from 1st July 2021. Many of our contracted bus services require ongoing support from LTA CBSSG, without which service levels would have to be reduced at a crucial time in the re-opening of the economy from lockdown restrictions. We also receive almost £0.7m per annum in Bus Service Operators' Grant from government, which the National Bus Strategy is clear would be lost in the absence of an EP following the planned reform of BSOG. Loss of this funding would require the withdrawal of around 50% of our supported network, leaving the majority of rural areas without any bus service.
- 14. The National Bus Strategy sets out that bus operators would see their access to both commercial CBSSG and reformed BSOG placed at risk unless they are part of an EP. It is stated in the NBS that the Secretary of State would only disapply these rules on "an exceptional basis". This will have a significant impact on the current 'commercial' bus network in Staffordshire, which would be reduced to a core lower frequency network. Commercial BSOG within Staffordshire is worth several million pounds per annum in support for the network.

15. Staffing resource will be required across a number of key teams to support the development and implementation of our BSIP / EP. These include: Connected & Sustainable County, Development Control, Network Management and Staffordshire/Amey Highways. The DfT have provided us with £100,000 towards the development costs of the BSIP and we have been advised that further capacity funding will be available once the authority has committed to either an EP or Franchise arrangement.
16. Creation of an EP will allow both the County Council and bus operators to benefit from increased levels of government funding to realise the objectives of the BSIP. In the event that an EP is not created and implemented, the government will not release funding. DfT have advised that some £3b will be available in the coming years for LTA's that engage in the National Bus Strategy.

Legal Implications

17. We note the following legal implications:
 - a. Development of Enhanced Partnerships are governed by Bus Services Act 2017, which amended the Transport Act 2000. Under an EP, the Council is legally obliged to deliver those measures it commits to.
 - b. Multi Operator Ticketing Schemes are governed by the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) Order 2001 (as amended) and the Transport Act 2000.
 - c. The DfT intend to review the Public Service Vehicles Accessibility Regulations (PSVAR) 2000, by the end of 2023 (this will have a bearing on our Vacant Seat Policy in home to school transport).
 - d. Traffic Management Act 2004 - Statutory traffic management guidance will be updated to "expect enhanced bus reliability as an integral part of the highway authorities' Network Management Duty".

Risks Identified

18. Development of a Bus Service Improvement Plan with the Enhanced Partnership do bring some risks. However, these can be managed and mitigated with the right approach.
19. The key risks and mitigating measures that have been identified at this early stage include:
 - a. Team capacity – our current teams do not have sufficient capacity to develop and implement a BSIP / EP. In the short term this can be mitigated by utilising external support. However, beyond this additional capacity will be needed to ensure effective delivery.
 - b. Loss of funding – if Staffordshire do not enter into an EP, there will be significant loss of government funding for bus services. This can be mitigated by moving forward with the BSIP / EP. Loss of funding would result in the halving of our supported bus network, leaving most rural areas without any bus service at all. Around a third of the commercial network would be placed at risk.

20. Recently published guidance to local authorities and bus operators infers that in the event the Council does not commit to an Enhanced Partnership, it will not only impact on CBSSG and BSOG funding, but will also impact on the Council's ability to bid for future funding opportunities.

Conclusion

21. The County Council producing BSIP and EP offers great opportunity for Staffordshire. Improving the bus network could play an important role in delivering our key priorities including access to employment and key services, town centre regeneration and contributing towards achieving carbon net zero.

List of Background Documents/Appendices:

- "Bus Back Better – National Bus Strategy for England" - [Bus back better - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/bus-back-better-national-bus-strategy-for-england)
- "The Bus Services Act 2017: Enhanced Partnerships Guidance" - [Bus Services Act 2017: Enhanced Partnership creation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-bus-services-act-2017-enhanced-partnerships-guidance)
- Greener Journeys – A Roadmap to Growth - [greener-journeys-a-roadmap-to-growth.pdf \(cpt-uk.org\)](https://www.cpt-uk.org/greener-journeys-a-roadmap-to-growth.pdf)
- Cross Sector Benefits of Backing the Bus - [The cross-sector benefits of backing the bus | URBAN TRANSPORT GROUP](https://www.urban-transport-group.co.uk/cross-sector-benefits-of-backing-the-bus)
- Local Government Association – Decarbonising Transport – The Role of Buses [Decarbonising transport - The role of buses | Local Government Association](https://www.local.gov.uk/decarbonising-transport-the-role-of-buses)
- Staffordshire County Council – Connected Staffordshire Strategic Plan 2018-2022: Update [Strategic-Plan-2018-to-2022-full-Updated.pdf \(staffordshire.gov.uk\)](https://www.staffordshire.gov.uk/media/10000/Strategic-Plan-2018-to-2022-full-Updated.pdf)

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