

EXECUTIVE DECISION MADE BY A CABINET MEMBER**FORMATION OF AN ENHANCED PARTNERSHIP UNDER SECTION 9 OF THE BUS SERVICES ACT 2017****Briefing Note****1.0 Executive summary**

On 15 March 2021 the Government published the National Bus Strategy for England 'Bus Back Better'. The Strategy sets out an ambitious vision to dramatically improve bus services across England (outside London) to reverse the recent shift in journeys away from public transport and encourage passengers back to the bus, post the Covid-19 pandemic.

The Strategy requires the establishment of a formal partnership arrangement for buses, which the Council, as the Local Transport Authority (LTA), must lead. This is necessary in order to be eligible for future Government funding.

The formal partnership arrangement can either be a franchise or an Enhanced Partnership¹. Under a franchise the Local Transport Authority determines the network of services which are provided, under contracts for specific routes, by private sector operators. In contrast an Enhanced Partnership enables Local Transport Authorities and bus operators to set shared aims with regard to improving bus services.

Franchising powers are currently only available automatically to Mayoral Combined Authorities. They can be provided to other Local Transport Authorities (LTAs) through secondary legislation. However, due to the length of time the franchising process can take, the Department for Transport (DfT) expect all Local Transport Authorities, except those which have started the statutory process of franchising bus services, to commit to establishing Enhanced Partnerships in the first instance and this commitment needs to be made by the end of June.

As part of the development of an Enhanced Partnership, the Council, as LTA, are also required to lead the preparation of a Bus Service Improvement Plan (BSIP), working closely with our local bus operators and local communities to set out the vision, and action plan, for delivering the step change in bus services that is required by the Strategy.

This report therefore seeks approval to develop both the Enhanced Partnership and associated Bus Service Improvement Plan.

2.0 Background

For many years, Plymouth has enjoyed a comprehensive citywide bus network, provided by operators predominantly on a commercial basis. Where there have been gaps in service provision, the Council has a duty under the 1985 Transport Act to consider whether a service is deemed socially necessary in these locations, whereupon it can provide a subsidy for their operation. The Council currently subsidises 13 routes either fully or in part.

¹ The main difference versus franchising is that operators in an Enhanced Partnership have a much greater role, working with Local Transport Authorities to both develop and deliver improvements for passengers. Enhanced Partnerships also offer significantly more flexibility than franchising.

Bus patronage has seen decades of decline nationally, with Plymouth in recent years bucking that trend. However, the pandemic has had a catastrophic impact on bus patronage in the last 14 months. The Strategy now seeks to promote a reformed network, improve public confidence and address misconceptions, to encourage passengers back.

The 2017 Bus Services Act provided Local Authorities with the opportunity to develop Enhanced Partnerships or franchising arrangements with their bus operators. However, Plymouth chose not to adopt either arrangement at that time due to the excellent working relationships already in place with our operators.

However, the new Strategy now places an obligation on both the Local Transport Authority and operators to adopt one of these arrangements to deliver a fully integrated service with simple, multi-operator ticketing structures, more bus priority, high quality consistent passenger information and improved service frequencies. There have been many examples of great partnership working between multiple operators and the Council including the development of the Bus Punctuality Improvement Partnership (BPIP) and the delivery of the workplace Green Travel Pass scheme and latterly the multi-operator Skipper ticket. We therefore have a good base from which to start in developing our Enhanced Partnership and Bus Service Improvement Plan and need to do so in order to continue to receive funding for public transport, through the Covid-19 Bus Service Support Grant (CBSSG) – an essential payment which has been crucial in supporting buses during the pandemic from July 2021, and in order to be eligible to receive new Government funding which has been committed to supporting public transport.

3.0 Timescales

The Strategy has set a fast-paced agenda to transform bus services and encourage the return of passengers. As part of the Strategy Local Transport Authorities must take each of three steps, as set out below:

Step 1 – by 30 June 2021

Decide which statutory path to follow (Enhanced Partnership or franchising) and publish a statutory notice to that effect.

Step 2 – by 31 October 2021

Publish a Bus Service Improvement Plan

Step 3 – by 31 March 2022

Have their Enhanced Partnership in place

4.0 Development of the Bus Service Improvement Plan

As stated in section two, Plymouth already has a comprehensive bus network, which we can build upon in the development of our Bus Service Improvement Plan. The granularity of our chosen interventions will be developed as part of our Enhanced Partnership but by the end of October we will need to set out general proposals on how we will seek to achieve the following requirements:

- Intensive services and investment on key corridors with routes that are easier to understand
- Significant increases in bus priority
- Lower and simpler fares
- Seamless, integrated local ticketing between operators and across all modes of transport
- Service patterns integrating with other modes
- The local bus network presented as a single system that works together, with clear passenger information
- Modern buses and decarbonisation
- Giving bus passengers more of a voice and a say
- More demand responsive and socially necessary transport
- Longer term transformation of networks
- Regular updates

It is this document that will be translated into the statutory Enhanced Partnership.

5.0 Financial Implications

Failure to develop an Enhanced Partnership will mean that the Council and local bus operators will not be eligible to access a share of the Government's new £3 billion of funding for buses. It would also mean that the funding operators and the Council have received to date to support both through the pandemic in terms of public transport would also cease.

In principle the city's bus operators are keen to pursue an Enhanced Partnership, and as such we have been eligible to request a £100,000 Local Transport Authority Bus Capacity revenue grant. This funding has been made available to support Local Transport Authorities in developing their Enhanced Partnerships and Bus Service Improvement Plans within the short timeframes set out in section three.

In view of the Bus Capacity grant being made available, it is not envisaged that there will be any pressure on existing Council budgets associated with developing an Enhanced Partnership.

The financial implications for the Council, for delivering an Enhanced Partnership are unknown, because it is not yet clear what match funding of the programme the Government will expect. However, Government funding will be available to deliver the Enhanced Partnership, at least in part, and failure to do so, will have significant, adverse impacts on the Councils budgets both in the short and longer term. This is because Covid-19 Bus Service Support Grant will cease to be paid, affecting the viability of services in the short term and hence placing pressure on the Council's non-commercial routes budget, and in the longer term the Council's ability to secure new funding will be reduced as it is conditioned on forming a formal partnership arrangement with the city's operators.

6.0 Recommendations

In response to the National Bus Strategy it is recommended that the Cabinet Member for Transport approves the formation of a statutory Enhanced Partnership under Section 9 of the Bus Act. This will require the preparation of both a Bus Service Improvement Plan and Enhanced Partnership Plan and Scheme. These will be subject to future decisions.