



## OFFICER DECISION RECORD

This form should be used to record Executive decisions taken by Officers

<b>Decision Ref. No:</b>			
<b>Service Area:</b>	Transport and Engineering	<b>Date:</b>	10 June 2021
<b>Contact Name:</b>	John McVey Sustainable Transport Policy Manager	<b>Tel No:</b>	01202 127643
<b>E-mail:</b>	John.mcvey@bcpcouncil.gov.uk		
<b>Subject:</b>	Bus Operator Enhanced Partnership (National Bus Strategy)		
<b>Decision taken:</b>			
<p>To commit to entering into a statutory Enhanced Partnership with the BCP area local bus service operators in accordance with the Bus Services Act 2017 and to support the aspirations of the National Bus Strategy for England.</p>			
<b>Reasons for the decision:</b>			
<p>The recently published National Bus Strategy for England sets out an ambition for every local transport authority and bus operator in England to be in a statutory Enhanced Partnership or a franchising arrangement (entering into an EP does not preclude franchising in the future, however, achieving franchising is a lengthy and complex with significant financial risk).</p> <p>Improving bus services to attract more passengers is a joint aim of the bus operators and the Local Transport Authority (LTA).</p> <p>An Enhanced Partnership will build on the good work undertaken through the voluntary Quality Bus Partnership over the last two decades.</p> <p>Not entering into an Enhanced Partnership will result in a significant financial funding loss for the council and for the bus operators.</p> <p>LTA's are required to commit to establishing Enhanced Partnerships across their entire areas under the Bus Services Act 2017, and all bus operators to co-operate with the LTA throughout the process. If this requirement is not met LTA's and operators will no longer receive Covid-19 Bus Services Support Grant (CBSSG), Bus Service Operators Grant (BSOG) or any new sources of bus funding from the £3bn budget.</p>			

## Background:

1. The local bus service industry has been deregulated (outside London) for 35 years and as a result the bus operators have largely determined the bus network. Bus operators have been free to operate routes wherever and whenever they consider there is a commercial case. They provide the vehicles, drivers and some of the infrastructure. Bus shelters, raised bus stop kerbs and bus priority measures are provided and funded by the LTA. Bus information (including Real Time), publicity and data provision are provided jointly.
2. The LTA has the power to provide non-commercial bus services considered 'socially necessary' and currently does so through its bus subsidy budget. These predominately operate in the evenings, on Sundays and away from the main routes outside the peak hours.
3. The Council, as the Travel Concession Authority, has the statutory duty to reimburse bus operators for journeys undertaken through the English National Concessionary Travel Scheme. This is a subsidy to the passenger and not the bus operators. The intention is for the bus operators to be no better or worse off as a result of the concessionary travel scheme. This means that they are compensated for the loss of revenue sustained from passengers who would otherwise be paying the full fare and for their additional costs associated with carrying the additional passengers generated by the scheme including additional buses where required.
4. BCP Council and its predecessor Local Transport Authorities (LTAs) formed the first non-statutory (voluntary) Quality Bus Partnership for South East Dorset in 1999. This helped deliver significant patronage growth and at one stage Poole and Bournemouth were recorded as having the biggest increases in passenger numbers in the country.
5. Bus patronage has been in general decline since the 1950s. Most recently in England it fell by 317m passenger journeys (6.9%) in the five years between 2014/15 and 2018/19. The decline in the BCP area has been much less severe. In recognition of the importance of buses to address emissions levels and to reverse the decline in usage onto a sustainable footing, government has published its National Bus Strategy for England.
6. Greater emphasis will now be placed on partnership working, where LTAs and bus operators form statutory partnerships to define bus networks, service levels, and fares strategies. The government expects all LTAs to develop Bus Service Improvement Plans (BSIPs) and set up Enhanced Partnerships (EPs), as defined in the Bus Services Act 2017. The strategy represents the greatest change since 1985 and provides the opportunity to give LTAs more control.

7. Through the strategy, LTAs and bus operators are asked to commit to forming a statutory Enhanced Partnership (EP) if not already on the route to franchising and to jointly develop a Bus Service Improvement Plan (BSIP). Dependent on how ambitious the BSIP is, LTAs and bus operators will benefit from £3bn of government funding over 5 years.
8. As an alternative to an EP and where partnership working has failed to achieve improvements in bus services, the legislation does permit London-style franchising to be considered. However, the route to franchising is complex and can take several years, particularly for LTAs that are not Mayoral Combined Authorities (MCAs), and bus service franchising carries significant risk. Transport for Greater Manchester is the only city region outside London committed to bus service franchising. Forming an EP does not preclude franchising in the future should the statutory partnership fail.
9. It is possible to continue with the existing voluntary partnership working and not enter into the statutory arrangement. However, government has made it clear that this would result in a significant loss of funding for LTAs and bus operators. It is therefore strongly recommended that an Enhanced Partnership is formed. This is the preferred arrangement of the bus operators.
10. The required government timescales are ambitious with the following milestones presented:
  - i. **30 June 2021** – LTAs to commit to establishing Enhanced Partnerships across their entire areas under the Bus Services Act 2017, and all bus operators to co-operate with the LTA throughout the process. If this requirement is not met LTAs and operators will no longer receive Covid-19 Bus Services Support Grant (CBSSG), Bus Service Operators Grant (BSOG) or any new sources of bus funding from the £3bn budget.
  - ii. **31 October 2021** – LTAs and bus operators to have jointly developed and published a robust and ambitious Bus Service Improvement Plan setting out a roadmap to better services for passengers and communities, fully informed by local needs.
  - iii. **1 April 2022** – Fully structured Enhanced Partnerships must be up and running.

#### **Consultations undertaken:**

##### Members:

- Cllr Mike Greene, Cabinet Member for Transport and Sustainability

##### Officers:

- Kate Ryan, Chief Operations Officer
- Richard Pincroft – Head of Service, Transportation

- John McVey - Sustainable Transport Policy Manager

**Note:** It is the responsibility of the 'Responsible Officer' – that is the Officer making the decision – to obtain the comments and signature of the Chief Finance Officer and Monitoring Officer **before** taking the decision and then send the completed record of the decision to Democratic Services for publication.

#### **Finance and Resourcing Implications:**

Failing to form an Enhanced Partnership with the bus operators will preclude the LTA and bus operators from receiving any new sources of bus funding including the £3bn budget announced by government earlier this year. It will also be an end to the annual ringfenced BSOG grant currently received by the Council for subsidised services of £294,368.

DfT has provided a grant of £100k to BCP Council for developing local bus proposals as outlined in the National Bus Strategy (NBS). In particular, it is being offered to help LTAs towards the development of their Enhanced Partnership Scheme (or where appropriate franchising scheme), and Bus Service Improvement Plans work, and to meet the timescales that go alongside that work.

BCP Council is using the £100k grant to fund consultancy support as well as a temporary member of staff. The new staffing structure includes a Public Transport Officer post replacing a retiring member of staff.

The Enhanced Partnership is a statutory version of the previous voluntary Quality Bus Partnership and it is not expected there will be any revenue pressures as a result of the change. Budgets are already in place to cover staffing, bus subsidy and concessionary fares reimbursement.

In terms of funding the initiatives that are developed through the partnership, government has announced £3bn for buses outside London. Initially this will be invested across the rest of England as follows (with details to follow):

- Supporting new and increased services – with at least £300m of funding to support the sector recover from the pandemic in 2021/22.
- Giving LTAs the skills and people they need to deliver this strategy – with £25m of the £300m allocated in 2021/22. £100k has already been offered to each LTA.
- Bus priority schemes to speed up journeys – with the first schemes delivered in 2021/22.
- Accelerating the delivery of zero emission buses with £120m in 2021/22.

What we receive will depend on our ambition as shown by our Bus Service Improvement Plan (currently under development).

It is expected that some of the funding will continue to go to the bus companies direct as currently. For example, for the local bus services they operate commercially they are paid Bus Service Operators Grant (BSOG) which is a rebate of duty paid on fuel used. Other funding is expected to come via the Local

Transport Authorities. This could include revenue funding for additional non-commercial bus services (as pump-priming for future commercial operation); funding to support multi-operator/multi-mode ticketing; joint marketing and publicity. Capital funding via the LTAs would be for infrastructure including additional bus shelters; bus priority; vehicle enhancements etc.

**Name:** Adam Richens

**Date:** 22 June 2021

Redacted

**Signature (of Chief Finance Officer)**

**Legal Implications:**

Enhanced Partnerships are statutory arrangements created by the Bus Services Act 2017. All parties have a stronger commitment to joint working than the voluntary Quality Bus Partnership arrangement previously in place.

**Name:** Susan Zeiss

**Date:** 22 June 2021

Redacted

**Signature (of Monitoring Officer):**

**Risk Assessment:**

No hazards identified.

**Name:**

**Date:**

**Signature (of Officer Completing Assessment):** •

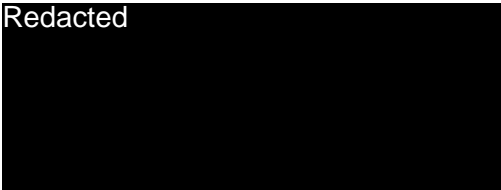
**Impact Assessments:**

DIA 252 undertaken  
EIA Screening attached

**Information for publication**

There are no reasons this decision should be withheld from publication.

**Background Papers**

1. <a href="#">Bus Back Better - A National Bus Strategy for England</a> 2. <a href="#">Decarbonising Transport Plan (2020)</a>			
Any declaration of interest by the Officer responsible for the decision		Nature of Interest	
No*			
<b>Note:</b> No Officer having an personal financial interest in any matter should take a decision on that matter. Other interests of a non-disqualifying matter should be recorded here.			
Any conflict of interest declared by a Cabinet Member who is consulted by the Officer taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
No*			
<b>Decision taken by:</b> Julian McLaughlin – Service Director, Transport and Engineering (Responsible Officer)			
<div style="text-align: center;"> <p>Redacted</p>  </div>			
<b>Signature:</b>		<b>Date of Decision: 23<sup>rd</sup> June 2021</b>	
<b>Date Decision Effective: 23<sup>rd</sup> June 2021</b>			
<b>Date of Publication of record of decision: (to be inserted by Democratic Services)</b>			

**Note: A record of this decision should be kept by the Service Area within which the decision falls.**

**Include additional guidance if considered appropriate**