

Executive

21 April 2022

Report of the Director of Transport, Environment and Planning
Portfolio of the Executive Member for Transport

Actions in Response to DfT's Bus Funding Announcement

Summary

1. Approval is being sought to seek the delegations to submit the necessary documentation to the Department for Transport (DfT) in order to secure £17.36 million in Bus Service Improvement Plan (BSIP) funding.
2. The announcement of indicative funding was made on the 4 April and the information to secure the funding needs to be submitted to Department for Transport in the next few months.

Recommendations

3. The Executive is asked to:
 - Delegate to the Director of Transport, Environment and Planning (in consultation with the Leader of the Council, Executive Member for Transport and the Director of Governance or her delegated officers) the authority to:
 - a) prepare and submit a draft Bus Service Improvement Plan summary table to Department for Transport by 2nd May 2022.
 - b) Prepare and submit a finalised Bus Service Improvement Plan summary table to the Department for Transport by 30th June 2022
 - c) Prepare and submit a draft Enhanced Partnership Plan and Scheme to Department for Transport by 30th June 2022.
 - d) Commence the statutory 28 day operator consultation objection period
 - e) Commence the statutory 28 day stakeholder consultation

- Note that a further report will be brought to the Executive setting out the final arrangements that have been submitted to Department for Transport.

Reason: To ensure that £17.36m in Department for Transport Bus Service Improvement Plan funding is secured and that the council can proceed with the process of establishing a statutory bus Enhanced Partnership to deliver its stated Bus Service Improvement Plans objectives in line with the National Bus Strategy.

Background

4. Under the original DfT guidance issued alongside the National Bus Strategy in 2021, every Local Transport Authority (LTA) was required to submit a BSIP by the end of October 2021. LTAs were also required to establish either bus franchising arrangements or a statutory Enhanced Partnership for buses (EP) by the end of March 2022, in order for the LTA and local bus operators to continue receiving government support for bus services.
5. On 20th May 2021, the Executive endorsed a decision for the council to pursue an EP in preference to establishing bus franchising arrangements. In their report, titled “York’s response to the National Bus Strategy”, officers were of the opinion that the challenges of bus franchising outweighed the benefits in comparison to an EP. The full report is available online at the following location:

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12511>

6. It should be noted that formation of an EP would not prevent the council from considering a move to bus franchising in future years.
7. Following approval of the draft final BSIP by the Executive Member for Transport and Executive on 18th October 2021, the council submitted its BSIP by the 31st October deadline. A copy of the BSIP is available online at the following location:

<https://democracy.york.gov.uk/documents/s152872/Annex%20A%20York%20BSIP.pdf>

8. Officers subsequently prepared a draft EP Plan and Scheme for consultation with bus operators in January 2022. However, due to the total value of LTA BSIP requests across the country significantly

exceeding the DfT's total budget, plus ongoing government expenditure on Covid support for the bus industry, the DfT delayed the announcement of its BSIP allocations. Recognising that it would be impossible for LTAs to include any BSIP objectives requiring external funding in their EPs, the DfT removed the requirement for finalised post-consultation EPs to be in place by the end of March, and instead asked that draft EPs be submitted by the end of April instead.

9. After further delays, the DfT's indicative BSIP funding allocations were announced on 4th April 2022. York has been offered an indicative allocation of £17.36 million for the 3 financial years 2022-2025.
10. The allocation of £8.4 million of ZEBRA (Zero Emission Bus Regional Areas) funding which includes £10 million of match funding from Yorks bus operators will make it possible to deliver a significant number of the agreed BSIP objectives. It should also be noted that the original ask for funding covered more years than the funding award.
11. However, in order to realise the £17.36 million grant funding, the council must meet various conditions and deadlines as set out by the DfT:

DfT deadline 1: Monday 2nd May 2022

12. By Monday 2nd May, the council must provide a draft 'summary table' setting out how it intends to use its BSIP funding, including prioritised interventions, delivery timelines and costs in as much detail as possible. It is not required for this draft summary to have full democratic approval. It should be noted that 2nd May is a Bank Holiday, so this task will realistically need to be completed and submitted by Fri 29th April.

DfT deadline 2: Thursday 30th June 2022

13. The DfT have committed to provide feedback on the draft summary table during May, and will then require a finalised, approved summary table to be submitted no later than 30th June. This version must include letters of support from local bus operators, a section 151 value for money affirmation and a draft EP.
14. The EP must be defined in terms of two statutory documents, a Plan and a Scheme.

EP Plan

15. An EP Plan is a high-level strategic document which summarises the current state of the city's bus network and sets out the main objectives for the Enhanced Partnership. The plan must also include a competition test to demonstrate that the EP will not have a negative impact on commercial competition in the local bus market. The objectives in the council's draft EP Plan will represent a significant subset of those published in the York BSIP.

EP Scheme

16. An EP Scheme is a detailed, binding legal document which sets out exactly how the EP Plan objectives will be funded and delivered. An EP Scheme also places binding commitments on each of the EP members. The commitments in the council's draft EP Scheme will represent a significant subset of those published in the York BSIP, and will need to be fully prioritised and costed.

Structure and Governance

17. The EP Scheme must include information detailing how it will be governed and how variations can be proposed and decided upon.
18. There will be a number of task-specific groups consisting of a wide range of stakeholders. These groups will be established to monitor, report and advise on the following areas:
 - Bus performance and reliability
 - Bus infrastructure improvements
 - Ticketing and commercial issues
 - Passenger and stakeholder engagement
 - Marketing of bus services
19. Operational Delivery of the BSIP will be led by an operational delivery group consisting of council officers and local bus operators.

Consultation

20. In order to enact an EP, the Plan and Scheme must be subject to a statutory 28-day Operator Objection Period (OOP), where bus operators have an opportunity to review, comment on, and register their objections to any part of the scheme. In order to meet the provisional timescales shown in Annex 1, it is proposed that the OOP would commence on or around 23rd May.

21. If any material objections are received, it is likely that the Plan and Scheme will need to be revised and the OOP repeated, which will delay final implementation of the EP and delivery of the BSIP objectives. As such, it will be vital to engage sufficiently with operators ahead of commencing the OOP process in order to minimise the likelihood of our receiving objections.
22. Once the EP Plan and Scheme have successfully negotiated the OOP process, the documents must be put forward for a statutory 28-day Stakeholder Consultation Period. During this period, members of the public and any other individuals or institutions with a potential stake in the city's bus network are given the formal opportunity to review, comment upon or register their objections. In order to meet the provisional timescales shown in Annex 1, it is proposed that the SCP would commence on or around 4th July.
23. It is proposed that the Stakeholder Consultation Period will take the form of an online consultation, with the Plan and Scheme documents made public and a web-based form made available in order to collect and collate any feedback.
24. Again, if no material changes are required, the scheme can then progress to final approval and implementation by autumn 2022.

Options

25. Option 1: Delegate to the Director of Environment, Transport and Planning in consultation with the Leader, Executive Member for Transport and the Director of Governance or her delegated officers authority to submit the necessary information to the Department for Transport to secure the BSIP funding.
26. Option 2: Do not delegate to officers authority to submit the information to DfT, given the deadlines this would in effect reject the DfT's indicative £17.36m BSIP funding offer.

Analysis

27. Option 1 will allow officers sufficient time to prepare a draft summary table by 2nd May, submit a draft EP Plan and Scheme plus the final summary table by the DfT's 30th June deadline and commence the necessary statutory consultations. The EP will then be delivered according to the provisional timescale shown in Annex 1.

28. Option 2 carries a major financial and reputational risk, almost certainly resulting in the loss of the £17.36m indicative BSIP funding allocation.

Council Plan

29. The proposals in this report contribute to the following key outcomes in the 2019-23 Council Plan:
30. A greener and cleaner city – key BSIP objectives include transferring journeys from car to bus and reducing vehicle emissions.
31. Creating homes and world class infrastructure – BSIP commitments include working with developers to ensure high-quality public transport provision for new developments, and improvements to existing public transport infrastructure.
32. Good health and wellbeing – by moving journeys from car to bus, realising air quality improvements and reducing congestion on the highway network, a secondary effect of the BSIP will be to facilitate complimentary growth in walking and cycling mode shares.
33. A better start for children and young people – BSIP commitments include simpler, lower bus fares for children and young people.

Implications

- **Financial** – the funding is indicative and this report seeks the delegations to submit the necessary information to progress the application. A further report to detail the delivery mechanisms and progress reports will be completed.
- **Human Resources (HR)** – none. The BSIP contains a number of additional posts in the public transport team, but recruitment to these is subject to funding and a further decision by CYC.
- **Equalities** – the consultation will need to take into account the Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions). The final EP scheme will be subject to Executive approval and an Equalities Impact Assessment will be carried out at that point.

- **Legal** – The delivery of the BSIP through either an EP route or a franchise route is mandated by the Transport Act 2000. EP Plans and Schemes are statutory documents. The Bus Services Act 2017 incorporates a duty on local transport authorities to consult on EP Plans and EP Schemes into the Transport Act 2000.

Officers will need to work closely with Legal Services in order to finalise the draft EP Plan and Scheme to be submitted to DfT and consulted upon to ensure it complies with the Constitution.

- **Crime and Disorder**- none.
- **Information Technology (IT)** – none.
- **Property** – none.
- **Other** – none if the required documents are submitted by the DfT's deadlines. Significant reputational risk if these are not submitted by the deadlines.

Risk Management

34. The minimal-risk option is to approve submission of the required documents by the DfT's deadlines.

Contact Details

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Director of Environment, Transport and Planning

Report **Date** 07/04/2022
Approved

Specialist Implications Officer(s)

Finance – Patrick Looker (Service Finance Manager)
 Legal – Cathryn Moore (Legal Manager, Projects)

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Report, 20 May 2021 - "York's response to the National Bus Strategy"
(<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12511>)

BSIP -

<https://democracy.york.gov.uk/documents/s152872/Annex%20A%20York%20BSIP.pdf>

Annexes

Annex 1 – Provisional timetable

List of Abbreviations Used in this Report

BSIP – Bus Services Improvement Plan

DfT - Department for Transport

EP – Enhanced Partnership

LTA – Local Transport Authority

OOP – Operator Objection Period