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**Executive**

**15 September 2022**

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

## **Enhanced Partnership and Bus Service Improvement Plan**

### **Summary**

1. Approval is being sought to:

- Enact a statutory Enhanced Partnership between the council and local bus operators, which will be required to secure the confirmed £17.36 million in Bus Service Improvement Plan (BSIP) funding from DfT.
- Recognise the £17.36m BSIP funding for 2022-25 and confirm that the relevant sums should be added to the council's capital programme and revenue budgets for the current, 2023/24 and 2024/25 financial years.

### **Recommendations**

2. The Executive is asked to approve Option 1, by:

- Delegating to the Director of Transport, Environment and Planning (in consultation with the Executive Member for Transport and the Director of Governance or her delegated officers) the authority to take such steps as are necessary to enact an Enhanced Partnership and to enter into any agreements which may be required to do so.
- Agreeing the inclusion of BSIP funding in the Capital Programme and revenue budgets for 22/23 from mid-October 2022, with further funding in 23/24 and 24/25.
- Delegating the Director of Transport, Environment and Planning (in consultation with the Executive Member for Transport and the Director of Governance or her delegated officers) the authority to enter into any grant agreements to secure the funding.

Reason:

- To help ensure that £17.36m in DfT BSIP funding is secured, accounted for in the council's budget programming, and that the council and bus operators can proceed with the process of delivering the stated York BSIP objectives in line with the National Bus Strategy.

## **Background**

3. 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.
4. On 20<sup>th</sup> May 2021, the Executive approved a recommendation 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>

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

<https://www.itravel.york.info/downloads/file/82/york-s-bus-service-improvement-plan>

7. 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.

8. After further delays, the DfT's indicative BSIP funding allocations were eventually announced on 4<sup>th</sup> April 2022. York has been offered an indicative allocation of £17.36 million for the 3 financial years 2022-2025.
9. Whilst this is evidently far less than the c.£48 million ask in the York BSIP, it will nevertheless make it possible to deliver a significant number of the agreed BSIP objectives.
10. The council submitted a draft 'summary table' setting out how it intends to use its BSIP funding, by 2<sup>nd</sup> May.
11. The DfT provided feedback on the draft summary table in May. The council then submitted a final summary table on 30<sup>th</sup> June, including letters of support from all local bus operators, a section 151 value for money affirmation and a draft EP.
12. On Monday 8<sup>th</sup> August, the DfT confirmed the council's funding allocation of up to £17.36m as per the final summary table. The funding is conditional upon the council forming an Enhanced Partnership, taking into account the DfT's feedback. The capital and revenue amounts are allocated by financial year as per the following table:

<b>Financial Year</b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
2022/23	£2,200,000	£2,375,000	£4,575,000
2023/24	£2,300,000	£4,390,000	£6,690,000
2024/25	£2,195,000	£3,900,000	£6,095,000
<b>Total</b>	<b>£6,695,000</b>	<b>£10,665,000</b>	<b>£17,360,000</b>

13. During a conversation with DfT, officers agreed that the council would aim to make its EP as soon as possible in order to help ensure that at least some of the BSIP funding could be released during 2022. Any further required amendments will be made as a bespoke variation to the initial EP, in order to access the 2023/24 and 2024/25 funding elements.
14. The EP is defined in terms of two statutory documents, a Plan and a Scheme.
15. EP Plan

The 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 includes 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 represent a significant subset of those published in the York BSIP.

## 16. EP Scheme

The EP Scheme is a detailed, binding legal document which sets out exactly how the EP Plan objectives will be funded and delivered. The EP Scheme also places binding commitments on each of the EP members. The commitments in the council's EP Scheme will represent a significant subset of those published in the York BSIP, and include high-level costings matching the summary expenditure table submitted to DfT.

## 17. Structure and Governance

The EP Scheme includes information detailing how it will be governed and how variations can be proposed and decided upon.

The York EP will be structured around a principal operational delivery group consisting of council officers and local bus operators. This group will be supported by a number of task-specific subgroups and advised by a wider stakeholder forum.

Subgroups 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

## **Consultation**

18. In order to enact the EP, the Plan and Scheme have been subjected 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. The OOP commenced on Friday 8<sup>th</sup> July and concluded on Friday 5<sup>th</sup> August. Some minor amendments were agreed but no bus operators formally objected.

19. The statutory 28-day Stakeholder Consultation Period commenced on Thursday 11<sup>th</sup> August and concluded on Thursday 8<sup>th</sup> September. During

this period, members of the public and any other individuals or institutions with a potential stake in the city's bus network were given the formal opportunity to review, comment upon or register their objections.

20. Officers will give a brief summary of the feedback at the Executive Meeting

21. Following the successful conclusion of both consultation periods and confirmation from DfT of its final BSIP funding award, there are no further obstacles to the council enacting the York Enhanced Partnership.

## Options

23. Option 1 (recommended):

- Make, and instruct officers to subsequently vary the York Enhanced Partnership, in order to enable a full award of BSIP funding by DfT.
- Factor the BSIP funding into the council's capital and revenue budgets for 2022-25.

24. Option 2:

- Do not make an Enhanced Partnership, in effect rejecting the DfT's £17.36m BSIP funding.
- Do not factor any BSIP funding into the council's capital and revenue budgets.

## Analysis

25. Option 1:

- This will result in an Enhanced Partnership being made and taking effect from Monday 19<sup>th</sup> September 2022. Officers will remain in regular contact with DfT to minimise any further delays to the release of the agreed BSIP funding.
- The £10.6m capital and £6.7m revenue BSIP funding will be accounted for in the council's 2022/23, 2023/24 and 2024/25 budgets.

26. Option 2:

- This option carries a major financial and reputational risk, resulting in the loss of the entire £17.36m BSIP funding allocation and any ability to deliver the agreed BSIP measures. As a result,

new local fares and ticketing initiatives will not come into effect and several bus services reliant on BSIP support will be reduced, withdrawn or not introduced. The existing Quality Bus Partnership would continue. As HM Government's National Bus Strategy envisages all local authorities forming EP or franchising schemes, the council would still be expected make some form of EP, albeit a much less ambitious one.

## Council Plan

27. The proposals in this report contribute to the following key outcomes in the 2019-23 Council Plan:
28. A greener and cleaner city – key BSIP objectives include transferring journeys from car to bus and reducing vehicle emissions.
22. 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.
29. 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.
30. A better start for children and young people – BSIP commitments include simpler, lower bus fares for children and young people.

## Implications

- **Financial** – Option 2 will result in loss of all BSIP funding if an EP is not formed. Option 1 will commit the council to match funding some revenue items and posts not covered by BSIP funding. These are set out in the EP scheme.
- **Human Resources (HR)** – The BSIP commits the council to providing a number of additional posts in the public transport team, most but not all of which are expected to be funded from BSIP. Specifically, these are:
  - a. An Enhanced Partnership officer to lead on administration of the EP. This post will be wholly funded from BSIP revenue.
  - b. Bus Wardens to provide public assistance, monitoring infrastructure and keeping bus routes clear of obstructions. These posts cannot be funded from BSIP revenue due to their prior existence as two locally-funded secondments until early 2020.

However, as the postholders will be expected to hold Civil Enforcement powers following suitable training, these posts are expected to become at least partly self-funded.

- c. A Commercial Ticketing Officer to manage and grow smart and commercial ticketing schemes. This post will be wholly funded from BSIP revenue.
  - d. A Bus Infrastructure Officer to manage and improve the city's bus infrastructure. This is likely to involve formalising a position filled by a Work with York staff member since 2019.
- **Equalities** – the Council recognises its 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). An Equalities Impact Assessment is being completed as part of this report. Many BSIP/EP measures are intended to improve accessibility, both to the physical bus network and to passenger information, and to improve community engagement between the council, bus operators and passengers.
  - **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 work closely with Legal Services during the EP in order to enact any BSIP measures requiring the establishment of further legal agreements between the council and bus operators.

- **Crime and Disorder**- none.
- **Information Technology (IT)** – the EP contains a commitment to maintain and grow the iTravelYork website.
- **Property** – Option 1 will result in investment of up to £4m BSIP capital funding to improve the council's Park & Ride sites.

- **Other** – none for option 1 if the EP is enacted and delivered as per the terms set out within it. Significant reputational risk from option 2 if the council fails to enact an EP or fails to deliver on its agreed commitments.

## Risk Management

14. Option 1 is the lowest-risk option.

## Contact Details

**Author:**

**Sam Fryers**  
**Public Transport Planner**  
Tel No. 01904 551434

**Chief Officer Responsible for the report:**

**James Gilchrist**  
**Director of Environment, Transport and Planning**  
**Report**  **Date** 7/9/2022  
**Approved**

## Specialist Implications Officer(s)

Finance -  
Legal – Cathryn Moore (Legal Manager, Projects)

**Wards Affected:**

**All**  **YES**

**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?CIId=733&MIId=12511>)

BSIP –

<https://www.itravelyork.info/downloads/file/82/york-s-bus-service-improvement-plan>



## **Annexes**

Annex 1 EP Plan –

<https://www.itravelyork.info/downloads/file/88/york-ep-plan-draft-for-consultation>

Annex 2 EP Scheme –

<https://www.itravelyork.info/downloads/file/89/york-ep-scheme-draft-for-consultation>

Annex 3 EP Scheme Annexes –

<https://www.itravelyork.info/downloads/file/86/draft-ep-scheme-schedules-and-annexes>

Annex 4- BSIP summary table –

<https://www.itravelyork.info/downloads/file/87/schedule-4-bsip-funding-summary-table>

## **List of Abbreviations Used in this Report**

BSIP – Bus Services Improvement Plan

DfT - Department for Transport

EP – Enhanced Partnership

LTA – Local Transport Authority