

Executive

20 May 2021

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

York's response to the National Bus Strategy

Summary

1. This report sets out how CYC will discharge the obligation placed on English local transport authorities to develop a Bus Service Improvement Plan by October 2021.

Recommendation

2. Executive endorses the approach set out in this report.

Reason: This will allow timely development of a Bus Service Improvement Plan for York and mitigate against potential loss of covid bus service support grant from July 2021. It will then allow a Bus Service Improvement Plan to be delivered in time for a decision on its adoption to be made at an Executive meeting in September 2021 – prior to the DfT's deadline of October 2021.

Introduction

3. The National Bus Strategy (NBS) published on 15th March challenges local authorities and bus operators to make large scale improvements to the networks in their areas. In order to continue to receive covid bus service support grant (CBSSG) (which currently covers the gap between fare income and the cost of running services – and hence crucial to the solvency of all bus operators at the moment), operators must either form an Enhanced Partnership (EP) with their local transport authority, or the LTA should inform the DfT that it is going to franchise bus services in its area. This must happen by the end of June if CBSSG is to be retained.
4. In October, local authorities, in partnership with bus operators if the authorities are not taking steps to franchise their networks, must publish

a Bus Service Improvement Plan (BSIP), setting out how bus services will be improved in the local area.

5. At the time of writing, whilst the broad parameters of the BSIP are indicated in the National Bus Strategy, the DfT is yet to provide detailed guidance on BSIP formulation. There may be a verbal update to the meeting if this guidance is published between publication of this report and the meeting taking place.

The Combined Authority Dimension

6. In areas where new or expanded Mayoral authorities are being developed, the BSIP should be developed in a way which is conscious of this, with shared understandings relating to cross-boundary services and tickets and future development of policy.
7. In York the bus network is heavily city focussed. The boundary of the pre-existing York Quality Bus Partnership matches the CYC administrative area, which also matches the boundary for the All York ticket, bus service publicity and passenger charter, concessionary fares scheme and bus policy as expressed in the York Local Transport Plan. As such, it is recommended that York forms the basis of the York BSIP, although CYC will work with NYCC, ERYC and WYCA where there is benefit to do so through joint ticketing, publicity, shared transport policy affecting a cross boundary corridor etc.
8. This would not preclude later development of a BSIP to reflect the transport priorities of a future combined authority area.

The York Bus Market

9. The York bus market exhibits a number of unusual features.
10. Firstly, partly because of York's position as the focal city in a large, rural county, the bus market in York is unusually fragmented, with 7 operators in the city, only 4 of whom are based in York/ have York depots. There are 8 operators if park and ride, which is operated under contract to CYC and has its own ticketing system, is considered to be an operator in its own right. The largest single operator, First, provides around 70% of services in York – although only around half of services in the city if park and ride is considered a separate part of their operation. This is an unusually small market share for an area's single principal operator and, as a result, nearly all corridors in York have services provided by more

than one operator and some corridors have several operators (e.g. Tadcaster Road has 5 operators, each with their own ticketing system). As such, the York network exhibits many examples of ticketing barriers preventing use of any bus service, without paying a price premium, which the National Bus Strategy particularly seeks to overcome.

11. Secondly, operationally, the service fragmentation is overcome in many ways, by the city's (voluntary) Quality Bus Partnership, which has been in existence for over 20 years and has been nationally recognised as an example of best practice for much of that time. Operators have been very committed to development of the QBP, and the QBP has allowed action by operators to be co-ordinated, resulting in some successes in delivery of bus services in York over the last five years, in particular:
 - Relations between the council and bus operators are better than in many parts of the UK, something which was extremely valuable as the network was stepped up and down in response to the covid emergency
 - Recent upgrades of York's buses to meet Euro VI emissions standards and deliver the York Clean Air Zone
 - Pre-covid, substantial increases in the number of bus passengers – something which is unique in northern England, where passenger numbers have tended to decline
 - Improvements in the commercial performance of the network – in particular the movement of several services from subsidised to commercial operation in Autumn 2019
 - Support of York's Better Bus Area between 2014 and the present – under which operators have (voluntarily) contributed over £1million to assist with traffic management measures and the costs of collective provision of some aspects of the bus service (for example, timetables and joint ticketing).
 - The QBP has also allowed the introduction in York of many of the aspects of a best practice network as cited in the National Bus Strategy – joint publicity and information and a passenger charter, although these improvements have tended to be proposed, led and often funded by CYC.
12. A third unusual feature of York's bus network is the extent to which it is a "hybrid" model of delivery – with around one-third of services exhibiting some characteristics of franchised services, despite the network being nominally "deregulated". York's park and ride network, University bus services and the tendered network all show characteristics of franchised services in that key aspects of the service – fares, frequencies, vehicle

quality are specified by CYC (or York University for the Unibus services). Collectively these services are estimated to carry around 40% of bus trips in York.

13. Some outcomes for passengers on the “franchised” services are better than on the deregulated network, with the “franchised” services consistently achieving high scores for service quality in Transport Focus’s annual series of bus passenger satisfaction surveys. A high degree of local authority control has also been important in the deployment of electric vehicles on the park and ride service, where it has been possible to specify their adoption as part of the service contract.
14. Although the above is not to say that deregulated services cannot be good services – indeed, York has many examples of very good deregulated services, some of which have won awards in the recent past – it is nonetheless the case that a franchised network for York would not be the step change which would be required in most other areas. Inevitably it would only be possible to franchise bus services which operated the majority of their mileage in York, with inter-urban services excluded (though operating through a licensing system in the York area would allow ticketing, and possibly some fares, to be stipulated on inter-urban services for trips entirely within York). As such, a York franchised network would only see an incremental increase in local authority control of bus services from one-third of services now to perhaps 75% of services, and would not be the step change in provision that it is often assumed to be, and would be in most other LTA areas.

Operator engagement

15. Initial consultation with the operators has shown a clear favouring of an Enhanced Partnership delivery model, with First writing to CYC setting out their preference for this model of provision. Operators are understandably keen to maintain their own, often carefully curated, brand identities, something which the National Bus Strategy supports.

Options going forward

16. Due to the experience to date in York it is not clear whether the optimal delivery model for local bus services in York is deregulated, but under an EP, a fully franchised model, or the current hybrid model with a mix of both approaches, with each carrying a different balance of risks and potential benefits.

17. Consequently, the optimal operating form for York's bus network under the NBS will need to be determined by:
- Consultation – much undertaken through the Local Transport Plan engagement – to identify CYC's policy aspirations for the bus service in York
 - Negotiation with the bus operators towards achieving CYC's aspirations
 - Technical and financial assessments of alternative service delivery models
 - CYC's own attitudes to the financial and reputational risks which may be associated with different types of service delivery model.
18. There are then two considerations:
- What is the appropriate action for York to undertake by the June deadline of informing the DfT about service delivery from July
 - What should be considered for the BSIP in October.
19. These are considered below.

Options for June

20. Whilst there are nominally three options available to CYC for June (franchise, EP, deregulated but no EP formed), it is assumed that there are, in practice, only two deliverable options, one of which is very undesirable:
- It is assumed that moving to a franchised model of service delivery is not deliverable by the DfT's end of June deadline because of procurement timescales – therefore this option is discounted as impractical.
21. Of the deliverable options:
- It would be possible to formulate an Enhanced Partnership with bus operators by June and begin the task of negotiating with operators towards agreeing a York Bus Service Improvement Plan for October, particularly as the operators have already signalled their willingness to follow this model of delivery;
 - Alternatively, CYC could decide not to form an EP with operators. However, if this option was taken forward, covid support for the network would be lost from the beginning of July. Whilst this option is, in broad terms deliverable, it is assumed that the adverse effects

of this option are so severe – in terms of a sudden and uncontrolled contraction of the York bus network as operators ceased trading in the city – that it is not desirable to pursue this option.

22. Consequently, it is recommended that CYC notifies the DfT of an intention to form an EP with York's bus operators by the end of June.

Options for the Bus Service Improvement Plan (BSIP) in October

23. Following the decision to form an EP from July, the next task will be to develop York's Bus Service Improvement Plan for publication in October. Although detailed guidance is awaited, it is likely that the BSIP will also form the basis of a bidding document for funding to improve bus services in the area to which the BSIP relates. As such, the BSIP will be the delivery vehicle for York's already known aspirations for bus services in the city – particularly their conversion to electric power, but also potentially other measures such as bus priorities or improvements to stops, shelters and passenger information.
24. In order to maximise the potential to achieve external funding the York BSIP will require detailed consideration of longer term service delivery options. These will need to be informed by the Local Transport Plan consultation and detailed technical assessment. York's aspirations will need to be clearly stated and then negotiated with the city's bus operators.
25. It is then proposed that a further report is brought to Executive in September setting out the detail and contents of York's Bus Service Improvement Plan. This will form one of the daughter documents to the Local Transport Plan (see other report submitted to Executive for consideration).

Consultation

26. Operators will be consulted through the existing framework of the Quality Bus Partnership.
27. Public consultation for the BSIP will be integrated into the consultation and engagement process for the Local Transport Plan.

Resources/ HR

28. Delivering the BSIP will require significant resource. Given other commitments on staff in the Sustainable Transport Team (in particular delivery of the Local Transport Plan and Active Travel Fund schemes) it is proposed that decisions on resourcing this workstream are delegated to officers. It is likely, however, that delivery will be through a hybrid officer-consultant model, depending on the duties placed on LTAs in the BSIP guidance when it is published.

Council Plan

29. The measures recommended by this paper support all the sustainable transport objectives in the Council Plan, and also economic development objectives, objectives to improve air quality and reduce carbon emissions in York. Because bus services generally support more active travel (through walking to the bus stop, but also because availability of an effective bus service encourages lower car ownership and hence greater use of active travel modes such as walking and cycling) the measures also support the health objectives in the Council Plan.

Implications

- **Financial** - It is proposed that the cost of developing York's BSIP is covered by the one-off payment of £100,000 that the DfT has made to all requesting authorities to cover the cost of developing a BSIP. Decisions on the work programme to support development of the BSIP will be made once guidance on BSIP formulation has been published. Decisions will be delegated to officers in consultation with elected members.
- **One Planet Council / Equalities** - There are no equalities implications of the recommendations of this report. There would be significant adverse impacts on equality of a "no-deal" situation where loss of CBSSG lead to a sudden and uncontrolled contraction of the bus network.
- **Legal** - There are no legal implications of the recommendations of this report, although there are potential legal implications stemming from any decision to franchise services.
- **Crime and Disorder** - No implications

- **Information Technology (IT)** - No implications
- **Property** - No implications
- **Other** - No implications
- **Risk Management** - The recommendation to form an enhanced partnership with operators from the end of June is designed to prevent exposure of the Council to the substantial adverse risks associated with a “no deal” outcome on the bus network and loss of CBSSG funding. These are detailed in the report.

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Report **Date** 12.05.21
Approved

Specialist Implications Officer(s) List information for all

Implication : Financial
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Implication: Legal
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Wards Affected: List wards or tick box to indicate all

All

For further information please contact the authors of the report