

Meeting:	Executive
Meeting date:	20/02/2024
Report of:	James Gilchrist, Director of Transport, Environment and Planning
Portfolio of:	Cllr Pete Kilbane, Executive Member for Transport and Economy

Decision Report: Local Bus Service Updates

Subject of Report

1. During autumn 2023, a review of the York bus network (“**Bus Network Review**”) was undertaken. The aim of the review was to assess opportunities to better serve residents and visitors to York and to achieve better value for money from bus subsidies administered by the Council of the City of York (“**CYC**”). The results of the review will be used to inform the emerging Local Transport Strategy, plus provide a useful evidence base for wider planning and investment. In the shorter term, a series of alterations to York’s current subsidised bus services are proposed in this report, which will help ensure a stable, reliable, efficient, and affordable network that both reflects both changes in post-Covid passenger demand and increased operating costs.
2. Within this report, an overview of the funding position for council supported bus services in 2024/25 is provided, including details of an additional £1.15m of Bus Service Improvement Plan (“**BSIP**”) revenue funding awarded by the Department of Transport (“**DfT**”) to City of York Council for 2024/25, which the Executive will be asked to accept. A progress update is also provided regarding delivery of the York BSIP.
3. The final component of this report is to provide a summary of York’s latest bid to the DfT’s Zero Emission Bus Regional Areas (“**ZEBRA2**”) scheme. The Executive is asked to note that the outcome of the bid is expected in March 2024. If successful, a

further paper will be presented to outline the options and implications of accepting.

Benefits and Challenges

Bus Network review

4. The key benefit of having undertaken the Bus Network Review is that it provides an evidence base for future network development. In addition, the initial phase of changes will help deliver a more stable, efficient and affordable network. A key challenge resulting from the first phase of proposed changes is that some involve reducing routes, operating hours or frequencies, which will have a negative impact on some bus users. However, given rising costs and reductions in bus passenger numbers, not implementing such cuts would almost certainly lead to contract costs exceeding the available budgets when contracts expire later this year. This could potentially necessitate broader cuts to well-used and socially-necessary services.

BSIP

5. Delivery of the BSIP programme will lead to benefits for the travelling public in the York area. One example of this is through subsidising bus services that are socially necessary but not commercially viable. BSIP is also enabling ticketing initiatives to be delivered to make bus use more affordable. Capital investment in bus stop infrastructure upgrades, real-time information screens at bus stops, bus priority measures and upgrade of five of York's Park and Ride sites to multi-modal hubs will also deliver benefits to the travelling public.
6. The recent award of an additional £1.15m of BSIP revenue funding from the DfT will enable continued subsidy of many bus services, which would otherwise have been unaffordable in 2024/25.
7. All BSIP measures are in support of bus patronage growth and bus operations align with the council's 10-Year Plan for the city, known as "**York 2032**", which recognises transport as a key priority for the city (further details in the Policy Basis for Decision' section of this report).

ZEBRA2

8. The primary benefit of a successful ZEBRA2 bid would be further electrification of the York bus fleet, leading to reduced carbon emissions, improved air quality, and reduced noise pollution. Bus

contract decisions would need careful planning to ensure a fair and competitive market.

Policy Basis for Decision

9. CYC's commitment to stabilising, improving, and growing the bus network is consistent with the 10-Year Plan for the city, known as "**York 2032**", which recognises transport as a key priority for the city, setting the goal that York's transport networks will be inclusive and sustainable, connecting neighbourhoods and communities.
10. The Climate Change Strategy 2022-2032 notes that emissions from transport represent 27.9% of York's emissions and of this, 88% of emissions are from car travel or public transport. The strategy sets an objective to increase the share of vehicles on the road that are electric or hybrid and reduce overall car use through alternative modes, such as public transport.
11. Initiatives to support, stabilise and grow bus patronage contribute towards the emerging Local Transport Strategy reflecting the importance of public transport in York's transport hierarchy and the Bus Services Improvement Plan agreed for York.
12. The new Council Plan 2023-2027 has four Core Commitments, which fit with the initiatives aimed at supporting and growing bus patronage:
 - **Affordability – Tackling the cost-of-living-crisis**
Bus travel offers an affordable alternative to reliance on private car ownership, which is prohibitively expensive for some people. Those aged under five years old, or of pensionable age, are eligible for free bus travel, plus those with a registered disability. In addition, a £2 single fare cap is in place for bus travel until 31st December 2024, and the York BSIP is funding several other fares initiatives.
 - **Climate – Environment and the climate emergency**
Providing a high-quality bus service supports an increase in alternatives to car usage which will reduce carbon emissions. York has previously secured zero emissions bus grants for a fleet of electric buses, which are currently being rolled-out. The latest ZEBRA2 bid is for a for a further expansion of York's EV bus fleet.
 - **Health – Health and wellbeing**

Supporting people to use public transport may reduce the number of petrol and diesel car users which could improve air quality, leading to significant health benefits. Initiatives to expand the EV bus fleet are also in support of objectives to improve air quality.

13. Within the Council plan there is a commitment to deliver the Bus Service Improvement Plan, including a new provider of bus shelters with real-time information and lobbying for improvements in York's bus services.
14. In October 2023 the Executive approved a vision, objectives and Policy Focus area for a Local Transport Strategy. One of the policy focus areas is about improving public transport – so that all areas of the city have good and reliable public transport access. Key to this will be extending the bus network, ensuring effective and reliable early and late services when people need them, and upgrading high frequency bus services – in some cases into bus rapid transit services. We will also work to upgrade heavy rail services where they play a local role or support our other policies. Not only will this result in a 50% or greater increase in bus patronage by 2030, it will also enhance the viability of public transport and protect its future.

Financial Strategy Implications

Bus Service Support budgets

15. The following budget sources have been identified for bus service support for 2024/25:
 - £750k from CYC supported service revenue
 - £300k from the original York BSIP revenue budget (“**BSIP1**”)
 - £750k from the new £1.15m BSIP (“**BSIP3**”) revenue award (leaving £400k for ticketing offers and behaviour change support)
 - £90k from Germany Beck Section 106 developer funding
 - £150k from Bus Service Operating Grant (“**BSOG**”)
16. These sums total £2.04m, although the CYC revenue stream is also required to cover some CYC sustainable transport team staff

costs. A total budget for bus service support of at least £1.94m is therefore assumed.

17. At present, it is expected that post-2025 budget sources for supported bus services will be as follows:
 - £750k from CYC supported service revenue (subject to CYC budget decisions)
 - £750k of assumed further new BSIP revenue (subject to Mayoral approval)
 - £150k from BSOG
 - £90k from Germany Beck S106 Section 106 developer funding
18. These sums total £1.74m, although the CYC revenue stream would also be required to cover some CYC sustainable transport team staff costs. At this stage, it is therefore assumed there will be a total annual budget of £1.64m for 2025/26.
19. It should be noted that CYC budgets are under unprecedented pressure and therefore the £750k of CYC supported service revenue is not currently guaranteed. However, failing to maintain this level of support would likely result in a reduction in BSIP funding.

BSIP

20. York's BSIP1 allocation totals £17,360,000 over 3-years. This is broken down as £10,665,000 capital funding and £6,695,000 revenue funding.
21. The table below shows the breakdown of BSIP1 capital and revenue per annum.

	2022/23 (Received)	2023/24 (Received)	2024/25 (Expected)
Capital	£2,375,000	£4,390,000	£3,900,000
Revenue	£2,200,000	£2,300,000	£2,195,000
Total	£4,575,000	£6,690,000	£6,095,000

22. The following table summarises BSIP1 spend to date

	2022/23	2023/24
Capital	£0	£336,627
Revenue	£185,128	£923,921
Total	£185,128	£1,260,548

23. On 23 October 2023, the Government announced the indicative allocation of £150 million of 2024-25 funding for Local Transport Authorities (LTAs) to improve bus services, as set out in their BSIPs and as part of Network North. This is part of the third phase of BSIP funding (BSIP3). In December 2023, the DfT informed CYC that our BSIP3 indicative allocation is up to £1,153,000 of revenue funding to support delivery of our BSIP in 2024/25. This is in addition to the total BSIP1 funding allocation of £17,360,000.
24. The external grant funding that will be utilised from the BSIP awards is only confirmed up to and including 31st March 2025, and therefore not cannot fund long term interventions beyond that time.
25. The bus market remains unpredictable. Through the Enhanced Bus Partnership (“EP”), CYC officers work closely with operators and support them to take back subsidised services to commercial operation, wherever practicable. However, there remains a risk that further commercial bus services could be withdrawn in the coming months, resulting in further requests for intervention. In the future, with constrained budgets, CYC and Enhanced Bus Partnership may have to make challenging decisions regarding bus service affordability.
26. There may be opportunities to transfer funds from other BSIP revenue support initiatives, such as subsidised fares, to tendered bus service support but that would reduce the value and impact of such interventions.

Recommendation and Reasons

27. The Executive Member is recommended to:

Bus Network Review

- i. To note the York Bus Network Review findings and report produced by Momentum.

- ii. To approve the procurement of short-term bridging extensions to existing subsidised bus contracts for services 1, 4, 6, 10/10A, extending them from 28th April to 2nd June 2024.
- iii. To approve a short-term contract for the weekday bus service 13 for until 2nd June 2024.
- iv. To approve an extension to the short-term contract for the weekday bus service 19, until 2nd June 2024.
- v. To note the consultation response to proposed supported bus service changes affecting services 1, 11, 12, 13, 14, 16, 19, 24, 25 and 26.
- vi. To implement the changes recommended in paragraphs 38 to 52 of this report to supported bus services, between June and December 2024.
- vii. To delegate authority to the Director of Transport, Environment and Planning (and their delegated officers) in consultation with the Director of Governance and the Chief Finance Officer (and their respective delegated officers) to amend or procure and enter into bus contracts in line with the approved recommendations ii to vi above.

BSIP

- viii. To note the BSIP programme update.
- ix. To note and approve acceptance of the BSIP Phase 3 allocation of up to £1,153,000 of revenue funding to support delivery of York's BSIP in 2024/25 and to delegate authority to the Director of Transport, Environment and Planning (and their delegated officers) in consultation with the Director of Governance and the Chief Finance Officer (and their respective delegated officers) to enter into any related funding agreements.

ZEBRA2

- x. To note the ZEBRA2 bid submission and that an outcome is expected in March 2024, with a further paper to follow if successful.

Reason:

- In support of a stable, efficient, sustainable, and affordable bus network that delivers the CYC's stated Bus Service Improvement plan objectives in line with the National Bus Strategy and council policy.

Background

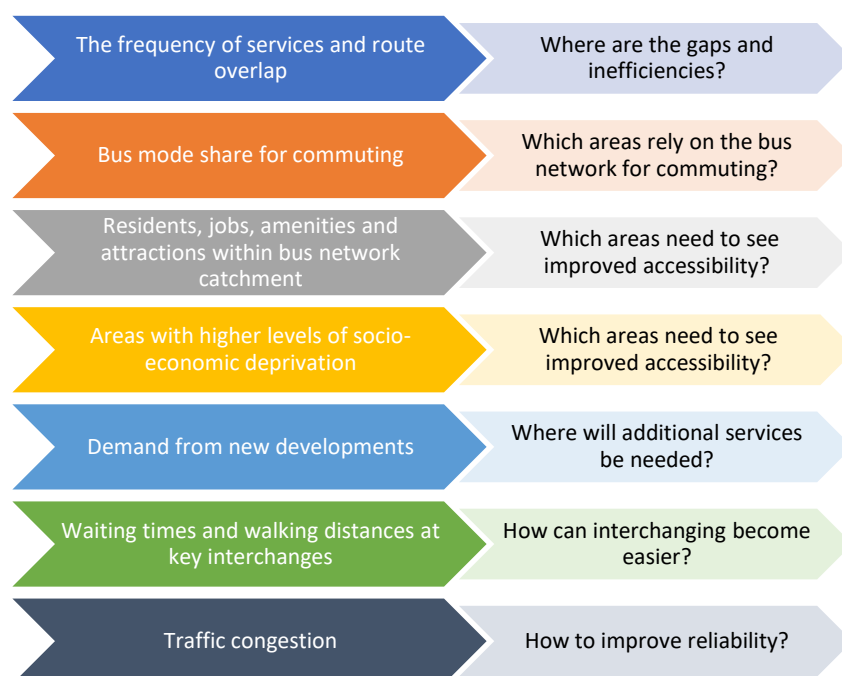
Bus Network Review

Introduction

28. Prior to the COVID-19 pandemic, York's bus services carried approximately 16,000,000 passengers per year, with a steady increase in passenger volumes since 2014. Current bus patronage is averaging around 85% of pre-COVID volume, at a time when service operating costs have increased.
29. The York Bus Network has been affected by decreased passenger numbers both on the Park & Ride (particularly weekday commuters) and wider network, with a currently estimated 15% reduction overall in passengers compared to pre-COVID.
30. Bus operators have continued to experience rising operating costs, with fuel price increases of around 40% and staff costs increases of around 30% over recent years. In addition, rents and maintenance costs have also risen. Increases in staff costs have largely been driven by driver shortages, with York particularly affected due to the small pool of local drivers.
31. The combination of overall reduced patronage levels and rising operating costs is continuing to reduce the commercial viability of several services, thus increasing demand for subsidy to retain the current network.
32. Stability of the existing bus network is key to providing a foundation upon which to grow patronage.
33. During late 2023, CYC commissioned transport consultants Momentum to undertake an initial review of the York bus network to develop emerging ideas for the new Local Transport Strategy
34. This Bus Network Review study identified key areas where the current bus network can be made more:
 - Accessible: we overlay the current bus network and service frequencies with data on key amenities and attractions, where people live and work to identify service gaps
 - Efficient: we identify overlapping routes and opportunities to make the best possible use of public resources

- Reliable: we assess whether routing could be improved, or termini changed to increase reliability

35. The figure below summarises the scope of the Bus Network Review undertaken by Momentum.



36. The full report is provided in Annex A. This will be used to inform development of the emerging York Local Transport Strategy. In addition, it will be used as an evidence base as planning applications are considered.

Initial supported bus service changes

37. In the short-term, a series of initial changes are proposed to some supported (subsidised) bus services in York, to help achieve a stable, sustainable, efficient and affordable bus network in 2024, in recognition of rising costs and changes in bus patronage post-Covid pandemic. A number of existing supported bus service contracts are due to expire in 2024 and, due to high rates of inflation in recent years, are expected to be significantly more expensive to renew due to not having been marketed tested for 3 or more years. Without making changes to the way some contracts are packaged or to routes, frequencies and/or operating hours, it is expected that the current supported bus network would become unaffordable and have to be reduced significantly.

38. In this challenging funding context, the following policy principles are recommended:
- CYC will provide a maximum subsidy per passenger of £3.40 for hourly urban subsidised services, and up to £6.80 for rural 2-hourly tendered services. These figures will be CPI indexed going forward for comparison.
 - CYC will only support services which carry at least 8 passengers per bus hour operated, and will not continue support past 18:00 if this threshold is not met for the evening operating hours.
39. The criteria, were last updated in 2018/19. At this time, the maximum subsidy per passenger for urban subsidised services was £2.67 and the minimum passengers per bus hour was 9.
40. Applying these principles and with a view to keeping the supported (subsidised) bus network as extensive and stable as possible, and against a backdrop of rising prices, a series of changes are recommended to the following services during 2024, with the earliest changes to be implemented from 2nd June 2024:
- 1 Chapelfields - City – Wigginton
 - 11 Bishopthorpe - City – Heworth
 - 12 Foxwood - City - Monks Cross
 - 13 Copmanthorpe - City - Haxby
 - 14 Foxwood - City - Haxby
 - 16 Acomb - Hamilton Drive – City
 - 19 Skelton - Burton Stone Lane - City
 - 24 Acomb and city centre
 - 25 Fulford - City - Foss Islands – Derwenthorpe
 - 26 Fulford – City - South Bank
41. A high-level summary of the recommended changes is provided the table below.

Bus route	Proposed change					
	Service to be merged with another	Reduced route length	Increased route length	Reduced frequency	Reduced operating hours	Timetable changes
1					✓	✓
11			✓	✓		✓
12						
13		✓				
14						✓
16			✓	✓		✓
19				✓		✓
24			✓			✓
25			✓			✓
26	✓					

42. Note, for services 12/14 the proposal is only to merge them at a contractual level, and for route 26, it is only route number which is likely to disappear entirely, even though there'll be no change in the overall level of service provision to Fulford.
43. It is estimated that implementing the recommended changes would deliver savings of up to £200,000, which it is expected will be needed to offset increased contract prices across the wider supported bus service network in 2024/25 as contracts which have not been market tested for 3 to 5 years come up for renewal. It is estimated the bulk of the savings will result from reducing the Peak Vehicle Requirement (“**PVR**”) for the York subsidised bus network from 22 buses in 2023/24 to 19 or 20 for 2024/25. Full details of all bus services, costs, funding sources and passenger numbers can be found in Annex F of this report.
44. Details of the recommended changes are listed below.

Bus service 1

45. It is recommended to withdraw support for journeys with very low usage and high cost-per-passenger, specifically the 2232, 2317 and 2319 Sunday evening journeys on service 1.
46. In response to feedback received via the consultation, the council will seek to retain pre-0600 bus services.

Service 11

47. It is recommended that all service 11 journeys operate via the South Bank Loop. In parallel with this change, it is intended to remove the South Bank Loop from route 26. The changes to the 26 route will offset the cost of the increased route length on the 11.
48. It is recommended that in conjunction with incorporating the South Bank Loop that the service frequency of the 11 reduce from every 50 minutes to an hourly service, returning to a clockface timetable.
49. Through the bus service consultation process it was highlighted that previous timetable changes to bus service 11 had been detrimental for school children traveling to Millthorpe School. This has been fed back to the bus operator, First Bus, and will be addressed as part of the recommended changes and no extra cost.

Services 12 and 14

50. It is recommended to merge services 12 and 14 into one contract to offer a more efficient service, and better value for money.
51. No overall service change or reduction is planned and all stops will continue to be served, however minor timetable changes will be required to interwork the two timetables.

Service 13

52. The majority of the route currently taken by the number 13 will remain the same.
53. It is recommended that the Monday to Friday bus service serving the Flaxman Croft Loop in Copmanthorpe be withdrawn. This will result in an additional walking distance to the nearest bus service for some people of up to 650m. Retaining the Flaxman Croft Loop necessitates a 4-bus operation, whereas removing it, as proposed, the 13 service can be operated with 3 buses. The operating cost per bus on this route is currently £450 per day. On average around 30 people per day board a bus from the Flaxman Croft Loop section of the current route 13.
54. In addition to the recommended Flaxman Croft Loop changes, it is recommended that West Nooks, Haxby is served by an hourly variation of service 1 (potentially numbered 1A) rather than the half hourly service 13. There is potential that changes may lead to

reduction of bus service provision to West Nooks, Haxby. This will be dependent on discussion with First Bus.

Services 16 and 24

55. It is recommended that bus service 16 is retendered as a longer, hourly route, taking on the Ascot Way Loop from service 24. This will reduce the frequency of service 16 from every 45 mins to every hour. There will also be a loss of the direct link from Poppleton Road to Ascot Way, with a change required in Acomb.

Service 19

56. It is recommended that when re-tender this service that we ask operators to price both the existing half-hourly operation and the option to reduce the frequency to an hourly Monday-Saturday service. Depending on the prices returned, the existing frequency may be retained. Priority will be given to maintaining school-time journeys.
57. No changes to the route of bus service 19 are recommended.

Services 24/25/26

58. It is recommended that services 24, 25, and 26 will be retendered to provide an hourly service to Acomb & Derwenthorpe and a half-hourly service to Fulford Crossfield Crescent & Germany Beck.
59. The recommended new service numbers are:
- 24 - Fulford-Acomb (*incorporating half of the current route 26 and the current route 24 as far as Acomb shops*)
 - 25 - Fulford-Derwenthorpe (*route unchanged*)
60. This recommendation will result in the loss of a direct link in one direction from Fulford to South Bank. (Note, it is already not possible to make an unbroken bus journey in the other direction, from South Bank to Fulford).
61. It is recommended that service 26 will be merged with service 24 to form a single cross-city route. There will no longer be a number 26 service once the changes are implemented.

62. No route changes are recommended for service 25, other than serving Germany Beck via the same route as the proposed route 24 (ie. Thornton Rd, Bishopdate Way, Whitting Close, Porter Avenue, Thornton Rd, Fordlands Rd to Crossfield Crescent).

Short-term extension of some existing supported bus contracts

63. Ahead of the changes outlined above, a series of short-term extensions to some existing supported bus service arrangements is recommended, as follows:
- **£9,000** - De minimis journeys on services 1, 4, 6 and 10 (extension to 28th April 2024 was previously approved on 14 November 2023 by Economy & Transport Executive Member Decision). EP Operational Delivery Group (“**ODG**”) has approved BSIP funding until 2nd June.
 - **£50,000** - Weekday service 13. EP ODG has approved BSIP funding until 2nd June.
 - **£8,000** - Weekday service 19 (extension funding to 28th April was previously approved on 14 November 2023 by Economy & Transport Executive Member Decision). EP ODG has approved BSIP funding until 2nd June.
64. Extension of the above tendered bus service contracts would prevent disruption to bus services whilst longer-term, affordable contracts are procured. The alternative would be to retain the current contract renewal dates, but this would be more difficult to manage and communicate, and could lead to missed opportunities for financial savings, plus potentially lead to loss of confidence by bus users and reputational damage to CYC.

BSIP

BSIP1

65. In April 2022, CYC was given an indicative allocation of £17,360,000 of BSIP funding for enhancing York’s bus network working with the Enhanced Bus Partnership. This funding comprised capital funding of £10,665,000 and revenue funding of £6,665,000. The grant for the first year (£4,575,000) was paid to CYC in November 2022, at which point CYC mobilised to deliver the programme.
66. An update on key elements of the BSIP1 programme in development, design and/or delivery is listed below.

- In development and design, upgrading York's Park and Ride sites to become multi-modal transport hubs with a wider range of services. Under consideration are opportunities to connect with additional bus and coach services, provide overnight parking, deliver e-bike, e-scooter and/or car club collection points; and offer numbers of cycle lockers, amongst other improvements. Concept design proposals were received by the council in early February 2024 and were under review at the time of this report being prepared.
- In delivery and design, bus stop infrastructure improvements and bus priority on high frequency bus corridors and in the city centre. Such upgrades may include raised boarding kerbs, new hard standing, and new or upgraded bus shelters and/or lighting. A phased roll-out of such improvements has commenced and is planned to continue throughout 2024 and into 2025.
- In development and delivery, new and improved real-time information screens at bus stops across York, with inclusion of audio announce facilities to aid blind and partially sighted people to travel more confidently and independently. Phased delivery commenced in autumn 2023 and is expected to complete by the end of 2024.
- In development and delivery, a range of reduced fares, targeted at younger people and those who may be suffering hardship, but are not covered by existing concessionary fares schemes. From February 2024 to the end of December, a single flat fare of £1 will be available to all those aged under 19, for any bus journey wholly within the City of York boundary. A £2.50 day ticket and a £12 weekly ticket, valid on all operators' services, will also be made available to this age group.. Consideration is also being given to re-running the half price family ticket offer that was successful in summer 2023. In addition, options for trialling ticketing initiatives for NHS staff are being investigated.
- Nearing completion, roll-out of infrastructure to enable an all-operator tap-on-tap-off ticketing system, which will potentially enable cheaper travel across the York boundary into North Yorkshire and the East Riding of Yorkshire. Related to this, the council has recently expressed in writing continued support and interest in being involved with the development of Project Coral, which is being led by Transport for the West Midlands (TfWM) and seeking to develop a national, multi-operator integrated ticketing solution, funded by the Department for Transport. The

Project aims to enable capped cEMV contactless payments on bus and tram services across different operators in England outside London.

- In development and delivery, travel behaviour change campaigns to encourage greater use of sustainable modes, including buses. From February 2024 this work will be supported by an external marketing agency, with CYC's communications and iTravel teams continuing to take a leading role, with invol
- In delivery, and as outlined in more detail above, support for the existing bus network. Significant increases in operating costs and a national driver shortage continue to present a challenging context for bus operations. By stabilising the network, we hope to set a foundation to grow bus patronage. This is being achieved by providing subsidies for services that are no longer commercially viable.

A summary of BSIP1 expenditure to 9th January is provided in Annex F, Table 3.

BSIP3 funding announcement

67. A new round of BSIP funding, BSIP3, has recently been announced by Central Government following the cancellation of the HS2 Project. This was outlined in the "Network North" policy paper. CYC's indicative BSIP allocation from this latest funding round is £1,153,000 of revenue for 2024/25.
68. This report seeks approval to accept £1,153,000 funding and to submit a plan to the DfT by the end of March 2024 to utilise it to continue support for subsidised local bus services (c.£750,000) and to provide ticketing initiatives and behaviour change support (c.£360,000).

ZEBRA2

Introduction

69. During autumn 2023, a new round of DfT ZEBRA (Zero Emission Bus Regional Areas) funding, known as ZEBRA2, was announced.
70. The key points of the ZEBRA2 scheme are:
- A total £129 million fund is available (£89m for 2023/24 and £40m for 2024/25)
 - The amount of support is the same as for earlier ZEBRA1 scheme:

- 75% of the additional cost of a Zero Emission Bus over an equivalent Euro6 diesel bus.
- 75% of the infrastructure costs (chargers, upgrades to depot etc.)

71. Funding guidance stated that £25m of the total £129m funding pot would initially be reserved for bids covering rural areas. The next priority group of bids will be those from areas that have not previously received ZEBRA funding. York's bid does not fall into either of these categories and a total of 58 ZEBRA2 bids have been received. If all the bids are of a high quality, it is therefore likely to be highly oversubscribed, with York's bid not in either of the top two priority groups.
72. CYC has previously partnered with First York for ZEBRA1 and received £10.2m to purchase 53 buses and associated chargers plus a power upgrade for the depot. At the time of writing this report in late January 2024, it was planned that all the York ZEBRA1 fleet would be in operation.

ZEBRA2 bus operator engagement

73. All York bus operators were approached by CYC to bid for ZEBRA2 funding.
74. East Yorkshire Buses are entering bids with North Yorkshire Council and East Riding of Yorkshire Council, as electrifying Hull area routes was a better match for them. The other smaller operators declined to bid, with the up-front capital cost and lack of technical resource and support cited as the main reasons. CYC officers have offered to meet with smaller operators to discuss options for supporting them when the next funding opportunity arises.
75. Transdev expressed an interest in York ZEBRA2 bid and CYC submitted a bid by the 15th December 2023 deadline.
76. Transdev currently operate the Coastliner services, several suburban routes under the York & Country brand, and the red City Sightseeing buses.
77. The York ZEBRA2 bid is for the York & Country and City Sightseeing services. The much longer Coastliner routes are more of a challenge to electrify with current technology.

ZEBRA2 Bus Services

78. The City Sightseeing services operate a commercial hop on/hop off circular route around the city centre.
79. The York & Country services currently operated by TransDev are as follows, with all these services subsidised rather being run on a commercial basis.

No.	Route
14	Foxwood - City – Haxby
19	Skelton - Burton Stone Lane - City (Saturday)
20	Rawcliffe - Clifton Moor - Monks Cross - Heworth/Osbaldwick
24	Acomb – City
25	Fulford - City - Foss Islands – Derwenthorpe
26	Fulford - City - South Bank

80. In order to justify their investment in new buses, Transdev have advised that they would need long-term contract security over the York & Country services that the buses would be used to deliver. Ideally, they would seek an 8-year contract (the maximum possible under English law), with a clause to provide mitigations against voluntary termination by the local authority.

Currently, CYC holds a contract with Transdev to operate services 14, 19 (Saturday), 20, 24, 25 and 26. These contracts are due to expire at the end of August 2024. A 3-year extension can be offered, but Transdev are unlikely to accept this due to the ongoing operating losses they are incurring as a result of significantly increased operating costs and reduced patronage since the services were tendered in 2019. An inflationary uplift would be included in the CYC's extension offer but would still leave the operator in a loss-making position. The council cannot simply award a new contract to Transdev. Under the Public Contract Regulations 2015, a competitive tender will need to be carried out in 2024 to establish a new operating contract.

81. This brings about several challenges:

- Even without considering ZEBRA2, increased operating costs are likely to result in tender prices being 40-50% higher than they were in 2019 for a Euro VI-based service. The recent announcement of further BSIP funding mitigates this to some extent, however CYC is likely to need to make some difficult decisions on future tendered service provision. Some decision making may also be complicated due to the announcement that any future BSIP funding will be paid to the anticipated Mayoral Combined Authority.
- If CYC is awarded ZEBRA2 funding, it could opt to tender some or all of its services with an EV requirement. However, by doing this, the majority of local operators would be unable to submit a compliant bid, leading to potentially even higher tender prices as a result of a less competitive process.
- If the ZEBRA2 funding announcement was delayed for any reason, the council would need to proceed with its tender regardless due to the looming contract expiry date. Unless an alternative funding source could be found, tenders would then need to be on a Euro-VI basis, with no guarantee that the operator would be able to make use of any ZEBRA2 funding should it be awarded at a later date. (CYC was in this situation in 2017/18 when EV funding for the P&R fleet was delayed for over a year, resulting in the funding award being made after the P&R contract had already been tendered on a largely diesel basis- however First York had indicated throughout the process that they were willing to work with the council to transition to EV should the funding later materialise).
- Ultimately, if the ZEBRA2 bid is successful, a decision may need to be made by the council as to whether to pursue a tendered network which is as extensive as possible, or one which is as clean as possible but with fewer services.

ZEBRA2 buses & Infrastructure

82. Both the York & Country and City Sightseeing vehicles are kept at Transdev's new depot adjacent to the Rawcliffe Bar Park & Ride. The depot has the potential to store up to 40 vehicles and the land is owned by CYC.

83. If CYC's bid is successful and subject to the outcome of upcoming tenders for contracted bus services, it is currently envisaged that electric buses would be procured as per Table 7 in Annex F.
84. ZEBRA2 dates:
- Bid submitted on 15 December 2023 (available to view at <https://www.itravelyork.info/zebra-bid>)
 - Funding is to be awarded in March 2024
 - Buses must be ordered by 31 January 2025
85. If the CYC ZEBRA2 bid is successful, there are contractual and procurement implications that require further consideration and decisions before funding could be accepted for the York & Country services. The City Centre Sightseeing aspect of the bid is more straightforward from a contractual perspective. However, a further paper to the Executive would be required to consider the full funding implications.
86. There is no match funding requirement of council for the ZEBRA2 bid other than officer time to administrate and facilitate implementation.

Consultation Analysis

87. This section focuses only on consultation undertaken in relation to the supported bus services consultation.

Results of consultation regarding supported bus service changes

88. The public consultation for proposed changes to some supported bus services was launched on 21st December 2023 and ran to 17th January 2024.
89. A consultation summary report is provided as Annex B to this report. This includes details of all the questions asked and the responses received.
90. Launch activity included the questions and supporting information being posted online on City of York Council's consultations webpage and a news release being issued to local media. The consultation was also publicised via the CYC social media platforms, namely Twitter/X, Facebook, LinkedIn and Next Door. In addition, an email containing details of the consultation was issued

to all ward councillors on 21st December 2023. A separate email notification sent to all members of the York Enhanced Partnership Bus Forum. On 27th December 2023, a letter was also issued to over 500 addresses in the Flaxman Croft Loop area of Copmanthorpe, specifically highlighting the proposed changes to the number 13 bus service there.

91. During the consultation period, posters promoting the consultation and including QR codes linking to the online survey were displayed at over 150 bus stops on affected routes, in addition to advertisements on real-time information displays at bus stops. Posters were also displayed in all York libraries, where paper copies of the survey were also provided.
92. Members of the public were invited to two drop-in sessions at the fully accessible Friargate Centre, held on the 8th and 10th of January. Ward councillors were also invited to two drop-in sessions on 18th January 2024.
93. Over 1,100 people engaged with either the online or paper survey, in-person, or by submitting a written response. In addition to resident written responses, written representations were received from the York Bus Forum, Cllr Andrew Waller (Westfield Ward), and Haxby Town Council (these can be viewed in the appendices to the consultation summary report in Annex B of this report). A petition was also received objecting to the recommended removal of the Flaxman Croft Loop from service 13; this attracted over 400 signatures, with 15 signatories providing comments, and can be found in Annex D of this report
94. In terms of the respondents' demographics, of those who chose to provide such information:
 - Approximately 50% were aged 65+
 - Almost 60% were female
 - Approximately 90% identified as 'White - English / Welsh / Scottish / Northern Irish / British'
 - Almost 40% stated they had a long-term health condition or illness
95. As was expected, considerable concerns and objections were raised about the prospect of altering or reducing routes, reducing service frequencies or operating hours. This is because such changes will effect some people's ability to access jobs, education, services and social or leisure opportunities.

96. Particular concerns were voiced by and on behalf of the elderly, young people and those living with a mobility impairment or registered disability due to the increased walking distances to the nearest bus stop that some changes would necessitate.

Options Analysis and Evidential Basis

Bus Network Review

97. The rationale for recommending an extension to 2nd June 2024 of existing short-term tendered bus service contracts, covering some early morning and evening services on routes 1, 4, 6, 10/10A and 19, plus weekday services on the 13, is to minimise disruption to bus services whilst longer-term arrangements are secured.
98. To extend short-term arrangements to the 2nd June 2024 bus service change date, the costs (assuming current operators are able to extend further) would be:
- **£9,000** - De minimis journeys on services 1, 4, 6 and 10 (extension to 28th April 2024 was previously approved on 14 November 2023 by Economy & Transport Executive Member Decision)
 - **£50,000** - Weekday service 13 (for the period 1st Jan - 30th Apr on next week's ODG agenda)
 - **£8,000** - Weekday service 19 (extension funding to 28th April was previously approved on 14 November 2023 by Economy & Transport Executive Member Decision)
99. Extension of the above tendered bus service contracts would enable disruption to bus services to be kept to a minimum whilst longer-term, affordable contracts are procured. The alternative would be to retain the current contract renewal dates, but this would be more difficult to manage and communicate, and could lead to missed opportunities for financial savings, plus potentially lead to loss of confidence by bus users and reputational damage to CYC.
100. The rationale for the initial round supported bus service changes following the Bus Network Review is to try and achieve a stable, sustainable, efficient and affordable bus network, against a background of rising costs and reduced post-Covid bus patronage figures. It is expected that these changes will yield approximately

£200k in savings (subject to procurement) and that these savings will be used to offset rising costs on other supported bus service contracts that are due for renewal in 2024, having not been market tested for 3+ years. If the new indicative funding amount is not accepted, it is anticipated that some existing supported bus services will become unaffordable in 2024 when contracts come up for renewal.

BSIP

101. It is recommended that the additional BSIP3 revenue award of up to £1.15m is accepted, with £750,000 proposed to be utilised for supporting bus services, £365,000 for ticketing offers and behaviour change support. A detailed plan for how the funding is to be utilised is required to be submitted to the DfT by the end of March 2024. In advance, this will be presented to the Executive Member for input, review and sign-off.

ZEBRA2

102. The ZEBRA2 bid was submitted in December 2023, with an outcome expected by the end of March 2024. If the CYC bid is successful a further paper will be submitted, outlining the full options and implications.

Organisational Impact and Implications

103. The implications of the proposals outlined in this report have been considered by the following council service areas.

Finance

104. The financial implications have been primarily detailed in the Financial Strategy Implications. The council has been awarded an additional £1,153k BSIP revenue funding for 2024/25 which will fund continued support of bus services. However the increasing number and value of subsidies is not financially sustainable in the longer term without additional support and therefore it is necessary to reduce the costs going forward.

Human Resources

105. There are no HR implications noted in this report.
106. Should there be a reduction in funding that impacts the amount of internal resource required then the council's normal processes would be followed.

Legal

Bus Network Review

107. Any existing bus service contracts between CYC and existing operators must be extended and/or modified in accordance with their contractual terms and conditions and in accordance with CYC's Contract Procedure Rules and the Public Contracts Regulations 2015.
108. The procurement of a short-term contract for the weekday bus service 13 must be carried out in accordance with CYC's Contract Procedure Rules and the Public Contracts Regulations 2015.
109. The Transport Act 2000 places a duty on CYC to have a Local Transport Plan and to ensure that appropriate consultation is carried out should any subsequent transport proposals result in a change to the Local Transport Plan.

BSIP

110. Any funding agreements that CYC may be required to enter into relating to the BSIP Phase 3 funding must be reviewed, negotiated, and concluded with input from Legal Services to ensure compliance with CYC's CPRs and Financial Regs, and the Subsidy Control Act 2022.

ZEBRA2

111. Legal Services were consulted prior to the ZEBRA2 Bid being submitted to DFT on 15th December 2023. A Subsidy Control assessment has already been undertaken by Legal Services and annexed to this Report as Annex E, concluding that any award of ZEBRA2 funding from DFT to CYC, and any award of this funding from CYC to Transdev, would not constitute a subsidy for the purposes of the Subsidy Control Act 2022.
112. As already outlined in this report above, if CYC's bid to DFT for additional ZEBRA2 funding is successful, a further paper will need to be submitted to Executive, outlining the different options and implications associated with the funding. Legal Services must be consulted with regards to any queries or requests for clarification from DfT with regards to CYC's bid, to ensure compliance with the Subsidy Control Act 2022.

Procurement

113. Any proposed works or services will need to be commissioned via a compliant procurement route under the Council's Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. All tenders will need to be conducted in an open, fair, and transparent way to capture the key principles of procurement. Further advice regarding the procurement routes, strategies and markets must be sought from the Commercial Procurement team. In addition, any variations, extensions, or modifications to existing contracts, both Commercial Procurement and Legal Services must be consulted prior to any agreements or engagement with the incumbent suppliers taking place.

Health and Wellbeing

114. The relationship between transport and health and wellbeing are well evidenced:
- Availability of transport plays a key role in improving access to health services, particularly for vulnerable groups like older people.
 - Travel choices can affect physical health in relation to reduction of body weight and traffic accidents, air pollution.
 - Mode of transport affects physical and mental health and evidence shows that concessionary travel passes and subsidised travel expenses are instrumental in making bus transport more accessible and affordable which improves mental health and wellbeing.
 - Public transport can facilitate social interactions and promote social inclusion.

Environment and Climate Action

115. The principles of the Bus Network Review align with the priority objectives of the Climate Change Strategy; however, the potential impact of the proposed changes on public transport usage and vehicle miles would need to be understood before any assessment as to whether the service alterations could result in a change to carbon emissions.
116. Measures proposed under the BSIP and ZEBRA2 funding, directly contribute to the delivery of objectives within the Climate Change Strategy to reduce overall travel miles, increase uptake of active travel and public transport and switch to electric vehicles. Any investment in public transport infrastructure should also consider climate adaptation and resilience.

Affordability

117. As stated in the report bus travel offers an affordable alternative to reliance on private car ownership, which is prohibitively expensive for some people. Those aged under five years old, or of pensionable age, are eligible for free bus travel, plus those who are disabled who may also be living in households with poverty. To assist with this £2 single fare cap is in place for bus travel until 31st December 2024, and the York BSIP is funding several other fares initiatives.
118. However as described in the Equalities Impact Assessment these groups are more reliant on public transport for essential purposes, without access to bus services at the hours people require to travel, they may be reliant on lifts or other expensive forms of transport such as taxis. Dial A Ride and other initiatives being explored will look to mitigate the impact of some of the changes alongside strong communication of the changes.
119. Overall there may be a negative impact on services, but it is recognised that if the recommendations are not taken forward in this report there could be risks to the wider network affecting more people adversely.

Equalities and Human Rights

120. CYC recognises, and needs to take into account 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).
121. An Equalities Impact Assessment has been carried out and is annexed to this report at Annex C. In summary, it is recognised that making the recommended changes to the operating hours, frequencies, and routes of some subsidised bus services, as outlined in this report, will have an adverse impact on some people with protected characteristics, notably in relation to age (the young

and the elderly), disability, and pregnancy and maternity. Negative impacts are also acknowledged for carers and local income groups. However, not making the recommended changes would mean broader reductions to other subsidised bus services would be needed at a later date due when contract expire, due to high inflation over recent years leading to significantly increased bus operating costs.

122. The proposed changes have been kept to an absolute minimum. The rationale for making these changes is to deliver stability to the wider bus network by using the savings made to offset rising costs on other subsidised bus services, which are better used and these too are important and relied upon by people with protected characteristics.
123. The impact of the proposals on protected characteristics has been considered as follows:
- Age – Negative with medium impact
 - Disability – Negative with medium impact
 - Gender – Neutral
 - Gender reassignment – Neutral
 - Marriage and civil partnership – Neutral
 - Pregnancy and maternity – Negative with medium impact
 - Race – Neutral
 - Religion and belief – Neutral
 - Sexual orientation – Neutral
 - Other socio-economic groups including:
 - o Carer – Negative with medium impact
 - o Low income groups – Negative with medium impact
 - o Veterans, Armed Forces Community – Neutral

Data Protection and Privacy

124. As there is no new personal data, special categories of personal data or criminal offence data being processed for this information report, there is no requirement to complete a DPIA. The relevant DPIA requirements were carried out for the consultation referred to in the report and the information provided from the consultation is anonymised. This is evidenced by completion of DPIA screening questions - reference AD-03133.

Communications

125. Work on the BSIP and Local Transport Strategy will be required to bring together maintain the planned communications work and narrative.

Economy

126. A comprehensive, affordable and reliable bus network is vital to support a strong and sustainable local economy.

Risks and Mitigations

Bus Network Review

127. The lowest risk option is to maintain and stabilise as much of the base network as possible to support the delivery of the BSIP growth targets, council policy and the National Bus Strategy.
128. The bus operating environment remains fragile with operators continuing to face rising costs without corresponding increases in fare revenue. This makes commercial services less viable increasing the risk that further services will be withdrawn. The council is not able (even with BSIP funding) to support all such services and therefore has had to prioritise which services to support.
129. Local Government is experiencing a funding crisis, therefore the future funding position is uncertain.

BSIP

130. The current BSIP funding is due to end on 31st March 2025 and therefore at that time significant public sector support to the industry will be withdrawn. If there is no or insufficient additional funding identified, this will have a significant impact on bus services in the city at that time.

ZEBRA2

131. If the bid is successful, careful planning will need to be made in relation to bus contract specifications.
132. An announcement is expected by the end of March 2024. If successful, a further paper will be presented to the Executive for consideration.

Wards Impacted

133. All wards are impacted by the decision.

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Background papers

14 November 2023, Economy & Transport Executive Member Decision Report – Item 23: [Local Bus Service Updates](#)

13 July 2023, Executive – Item 16: [Update on Local Bus Services](#)

Annexes

Annex A: York Bus Network Review, Momentum Transport Consultancy, December 2023

Annex B: Consultation report – Supported Bus Services, January 2024

Annex C: Equalities Impact Assessment

Annex D: Petition regarding the recommended changes to bus service 13

Annex E: ZEBRA2 – Subsidy control note (13.12.23)

Annex F: Bus service tables