

Appendix 2: Vision and Context for Bus Reform

The Vision

The CPCA envisions a transformative future for its bus network, one that is not only responsive to the current needs of its residents and businesses but also considers future demands and challenges. This vision is underpinned by a set of factors that align with our broader strategic objectives, encompassing social, economic, and environmental considerations.

Enhanced Accessibility and Connectivity:

Our primary ambition is to significantly improve the accessibility and connectivity of the bus network. This involves expanding the network to underserved areas, enhancing the frequency and reliability of services, and extending operational hours to provide more comprehensive coverage throughout the day and week. The goal is to make buses a viable and preferred option for a wider array of travel purposes, including commuting, education, healthcare access, and leisure activities.

Economic Growth and Opportunity:

A robust and efficient bus network is pivotal to supporting the region's economic aspirations. By facilitating easier access to job markets, commercial centres, and educational institutions, an enhanced bus service can play a crucial role in driving economic growth and opportunity across Cambridgeshire and Peterborough.

Social Inclusion and Equity:

Recognising the diverse needs of our community, the bus network aims to promote social inclusion by providing affordable, safe, and accessible transportation options. This is particularly crucial for vulnerable groups, students, the elderly, and those without access to private vehicles, ensuring that all residents have equitable access to essential services and opportunities.

Environmental Sustainability:

In line with regional and national targets for carbon reduction and environmental sustainability, the bus network aims to contribute significantly to these goals. This includes transitioning to low or zero-emission buses, promoting modal shift away from private car usage, and integrating the bus network with other sustainable transport modes such as cycling and walking.

Customer-Centric Service and Experience:

A key ambition is to transform the customer experience of bus travel. This involves not just the physical aspects of travel, such as comfort and convenience but also the overall service experience including ticketing, customer service, and the provision of real-time travel information. Embracing digital technologies and innovations plays a significant role in achieving this goal.

Financial and Operational Sustainability:

Ensuring the long-term financial and operational sustainability of the bus network is crucial. This involves exploring funding models, enhancing the cost-effectiveness of services, and ensuring that the network can adapt to changing demographic and travel patterns over time.

The ambitions for the bus network in Cambridgeshire and Peterborough are comprehensive and multifaceted, aiming to create a transport system. These ambitions set the context for considering franchising or an enhanced partnership as a strategic approach to realise this transformative vision for our bus services.

Existing Challenges and the Need for Bus Reform

As the CPCA contemplates the future of its bus network, it is important to acknowledge the existing challenges that necessitate bus reform. These challenges not only impede the current effectiveness of our bus services but also pose significant barriers to achieving our long-term strategic ambitions.

Declining Patronage and Service Viability:

One of the most pressing challenges is the declining patronage of bus services, a trend exacerbated by the COVID-19 pandemic. This decline has affected the commercial viability of many routes, leading to service reductions and cancellations, particularly in less densely populated or economically less affluent areas. The result is a vicious cycle: reduced services lead to lower patronage, which further diminishes service viability.

Operational and Financial Constraints:

The increasing operational costs, partly due to rising fuel prices and maintenance expenses, pose significant financial challenges. These costs are coupled with limited funding options, placing a strain on the ability to maintain, let alone expand, service offerings. The need for investment in modern, eco-friendly buses adds another layer to these financial challenges.

Network Fragmentation and Lack of Coordination:

Under the current deregulated system, the bus network suffers from fragmentation, with multiple operators running different services with limited coordination. This fragmentation leads to inconsistencies in service quality, fare structures, and scheduling, making the network less user-friendly and hindering the potential for integrated multimodal transport solutions.

Customer Experience and Accessibility Issues:

Customer experience varies significantly across the network, with issues such as lack of real-time information, inconsistent service quality, and inadequate coverage during off-peak hours and in rural areas. Improving accessibility for all, including those with mobility challenges, is a key concern that needs to be addressed.

Environmental Impact:

The environmental impact of the existing bus fleet, primarily comprised of diesel-powered vehicles, is a growing concern, especially in light of regional and national goals for reducing carbon emissions. Transitioning to a greener fleet is important and requires substantial investment and strategic planning.

Response to Changing Travel Patterns:

The evolving nature of work and travel patterns, accelerated by the pandemic, presents both a challenge and an opportunity. There is a need to adapt the bus network to meet these changing patterns, such as the rise in flexible working, which affects peak travel times and demands for connectivity.

The Process of assessing Bus Reform

The legislation outlines the process for introducing a franchising scheme in the UK bus services sector, as detailed in the Bus Services Act 2017. A franchising scheme may not be made unless the franchising authority has complied with the requirements in sections 123B to 123H of the act. Key steps include:

- Preparation of an assessment for the proposed scheme, detailing its expected effects and comparing it with other actions. (123B)
- Independent auditing of the scheme's assessment. (123D)
- Public consultation, including the publication of consultation documents and consideration of feedback. (123E, F and G)
- Decision and publication, where authorities decide whether to proceed with the franchising scheme based on the consultation's outcome and then publish their decision. (123H)

These steps aim to ensure that franchising schemes are thoroughly evaluated and that there is an opportunity for public and stakeholder engagement before any decisions are made. For more detailed information, the legislation can be found directly at the source: [Bus Services Act 2017](#).

CPCA is currently completing the Audit stage of this process (123D), with the intention to consult the public on the preferred option to franchise the bus network in the CPCA area.

The Case for Reform: Franchising and Enhanced Partnership

In addressing the challenges facing our bus network, the CPCA is considering two primary models for reform: Bus Franchising and Enhanced Partnership. Each model offers distinct approaches to improving our bus services, and their potential merits and challenges have been given careful consideration through the business case process.

Enhanced Partnership (EP)

Potential: An Enhanced Partnership allows for a collaborative approach with existing bus operators. It can lead to quick wins in improving services, as it builds on existing relationships and structures. EPs can introduce unified standards for service delivery, fare structures, and potentially, some level of integrated ticketing. This model is particularly beneficial where there is a willingness among operators to work together towards shared objectives. An EP has been used in other parts of England as a transition stage, enabling authorities to understand if improvements are possible without the financial risk of franchising.

Challenges: The effectiveness of an EP is highly dependent on the degree of consensus and collaboration among participating operators. It may offer less control to CPCA compared to franchising and could be limited in its ability to bring about changes or large-scale network restructuring, as experienced in other places. The other Mayoral Combined Authorities in England (Greater Manchester, West Yorkshire, South Yorkshire, Liverpool City Region, West Midlands) have had EP's in place for a number of years and are now perusing franchising as the preferred future model. The EP model is less likely to ensure consistency across the entire network, as operators retain a significant degree of autonomy.

Bus Franchising

Potential: Franchising offers CPCA the ability to exert comprehensive control over the bus network, including routes, timetables, fares, and service standards. This model facilitates a more coordinated and user-focused approach, allowing for a unified brand, integrated ticketing systems, and a more efficient allocation of resources. Franchising can also drive improvements in service quality and consistency, making the bus a more attractive option for users.

Challenges: Implementing a franchising model requires substantial upfront investment and resource commitment. There are complexities involved in the tendering process and ongoing management of contracts. A decision to franchise will require the CPCA to manage financial uncertainty. The business case is based on making assumptions on the operating costs of buses in the short and long term to establish if franchising is affordable. The assumptions have been tested and challenged through the business case development process, and are identified as the main risk to long term affordability. The CPCA will be able to manage this risk through contracting procedures and updating financial models during franchise periods. The scenario testing which has been undertaken for the business case identifies how CPCA can control the cost of the network through procurement and network planning.

Enhanced Partnership vs. Franchising in the context of increasing Public Sector investment

The escalating levels of public sector investment in the bus network present distinct opportunities and challenges within the frameworks of Enhanced Partnership and Franchising models. The increasing reliance on public funding necessitates a careful evaluation of how this investment translates into control, efficiency, and network enhancement under each model.