



TRANSPORT AND INFRASTRUCTURE COMMITTEE	AGENDA ITEM No: 2.7
07 NOVEMBER 2019	PUBLIC REPORT

BUS REFORM PROGRESS REPORT

1.0 PURPOSE

- 1.1. This report presents a summary of the work undertaken by the Bus Reform Task Group to date and outlines the next steps and decision points that are planned.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Paul Raynes, Director of Delivery & Strategy
Forward Plan Ref: 2019/xxx	Key Decision: No
The Transport and Infrastructure Committee is recommended to: (a) Note this progress report. (b) Comment on the update in the progress report, including identifying issues the Bus Reform Task Force might consider.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1. As part of the Devolution Agreement, the Cambridgeshire and Peterborough Combined Authority (CPCA) received statutory responsibility for public transport. Operational responsibility for the current arrangements for subsidising bus services and routes is delegated by the CPCA to Peterborough City Council and Cambridgeshire County Council.
- 2.2. In November 2017, CPCA commissioned a Strategic Bus Review intended to undertake a high-level study of the bus network and make recommendations for the way forward for bus provision across the region.

- 2.3. In January 2019 the CPCA Board took note of the recommendations of the Strategic Bus Review and approved the establishment of a cross-organisational group to respond to the Strategic Bus Review by developing an implementation strategy.
- 2.4. In March 2019 the Board gave approval to draw down funds of £400,000 within the 2019/20 budget to commence work, including:
 - (a) preparing the programme brief,
 - (b) developing the bus subsidy assessment framework and
 - (c) procuring external consultancy support for the business case.
- 2.5. The Board delegated authority to the Transport and Infrastructure Committee to spend within the allocated budget upon recommendation from the Bus Reform Task Group.
- 2.6. In September 2019 the CPCA Board approved a further drawdown of £400,000 to allow work to progress as described below.

3.0 PROGRESS TO DATE

- 3.1. A Bus Reform Officer Task Group was established in April 2019 with officers from Cambridgeshire County Council, Peterborough City Council and Greater Cambridge Partnership. A programme board has been established, comprising senior officers from CCC, PCC, GCP and CPCA, which meets monthly.
- 3.2. Following consultation with a range of stakeholders, including bus user groups, bus operators and local authorities, the group prepared a Programme Initiation Document (PID) for a Bus Reform Programme that set out the key outcome of the programme to be:

To improve, in both the short- and long-term, the service delivered by buses in the CPCA region, aligning with the Combined Authority's Ambition 2030 goals.

This PID was signed off by CPCA directors in July 2019.

- 3.3. The PID defined the following workstreams:

(a) Review of bus subsidies

- i. In early 2019 CCC developed a 5-stage Bus Service Assessment Framework designed to evaluate the impact of changes in the level of subsidy on communities.
- ii. The Bus Reform Programme has applied this framework to subsidised bus routes in both Cambridgeshire and Peterborough to identify the potential for optimising the allocation of bus subsidy across the region. This has highlighted the different approach to subsidy taken to date by the two councils.
- iii. Options for future subsidies are subject to ongoing discussions between officers. Work on developing the framework will reflect the outcome of these discussions and endorsement of the way forward by the CA Board.

(b) **Tactical improvements**

- i. The aim of this workstream is to make tangible improvements in bus services that can be implemented in the short term. A number of such 'quick win' initiatives were identified in the Strategic Bus Review developed in 2018. The Bus Reform Programme engaged with a wide range of stakeholders, including bus user groups and operators, and identified over 100 potential opportunities. Following a structured process of evaluation and prioritisation the following opportunities have been selected and agreed by the Programme Board for the first tranche of implementation:
 - **Longer minimum contracts for contracted services**, thereby giving more certainty to bus operators to invest in better buses and offer more attractive prices
 - **Optimisation of the contracted services network**, to optimise the return gained from public sector investment in bus services
 - **Provide better information** to bus users and non-users, eg on bus timetables and bus facilities, to encourage bus usage and increase ridership
 - **Improved bus stop signage and infrastructure**, particularly in rural areas, to make it easier to use buses, thereby increasing ridership
 - **Marketing the bus** as a mode of transport, in particular to drive mode shift from cars – coordinating with the marketing campaigns of bus operators, in particular Stagecoach
- ii. Further initiatives may be identified and progressed following delivery these projects.
- iii. Resourcing and detailed planning of these initiatives has started, and progress will be reported in future reports to the Committee.
- iv. This workstream will require close cooperation with bus operators and will explore operators' appetite for partnership approaches such as Enhanced Partnerships, providing experience to inform the Delivery Options Review workstream below.

(c) **Strategic Delivery Options Business Case**

- i. This is the key workstream within the programme and will develop the business cases for a number of possible delivery options for bus services in the CPCA region, including Enhanced Partnership(s) between CPCA and the regional bus operators, and Franchising. The business cases will be developed to Outline Business Case (OBC) level using the Treasury's five-case model approach.
- ii. Following a competitive tender process, Integrated Transport Planning Ltd (ITP) were appointed in early October 2019 to develop the business cases and have started work by conducting a number of stakeholder workshops to start to develop the vision for improved bus services

across the region. Key milestones for this work-stream are shown in Table 1 below.

Milestone	Timescale
Vision; stakeholder insights; benchmarking report	End December 2019
Future bus delivery environment report	Mid-February 2020
Specification of appraisal options	End March 2020
Draft Economic Case & identification of preferred option	End April 2020
Final Outline Business Case	End June 2020
Independent audit of OBC complete	September 2020
Public consultation on recommended option complete	End December 2020
Mayoral decision on option to adopt	Early 2021

Table 1: Key milestones in Strategic Delivery Options Business Case development

- iii. As indicated in Table 1, if franchising were to be preferred option, there is a requirement under the Bus Services Act 2017 for an independent audit of the business case, followed by a period of public consultation, before a final Mayoral decision is taken. The audit will be undertaken by an audit firm that is independent of CPCA and any other party involved in the development of the business.
- iv. ITP will closely monitor the strategies emerging from the Local Transport Plan and ensure that the bus delivery business cases are aligned.

4.0 BUS REFORM TASK FORCE

- 4.1. Officer level work has now reached a stage where it is appropriate to convene the Bus Reform Task Force. This will bring together a range of stakeholders, including Bus User Groups and independent public transport experts nominated by the CPCA and member councils. Its first meeting is planned before the end of the year. Terms of reference are being developed and will be submitted to the first meeting of the Group for approval.

5.0 RECENT EXTERNAL DEVELOPMENTS

- 5.1. On 30 September 2019 the government announced a major package of new measures to boost buses - 'A better deal for bus users' - that included £220m of funding to be used to implement improvements to buses. Schemes outlined in the announcement included a Superbus network pilot in Cornwall, new bus express lanes in the West Midlands, a digital revolution including contactless payments on all buses, a plan for Britain's first all-electric bus town and an

extra £30 million to local authorities to improve current services and restore lost services.

- 5.2. Close liaison is being maintained with DfT to ensure that CPCA secures its fair share of the available funding.

6.0 RECOMMENDATIONS TO THE COMMITTEE

- 6.1. The Transport Committee is invited to note the content of this report and to advise on any further matters that it wishes the Bus Reform Programme to address.

7.0 FINANCIAL IMPLICATIONS

- 7.1. The integrated approach to public transport is the first step of a long term strategy. The future of bus provision should be guided by efficiency and integration, while looking at delivery models that provide income streams and private sector involvement in the provision of improved public transport.
- 7.2. The Combined Authority's Medium Term Financial Plan allocated £800,000 in 2019/20 and £1.2m in 2020/21 to fund the work on Bus Reform.

8.0 LEGAL IMPLICATIONS

- 8.1. The Combined Authority is the local transport authority by virtue of Article 8 of The Cambridgeshire and Peterborough Combined Authority Order 2017.

9.0 SIGNIFICANT IMPLICATIONS

- 9.1. None

10.0 APPENDICES

- 10.1. None

<u>Source Documents</u>	<u>Location</u>
1. CA Board Report November 2017	1. Agenda pack
2. CA Board Report January 2019	2. Strategic Bus Review
3. CA Board Report March 2019	3. Agenda pack
4. CA Board Report September 2019	4. Bus Reform Taskforce Drawdown