

Highways and Transport Committee

Date of Meeting:	19 July 2021
Report Title:	National Bus Strategy - Enhanced Partnerships and Bus Service Improvement Plans
Report of:	Andrew Ross, Director of Highways & Infrastructure
Report Reference No:	HT/02/21-22
Ward(s) Affected:	All wards in Cheshire East

1. Executive Summary

- 1.1. The local bus network in Cheshire East is facing a number of critical challenges arising from a persistent and structural decline in patronage; compounded by more recent loss of ridership during the COVID-19 pandemic. Recovery of patronage could be prolonged as passengers consider using bus services again. These pressures are set in a context where Government's Covid funding support to local bus is unlikely to be sustained indefinitely whilst the Council has budget limits on its support to existing bus services. These circumstances are not unique to Cheshire East and are key influences in the recent publication of a new National Bus Strategy, "*Bus Back Better*" published on 15 March 2021.
- 1.2. The new National Bus Strategy sets out opportunities to address the challenges facing local bus networks alongside a set of obligations for local transport authorities to establish Enhanced Partnerships and produce Bus Service Improvement Plans (BSIP). The success of the Council's response to the national strategy will directly assist in delivering the following strategic aims and objectives in the Council's Corporate Plan 2021-25.
 - 1.2.1. **OPEN** - undertaking consultation and engagement with the bus industry, key stakeholders and the public will ensure that the Council's response to preparing a BSIP and developing an Enhanced Partnership with bus operators meets the Government's stated requirements and maximises the prospect on securing

funding for bus networks in Cheshire East. Active and open engagement with the bus sector is a pre-requisite for developing successful partnership working arrangements.

- 1.2.2. FAIR** – the approach to partnership working and evidence-sharing with the commercial bus operators is expected the help the Council address some of the gaps and inconsistencies in the provision of local bus services across the Borough.
- 1.2.3. GREEN** - through our responses to the National Bus Strategy the aim would be to develop proposals that improve the local bus network and ensure it plays a stronger role in meeting the transport needs of local communities, encouraging greater reliance on local bus as a viable alternative, and more sustainable mode of transport across the Borough. Achieving these outcomes will contribute to the Councils stated aims for reducing carbon impacts and improving local air quality.
- 1.3.** The purpose of this report is to ensure the Council meets its obligations as set out in the National Bus Strategy and in so doing seeks Committee endorsement of the Enhanced Partnership approach and approval of the development of the BSIP. Committee is also invited to confirm whether a Member Advisory Panel be established to support the development and delivery of these plans in line with the Department for Transport's programme.
- 1.4.** Work had already commenced on preparing a Cheshire East Bus Strategy prior to the release of the National Strategy. This work provides strong evidence to inform, support and underpin the development of the Enhanced Partnership Plan and BSIP.
- 1.5.** The national strategy sets an expectation for all Local Transport Authorities (LTAs) to commit to establishing Enhanced Partnerships under the provisions of the Bus Services Act 2017. A partnership should spread across the LTA's whole area and all bus operators must co-operate with the LTA throughout the process.
- 1.6.** The aim of an Enhanced Partnership is to improve the coverage, quality and reliability of local bus services with virtually all aspects of service quality deemed in scope, except single fares which remain a commercial consideration. A partnership could cover bus timetables and multi-operator ticketing and, if it wishes to do so, take over the role of registering bus services from the Traffic Commissioners. The aim is to seek the agreement of bus operators on all aspects, but they do have a right to object during a statutory consultation exercise.
- 1.7.** Securing an effective and successful Enhanced Partnership in the borough would very likely influence future funding opportunities for bus and local transport improvements. Engagement with bus operators is

essential, followed by more formal discussions as an Enhanced Partnership Plan and the BSIP are formulated.

- 1.8.** The Council published a notice of intent to proceed with the development of an Enhanced Partnership on 30 June 2021, in accordance with the national guidelines. Further guidance on the nature of Enhanced Partnerships is awaited from the UK Department of Transport.
- 1.9.** Local authorities are also required in the National Strategy to publish a BSIP by 31 October 2021. This document must set out the local bus outcomes for the borough and thereafter it will be developed alongside the emerging Enhanced Partnership agreement and scheme. This work needs to commence immediately and would involve extensive partnership working with key stakeholders across the borough, in particular bus service providers and users, as well as any Member Advisory Panel.
- 1.10.** The outcomes the plans would seek to deliver would relate to achieving local transport and bus networks for residents and businesses that are safer, support thriving urban and rural economies and contribute to the goal of being carbon neutral by 2025. More directly, an Enhanced Partnership and BSIP will enable improvements to be made to the speed and efficiency of public transport and encourage more residents to make fewer car journeys, thus contributing to Council and community carbon reduction.
- 1.11.** The BSIP and Enhanced Partnership will be developed alongside Local Transport Delivery Plans for each of our towns, to ensure clarity and consistency whilst supporting a wider range of regeneration initiatives, town centre vitality and the visitor economy.
- 1.12.** Funding of £100,000 has been made available to each LTA by the Government to support the development of BSIP. The availability of this funding was set out in a letter from Baroness Vere to all LTA Chief Executives on 15 March 2021. The Council has been granted full access to this funding.

2. Recommendations

- 2.1.** The Highways and Transport Committee is recommended to:
 - 2.1.1.** Endorse the commitment to an Enhanced Partnership for local buses and publication of the relevant notifications.
 - 2.1.2.** Approve the development of a Bus Service Improvement Plan, in consultation with bus operators, passenger groups and other stakeholders from across the borough.
 - 2.1.3.** Confirm the establishment of a Member Advisory Panel to guide the development of the Bus Service Improvement Plan and the Enhanced Partnership.

- 2.1.4. Note that the initial Bus Service Improvement Plan will be reported to this Committee in September in order to meet the Department for Transport's programme.

3. Reasons for Recommendations

- 3.1. An Enhanced Partnership will enable the development of a Cheshire East Bus Strategy in the form of a Bus Service Improvement Plan. This will guide future investment and ensure that future bus operations are in accordance with the expectations of the Department for Transport.
- 3.2. This recommendation has been put forward because having an Enhanced Partnership is a prerequisite of any future funding. Without an Enhanced Partnership in place, Cheshire East and bus operators will lose access to funding streams including future COVID-19 recovery funds, Bus Service Operator Grant (BSOG) and opportunities that arise as a direct result of the new National Bus Strategy and the Comprehensive Spending Review.

4. Other Options Considered

- 4.1. The National Bus Strategy outlines three options for local authorities including bus franchising, establishing an enhanced partnership with bus operators and, by default, a do-nothing option.
- 4.2. The National Bus Strategy outlines that support will be provided for Local Transport Authorities (LTA) wishing to access franchising powers. However, Franchising powers are only available automatically to Mayoral Combined Authorities (MCA). Without an elected Mayor in place, the council's current status creates a challenge for the local implementation of bus franchising. Franchising at this time is not considered to be a realistic option for Cheshire East. The financial and operational implications of a move to bus franchising have not been assessed at this time.
- 4.3. An alternative option is to do nothing, setting aside the opportunity to develop an Enhanced Partnership. This would likely lead to the loss of a number of existing revenue support mechanisms for local buses, including Bus Service Operator Grant (BSOG) and Covid Bus Service Support Grant. Therefore this option would not see bus operations continuing their current level of service and further passenger decline would be anticipated. This option would also close the door on any future funding prospects, including COVID-19 recovery funds and those made available as part of the national strategy. Therefore this option has been discounted

5. Background

- 5.1. At present the bus industry within Cheshire East is facing a number of important challenges, including a decline in patronage, budget constraints affecting the council's ability to support bus services and more recently reduced ridership as a result of the COVID-19 pandemic.

- 5.2.** In recent years bus patronage across the borough has declined progressively and consistently. In 2016/17, there were approximately 4.5 bus passenger journeys per resident with bus patronage declining by 22% since 2009/10. These statistics place Cheshire East within the bottom five Local Authorities for the lowest number of passenger journeys per head and amongst the lowest number of trips per head of resident population in England.
- 5.3.** Before the COVID-19 outbreak, Cheshire East bus network was facing significant challenges regarding utilisation and the financial viability of a lot of the services in terms of commercial sustainability. During the early stages of the pandemic, the industry demonstrated some resilience as services were able to adapt and maintain at least some level of service relevant to patronage levels before Government help was provided.
- 5.4.** However, as a result of reduced utilisation, the profitability of running bus services has been a significant challenge and serious questions have been raised whether the resilience is there for operators to withstand falling profitability associated with a crisis alike to COVID-19.
- 5.5.** As bus service patronage continues to fall year on year and services become less financially viable, there is a risk that services across Cheshire East will be deregistered which could have lasting impacts on communities.
- 5.6.** Over the last 6 months, the Council has been developing an evidence base to inform, support and underpin the development of a draft bus strategy. This evidence base compiles a range of quantitative and qualitative data as well as policies and strategies from various documents, policy levels, stakeholders and sources. It aims to summarise the current situation and provide a holistic overview of the wider political, economic, environmental, social and operational context of bus transport in Cheshire East. This evidence base will be used to build a Bus Service Improvement Plan (BSIP), in accordance with the National Strategy, to evaluate and strengthen the local bus network.
- 5.7.** The Council has also recently received funding from DfT, as part of the Rural Mobility Fund (RMF), to trial a Demand Responsive Transport (DRT) service within rural Cheshire East. This service will be continually monitored, and data collection will be used to evaluate the viability of maintaining or expanding this service to cover a wider area of the borough. The potential for DRT in Cheshire East will be considered further during the development of a BSIP; during which, bus operator and stakeholder consultation and collaboration will be sought.
- 5.8.** On the 15th March 2021 the UK Government released a National Bus Strategy for England. This strategy sets out the vision and opportunity to deliver better bus services for passengers across England, through

ambitious and far-reaching reform of how services are planned and delivered.

- 5.9.** As part of the National Bus Strategy, the UK Government outlines that support will be provided for any Local Transport Authority (LTA) who wishes to access franchising powers and has the capability and intention to use them at pace to deliver improvements for passengers.
- 5.10.** Franchising powers are only available automatically to Mayoral Combined Authorities (MCAs). Notwithstanding this, franchising powers can be granted to other LTAs through secondary legislation.
- 5.11.** At present, Cheshire East is a unitary authority and is therefore responsible for all local government functions within the area. A requirement for devolution and franchising, is the introduction of a mayor, elected directly by local people in areas covered by combined authorities. Without an elected Mayor in place, the Council's current status creates a challenge for the local implementation of bus franchising.
- 5.12.** However, franchising is not the only route to better and more locally accountable bus services determined within the national bus strategy. An Enhanced Partnership (EP) can also be employed, as a statutory arrangement under the 2017 Bus Services Act, to allow the LTA to take over the role of registering bus services from the Traffic Commissioners.
- 5.13.** The main difference between Enhanced Partnership and franchising is that operators within an Enhanced Partnership have greater role, working with LTAs to develop and deliver improvements and contributing to how bus services should be improved. Compared to franchising, Enhanced Partnerships also offer more flexibility.
- 5.14.** Once an Enhanced Partnership has been established, all LTAs are expected to produce and publish a local Bus Service Improvement Plan (BSIP), detailing how the LTA propose to use their powers to improve services.
- 5.15.** The timescales Government has set for the development of Bus Improvement Plans (October 2021) and Enhanced Partnerships (April 2022) are very challenging. However, DfT officials indicate that there is believed to be a unique opportunity to strengthen cooperative working between commercial bus companies and local authorities as the country recovers from the pandemic. As the industry has received large scale financial support throughout the pandemic there is a need and a will to jointly plan what the future of local bus travel looks like.

6. Consultation and Engagement

- 6.1.** The first task will involve early engagement with Bus Operators, passenger groups and other key stakeholders such as town and parish councils. These discussions will outline the parameters of the partnership, consideration of policies and what Cheshire East would like a future bus

network to look like. There will also be a focus on any key issues and considerations to fine tune the approach and outline the requirements and expectations of an enhanced partnership.

- 6.2.** To establish an enhanced partnership, a Notice of Intent is required detailing approval by the LTA to proceed with the development of an Enhanced Partnership. The Committee is recommended to endorse this Notice of Intent at its meeting on 19th July.

7. Implications

This section details how the recommendations will impact on the council in a variety of different ways.

7.1. Legal

- 7.1.1.** In developing and implementing an Enhanced Partnership Plan and BSIP the Council must have regard to the transport needs of all of the residents in the borough, which may include disabled persons, persons who are elderly or have mobility problems and mothers with young children . Development of plans will need to be in accordance with statutory and legal requirements for Community Engagement, Equalities Impact Assessment and Strategic Environmental Appraisal.
- 7.1.2.** Members must be fully aware of the equalities implications of the decisions they are taking. This will ensure that there is proper appreciation of any potential impact of any decision on the Council's statutory obligations under the Public Sector Equality Duty. As a minimum, this requires decision makers to carefully consider the content of any Equality Impact Assessments produced by officers.
- 7.1.3.** Before implementing the Enhanced Partnership plan the Council should consult with local bus operators, various organisations including the chief of police for the area to seek their views on the planned proposals.
- 7.1.4.** The Secretary of State may issue secondary legislation and additional guidance in relation to the Enhanced Partnership plans and schemes, the Council must have regard to the guidance.

7.2. Finance

- 7.2.1.** £100,000 has been made available from the Government for each LTA to support with the development of Bus Service Improvement Plans, Cheshire East has been granted access to this funding in full and will use it to produce a BSIP in advance of the end of October 2021 deadline.
- 7.2.2.** The Enhanced Partnership Plan and BSIP will be implemented using funding provided by the long term funding commitments of

the National Bus Strategy and the COVID-19 Bus Services Support Grant (CBSSG). This will be covered in a future report.

7.3. Policy

- 7.3.1.** Cheshire East corporate documents and strategies stress the importance of an enhanced public transport and bus network for attaining key strategic objectives such as improving local transport, reducing air pollution, achieving carbon neutrality, enabling housing and employment growth, improving quality of place and protecting the environment. They support improvements to local bus transport both in terms of infrastructure and service provision and call for the development of a bus strategy. Developing a Bus Service Improvement Plan an Enhanced Partnership will help to achieve these goals.
- 7.3.2.** At a National level, establishing an Enhanced Partnership will ensure that the council fulfils its duty as the Local Transport Authority in accordance with the responsibilities outlined within the National Bus Strategy.
- 7.3.3.** On a regional and subnational level, the Cheshire & Warrington LEP acknowledges the importance of buses for public transport in its transport strategy and LEP Bus Strategy. The LEP bus strategy should be aligned with the BSIP where possible to ensure any duplication of work is avoided. The South-Eastern Manchester Multimodal Strategy (SEMMS) and Greater Manchester's Transport Delivery Plan also acknowledge the importance of public transport and call for the coordination of cross boundary services, particularly following a commitment to bus franchising within Greater Manchester.

7.4. Equality

- 7.4.1.** An Equality Impact Assessment has been commenced and will develop further as the Enhanced Partnership evolves. This will build upon the EIA developed for the Cheshire Bus Strategy. Further Equality Impact Assessments will be undertaken for specific bus schemes and investment programmes as they come forward.

7.5. Human Resources

- 7.5.1.** There are no direct implications for Human Resources.

7.6. Risk Management

- 7.6.1.** A Project Board has been established chaired by the Director of Infrastructure and Highways to ensure appropriate project

governance and strategic direction. A project risk register has been developed and maintained, detailing mitigation measures.

- 7.6.2. Separate consultative meetings were held with Bus Industry contacts. The frequency of these meetings was determined following initial early discussions and are used to understand any external risks associated with each bus operator.

7.7. Rural Communities

- 7.7.1. The Corporate Plan outlines targets to reduce areas of the borough not served by public transport. The Council has already demonstrated a commitment to this through its successful bid for DfT funding as part of the Rural Mobility Fund, a Demand Responsive Transport (DRT) service is proposed as a result of this funding. Depending on the success of this service, DRT will be considered as an option for connecting rural communities and will be discussed with bus operators and reflected in the future Bus Service Improvement Plan.
- 7.7.2. The Corporate Plan also identifies the desire for thriving and active rural communities by 2025. Delivering improved accessibility to services and employment opportunities by improved bus connectivity supports this target. Any issues and opportunities for rural communities will be identified throughout the process of developing an Enhanced Partnership and Bus Service Improvement Plan.

7.8. Children and Young People/Cared for Children

- 7.8.1. The Corporate Plan outlines that some of the biggest pressures are in children's services, particularly placements for looked after children and services for children with special educational needs, including home to school transport.
- 7.8.2. The development of Bus Service Improvement Plans will seek opportunities to increase the scope for home-to-school travel to be accommodated on conventional bus networks, thereby reducing the need for bespoke transport provision.

7.9. Public Health

- 7.9.1. By enhancing bus provision in Cheshire East, with well-planned reform, this provides an affordable transport choice for young people that enables greater connectivity to additional learning and job/training opportunities.
- 7.9.2. Cheshire East is a prosperous place, but there are pockets of deprivation in communities related to income, health and life chances. Improved bus services will enable a greater proportion of residents to access important services such as health care

facilities. This will therefore help to address the Corporate Plan target to reduce health inequalities across the borough.

- 7.9.3.** There is also a desire to support communities by reducing loneliness. Improved bus connectivity will enable residents of all backgrounds to move around the borough more freely and engage with activities to improve mental and physical health.
- 7.9.4.** The Enhanced Partnership will also consider the impact of transport on issues affecting public health, most notably Air Quality and the contribution of Public Transport to health and wellbeing.

7.10. Climate Change

- 7.10.1.** Cheshire East have committed to be carbon neutral by 2025 and to influence carbon reduction across the borough. The Corporate Plan outlines a desire to improve the speed and efficiency of public transport and encourage more residents to make fewer car journeys. Developing an Enhanced Bus Partnership with operators will help to strengthen the existing bus provision, delivering consistent and efficient services that can better compete with the private car.

Access to Information	
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Appendices:	Appendix One-National Bus Strategy "Bus Back Better"
Background Papers:	None