

## **Highways and Transport Committee**

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<b>Date of Meeting:</b>	13 <sup>th</sup> April 2022
<b>Report Title:</b>	National Bus Strategy – Enhanced Partnership Plan and Scheme(s)
<b>Report of:</b>	John David, Interim Director of Highways & Infrastructure
<b>Report Reference No:</b>	HT/39/21- 22
<b>Ward(s) Affected:</b>	All Wards in Cheshire East

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### **1. Purpose of Report**

- 1.1.** The purpose of this report is to present an update on the Council's draft Enhanced Partnership (EP) Plan and Scheme and seek Committee's endorsement prior to its submission to Department for Transport (DfT). At its March meeting, committee considered a report on this matter and members expressed concerns relating to the proposed approach at that time. In response, further work has been done to address members concerns, including further engagement with industry partners. The outcomes of this are reflected in revised proposals as set out in this report. Committee is recommended to consider the revised approach and approve it for submission to DfT and statutory consultation commencing in April.
- 1.2.** The Enhanced Partnership will assist in delivering the following strategic objectives in the Council's Corporate Plan (2021-2025).
- 1.2.1.** **OPEN** - undertaking consultation and engagement with the bus industry, key stakeholders and statutory consultees will ensure that the Councils response to 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 to 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 Council's stated aims for reducing carbon impacts and improving local air quality.

## 2. Executive Summary

- 2.1. A new National Bus Strategy "*Bus Back Better*" was published on 15<sup>th</sup> March 2021. This report sets out the next stage in Cheshire East Council's response, which comprises the development of an Enhanced Partnership Plan and Scheme. This approach will strengthen the formal working arrangements that deliver local bus services throughout the Borough, providing a framework for delivering the ambitions set out in our Bus Service Improvement Plan (BSIP), that was submitted to Government in October 2021.
- 2.2. 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. Action to address these issues, in partnership with the bus industry, is essential if local buses are to contribute to the Council's strategies for inclusive economic growth and carbon reduction by providing affordable, convenient and sustainable travel options for local communities.
- 2.3. In accordance with the National Bus Strategy for England and through collaborative work with Local Bus Operators the following draft documents have been developed (see appendices):
- 2.4. Cheshire East Enhanced Partnership Plan (EP Plan) – Appendix 1
- 2.5. Cheshire East Enhanced Partnership Scheme (EP Scheme) – Appendix 2
- 2.6. The EP Plan seeks to achieve local transport and bus networks that are safer, support a thriving economy and contribute to the Council's goal of being carbon neutral by 2025. More directly, the EP Plan endorses our BSIP objectives to improve the speed and efficiency of public transport and encourage more residents to make fewer car journeys, thus contributing to Council and community carbon reduction.
- 2.7. The EP Scheme is the first step towards providing network stability and quality enhancements across the borough, therefore delivering the aspirations within Cheshire East's BSIP associated with Phase 1 and

Phase 2. The EP Scheme outlines the requirements that must be met by local bus services serving Cheshire East, to achieve BSIP outcomes. These are binding commitments which once made must be delivered.

- 2.8. In accordance with DfT guidance, Local Transport Authorities must deliver a **draft** plan and scheme by the end of April 2022. Failure to do so would put current and future Government funding for local bus at risk. Our draft documents have been prepared in consultation with the bus industry and passenger groups in Cheshire East. Government is still to confirm when final Enhanced Partnerships are expected to be agreed, we anticipate this will be later in 2022. The Members Advisory Panel is expected to continue to steer the development of the EP, taking into account any further guidance and feedback received from DfT.
- 2.9. As outlined within Section 1 of this report, the Enhanced Partnership will assist in delivering the strategic objectives to be OPEN, FAIR and GREEN in the Council's Corporate Plan (2021-2025).
- 2.10. The EP Plan and EP Scheme have been developed alongside our Local Transport Delivery Plans for each of our towns, ensuring consistency of infrastructure planning that will enable bus services to support regeneration initiatives, town centre vitality and the visitor economy.
- 2.11. Following the March Committee meeting, further work has been completed on the proposals to address concerns raised by members relating to:
  - 2.11.1. Representation on the EP Board
  - 2.11.2. Protocols for decision-making under the Partnership
  - 2.11.3. Clarification of the links to Highways and Transportation Committee

The revised proposals which aim to address those concerns expressed by committee in March, are described in Paragraphs 6.13 to 6.22 below.

### 3. Recommendations

- 3.1. The Highways and Transport Committee is recommended to:
  - 3.1.1. Note and comment on the **draft** Enhanced Partnership Plan (EP Plan) and Scheme (EP Scheme) documents.
  - 3.1.2. Authorise the Director of Highways and Infrastructure, in consultation with the Bus Services Member Advisory Panel, to finalise the **draft** Enhanced Partnership Plan and Scheme documents.
  - 3.1.3. Approve that the finalised **draft** EP Plan and Scheme documents be submitted to the Department for Transport before the end of April, in accordance with their deadline.
  - 3.1.4. Authorise the commencement of statutory consultations on the **draft** proposals.

- 3.1.5. Note that the final version of a Cheshire East Enhanced Partnership Plan and Scheme will be reported to a future meeting of this Committee for approval.

#### **4. Reasons for Recommendations**

- 4.1. The EP Plan and EP Scheme documents will build upon the objectives and targets as outlined within the most recent Bus Service Improvement Plan (BSIP). These documents will therefore guide future investment and ensure that future bus operations are in accordance with the expectations of the Department for Transport.
- 4.2. The EP Plan and Scheme documents are recommended for endorsement as they have been produced in accordance with the published guidance, including the *Transport Focus Enhanced Partnership Briefing Sessions*, *DfT's Delivering Bus Service Improvement Plans using an Enhanced Partnership Guidance* and *DfT's Enhanced Partnership Plan and Scheme Agreement Guidance*.
- 4.3. The proposed approach to forming an Enhanced Partnership has been discussed in detail with representatives of bus operators working in Cheshire East. The proposals are generally supported by the industry as a proportionate and workable interpretation of the national guidance that is appropriate to the context in Cheshire East. Support from operators for the proposals is essential as industry partners have a statutory right to object as set out in national guidance. Subject to approval by committee, it is proposed to commence a 28-day statutory Operator Objection period to test the proposals further and seek formal endorsement from industry partners.
- 4.4. This recommendation has been put forward because having an established Enhanced Partnership is a prerequisite of any future funding. Without an Enhanced Partnership in place, Cheshire East and bus operators is at risk of losing 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. For an Enhanced Partnership to be considered operational, the DfT must have sight of a **draft** Enhanced Partnership Plan and a Scheme by the end of April 2022.

#### **5. Other Options Considered**

- 5.1. 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 (CBSSG). 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 Bus Strategy. Therefore, this option has been discounted.

**5.2. Options appraisal:**

<b>Option</b>	<b>Impact</b>	<b>Risk</b>
<b>Do nothing</b>	<b>Enhanced Partnership would not be developed with Bus Operators within Cheshire East.</b>	<b>Leads to the loss of existing revenue support mechanisms for local buses.</b>

**6. Background**

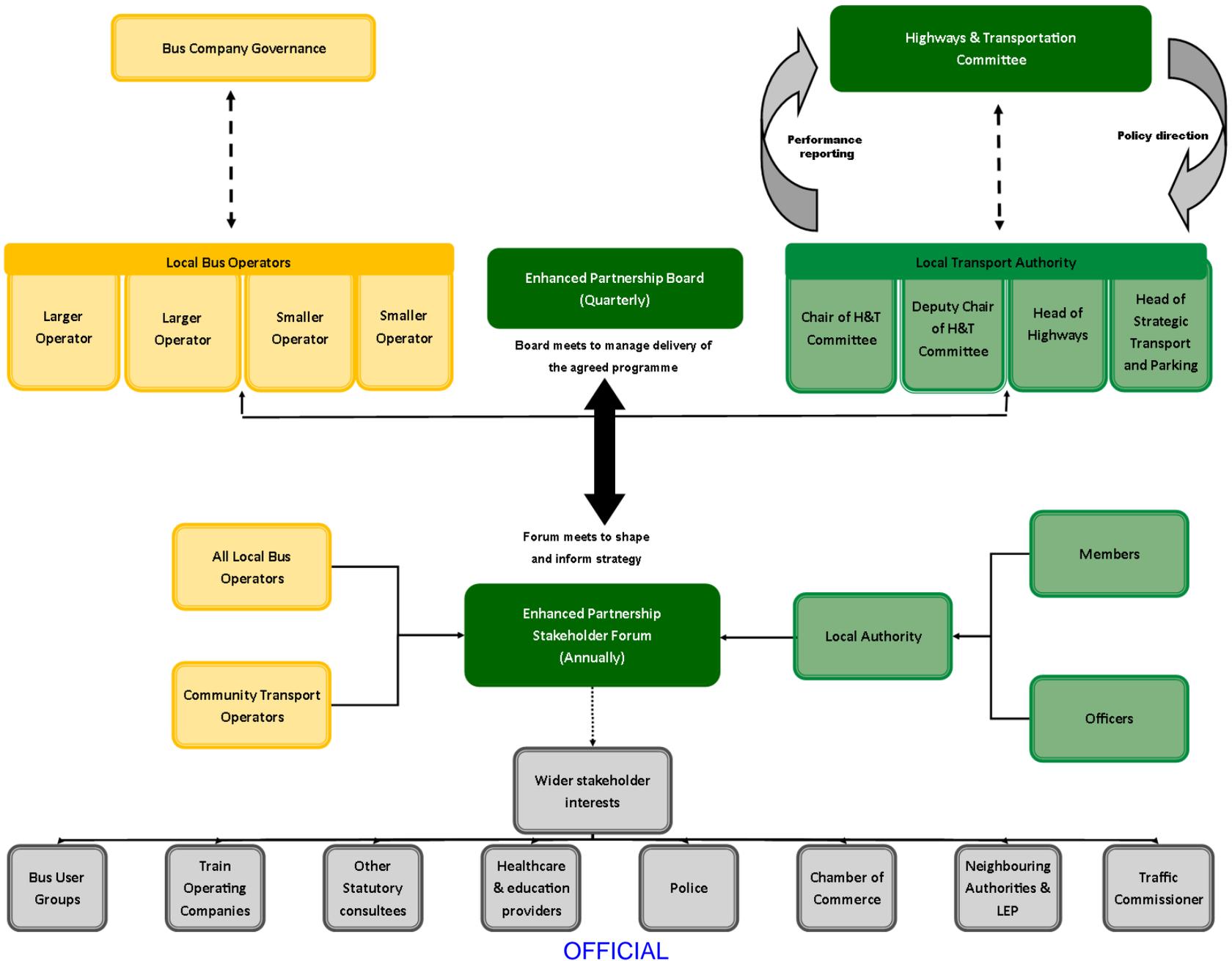
- 6.1.** At present the bus network in Cheshire East is facing a number of important challenges, including a decline in patronage, budget constraints affecting the council’s ability to support bus services and more recently reduced ridership as a result of the COVID-19 pandemic.
- 6.2.** In recent years 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.
- 6.3.** 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.
- 6.4.** 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.
- 6.5.** 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.
- 6.6.** 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.

- 6.7.** As part of the National Bus Strategy, all LTAs were expected to produce and publish a local Bus Service Improvement Plan (BSIP), detailing how the LTA propose to use their powers to improve services. In October 2021 Cheshire East Borough Council submitted a Bus Service Improvement Plan (BSIP) in response to the National Bus Strategy for England. This consisted of an evidence base reviewing the current bus provision and a set of ambitious objectives and targets for the future. The Cheshire East BSIP can be found here:
- 6.8.** <https://www.cheshireeast.gov.uk/pdf/public-transport/bsip/cheshire-east-bsip-2021.pdf>
- 6.9.** Following BSIP submission, the next phase of work involved the development of an Enhanced Partnership Plan and Enhanced Partnership Scheme.
- 6.10.** The EP Plan and EP Scheme have been drawn up following the Department for Transport's published guidance – *The National Bus Strategy: Delivering Bus Service Improvement Plans using an Enhanced Partnership*.
- 6.11.** The EP Plan is a high-level vision and objectives for bus services in the local area and closely follows relevant sections of the BSIP.
- 6.12.** The EP Scheme sets out the precise detail of how the BSIP vision and objectives will be achieved, including any commitments made by the local authority or standards to be met by bus operators.
- 6.13.** Decision making for the Enhanced Partnership is to be conducted by use of an Enhanced Partnership Forum and Enhanced Partnership Board.
- 6.14.** The EP Forum is open to all bus operators who operate within the Cheshire East plus a wide range of stakeholders, passenger groups and industry partners. The Forum is intended to be a platform for discussion regarding all issues faced by the Cheshire East bus network.
- 6.15.** Enhanced Partnership Forum meetings will take place no less than annually, normally midway between each Enhanced Partnership Board meeting. Forum meetings will be arranged, chaired and minutes taken by Cheshire East Borough Council. Discussion at the Forum is intended to shape and influence the work of the EP Board by regularly confirming stakeholder priorities.
- 6.16.** The EP Board is the decision-making body of the Enhanced Partnership and has the mandate to make decisions using an Enhanced Partnership Scheme Variation mechanism. The Board is responsible for delivery of the project and actions agreed in the EP Plan, which are achievable only through a combination of public sector and industry effort and investment.
- 6.17.** The aim is to convene a Board that can be accountable for delivery of the Partnership's programme, whilst being proportionate and representative of

the bus network in Cheshire East. As proposed, and amended following the March committee, the EP Board is to comprise:

- 6.17.1. representatives of two larger bus operators,
  - 6.17.2. representatives of two smaller bus operators, to be identified by and agreed with the pool of smaller operators working in the borough
  - 6.17.3. Chair of Highways & Transportation Committee,
  - 6.17.4. Deputy Chair of Highways & Transportation Committee,
  - 6.17.5. the Council's Head of Highways, and
  - 6.17.6. the Council's Head of Strategic Transport and Parking
- 6.18.** Enhanced Partnership Board meetings will take place no less than twice per year at regular intervals between each Forum meeting. The Board will elect one of its members as chair based on nominations put forward by participating organisations.
- 6.19.** The following protocols have been developed for conducting business through the EP Board. These protocols are intended to clarify the approach to decision-making. In so doing, they provide assurance to the Council that there is appropriate accountability with regard to expenditure of public funding. The proposed protocols are, as follows:
- 6.19.1. All decisions must be within the Council's agreed policies
  - 6.19.2. Decision-making will be by consensus not by vote
  - 6.19.3. The Chair will ask the Councillor representatives for their view first before asking the council officer.
  - 6.19.4. If agreement between Councillors and officers cannot be reached, then the issue will be referred to the Highways & Transport Committee for decision
  - 6.19.5. If agreement is reached, then the Director of Highways & Infrastructure will formally record their decision and a copy of this will be retained with the minutes of the meeting. No formal decisions can be taken at the meeting unless the Director of Highways (or delegated officer) is present.
- 6.20.** The Council retains a right of veto as set out in the national guidance. The purpose of this veto is to ensure that there are no actions arising from the EP Board that would be either anti-competitive or against the wider public interest. As a general principle, the veto will be used by exception.
- 6.21.** Full details of the proposed governance arrangements are set out in the EP Plan and EP Scheme documents, as appended to this report. The revised governance proposals for a Cheshire East Enhanced Partnership are summarised in Figure 1, below.

Figure 1: Governance proposals for Cheshire East Enhanced Partnership



- 6.22.** In January 2022, the DfT updated its guidelines relating to preparation of Enhanced Partnerships, with a revised timescale requiring the submission of a **draft** Enhanced Partnership Plan and Scheme to DfT by the end of April 2022. Subject to approval at Committee the documents appended to this report will be the basis for that submission.
- 6.23.** Members should note that these documents remain draft and they can be finalised only following feedback from DfT, completion of statutory consultations and confirmation of the funding envelope as outcome of our Bus Service Improvement Plan (BSIP). We anticipate that a final EP Plan and Scheme may be confirmed later this year, with reports to a future meeting of the committee to seek approval at that time.
- 6.24.** Following completion, the EP Plan and EP Scheme documents will then be reviewed on an annual basis, alongside the BSIP, with an annual progress report to committee.

## **7. Consultation and Engagement**

- 7.1.** The first task involved early engagement with Bus Operators, passenger groups and other key stakeholders such as town and parish councils. These discussions outline the parameters of the partnership, consideration of policies and what Cheshire East would like a future bus network to look like. This engagement focussed on any key issues and considerations to fine tune the approach and outline the requirements and expectations of an Enhanced Partnership.
- 7.2.** Following the development of draft EP Plan and EP Scheme documents further engagement was conducted, particularly with local Bus Operators through one-to-one engagement. These sessions helped to identify and rectify any major concerns raised by operators and ensure measures are in place to mitigate potential future risks.
- 7.3.** Within the DfT announcement regarding the adjusted timescales (received Tuesday 11<sup>th</sup> January 2022), LTAs were advised to pause the operator objection process (if it had not already been conducted) and statutory consultation stage until Government confirmed the final funding allocations.
- 7.4.** Subject to approval at April's committee, the 28-day Bus Operator Objection period will be commence based upon the draft documents that accompany this report.
- 7.5.** Following the Operator Objection period, there is also a need for a consultation period where the documents are shared with statutory consultees. This enables statutory consultees to provide comments regarding the draft EP Plan and Scheme. Statutory consultees include:
- 7.5.1.** All operators of local bus services that would be affected by any of the proposals
  - 7.5.2.** Organisations that represent local passengers

- 7.5.3. Other local authorities that would be affected by the proposals (Neighbouring Authorities)
  - 7.5.4. The Traffic Commissioners
  - 7.5.5. The Chief Officer of Police for each area to which the plan relates
  - 7.5.6. Transport Focus
  - 7.5.7. The Competition and Markets Authority (CMA)
- 7.6. Subject to approval of the recommendations in this report, it is intended to commence the formal Operator Objection period at the end of April 2022 to be followed by statutory consultations (4 weeks), as described above.

## **8. Implications**

### **8.1. Legal**

- 8.1.1. The development of an Enhanced Partnership is set out within the Bus Services Act 2017 which amends the Transport Act 2000. When adopted by a Council an Enhanced Partnership contains legally binding commitments which the Council and bus operators must fulfil.
- 8.1.2. In developing and implementing an Enhanced Partnership Plan and Scheme 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.
- 8.1.3. 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.
- 8.1.4. Before implementing the Enhanced Partnership Plan and Scheme 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.
- 8.1.5. 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.

### **8.2. Finance**

- 8.2.1. £100,000 has been made available from the Government for each LTA to support with the development of Bus Service Improvement Plans, Enhanced Partnership Plans and Enhanced Partnership Schemes.

Cheshire East has been granted access to this funding in full and has used it to produce a BSIP in advance of the end of October 2021 deadline and **draft** EP Plan and Scheme documents in advance of the end of April 2022 deadline.

- 8.2.2. The Enhanced Partnership Plan and Scheme 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). To date these funds are not committed.

### **8.3. Policy**

- 8.3.1. 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 an Enhanced Partnership Plan and Scheme that aligns with the Bus Service Improvement Plan will help to achieve these goals.
- 8.3.2. At a National level, the development of an Enhanced Partnership (with associated Plan and Scheme documentation) ensures that the council fulfils its duty as the Local Transport Authority in accordance with the responsibilities outlined within the National Bus Strategy.
- 8.3.3. 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 EP Plan and Scheme 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.

### **8.4. Equality**

- 8.4.1. An Equality Impact Assessment has been commenced. This builds upon the EqIA developed for the Cheshire Bus Strategy and BSIP. Further Equality Impact Assessments will be undertaken for specific bus schemes and investment programmes as they come forward.

### **8.5. Human Resources**

- 8.5.1. There are no direct implications for Human Resources other than staff time required to deliver and monitor performance against the plan and participate in partnership meetings.

### **8.6. Risk Management**

- 8.6.1. 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.
- 8.6.2. 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.

## **8.7. Rural Communities**

- 8.7.1. 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 now in operation as a result of this funding. DRT is to be considered as an option for connecting rural communities and has been discussed with bus operators and reflected in the Bus Service Improvement Plan and Enhanced Partnership Plan. The criteria used to identify Nantwich as a suitable area for DRT operation has been used to identify additional potential sites across the borough which will be assessed further within future EP Scheme documents.
- 8.7.2. 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 has been identified throughout the process of developing the EP Plan and EP Scheme.

## **8.8. Children and Young People/Cared for Children**

- 8.8.1. 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.
- 8.8.2. Following BSIP ambitions, the EP Plan and Scheme 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.

## **8.9. Public Health**

- 8.9.1. 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.
- 8.9.2. 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.

- 8.9.3. 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.
- 8.9.4. The EP Plan and Scheme 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.

## 8.10. Climate Change

- 8.10.1. Cheshire East Council has 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. The EP Plan and EP Scheme hopes to strengthen the existing bus provision, delivering consistent and efficient services that can better compete with the private car.

<b>Access to Information</b>	
Contact Officer:	Richard Hibbert, Head of Transport Strategy <a href="mailto:Richard.hibbert@cheshireeast.gov.uk">Richard.hibbert@cheshireeast.gov.uk</a> 07866 157324
Appendices:	Cheshire East Enhanced Partnership - Draft Plan Cheshire East Enhanced Partnership – Draft Scheme
Background Papers:	Cheshire East Bus Service Improvement Plan <a href="https://www.cheshireeast.gov.uk/pdf/public-transport/bsip/cheshire-east-bsip-2021.pdf">https://www.cheshireeast.gov.uk/pdf/public-transport/bsip/cheshire-east-bsip-2021.pdf</a>  Highways and Transportation Committee Report – 21 <sup>st</sup> September 2021  Highways and Transportation Committee Report – 3 <sup>rd</sup> March 2022.