

Working for a brighter future together

Highways and Transport Committee

Date of Meeting: 21 July 2022

Report Title: National Bus Strategy – Enhanced Partnership Plan

and Scheme

Report of: Tom Moody, Director of Highways & Infrastructure

Report Reference No: HT52/22-23

Ward(s) Affected: All Wards in Cheshire East

1. Purpose of Report

- 1.1. The purpose of this report is to present an update on progress towards making the Cheshire East Enhanced Partnership (EP) Plan and Scheme documents, and an update on the Department for Transport's (DfT) Local Transport Fund and Network Review process.
- **1.2.** Over the last 3 months since the Committee meeting in April, the following key elements of work have been completed:
 - Finalised the draft EP Plan and EP Scheme documents and submitted to the DfT at the end of April in accordance with their deadline.
 - Completed the 28-day bus operator objection period (6 May 3 June)
 - Completed the consultation with statutory consultees (13 June 11 July)
 - Received guidance from the DfT on the Local Transport Fund and completed work on the associated bus service review.
 - Received feedback from DfT on the Bus Service Improvement Plan (BSIP) confirming that no funding is available to Cheshire East.
- 1.3. The bus network in Cheshire East is a fundamental part of the local transport network providing accessibility to residents and businesses in the borough. The work to develop an Enhanced Partnership with bus operators will assist in delivering the following strategic objectives in the Council's Corporate Plan (2021-2025).

- 1.3.1. OPEN undertaking consultation and engagement with the bus industry, key stakeholders and statutory consultees will ensure that the Council's 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 fundamental to developing successful partnership working arrangements.
- 1.3.2. **FAIR** the approach to partnership working and data 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.
- 1.3.3. 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 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 for Cheshire East:
 - Enhanced Partnership Plan (EP Plan) see Appendix 1
 - Enhanced Partnership Scheme (EP Scheme) see Appendix 2
- 2.4. The EP Plan sets out the high-level vision and objectives for bus services in the local area and closely follows relevant sections of the BSIP. 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.

- 2.5. 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. The EP Scheme is the first step towards providing network stability and quality enhancements across the borough set out in Phase 1 and Phase 2 of the BSIP. The EP Scheme outlines the requirements that must be met by local bus services serving Cheshire East and these are binding commitments which once made must be delivered.
- 2.6. It is important to note that the scope of activities in the EP Scheme has been scaled back given the DfT's confirmation in April 2022 that no additional funding will be made available to deliver the BSIP in Cheshire East. Committee should note that the work programme of the EP Board will reflect the reduced scope resulting from the DfT funding announcement (see Appendix 3).
- 2.7. In accordance with DfT guidance, Local Transport Authorities were required to submit 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.
- **2.8.** Following submission to DfT, the 28-day bus operator objection period commenced on 6 May and ended on 3 June 2022. No objections were received from operators during the formal objection period and therefore no modifications to the EP Plan or EP scheme document were necessary.
- 2.9. The next stage of the process was to share the EP Plan and EP Scheme directly with statutory consultees and publish on the Council's webpage to encourage wider feedback as part of a consultation exercise. This statutory consultation commenced on 13 June and ended on 11 July 2022.
- 2.10. Once the Enhanced Partnership in Cheshire East is formally made, the decision-making process will be conducted by use of an Enhanced Partnership Forum (EP Forum) and Enhanced Partnership Board (EP Board). The governance arrangements are set out in detail in the draft EP Plan which was approved by Committee in April.
- 2.11. In terms of funding, the final part of Government's Covid recovery funding support the Local Transport Fund was announced by DfT in May 2022. Cheshire East Council has been allocated £382,682 up to 4 October 2022. The first instalment was paid to the Council in May 2022. The second instalment of funding is dependent on Local Transport Authorities and operators working in partnership to complete a Network Review.

3. Recommendations

- 3.1. Agree that the EP Plan and EP Scheme be made in Cheshire East in accordance with the regulations and to authorise the Director of Highways and Infrastructure and the Director of Governance and Compliance to take all steps necessary to bring the EP Plan and EP Scheme into effect.
- 3.2. Agree that arrangements be made for the inaugural meeting of the EP Board in September with subsequent meetings arranged as defined in the EP Plan.
- **3.3.** Authorise the Director of Highways and Infrastructure to make all necessary arrangements to commence works as defined in the EP Plan and EP Scheme.
- **3.4.** Members are asked to note the completion of a whole Network Review as required to access the final instalment of the Local Transport Fund.

4. Reasons for Recommendations

- **4.1.** The EP Plan and EP Scheme documents will build upon the objectives and targets as outlined within the 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 DfT.
- 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 supported by the industry as a proportionate and workable interpretation of the national guidance that is appropriate to the context in Cheshire East. No objections were received from operators during the formal objection period and no objections were received during the statutory consultation with the statutory consultees.
- 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 are at risk of losing access to future funding streams including Bus Service Operator Grant (BSOG) and opportunities that arise as a direct result of the new National Bus Strategy and the Comprehensive Spending Review.
- **4.5.** Decision making for the Enhanced Partnership is to be conducted by the use of an Enhanced Partnership Forum (EP Forum) and Enhanced Partnership Board (EP Board).

- 4.6. The EP Forum is open to all bus operators who operate within the Cheshire East area 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.
- 4.7. The EP Forum meetings will take place no less than annually, normally midway between each EP 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.
- 4.8. 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.
- **4.9.** The aim is to convene an EP Board that can be accountable for delivery of the Partnership's programme, whilst being proportionate and representative of the bus network in Cheshire East.

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). 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 made available as part of the National Bus Strategy. Therefore, this option has been discounted.

5.2. Options appraisal:

Option	Impact	Risk
Do nothing	Enhanced Partnership would not be developed with Bus Operators within Cheshire East.	existing revenue support mechanisms

6. Background

6.1. At present the bus network in Cheshire East is facing a number of important challenges, including a progressive decline in patronage, reduced ridership

- as a result of the COVID-19 pandemic, fuel inflation, driver shortages and budget constraints affecting the Council's ability to support bus services.
- 6.2. Even before the COVID-19 outbreak, the bus network in Cheshire East was facing significant challenges as patronage has declined progressively and consistently affected the financial viability and commercial sustainability of bus services. 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.** 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 such as 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 15 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 farreaching 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 Bus Service Improvement Plan (BSIP), detailing how the LTA propose to use their powers to improve services. In October 2021, Cheshire East Council submitted a BSIP which included evidence reviewing the current bus provision and a set of ambitious objectives and targets for the future. The Cheshire East **BSIP** can be found here: www.cheshireeast.gov.uk/pdf/public-transport/bsip/cheshire-east-bsip-2021.pdf
- 6.8. Following the BSIP submission, the next phase of work involved the development of an Enhanced Partnership Plan (EP Plan) and Enhanced Partnership Scheme (EP Scheme) following the DfT's published guidance The National Bus Strategy: Delivering Bus Service Improvement Plans using an Enhanced Partnership.
- **6.9.** The EP Plan and EP Scheme have been developed alongside our Local Transport Development 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.

6.10. Following funding announcements, both the EP Plan and EP Scheme documents have been scaled back to remove all reliance on BSIP funding as a means to deliver improvements. The table below lists the LTA and Bus Operator obligations within the EP Scheme document. These obligations will need to be funded by either monies that are already available to the Council, or any forthcoming funding opportunities.

	Local Authority EP Obligations	Operator EP Obligations
Without BSIP funding	Targeted improvements to facilities (bus shelter and stop renewal) Passenger Charter Improved process for management of roadworks Action plan for retro fitting bus fleet (Euro VI) Improved bus information provision Feasibility studies: -deliverability of multi-operator ticketing, fare simplification mechanisms and bus priority measures	Timetable changes Passenger Charter Minimum standards for new and existing vehicle technology Minimise changes to existing commercial networks Action plan for retro fitting bus fleet (Euro VI) Improved bus information provision Work with CEC on feasibility studies: -deliverability of multi-operator ticketing, fare simplification. and bus priority measures

- 6.11. In May 2022, the final part of Government's Covid recovery funding support the Local Transport Fund was announced by DfT. Cheshire East Council has been allocated £382,682 through the fund for the period to 4 October 2022. The funding is intended to cover revenue shortfall on local bus services contracted by the Council.
- The first instalment (see table below) was paid to the Council in May 2022. The second instalment of funding is dependent on Local Transport Authorities and operators working in partnership to complete a Network Review. The purpose of the review is to assess the viability of all bus routes following removal of this funding stream in early October. The DfT intend this review to demonstrate that planning for a sustainable network, which is not reliant on COVID-19 government funding, has been undertaken. The Network Review was submitted to the DfT on 1st July 2022.

LTA	1 st Instalment	2 nd Instalment	Total
Cheshire East	£191,341	£191,341	£382,682

- **6.13.** The DfT funding allocation to the Council is substantially less than our own estimate of the funding needed by services in the borough, so available funding will need to be prioritised in accordance with adopted procedures for prioritising local bus support.
- 6.14. Members should note that with respect to commercial bus routes, some details are subject to Non-Disclosure Agreements on the grounds of commercial interest. Overall, the emerging picture is that there will be significant stress on the local bus network following withdrawal of covid

support mechanisms. We anticipate a loss of commercial routes and increased reliance on Council or other public sector support being necessary to avoid a significant loss of service in the short to medium term.

7. Consultation and Engagement

- 7.1. Since the Committee meeting in April, the Council has completed the bus operator objection period which ran for 28 days (06/05/2022 to 03/06/2022), allowing operators to raise objections regarding the EP Plan and EP Scheme documents. Prior engagement and collaboration took place with operators prior to this objection period, to minimise the likelihood of objections and ensure operators are satisfied with the documents prior to the initiation of this period. No objections were received during the 28-day objection period.
- **7.2.** Any operator of qualifying local bus services that operates within or into the geographical area of the plan or scheme on the day before the notice is issued by the authority was entitled to object to the consultation exercise on the plan or scheme.
- **7.3.** The documents have been subject to wider statutory consultation, as consensus between the LTA, bus operators and other stakeholders is vital throughout the BSIP and Enhanced Partnership delivery process. This consultation ran for 4 weeks from 13 June to 11 July 2022.
- **7.4.** The statutory consultees included:
 - All operators of local bus services that would be affected by any of the proposals
 - Organisations that represent local passengers
 - Other local authorities that would be affected by the proposals
 - The Traffic Commissioners
 - The Chief Officer of Police for Cheshire East
 - Transport Focus
 - The Competitions and Markets Authority (CMA)
- 7.5. Letters were issued to each of the statutory consultees listed above accompanying the latest EP Plan and EP Scheme documents. The documents were also published on the Council's webpage, inviting wider comments to be forwarded to the dedicated Cheshire East BSIP mailbox: BSIP@cheshireeast.gov.uk
- **7.6.** Responses to the consultation were analysed thoroughly and changes made to the proposals if they would improve BSIP outcomes. This consultation exercise has directly assisted in delivering the strategic objectives of being OPEN and FAIR as outlined in the Council's Corporate Plan (2021-2025).

- 7.7. As a condition of receiving recovery funding through the Local Transport Fund, Local Transport Authorities and bus operators must work in partnership to complete Network Reviews to understand the changing demands of their local areas and are adapting to these. The review is intended to demonstrate that planning for a sustainable network, which is not reliant on COVID-19 government funding, has been undertaken. The Network Review proforma was completed in partnership with bus operators and returned to DfT by the deadline of 1 July 2022.
- **7.8.** As the Network Review continues and where there may be significant changes to the bus network in Cheshire East, further consultation and engagement will be undertaken. Going forward, the EP Forum provides the opportunity to ongoing engagement with the bus industry in Cheshire East.

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. Section 105F Transport Act 2000 sets out the formal requirements for statutory consultation following informal consultation. A Plan or Scheme cannot be made where "a sufficient number" of operators object to the proposals. Regulation 11 of the The Enhanced Partnership Plans and

Schemes (Objections) Regulations 2018 defines what constitutes "a sufficient number".

- 8.1.6. Should a "sufficient number" of operators object to the proposals the Plan or Scheme will need to be amended to account for those objections and a new period of the operator objection period will commence to run for the amended Plan or Scheme. The recommendations to this report propose that where "a sufficient number" of operators object the proposed amendments to the Plan or Scheme will be brought back to committee for approval prior to being consulted upon again.
- 8.1.7. Section 105G Transport Act 2000 sets out the procedures required to make the Plan or Scheme. After complying with the requirements in the Section 105F Transport Act 2000 the Council may make the Plan and Scheme as proposed or with modification. If the intention is to be made with modifications, then notice must be given to the qualifying operators within the area. If the intention is to be made as originally proposed, without modification, then the Council must within 14 days of making the Plan and Scheme give notice to bring to the attention of people within the area, the operators of local services who will be affected by the Plan and Scheme and the traffic commissioner.
- 8.1.8. 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. £382,682 has been made available by Government through the Local Transport Fund to offset revenue shortfalls in contracted services let by the Council for the period to 4 October 2022. This is intended as the final element of covid recovery funding from DfT.
- 8.2.2. As a condition of receiving recovery funding through either the Local Transport Fund (LTF) or the Bus Recovery Grant (BRG), Local Transport Authorities (LTAs) and bus operators must complete Network Reviews. These will demonstrate that planning for a sustainable network, which is not reliant on Covid-19 government funding, has been undertaken.
- 8.2.3. Following announcements that Cheshire East will not receive BSIP funding, the Enhanced Partnership Plan and Scheme will be implemented using existing available funding streams and the COVID-19 Bus Services Support Grant (CBSSG).

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 EP Plan and EP Scheme that aligns with the Bus Service Improvement Plan (BSIP) 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 reviewed to reflect the changes in the funding landscape (see Appendix 4). This builds upon the EqIA developed for the Cheshire East 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 Go-Too is 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 BSIP and EP 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.

Access to Information		
Contact Officer:	Richard Hibbert, Head of Strategic Transport & Parking	
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	07866 157324	
Appendices:	Appendix 1 – Enhanced Partnership Plan	
	Appendix 2 – Enhanced Partnership Scheme	
	Appendix 3 – BSIP Settlement Letter	
	Appendix 4 – Equality Impact Assessment	
Background Papers:	Cheshire East Bus Service Improvement Plan	
	www.cheshireeast.gov.uk/pdf/public-	
	transport/bsip/cheshire-east-bsip-2021.pdf	
	Highways & Transport Committee Report – 21 Sept 2021	
	Highways & Transport Committee Report – 3 March 2022	
	Highways & Transport Committee Report – 13 April 2022	