

Report to Councillor Joy Dennis, Cabinet Member for Highways & Transport

June 2021

Bus Back Better – Enhanced Partnership

Report by Director of Highways, Transport and Planning

Electoral division(s): All

Summary

The new [Bus Back Better](#) bus strategy for England was launched in March 2021. The strategy outlines opportunities for Local Transport Authorities and Bus Operators to access £3bn of new funding towards improved bus services, as well as continuing to access COVID-19 recovery funding. The first requirement for access to this new funding opportunity is achieved through the County Council committing to establishing statutory Enhanced Partnerships with the bus operators by the end of June 2021.

Recommendations

The Cabinet Member for Highways and Transport is asked to -

1. commit to establishing an Enhanced Partnership across West Sussex under the Bus Services Act 2017; and
 2. give formal notice of the County Council's intention to prepare an Enhanced Partnership and invite all local bus operators to confirm their intention to participate.
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Proposal

1 Background and context

- 1.1 Pages 40 to 42 of [Bus Back Better](#) summarise what Local Transport Authorities (LTAs) and bus operators must do and by when. The current [WSCC Bus Strategy](#) mirrors the thrust of the national strategy that was adopted by the Council in 2018.
- 1.2 Central to these proposals for the National Bus Strategy to 'bus back better' are new requirements for LTAs, to give them a much stronger role in specifying and organising local bus services.
- 1.3 LTAs are expected to use the powers available in the Bus Services Act 2017 to achieve the aims of the Strategy. Two potential routes are available – the development of a statutory Enhanced Partnership (or Partnerships) between LTAs

and bus operators, or a franchising scheme. By the end of June 2021, Government expects all LTAs to commit to establishing a statutory Enhanced Partnership across their entire areas and for all operators to be in co-operation with the process. Such agreements must be in place by April 2022.

- 1.4 The strategy also places new requirements on LTAs to develop Bus Service Improvement Plans (BSIPs) by November 2021 with the Bus Operators in their Enhanced Partnership(s). These plans must include actions on networks and services, fares and ticketing, passenger facilities, and highway bus priority measures.
- 1.5 The only alternative to Enhanced Partnership(s) is for LTAs to pursue a franchising model for bus services, akin to the Transport for London operating model. This approach requires commitment to implementing an Enhanced Partnership in the meantime until the franchising process is completed. This process can be both lengthy and costly. Further background to the requirements of Enhanced Partnerships and Franchising is available as DfT [guidance](#).
- 1.6 From 1 July 2021, only LTAs and operators who meet these requirements will continue to receive the COVID-19 Bus Services Support Grant (CBSSG) or any new sources of bus funding from the Government's £3bn funding commitment to buses announced last year, including recovery funding for the 2021/22 financial year and potentially Bus Service Operator's Grant (BSOG) which is an annual fuel duty rebate paid to operators and LTAs. Without these funds, there would be a major contraction, and possible collapse, of bus services in West Sussex.
- 1.7 Further to these requirements, by the end of October 2021, Government expects all LTAs to publish a local Bus Service Improvement Plan (BSIP), detailing how they propose to use their powers to improve services. This BSIP would need to be updated annually, with six-monthly progress reports, and reflected in the authority's Local Transport Plan. The BSIP will be proposed in a separate Cabinet Member Decision Report in October 2021, informed by further guidance due to be published by the Government.

2 Proposal details

- 2.1 It is proposed to commit the County Council to establishing a statutory Enhanced Partnership with the bus operators operating in West Sussex.
- 2.2 The Partnership is a body to oversee the delivery of future Bus Service Improvement Plans between the partners to improve bus services in West Sussex and to work with other partnerships in neighbouring Authorities to improve buses for cross border travel.

3 Other options considered (and reasons for not proposing)

- 3.1 The pursuance of a bus franchising arrangement in part of, or all West Sussex has been discounted at this time. This is due to:
 - 3.1.1 Existing relationships with the bus operators being very good as well as continuing to utilise the commercial acumen and opportunities brought by the commercial bus community.
 - 3.1.2 Franchising cannot be pursued by non-mayoral authorities without permission from the Secretary of State for Transport

3.1.3 The Strategy states that franchising is likely to take several years to make happen successfully. It recognises the complexity of the challenges that franchising brings

3.1.4 Guidance that franchising should not be considered until BSIPs have been shown to be successfully delivered through Enhanced Partnerships

3.2 The alternative of not entering into an Enhanced Partnership is discounted as it would lead to the withdrawal of COVID-19 recovery funding and Bus Services Operator Grant that, together, could lead to most bus services in the county being ceased.

4 Consultation, engagement and advice

4.1 The Managing Directors of Stagecoach South, Metrobus/Brighton & Hove Bus Company, Compass Travel, Sussex Coaches and Arriva all agree to the establishment of an Enhanced Partnership. Letters of confirmation are attached at Appendix A.

4.2 Senior Officers of WSCC, East Sussex County Council, Surrey County Council, Hampshire County Council and Brighton & Hove City Council have discussed how respective Enhanced Partnerships will work together to deliver BSIPs that cover cross border locations such as across the Gatwick Airport area.

4.3 The Department for Transport (DfT) has contributed to a number of webinars including one for Councillors (facilitated by Local Government Association) and another for Council Leaders (facilitated by County Councils Network) advising on the requirements of Enhanced Partnerships, consideration of franchising models and opportunities for future funding including towards Zero Emission Buses from the national Bus Strategy.

5 Finance

5.1 The impact of the development of the Enhanced Partnership can be met from within existing officer resources and a one-off Government grant of £0.100m received to assist LTAs to establish Enhanced Partnerships and develop BSIPs.

5.2 The grant is being used to fund support from external transport consultants as well as a temporary Project Manager to assist with delivery. These resources are being funded jointly with East Sussex County Council, who received an identical grant. Working together in this way ensures that maximum value for money is being achieved.

5.3 The DfT has announced that they will be setting up a Centre of Excellence that will support LTAs and Bus Operators in the development and delivery of BSIPs. It is also expected that the DfT will be providing additional funds to the £0.100m during the Autumn.

5.4 However, proposals arising from the BSIPs will, in the longer term, require an additional two transport officers with the necessary knowledge. The expectation is that they would be required from April 2022 and may be funded by successful bids for DfT funds. However, any such increases would be subject to the County Council's usual budget planning and governance processes.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Loss of COVID-19 recovery funding – Covid Bus Services Support Grant	Establishment of Enhanced Partnership with bus operators in West Sussex
Loss of Bus Services Operators Grant (BSOG) currently valued at £0.374m to WSCC	Establishment of Enhanced Partnership with bus operators in West Sussex
Possible loss of central Government funding towards highways improvement schemes	Establishment of Enhanced Partnership with bus operators in West Sussex

7 Policy alignment and compliance

- 7.1 The proposal addresses the Government’s expectations of establishing a statutory Enhanced Partnership to continue to receive funding to support local bus services. The setting up of the Partnership is not a statutory duty as such but it bestows statutory requirements upon the Council to deliver on its requirements set out in Bus Service Improvement Plans (BSIPs).
- 7.2 The existing statutory duty of reimbursing free off-peak bus travel for entitled older or disabled people on timetabled local bus services is not affected. However, there is a risk that not establishing an Enhanced Partnership will lead to bus services being withdrawn due to reductions in Government funding. This would impact some people with protected characteristics.
- 7.3 The Government has been clear that the establishment of Enhanced Partnerships to deliver BSIPs will form a vehicle for future funding bids for zero emission vehicles. This will, in turn help to achieve climate change targets. In addition, improvements in bus services will help to improve public health outcomes with increased use of local buses over cars.
- 7.4 There are no Crime and Disorder implications.
- 7.5 There are no Social Value implications although these may be impacted in the development of BSIPs.
- 7.6 The proposal aligns with the sustainable and prosperous economy priority in Our Council Plan. The Bus Back Better strategy can enable better access to learning and employment opportunities, as well as help support local businesses with cost effective travel solutions for employees and customers.

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Appendix A

Confirmation of Bus Operators intent to enter into an Enhanced Partnership agreement with West Sussex County Council.

Background papers

None