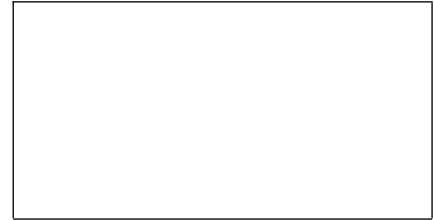


Calderdale MBC

Wards Affected

Cabinet



BUS REFORM/ WYCA CONSULTATION

Report of the Director of Regeneration and Strategy

1. Purpose of Report

- 1.1 To highlight that the West Yorkshire Combined Authority (WYCA) has commenced public consultation on the Bus Reform proposals for West Yorkshire - '[Bus Reform: Have your say on how buses are run in West Yorkshire](#)'.
- 1.2 To agree our position and response to the consultation recognising Calderdale Council is a statutory consultee and strategic partner. As such our response forms a key element of the consultation.

2. Need for a decision.

- 2.1 A decision is required on how Calderdale Council should respond to the consultation as a statutory consultee.

3. Recommendation

- 3.1 That Cabinet will provide a letter of support to the Mayor on the proposal for Bus Reform as detailed in the report.
- 3.2 That Officers will provide a technical response to the consultation after giving due consideration to the comments received in the Local Transport Forum event on 27th November and Bus Operator engagement event on the 6th December.

4. Background

Bus Performance

- 4.1 Buses are the most widely used form of public transport in Calderdale and in West Yorkshire. Ensuring that services remain inclusive and accessible contributing significantly to the Councils economic, social, and environmental ambitions.
- 4.2 Buses and sustainable transport play a vital role in achieving Vision 2024 and our three strategic priorities of: reducing inequalities; creating strong, thriving towns and places, and; climate action.

- 4.3 Pre-pandemic there were nearly 29 million annual trips by bus in Calderdale, with 65% of addresses within 400m of a bus stop served by four or more buses an hour from 7-9.30am.
- 4.4 The current commercially led system faces many challenges, including variable customer satisfaction levels, confusion in routing and ticketing across providers, declining patronage (over the long-term and accelerated by the impacts of the Covid 19 pandemic) and a business model increasingly dependent on public funding support. These systemic issues have an impact on home to school transport and creates additional associated burdens and cost for the Local Authority.
- 4.5 There is a lack of control over services, some operating commercially, and others subsidised. This has led to services being lost at short notice, poor performance and poor integration with other modes, leading to greater dependency on the private car.

Partnership Working

- 4.6 Calderdale Council Officers, the other West Yorkshire districts and WYCA have worked in partnership with West Yorkshire Operators (WYO) via the West Yorkshire Bus Alliance (WYBA) to try and address these challenges. However, the public sector partners recognise that these changes need to go further and faster.
- 4.7 In response to the Government's National Bus Strategy for England WYCA set out its vision for a better bus system in its [Bus Service Improvement Plan](#) (BSIP), published in 2021.
- 4.8 In line with Mayor Brabin's pledge to 'Bring buses back under public control, introduce simpler fares, contactless ticketing, and greener buses', the BSIP is focussed on the outcomes for passengers and acknowledges different models for delivery. Its aim is that any new model of delivery should explore ideas for innovation in the delivery of local bus services and consider how these could be harnessed for wider economic and social benefits of West Yorkshire.

5. A New Model for delivering Bus services.

- 5.1 Bus reform is the process of changing the way in which buses are run to improve services and the passenger experience, for the benefit of the people of West Yorkshire.
- 5.2 In seeking a new model for services, WYCA, representing the five Local Authorities, has followed a statutory process as set out in the Bus Services Act 2017 and completed an Assessment in line with the Act.
- 5.3 The Assessment considers the options and compares them to the Enhanced Partnership Reference Case (the way buses are run now) across a five-case business case model.

Options Considered

5.4 Enhanced Partnership (Reference Case)

- 5.4.1 The Assessment concludes that the EP Reference Case is unable to deliver against the strategic drivers or deliver the improvements in the bus system that will improve bus services for customers.
- 5.4.2 The reference case, or status quo, will not bring benefits across Calderdale such as integrated ticketing and better network management. Passenger numbers will likely continue to decline, and we will see a continued loss of services.

5.5 Enhanced Partnership Plus (EP+)

- 5.5.1 EP+ is the same model for running buses currently in place within West Yorkshire, but aims to push commitments and ambitions as far as is legally possible within the commercial, deregulated market.
- 5.5.2 Under this option buses would be run under the same commercial model as they are now, with some changes to the way the bus network is managed. This would see the responsibility for service specification, timetabling and assets remaining with private bus operators. Private bus operators would also remain responsible for managing revenue risk.
- 5.5.3 The EP+ option has been developed through engagement with local bus operators who are supportive of the model, therefore there can be a level of confidence in the market to deliver it. However, the delivery of the EP+ is dependent on further operator agreement to deliver some interventions and reliant on additional public sector funding meaning there is a risk to its long-term commercial sustainability. The EP+ interventions continue to be subject to operator agreement and therefore this model may not be easily achievable.
- 5.5.4 The EP+ option is overly reliant on Operators good will in a competitive industry. Whilst keeping bus services in private ownership reduces the financial risk on WYCA and the five Local Authorities, Calderdale will not realise all the benefits that regulation can bring.

5.6 Proposed Franchising Scheme

- 5.6.1 The Proposed Franchising Scheme would replace the existing deregulated, commercial model and the Combined Authority would receive full farebox revenue (money from paying passengers), own depots, and vehicles, with a gradual transfer to a region wide franchising scheme over several years.
- 5.6.2 The Proposed Franchising Scheme will cover the whole geography of West Yorkshire and the entire region will become part of the scheme at the same time; however, bus service contracts (or lots) will be rolled out

across multiple rounds over a two year period. This aligns with existing policies and strategies and reflects the ambition set out in BSIP and the subsequent Enhanced Partnership Plan.

- 5.6.3 By covering the whole of West Yorkshire, the Proposed Franchising Scheme reflects the inter-connected nature of the region's bus network and travel demand, which operates across corridors and district council boundaries. It also demonstrates that the challenges outlined are felt across the whole of West Yorkshire and improvement is required across the region.
- 5.6.4 The process will take until 2029. Calderdale will be one of the later areas to be franchised; however, once the franchising exercise process is started it would have to cover the entirety of West Yorkshire to give total standardisation.
- 5.6.5 Franchising will take longer to set up than the EP+ proposals, with assets having to be acquired such as depots. However, the long-term benefits described in this report are greater.
- 5.6.6 Franchising would be more legally robust than EP+, with an indefinite long-term duration giving greater stability to the bus network in Calderdale.
- 5.6.7 Franchising completely replaces the current bus licensing process previously established by the 1985 Transport Act, resulting in bus deregulation in 1986.
- 5.6.8 Franchising will give much greater powers for modal integration across all modes including bus, rail and, into the future, Mass Transit.
- 5.6.9 Under franchising, the mayor has financial incentive to set the network to avoid duplication, maximise efficiency and provide the strongest public transport 'offer'. Costs and revenues across different modes can be treated as one, enabling ticketing, timetables, and the network to be designed to provide the most extensive possible network for us.
- 5.6.10 Franchising can bring comprehensive network Integration. Since deregulation in 1986, we have seen a confused bus offer for the customer. Bus operators have conflicting priorities and work on a commercial basis which does not include social benefits such as, early and late services and rural transport.

6. Final conclusions of the Assessment

6.1 The Assessment concluded that:

- Across all options including the reference case, the public sector will be increasingly relied on to support the bus sector over time. Franchising is identified as providing the greatest levels of control and direct influence to manage these risks.

- The assessment concludes ‘that Franchising is the preferred option for the Combined Authority to progress with subject to both the audit and the outcome of the statutory consultation, which will inform a report and recommendation to the Mayor’.
- 6.2 This report is a response to this consultation with WYCA running a comprehensive engagement strategy running from 10th October 2023 through to 2nd January 2024.
- 6.3 Following consultation, responses will be analysed, and a report prepared which, in accordance with the Act, must set WYCA's response to the consultation and decision on whether to make a franchising scheme covering the whole or any part of their area or combined area.
- 6.4 Calderdale Council will formally respond to these proposals as a statutory consultee prior to the 7 January 2024 deadline.

7. Calderdale Council Position

- 7.1 The Assessment considers that EP+ and Franchising have ‘very high’ value for money and that both options would provide economic benefits that outweigh the costs to implement.
- 7.2 However, it is recommended that the only option which brings sufficient benefits to Calderdale to transform and integrate our network offer is Bus Franchising. Bus reform delivers passenger benefits including a clear fare and ticketing offer, a greater certainty over services and customer information.
- 7.3 It should be noted that neither Franchising or EP+ will solve everything.
- 7.4 To reverse the trend of long-term decline in bus use and grow the bus network, we will have to consider other policy measures and investments in improving the whole public transport network. Franchising is the preferred option, subject to consultation.

8. Financial Implications

- 8.1 While it is anticipated that Bus Reform will have significant financial implications for Calderdale Council should it be approved there are no financial implications directly arising from this report.

9. Legal Implications

- 9.1 While it is anticipated that Bus Reform will have significant legal implications for Calderdale Council should it be approved there are no legal implications directly arising from this report. WYCA has procured external legal support to

assist in the preparation of the assessment for bus franchising and will continue to input to the development of the programme.

10. Human Resources and Organisation Development Implications

10.1 There are no Human Resources or organisational implications directly arising from this report.

11. Consultation

11.1 Calderdale is hosting a number of public events in support of this process including a combined WYCA/Calderdale Local Transport Forum on 27th November and a Bus Operator engagement event on 6th December. Both events will be held in the Halifax Town Hall.

12. Environment, Health and Economic Implications

12.1 A key aim of bus reform is to support decarbonisation of the local bus network and provide improved sustainable travel options for the region, to support West Yorkshire's response to the Climate Emergency.

13. Equality and Diversity

13.1 A key aim of bus reform is to ensure the local bus network better supports the Combined Authority's inclusive growth ambitions, including by ensuring better bus connectivity in areas of economic deprivation to major employment sites.

13.2 A key aim of bus reform is to enable the local bus system to better support Equality, Diversity and Inclusion across the region, including that it is safe and accessible for all and adapted to suit individual different needs.

13.3 An Equality Impact Assessment has been undertaken on the Bus Franchising Needs Assessment Scheme as part of business case development. This will be kept under review as the assessment work is further developed.

14. Summary and Recommendations

14.1 That Cabinet will provide a letter of support to the Mayor on the proposal for Bus Reform as detailed in the report.

14.2 That Officers will provide a technical response to the consultation after giving due consideration to the comments received in the Local Transport Forum event on 27th November and Bus Operator engagement event on the 6th December.

For further information on this report, contact:

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The documents used in the preparation of this report are:

- 1.
- 2.
- 3.