

Cabinet

10 March 2022

Enhanced Partnership (National Bus Strategy)

Recommendation(s)

That Cabinet

1. Authorises the Strategic Director for Communities to make the Enhanced Partnership Plan and Scheme by the end of April 2022.
2. Authorises the Strategic Director for Communities to carry out the appropriate procedures to make the minor modifications to the Scheme mentioned in paragraph 4.2 of this report.
3. Authorises the Strategic Director for Communities, in consultation with the Portfolioholder for Transport and Planning, to make the further modifications to the Plan and Scheme mentioned in paragraph 4.5 of this report having consulted with the Department for Transport (DfT) and undertaken the necessary statutory consultations.
4. Authorises the Strategic Director for Communities, in consultation with the Portfolioholder for Transport and Planning, to submit the drafts of an Enhanced Partnership Scheme 2 and an Enhanced Partnership Scheme 3 to the DfT later in 2022-23 if he considers it appropriate in light of decisions on the award of external funding and negotiations with operators.

1. Executive Summary

- 1.1 In accordance with milestones set in Bus Back Better (National Bus Strategy for England outside London) published by the Government in March 2021, the County Council worked in partnership with bus operators to produce a Warwickshire Bus Service Improvement Plan (BSIP). This set out how the County Council will use the framework of an Enhanced Partnership (EP) with bus operators to deliver an ambitious vision for travel by bus in Warwickshire by means of introducing measures aimed at helping achieve the patronage growth and increased bus modal share objectives set in the National Bus Strategy.
- 1.2 Cabinet gave approval for the BSIP to be published in October 2021 and submitted to the DfT, as a bid for the allocation of funding for a £152.824million contribution towards the cost of delivering a 3-year programme of bus improvements between 2022-23 to 2024-25 at a total cost

of £216.450million. The DfT funding would be awarded from a £3billion funding pot set aside by the Government to boost bus services.

1.3 Cabinet also gave approval for WCC officers to progress onto the next stage stipulated in the National Bus Strategy, which is to collaborate with bus operators to prepare and consult on an EP Plan and Scheme (based on the content of the Warwickshire Bus Service Improvement Plan) in accordance with section 138F of the Transport Act 2000. The objective was to bring an EP Plan and our first Warwickshire EP Scheme (EP Scheme 1) into effect by April 2022, thus creating an Enhanced Partnership between the County Council and bus operators in line with the deadline set in the National Bus Strategy. This was always envisaged as a first step, with plans for even more ambitious EP Schemes 2 and 3 to sit alongside the Plan and EP Scheme 1 if and when funding permitted. The two documents have been the subject of statutory processes:

- A 28-day objection period with bus operators which ran from Monday 6 December up to Sunday 2 January 2022; and
- A consultation stage with the public and wider stakeholders which ran from Tuesday 4 January 2022 up to Tuesday 1 February 2022.

1.4 During undertaking of our consultation stage, the DfT issued a BSIP Funding and EP Timescales notification letter to all Local Transport Authorities in England on 11 January 2022. This announced changes to the EP timescale process due to the complexity involved in developing an Enhanced Partnership and fast-paced changes to travel demand associated with the Covid-19 pandemic. The changes were as follows:

- The DfT expect to make an announcement on the indicative funding for Warwickshire arising from their review of our BSIP by the end of February 2022;
- Local Transport Authorities are to submit a draft EP Plan and first EP Scheme to the DfT by the end of April 2022 (rather than making a final EP Plan and EP Scheme by 1 April 2022, as referenced in paragraph 1.3); and
- Following the announcement of indicative funding, the DfT will advise on the new date for the Enhanced Partnership Plan and Scheme to be made and submitted to them.

The notification letter also stated that regardless of the level of the funding awarded, the DfT want all EPs to:

- Commit the relevant authority or authorities to continue providing existing bus priority measures;
- Implement low or no cost improvements including Bus Passenger Charters and high-quality information for all passengers, as referenced in the BSIP guidance; and
- Be flexible to incorporate further enhancements through variation if funding becomes available.

The notification letter also advised that Local Transport Authorities can postpone the statutory consultation process and that there is no current deadline for having the Enhanced Partnership formally adopted.

- 1.5 After considering the notification letter and seeking advice from the DfT to help identify the appropriate way forward, it was decided, with the support of the Cross-Party Member Working Group who are assisting the development of the EP and of the bus operators, that the County Council should continue with the statutory consultation then under way with a view to enabling Cabinet to implement the EP by the end of April 2022 even though that deadline is no longer a requirement of the DfT.
- 1.6 County Council officers agreed the following proposed action plan with the WCC Member Cross Party Working Group and the bus operators:
- A. Complete the public consultation (without amending the consultation materials) ending on 1 February 2022
 - B. Recommend Cabinet on 10 March 2022 to authorise the EP Plan and EP Scheme 1 to be brought into effect before the end of April
 - C. Once the Plan and Scheme have been brought into effect, undertake the necessary procedures to make minor modifications to EP Scheme 1 addressing some governance and drafting issues raised by one of the bus operators during consultation
 - D. In parallel with the above, officers to put forward the detail of the new standards, facilities and measures proposed in EP Scheme 1 for bus operators to consider in terms of the following:
 - Minimum standards for information;
 - Vehicle quality standards;
 - A draft Warwickshire Bus Passenger Charter.
 - E. The DfT to confirm the indicative funding for Warwickshire following review of the BSIP by end of February 2022
 - F. Officers to prepare more substantial modifications to the EP Plan and EP Scheme 1 giving effect to the standards, facilities and measures agreed with the operators, and also the outcomes of consultation with the DfT and other stakeholders, with the aim of submitting drafts to the DfT for comment by the end of April
 - G. Officers to undertake the statutory consultation processes necessary to make the more substantial modifications once feedback has been received from the DfT (these processes are the same as for the original EP Plan and Scheme)
 - H. Later in 2022/23, depending on the outcome of the funding bid to the DfT submitted in 2021 and negotiations with operators, to prepare second and third EP Schemes (EP Schemes 2 and 3) and any related changes to the EP Plan and submit drafts to the DfT for comment.
 - I. The statutory processes to introduce EP Schemes 2 and 3 would require further Cabinet authority.
- 1.7 WCC officers view this sequencing as appropriate due to the following:
- Ensures that Warwickshire is not at risk of missing the new DfT deadline to establish an Enhanced Partnership when it is announced (and so potentially missing out on receiving existing funding streams and new funding opportunities);

- Maintains the positive momentum towards implementing an Enhanced Partnership, which has been achieved in cooperation with bus operators and the WCC Member Cross Party Working Group;
- With the 'Warwickshire's Vision for Bus Travel' consultation already underway and valuable information being captured prior to the notification letter being issued by the DfT, the action plan ensures that the 1 April 2022 timescale for forming an EP presented to the wider community will be met.

2. Financial Implications

- 2.1 The first Warwickshire EP Scheme 1 sets out an initial tranche of 'business as usual' measures delivering some of the aspirations in the Warwickshire EP Plan, which WCC officers and bus operators are already working on, and thus, they are not dependent on receiving funding from the DfT after reviewing the Warwickshire BSIP.
- 2.2 The County Council has received a Local Transport Authority (LTA) Bus Capacity (Revenue) Funding allocation of £0.262million from the DfT towards the development of our BSIP and EP Schemes. This funding will be used to further implement the measures in EP Scheme 1. Other sources of funding have already been secured to contribute towards the cost of delivering EP Scheme 1, which is fully funded. The funding and delivery situation is detailed in the table below:

The 'Business as Usual' Measures in the First Warwickshire EP Scheme		
No.	Description of Measure	Funding and Delivery
1	Launch of a pilot Demand Responsive Transport (DRT) service	<p>This is projected to cost £1.752million over a 5-year period up to 2025-26, which is fully covered by the following funding sources:</p> <ul style="list-style-type: none"> • £1.020million contribution from the DfT Rural Mobility Fund; • £0.374million in Section 106 developer contributions; and • £0.358million from the revenue support fund managed by the WCC Transport Delivery Team. <p>The pilot service is expected to commence in April 2022 at the earliest.</p>
2	Define minimum standards for information	No costs will be borne by WCC delivering this measure.
3	Develop a marketing campaign, supplemented by the production of a	This is estimated to cost £0.030million to deliver and will

	Bus Information Guide	be met by the £0.262million LTA Bus Capacity Fund.
4	Define vehicle quality standards	No costs will be borne by WCC delivering this measure.
5	Parking policy and enforcement	This is estimated to cost £0.020million to carry out review work, which will be met by the £0.262million LTA Bus Capacity Fund.
6	Develop guidelines for large new developments	No costs will be borne delivering this measure, which is essentially already completed as a Warwickshire Design Guide was endorsed by Cabinet in January 2022.
7	Maintenance of network, including a further Warwickshire Bus Network Review	The cost of undertaking the network review is estimated to cost £0.010million, which will be met by the £0.262million LTA Bus Capacity Fund. Any subsequent amendments to the bus network arising from the review will be met by existing capacity within the revenue support fund managed by the WCC Transport Delivery Team.
8	Review of S106 contributions	No costs will be borne delivering this measure.
9	Feasibility studies for supportive policies, i.e., Workplace Parking Levy, Red Routes and Road User Charging	The total cost of undertaking the studies is estimated to cost £0.060million, which will be met by the £0.262million LTA Bus Capacity Fund.
10	Launch of a Warwickshire Bus Passenger Charter	The only costs involved would be for design and print of the document at a projected cost of £0.010million, which will be met by the £0.262million LTA Bus Capacity Fund.

2.3 There are potential financial implications in the event of the County Council not meeting the revised end of April 2022 deadline for submitting a draft EP Plan and EP Scheme set by the DfT. This is in terms of Warwickshire no longer being eligible to receive the following sources of funding from Government towards supporting provision of bus services:

- Capital and revenue funding to be awarded to the County Council after reviewing the Warwickshire BSIP to operate and improve bus services and delivery of supporting infrastructure, in acknowledgement our funding ask was £152.824million;

- Any continuation of COVID-19 related financial support for bus services after expiry of the Bus Recovery Grant in March 2022, in acknowledgement the County Council has received a total sum of £1.343million from the Covid-19 Bus Service Support Grant (CBSSG), which ceased in August 2021, and a total sum of £0.200million from the subsequent Bus Recovery Grant, which currently runs from September 2021 to March 2022;
 - Bus Service Operators Grant (BSOG) payments to both bus operators and the County Council, in acknowledgement the County Council receive the sum of £0.669million in BSOG funding per annum;
 - Financial support for reimbursement of concessionary fares to bus operators, in acknowledgement the English National Concessionary Fares Scheme is fully paid for by Government funding; and
 - Any new discretionary funding streams for bus services and specific supporting infrastructure arising in the future.
- 2.4 The proposal in this report is, of course, that the County Council meet the end of April deadline by going a step further than submitting a draft and instead actually having an EP in effect. The County Council would also have submitted draft proposals for the further development of the EP by way of the modifications mentioned in paragraph 1.6 F and G above.
- 2.5 The County Council might also no longer receive Government support covering the cost of funding subsidised bus services and concessionary fare reimbursement to bus operators, which would further exacerbate the potential financial pressure borne by the County Council.

3. Environmental Implications

- 3.1 The Warwickshire EP Plan sets out a high-level vision of how bus travel in Warwickshire will be transformed with strong emphasis on better information, bus priority, fares and ticketing, simplicity, coordination and integration with the aim of increasing bus patronage, supporting social inclusion and delivering sustainable transport utilisation, which will contribute towards improving the environment including air quality across the county.
- 3.2 The Warwickshire EP Schemes set out in detail how the EP Plan vision and objectives will be achieved, including any commitments made by the County Council and/or standards to be met by bus operators. The measures in the EP Schemes aim to deliver increased bus patronage which will support local authorities across Warwickshire in reducing their carbon footprint and meeting Climate Emergency targets.
- 3.3 It is hoped that the implementation of EP Scheme 1 will lead to increased patronage on the Warwickshire bus network and will also support Borough and District Councils across Warwickshire in achieving their air quality and Climate Emergency targets focused on reducing carbon emissions.

4. Supporting Information

- 4.1 As outlined in paragraph 1.3, the Warwickshire EP Plan and EP Scheme 1 were the subject of a statutory consultation process with bus operators and the wider community in accordance with section 138F of the Transport Act 2000. The DfT has made it clear that no changes can be made to the documents during the consultation process, without requiring the respective statutory processes to be restarted.
- 4.2 No bus operator raised a formal objection to the Warwickshire EP Plan and first EP Scheme during the statutory minimum 28-day operator objection mechanism period (this first round of consultation is only with bus operators and if three or more object the County Council cannot proceed any further). However, legal counsel for Arriva Midlands raised comments on the first Warwickshire EP Scheme focused on minor alterations to governance arrangements and improvements to drafting. When considering these matters, our own Legal Services also identified scope for some improvements to the documents. Subsequently, after a meeting between the two parties in late December 2021, a 'Clarification' document was produced by WCC Legal Services (and agreed with Arriva Midlands) prior to being issued to all bus operators. It was also agreed with Arriva Midlands, considering the April deadline from the DfT, that the consultation with the wider community continue should be run as scheduled. It was also agreed that minor modifications would be made to the first EP Scheme to give effect to the Clarifications as the first act of the EP Board provided that no operator objected. In the unlikely event of one or two operators opposing the minor modifications, the minor modifications can still be effected by undertaking a 28 day operator objection process and making the changes if no more than two formally object.
- 4.3 The content of the wider consultation was primarily available via the "Ask Warwickshire" consultation web page, with residents also being able to request paper and easy-read versions of the consultation material. Statutory consultees such as Bus Users UK, Transport Focus, Borough / District Councils, neighbouring Local Transport Authorities, all local MPs, Traffic Commissioner for the West Midlands, the Chief Officer for Warwickshire Police and the Competition and Markets Authority were also invited to participate in the consultation.
- 4.4 The consultation responses are detailed in the Warwickshire Enhanced Partnership Consultation Response Report attached to this report. A total of 252 responses to the consultation were received, of which, 231 no. were from the public and 21 no. were from either statutory consultees, County Councillors, local organisations or businesses. The key highlights taken from the analysis of the consultation responses were as follows:
- A total of 78.2% of respondents either agreed or strongly agreed with the vision for improving local bus travel in Warwickshire presented in the Warwickshire EP Plan;
 - A total of 8.8% of respondents either disagree or strongly disagree with the vision for improving local bus travel in Warwickshire, with the key themes influencing their response being as follows:

- The need for further improvements to bus service integration;
- The need for bus services to be more reliable;
- The need for improvements to bus information provision at bus stops;
- The need for closer working links with neighbouring authorities including the West Midlands Combined Authority for those making cross boundary journeys from Warwickshire;
- Bus travel was too expensive; and
- Bus services need to be more frequent.
- In general, there is a strong level of support for each of the planned measures within EP Plan, i.e., more frequent and reliable bus services, cheaper and easier fares and provide a more comprehensive bus network, which is easier to understand and use;
- A total of 64.3% of respondents either agreed or strongly agreed that the draft EP Plan will improve local bus travel in Warwickshire, assuming all the planned measures can be delivered;
- In general, the measures within EP Scheme 1 (outlined in paragraph 2.2) fit the vision and objectives in the EP Plan;
- A total of 45.4% of the respondents were 'not sure' or 'didn't know' whether they were happy that the processes and governance set out were adequate for delivering the EP Plan.

4.5 There are a series of recommendations in the Warwickshire Enhanced Partnership Consultation Response Report in response to the feedback received through the consultation exercise. After receiving feedback from the DfT on the draft Warwickshire EP Plan, County Council officers will seek to include these recommendations when modifying the EP Plan in the phase of the action plan starting after the EP is brought into effect in April (see paragraph 1.6 F and G above). The recommendations were as follows:

- Provide better emphasis and explanation of the vision and measures of the EP to the public;
- Ensure that details of the EP governance are made clearer;
- Provide more adequate representation of the public in the governance of the EP;
- Continue focus on obtaining wider representation of different demographics and from different areas in future consultations;
- Consider all relevant comments relating to the detail of different measures when developing future EP Schemes, including those received by statutory consultees;
- An Equalities Impact Assessment should be undertaken on the current and future EP Scheme(s);
- The Warwickshire Bus Network Review to consider location and times of trip generators;
- Avoid introducing measures to restrict car use until a viable alternative is in place;
- Ensure all future documents are easier to read and understand;
- Continue regular dialogue with neighbouring authorities when developing EP Schemes, and include suggestions in future EP Schemes or a variation to the current EP Scheme;

- Carefully weigh up the benefits of focusing investment in urban areas vs rural areas when deciding on the programme of improvements, and circulate the reasons for prioritisation of funds to County Councillors;
 - Review the targets for passenger satisfaction in the next revision of the Warwickshire BSIP;
 - Provide more clarity within the next revision of the EP Plan on how the Enhanced Partnership intends to consult users on how well the EP is working; and
 - Seek legal advice throughout the development of measures and EP Schemes to ensure compliance with competition law.
- 4.6 From discussions with the DfT, Local Transport Authorities (LTA) understand that only the sum of £1.4billion out of the £3billion allocated by Government towards boosting bus services, will be made available to implement the BSIPs submitted by LTAs in England. It is understood that the remaining £1.6billion is being used to support the bus industry during the Covid-19 pandemic. The Levelling Up White Paper published by the Government in February 2022, made an early announcement that Stoke-on-Trent, Portsmouth, Luton, Derbyshire and Warrington will be amongst the places receiving funding to deliver the aspirations set out in their BSIP.
- 4.7 Notification from the DfT indicates that after their review, the BSIP submission of each LTA will be split into the following categories:
- a) Several LTAs will be allocated indicative funding to deliver all or most of the aspirations set out in their BSIP – with the final funding awarded being based on the deliverability of their schemes and their EPs
 - b) A further set of LTAs will be allocated indicative funding which will be less than that sought in their BSIPs – and the DfT will ask places to re-focus, prioritising schemes which will give the best outcomes for the area
 - c) A third group of LTAs will not be allocated funding at this stage but will be supported by the DfT to develop their BSIPs and EPs further, to ensure they are eligible for future funding and other possible investment streams
- 4.8 As the delivery of bus priority measures was a key feature in the Warwickshire BSIP, WCC officers are hopeful that the County Council will be allocated indicative funding by the DfT. However, it is highly likely that any provisional funding award would only be a fraction of the £152.824million funding requirement specified in the Warwickshire BSIP.

5. Timescales associated with the decision and next steps

- 5.1 It has always been envisaged that the first EP Plan and EP Scheme 1 would be followed by EP Schemes 2 and 3 when the funding position was clear and substantive improvements to standards and facilities had been agreed with operators. Since then, it has become clear from consultation feedback that modifications to the Plan and EP Scheme 1 should be made as soon as possible after their adoption in April and before EP Schemes 2 and 3 are progressed. If Cabinet approve the recommendations in this report, the key

milestones will be as follows:

- The Warwickshire EP Plan and EP Scheme 1 will come into effect in April 2022
- minor modifications will be made to EP Scheme 1 in April
- proposals for more substantial modifications to the Plan and EP Scheme 1 will be submitted to the DfT at the end of April, following consultation with the Portfolioholder, which provide the detail for high level commitments and respond to consultation feedback but do not require extra funding
- officers will undertake the statutory processes to make the more substantial modifications
- Depending on external funding decisions, and following consultation with the Portfolio Holder for Transport and Planning, proposals for a revised EP Plan and EP Scheme 2 and EP Scheme 3 will be submitted to the DfT for feedback when ready later in 2022/23
- Subject to further Cabinet approvals, WCC officers will undertake the statutory consultation processes (operator objection period and wider consultation) required in order to modify the EP Plan and introduce the EP Schemes 2 and 3; and
- WCC officers to aim to have a modified Plan and EP Scheme 2 in effect by the revised DfT deadline for EPs to be in effect, which has yet to be announced at the time of writing this report.

5.2 Warwickshire EP Schemes 2 and 3 are already in the process of being developed in partnership with bus operators and the WCC Cross Party Working Group. The Schemes will contain further measures such as more bus priority measures, a countywide multi-operator bus ticket, real time information, further DRT services and improvements to bus services, e.g., improved service frequency and pilot fare reduction initiatives. However, implementation is entirely dependent on the level of funding received from the DfT after reviewing the Warwickshire BSIP.

5.3 In the unlikely event that operator objections prevent the minor governance/legal changes and modifications being made to the first EP Scheme in April 2022, officers will consider how appropriate changes can be taken forward as part of the consultation process carried out for the modified EP Plan and EP Schemes 2 and 3 later in 2022-23, with the aim of reducing the risk of residents renegeing from further participation due to consultation fatigue.

Appendices

None

Background Papers

1. Draft Warwickshire EP Plan
2. Draft first Warwickshire EP Scheme
3. Clarification Document

4. Warwickshire Enhanced Partnership Consultation Response Report, February 2022

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The report was circulated to the following members prior to publication:

WCC Member Cross Party Working Group:

Cllr Jo Barker (Shipston Electoral Division)
 Cllr Sarah Boad (Leamington North Electoral Division)
 Cllr Jonathan Chilvers (Leamington Brunswick Electoral Division)
 Cllr Judy Falp (Whitnash Electoral Division)
 Cllr Sarah Feeney (Benn Electoral Division)
 Cllr Wallace Redford (Cubbington & Leek Wootton Electoral Division)
 Cllr Tim Sinclair (Stratford North Electoral Division)
 Cllr Martin Watson (Coleshill North & Water Orton)

Other members: Councillors Seccombe, Holland and Roodhouse