

GROWTH, RESOURCES AND COMMUNITIES SCRUTINY COMMITTEE	AGENDA ITEM No. 7
18 JULY 2023	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director: Place and Economy	
Cabinet Member(s) responsible:	Cllr Nigel Simons, Cabinet Member for Infrastructure, Environment and Climate Change	
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PASSENGER TRANSPORT

RECOMMENDATIONS	
FROM: Adrian Chapman, Executive Director: Place & Economy	Deadline date: None
<p>It is recommended that the Growth, Resources and Communities Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Consider, and make comments as it sees fit, in respect of the Council's and Cambridgeshire and Peterborough Combined Authority's (CPCA) future plans for passenger transport provisions. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Growth, Resources and Communities Scrutiny Committee following the Annual Work Programming Session.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for the Committee to consider, and make comments as it sees fit, in respect of the Council's and CPCA's future plans for passenger transport provisions.

The Cambridgeshire and Peterborough Combined Authority is the transport authority for Peterborough City Council and Cambridgeshire County Council. The Combined Authority has passenger transport powers and are developing a number of future proposals for passenger transport services. The Council is the highway authority and is responsible for infrastructure, such as bus stops and the bus station.

2.2 This report is for Growth, Resources and Communities Scrutiny Committee to consider under its Terms of Reference No. Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by the Council:

9. Transport, Highways and Road Traffic;
11. Partnerships and Shared Services; and

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO
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4. BACKGROUND AND KEY ISSUES

4.1 Member engagement

CPCA and PCC officers have been holding all-Member briefings for Peterborough Councillors. The meetings have been put in place to update Members on a range of passenger transport topics and allows Members to provide feedback and raise any issues or requests. The next meeting is planned to take place in July and the main item will be CPCA's updated Bus Service Improvement Plan (further information in 4.3).

4.2 £2 bus fare

Government have announced up to £200m to continue capping single bus fares at £2 outside London until the end of October 2023 and then at £2.50 until 30 November 2024, when the Government will review their effectiveness.

4.3 CPCA's Bus Strategy

CPCA has produced a Bus Strategy that sets out an overall vision for buses; a comprehensive network of bus services that people find convenient, easy to use, reliable and good value for money, that is inclusive and offers a viable alternative to the car. It is a high-level strategy with the overall aim to double patronage by 2030.

In early 2023, CPCA consulted with the public and other stakeholders on the new Bus Strategy. This set out ambitions for transforming the bus network and asked people to indicate their preferences for a range of interventions. From over 1,000 responses, the preferred priorities for improving bus travel in the region were:

- Services for rural areas (60% / 613)
- Better integration across the network (56% / 577)
- Quicker and more reliable journey times (38% / 388)

As part of the consultation, Council Officers consulted with PCC Members and feedback comments to CPCA. CPCA adopted the Bus Strategy earlier this year.

4.4 Bus Service Improvement Plans (BSIP's)

BSIP's are a Government backed initiative that explains how Local Transport Authorities, working closely with their local bus operators and communities, will deliver a number of initiatives to support bus travel and deliver the visions that are set out in the Bus Strategy. CPCA's BSIP is a comprehensive guide and strategic plan for enhancing the bus network in Cambridgeshire and Peterborough. It sets out the improvements required for the region to unlock growth, enable access for all to a quality bus network and decarbonise transport.

The first BSIP was submitted to Govt with a funding request of £155m but it was not successful. CPCA are now updating the BSIP and will be submitting it to Government in the future with the aim of securing funding.

Throughout the Bus Strategy process there was public consultation to understand the impact of public transport on people's lives and how changing travel patterns are evolving post-pandemic. As described in 4.2, there were three priorities that came out of the consultation (more services for rural areas, better integration across the network, and quicker and more reliable journey times). The updated BSIP will focus its interventions on these priorities. These align with the wider ambitions of CPCA and other partners.

Since the CPCA's first BSIP was produced in 2021 there have been significant changes in the public transport landscape. CPCA's focus has been on stabilising the network in the face of the long-term impacts of Covid-19 and the more recent commercial challenges of driver shortages

and price inflation. The recent experience has been challenging, but the CPCA's refreshed BSIP will seek to set out a bright future for bus services.

The priorities in the BSIP will reflect the different challenges and opportunities in each part of the CPCA areas. CPCA partners are currently exploring which priorities are best for their communities. The five priorities which are currently being explored are described below. Further work and engagement between Peterborough and CPCA is being undertaken to align local priorities with those of the wider combined authority.

- To improve the network with more services, particularly in rural areas
- Providing priority for buses to speed up and improve the reliability of bus journeys
- Developing great value multi-operator ticket products
- Expanding the number of electric buses
- Enhancing bus stop infrastructure.

CPCA are receiving £2.3m of BSIP Plus funding from Government this year. This will help the CPCA to improve the foundations of bus services across the Cambridgeshire and Peterborough region. CPCA Board will be making future decisions on how this funding will be spent.

4.5 **Bus Reform**

Since 2019, CPCA has been committed to assessing whether franchising is viable and should be implemented. Through its Bus Reform programme, CPCA is considering the options of franchising or enhanced partnerships.

The Government's Bus Back Better strategy effectively outlines two delivery options for Mayoral Combined Authorities, such as the Cambridgeshire and Peterborough Combined Authority: a franchise model or an enhanced partnership model. Under an enhanced partnership, obligations outlined in the agreement would become legally enforceable across all bus operators. Consequently, depending on the content of the enhanced partnership, this model is likely to provide greater influence over the bus services for transport authorities compared to the current situation.

Under franchising, CPCA would take more control over things such as controlling the bus network design, ticketing, and pricing. Franchising would provide the greatest degree of public sector influence over the buses, allowing the Combined Authority to specify the network, set the fares and control the fare policy.

Currently, the public sector locally provides around £7 million per year to support bus operations, much of which is funded by the Combined Authority through the transport levy and Mayoral precept. Further support is provided by government through Bus Services Operational Grant payments, Bus Recovery Grants and the £2 fare scheme.

The enhanced partnership model presents several potentially appealing features. It is acknowledged that this model could deliver improvements more swiftly, with reduced costs of transition from current arrangements and at a lower level of risk to the CPCA compared to the franchise model.

A business case is being developed that will evaluate the bus franchising model against other realistic options using the HM Treasury Green Book methodology, including strategic, economic, financial, management, and commercial case assessments. The evaluation will indicate if the franchising model is the most favourable option for using bus services to achieve the broader ambitions of the Combined Authority, or whether an enhanced partnership model should be adopted. The draft business case will be presented to a future Transport & Infrastructure Committee and CPCA Board for consideration.

The key differences between enhanced partnerships and franchising are outlined in the table below:

Enhanced Partnership	Franchising
Control supported services only; some influence over wider network (e.g. regulating headways)	Control all services – routes, frequencies, route numbers
Set standards for services/vehicles	Set standards for services/vehicles
Network branding negotiated, continued recognition of individual operators	Network branding mandated. Common livery/branding
Set fares on supported services only and opportunities for targeted discounts	Set fares across all services and general fares discounts
Multi-operator ticketing	Multi-operator ticketing and single product range
No cross-subsidy between services	Profitable services can cross-subsidise others
Hold operators to account for not meeting requirements	Hold operators to account for not meeting requirements
Partnership/negotiated approach to management of network	Centralised approach to planning and management of network
Shared responsibilities and resourcing	Increased responsibility and resourcing for Local Transport Authority

These are the options currently being assessed in the business case:

Regime	Investment	Elements included
Enhanced Partnership	Business as usual	Bus services remain largely unchanged; limited investment in infrastructure; multi-operator ticketing
Enhanced Partnership	Mid-level investment	Some bus services enhancements; increased investment in infrastructure; multi-operator ticketing
Enhanced Partnership	High-level investment	Significant bus service enhancements; investment in infrastructure, bus priority, information and bus stops; multi-operator ticketing, including targeted fares discounts
Franchising	Business as usual	Replanned bus services; limited investment in infrastructure; network ticketing
Franchising	Mid-level investment	Bus service enhancements; increased investment in infrastructure; network ticketing and fares capped
Franchising	High-level investment	Significant bus service enhancements; investment in infrastructure, bus priority, information and bus stops; network ticketing and fares capped

4.6 Bus Network Review

CPCA are developing a framework that will enable Leaders to make decisions for the 2024/25 financial year for tendered services on a more structured and balanced basis. Currently, CPCA subsidises these services in Peterborough:

- 60's
- Stagecoach Citi evening and weekend services
- 23 and 24
- 29
- Call Connect
- Community Transport

The framework needs to consider both the need and affordability of service to establish value for money. The framework also needs to account for differences between urban and rural services. A key first step in the assessment framework is to understand if there is a need for intervention. The framework will recommend whether to retain or introduce a service and a key requirement will be to consult with impacted communities.

The services recommended to be retained or introduced would be undertaken in a first phase of tendering, to be undertaken in October 2023, ready for April 2024. This would include new services. The services recommended for changes will be retendered in December, following engagement with impacted communities. These would also be ready for operation in April 2024. The services recommended for ceasing will not be retendered unless new information is made available through consultation with impacted communities. Any changes to the retendering of these services will aim to be complete before March 2024.

4.7 New bus depot

The Council has secured £4m from Government to build a new bus depot in Peterborough to allow operators to use electric buses. The project is at an early stage but it is anticipated that more funding will be required. A project team is currently being established and the Council are finalising the specific requirements of a site and identifying suitable options in parallel. Fengate is the preferred area because it links in with the PIRI project which we hope to be able to align and investigations are underway to determine that.

Timescales are unknown as are other important considerations such as who will own the depot, how will it be operated, agreements with bus operators etc. However, a full project plan will need to be produced that develops these options further to inform future decisions.

5. CORPORATE PRIORITIES

5.1 The items in this report link to the two corporate priorities below. Improving bus services will reduce car usage, reducing emissions and improving the environment. Bus services connect communities and give people access to jobs and leisure activities.

Carbon Impact Assessment summary: The report is an update and overview of passenger transport functions; it is not making any recommendations. There will be future decisions made by CPCA and the Council on passenger transport that may have carbon implications, and these will need to be considered as part of the decision-making process.

1. *The Economy & Inclusive Growth*
 - *Environment*
 - *Homes and Workplaces*
 - *Jobs and Money*
2. *Our Places & Communities*
 - *Places and Safety (including any rural implications)*
 - *Lives and Work, Health and Wellbeing*

6. CONSULTATION

6.1 All Member briefings are held with officers from the Council and CPCA.

CPCA has undertaken public consultation as described earlier in the report, including the public consultation on the new Bus Strategy which identified three priorities:

- Services for rural areas (60% / 613)
- Better integration across the network (56% / 577)
- Quicker and more reliable journey times (38% / 388)

Research was undertaken by CPCA in 2019 to further understand the views of users and non-users of buses, as well as key stakeholders including bus operators; local interest groups; local transport groups; bus user groups; NHS; and district and parish councils. The research comprised both quantitative and qualitative surveys of users and non-users across the area. In total, 1,240 respondents completed on-street surveys, 3,042 online and a number of focus groups were held in Cambridge, Peterborough, Ramsey and Wisbech in order to explore issues, perceptions and experiences in detail.

Future consultation will be undertaken by CPCA, in particular through the work they will be doing on the future of subsidised services through their Bus Network Review.

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 It is anticipated that the Committee will consider the report and make comments as it sees fit.

8. REASON FOR THE RECOMMENDATION

8.1 The report is an update and overview of passenger transport, allowing the Committee to make comments and recommendations that can be considered by Council and CPCA officers.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 The report is an overview of passenger transport functions with a number of options currently under consideration. The options will be progressed further by the CPCA in collaboration with the Council and other partners. The new bus depot is a Council led scheme and options for this are currently being developed.

10. IMPLICATIONS

Financial Implications

10.1 There are no direct financial implications with this report.

Legal Implications

10.2 There are no direct legal implications with this report.

Equalities Implications

10.3 There are no direct equalities implications with this report. However, any changes to future bus services could have equalities implications that will need to be considered by CPCA.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 [CPCA Bus Strategy](#)
[CPCA Bus Service Improvement Plan \(October 2021\)](#)

12. APPENDICES

12.1 None