

COMMUNITIES SCRUTINY REVIEW BOARD

11 July 2022

Minute Extract

05/22 National Bus Strategy - Derby update

The Board received a report from the Director of Planning, Transport and Engineering on National Bus Strategy - Derby update. The report was presented by the Head of Traffic and Transportation.

It was reported that the Government's National Bus Strategy was published in March 2021. It was noted that the strategy document was clear that current and future discretionary payments to local authorities would only be available to those who committed to the development formal partnerships for bus services. It was also noted that similar provisions applied to local bus operators.

The Board noted that the partnership working arrangements were expected to be formalised by making a formal Enhanced Partnership (EP). It was reported that members should include the local authority, local bus operators and other key stakeholders such as passenger group representatives. The Board noted that Cabinet approved the Council's commitment to establishing an EP for Derby in June 2021.

The Head of Traffic and Transportation informed the Board that the national strategy also required local transport authorities to produce a Bus Service Improvement Plan (BSIP). These were intended to set out initiatives and measures which would improve public transport services and infrastructure in each area, with key stakeholders working together in partnership within the EP.

The Board noted that Derby's first BSIP was approved in draft by Cabinet in October 2021 and was submitted to the Department for Transport (DfT). It was also published on the Council's website in line with requirements in October 2021.

It was reported that the Department for Transport announced the BSIP funding allocations on 4 April 2022 and that Derby was one of 31 successful counties, city regions and unitary authorities. It was noted that the Council's indicative funding was up to £7,024,648. This funding was intended to commence the delivery of the BSIP and was for three years up to the end of 2025. It was reported that the current expectation was that all the funding allocations would be confirmed and released in September 2022.

It was noted that this indicative amount and any future allocation of BSIP funding was made to the Council as the accountable body. The award, however, was to the new statutory Enhanced Partnership. This meant

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decisions on investment must be both in line with national guidance, as well as requiring joint agreement of both the Council and the bus operators as equal partners, with equal voting rights.

The Board noted that the indicative funding was subject to the Council being able to fully satisfy DfT that it met criteria and priorities for bus services. It was reported that the initial criteria was provided to local authorities following the submission of the initial BSIP, with additional guidance published following the indicative funding offer.

The Board noted that the passenger transport industry, across all sectors, remained fragile and that passenger numbers had not returned to pre-pandemic levels. It was noted that there was a national shortage of staff, particularly drivers. It was reported that rising costs for labour, fuel and inflation were having a major impact on the sector.

The Board noted that the bus industry was exposed to these commercial forces, and this had led to services which were depleted during the pandemic not being reinstated. It was reported that bus service patronage was currently around 75–80% of pre-pandemic levels and that operators had been required to make difficult decisions on service reductions, sometimes effecting frequency, and some routes had been stopped entirely.

It was reported that during the pandemic special funding measures were put in place by Government to assist bus operators, but these had been gradually removed, with the final support mechanism ending in September 2022. As the national support funding declined, operators had been faced with commercially based decisions around which services to operate.

It was noted that the October 2021 Cabinet report on the draft BSIP referred to the requirement to carry out a network review. Cabinet accepted the recommendation of Executive Scrutiny, that the network review needed to consider the needs of the community and not just focus on commercial routes. It was reported that at this time, it was understood that the network review requirements of the BSIP would include consultation with the community and that this would be part of the evidence base for the on-going work of the Enhanced Partnership. As a result of the Cabinet decision the intention to conduct a review became a fundamental element of the BSIP and Enhanced Partnership proposals.

The Board noted that the intention to carry out a detailed review of the network had not changed, however, after further Government guidance a requirement emerged for an immediate review, primarily to assess the likely state of the network from October 2022. This review had been limited to local authorities requesting information, under strict conditions of commercial sensitivity, from the bus operators for submission to the DfT by 30 June 2022.

A councillor asked whether it was possible to achieve the BSIP's

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ambitions given the challenges bus companies faced in relation to inflation and lower passenger numbers. It was noted that the Council planned to work with bus companies to offer certain concessions such as daily caps on bus fares and employment corridors.

A councillor asked whether there were plans for new bus lanes in Derby. It was noted that the government had asked the Council to test a technical model for 47 locations in the city. It was reported that further testing was required for the locations that met the testing requirements. It was noted that there was an intention to hold a full network review with operators from a community perspective.

A councillor asked whether a London style transport network would benefit Derby. It was reported that the government wanted to see the extended network and hours that were available in London, available in places such as Derby. It was reported that it was important to improve passenger demand in order to achieve this.

A councillor asked whether demand responsive transport would be included in the BSIP. It was noted that the transforming cities fund had provided some funding towards this, and that five trial schemes were being run throughout the country.

A councillor asked whether replacing the current bus fleet with hydrogen or electric fuelled vehicles was possible. It was noted that the Council had put forward a bid with Derbyshire County Council for hydrogen fuelled busses in the Derwent Valley, but that this bid had not been successful. It was noted that the electricity capacity had to be considered when looking at electric busses. It was reported that there was a significant cost of purchasing electric busses.

A Councillor asked whether the Climate Change Working Group was involved in the BSIP. It was noted that some elements of this plan had been shared with the CCWG. It was reported that the government had removed some clean fuel elements from this plan due to their plan to offer future schemes on clean fuel.

The Board Resolved:

- 1. to note progress and approve timescales and actions as detailed**
- 2. to encourage the Cabinet to hold a full bus network review as soon as possible so that a better service is provided to Derby's communities.**
- 3. to request that an update is brought to the Board once the full bus network review has been conducted.**
- 4. to recommend that the Climate Change Working Group engage proactively with the BSIP.**