



Report sponsor: Deputy Chief Executive
(Communities and Place)
Report author: Head of Traffic & Transportation

Progress report - Implementing the Government's National Bus Strategy (NBS)

Purpose

- 1.1 To inform Cabinet of progress regarding implementation of the Government's National Bus Strategy (NBS); with specific reference to Derby's Bus Service Improvement Plan (BSIP) and approval for the Council to establish and participate in the Derby Enhanced Partnership.

Recommendation(s)

- 2.1 To approve the Council's Enhanced Partnership Plan, which includes formally establishing the new statutory Enhanced Partnership and Scheme
- 2.2 To approve the publication of a notification to stakeholders and confirmation of the establishment of the Enhanced Partnership on the Council website.
- 2.3 To delegate approval to the Deputy Chief Executive (Communities and Place) and the Strategic Director of Resources & S151 Officer, in consultation with the Cabinet Member for Streetpride, Leisure and Public Spaces, to accept and apply bus-service provision/passenger transport-related grants issued by the government to the Council, acting as the accountable body for funding for the Partnership.
- 2.4 To approve the acceptance of the Local Transport Fund of £0.025m from the Department for Transport, and the use of the funding up to £0.025m, subject to relevant procurement procedures, to set up two trials of local 'small bus', connectivity schemes as set out in paragraphs 4.12 to 4.14 of this report.
- 2.5 Future development and introduction of any additional 'small bus' schemes, using this fund to be delegated to the Deputy Chief Executive (Communities and Place), in consultation with the Cabinet Member for Streetpride, Leisure and Public Spaces

Reason(s)

- 3.1 The BSIP Enhanced Partnership and Scheme have satisfied the government required consultation processes, with the industry and the public, and final approval has been provided by the DFT for the Enhanced Partnership to be formally established, and for the Scheme (BSIP) to be delivered by the Enhanced Partnership.
- 3.2 It is possible that future funding for passenger transport, including bus operator grants, will be formally made to the Enhanced Partnership, with the Council acting as the accountable organisation. The 'indicative' funding of £7.2m announced in April

2022 will only be released by the DFT after confirmation that the Enhance Partnership has been established.

- 3.3 The Council has been offered £0.025m from the Local transport Fund. Within the strict criteria of the fund, it is possible to test local connectivity schemes, using 'small bus' in line with one of the aims of the National Bus Strategy. A proposal to trial two schemes with Derbyshire Community Transport is currently being developed.

Supporting information

- 4.1 The Government's National Bus Strategy was published in March 2021. 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 of a Statutory Enhanced Partnership. Similar provisions applied to local bus operators.
- 4.2 The partnership working arrangements need to be formally established to create the Enhanced Partnership (EP). Members include the local authority (officers and a Council Cabinet representative), local bus operators and other key stakeholders such as passenger group representatives. In June 2021 the Council Cabinet approved the notification of commitment to the DFT to establish an EP for Derby. Since then, council officers have been navigating through the process, including public and industry consultation and negotiations with the DFT.
- 4.3 The national strategy also required local transport authorities to produce a Bus Service Improvement Plan (BSIP). These are intended to set out initiatives and measures which will improve public transport services and infrastructure in each area, with key stakeholders working together in partnership to create the BSIP, and for the EP to manage the delivery, and if necessary, vary the plan.
- 4.4 Derby's first BSIP was approved in draft by Cabinet in October 2021 and submitted to the Department for Transport (DfT). It was also published on the Council website in line with requirements in October 2021. The BSIP document must be reviewed annually with an updated version due in October this year. However, a delay has been agreed until the Enhanced Partnership has been established.
- 4.5 There was a long delay after the submission of the first BSIP document before decisions on funding allocations were announced in April 2022. There were over 70 BSIP submissions, which the DFT then prioritised for the national funding available.
- 4.6 Derby was one of 31 local authorities to be offered funding. Our 'indicative funding' is up to £7.025m. This funding is intended to commence the delivery of the BSIP and is for three years up to the end of 2025.
- 4.7 Current expectation is that Derby's funding allocation will be confirmed and released in late 2022 or early 2023. To release the funding the EP must be established and final approval of the BSIP, with minor changes is required. These changes can only be made by the EP, so the establishment of the EP is now a requirement to finalise the BSIP as the formal Scheme and access funding.

- 4.8 For an EP to be formally established, it must have passed all relevant DfT requirements, as outlined above, and have been notified to stakeholders. This can be achieved simply by means of a notice on the Council's website. It is proposed that, assuming the recommendations are accepted, notification will be made as soon as possible.
- 4.9 The 'indicative' funding (£7m) and any future allocation of funding is most likely to be made to the Council as the accountable organisation. It is anticipated that this and the majority of future funding will technically be made to the EP to determine spend in line with the National Bus Strategy objectives, as well as requiring joint agreement of both the Council and the bus operators, as equal partners, with equal voting rights.
- 4.10 The EP and the Scheme set out the legal obligations on the Council and local bus operators and it is the mechanism by which the commitments made in the BSIP and the EP Plan are delivered. Targets include, journey times, reliability improvements, passenger growth and customer satisfaction.
- 4.11 A full 12-week public & stakeholder consultation exercise (based on the EP as submitted to DfT in June 2022) took place between 24 June and 16 September 2022.
- 4.12 The use of Local Transport Fund to explore two trials of local connectivity, is at this stage separate from the EP and BSIP Scheme, however the funding criteria is a direction to support the National Bus Strategy, and any future funding of this type is likely to be made to the EP.
- 4.13 The two schemes currently being explored are specifically aimed at providing 'small bus', that is a small vehicle service, to connect parts of communities with no service to local amenities. They will not connect directly to the city centre. But they will provide a test of 'small bus', and 'big bus' integration, as one of the elements of the National Bus Strategy. The trials are proposed for
- Darley Abbey and Allestree, to provide links to Park Farm, partially replacing some of the service previously delivered by the 17a.
 - Spondon, to provide a link from the edge of the village to the village centre, partially replacing some of the service previously delivered by the Spondon Flyer.

Council Officers are trying to deliver these schemes as quickly as possible, with the intention that they will operate for at least 3 months. There are some technical and bus regulatory details still to be worked through.

- 4.14 The options are currently being explored with Derbyshire Community Transport, under its charitable operations, with financial support from the Local Transport Fund. The fund is not sufficient to provide meaningful support for existing service routes, so funding two trials is recommended as the best use of this funding. If successful and popular, then additional services could potentially be tested, and used to gather evidence for any potential future funding bids.

- 4.15 It is also important to recognise that the development of a Combined Authority is likely to have a significant impact on passenger transport. As part of the current proposals, the East Midlands Mayoral Combined County Authority will become the Local Transport Authority, which will consolidate some duties and powers, and is likely to change the structure of Enhanced Partnerships, and BSIP Schemes. At present the most significant developments are likely in a transition period, following the formation of the EMCCA.

Public/stakeholder engagement

- 5.1 Details of the stakeholder consultation exercise can be viewed at https://letstalk.derby.gov.uk/enhanced-partnership-survey/survey_tools/ep_plan_scheme
- 5.2 There were 108 responses to the survey; with no significant objections being received to the proposals. More than half of respondents agreed with all four main targets of the EP Plan (journey times; reliability/punctuality; passenger growth & customer satisfaction.)

Other options

- 6.1 The only other option is not to establish and participate in the Enhanced Partnership. The implications would be that future funding would be severely reduced and no funding under the National Bus Strategy would be available to the Council or the bus operators. Government has offered no interim or alternative option to establishing and effective Enhanced Partnership.

Financial and value for money issues

- 7.1 The Enhanced Partnership is, for the foreseeable future, the route through which any government funding for passenger transport, is going to be made. We have received capacity funding of £0.178m to develop the EP and BSIP Scheme. We anticipate that the DFT would seek to take this funding back in the event of the EP not being established.
- 7.2 The obligations on the Council as part of the operation of the EP are currently funded to 2025 by the £7m BSIP grant, to be released following the establishment of the EP. Any further obligations, in infrastructure development and information systems, are currently funded through existing programmes such as Transforming Cities Fund, and smaller schemes could be provided from the Highways & Transport Capital Programme.
- 7.3 There is no obligation for additional revenue support, other than the £2m provided as part of the £7m BSIP grant. The use of this, most likely for target fares support, will be specified in detail by the DFT on release on the grant, with full details of conditions.

- 7.4 The Local Transport Fund £0.025m is recommended to be used for the trial of two local connectivity schemes. This funding conditions allow this to be used to provide revenue support to introduce this type of scheme. The level of funding would have little value for money if used to support traditional service routes as the funding is too small to have any influence on routes with much higher operating costs.
- 7.5 Approval will be sought to add any capital funding to the capital programme, following confirmation from the DfT.

Legal implications

- 8.1 The establishment of the Enhanced Partnership means that the Council will have statutory obligations, primarily to work with the Bus Operators, and comply with the voting and decision-making criteria required for Enhanced Partnerships to obtain approval. Most of the powers and duties for the Local Transport Authority already exist, but the decision making currently sits entirely with the Council.

Climate implications

- 9.1 A good passenger transport network is essential to reducing Carbon Emissions. The Enhanced Partnership, the BSIP scheme, under the National Bus Strategy is aimed at improving bus travel and providing reliable journeys. The Enhanced Partnership and the funding route is may provide is the only current mechanism offered by government to Local transport Authorities.

Socio-Economic implications

- 10.1 The establishment of the Enhanced Partnership is promised to create the conditions for the release of £7m of passenger transport investment. Approximately £2m of this is revenue support, which we expect to be targeted at specific ticket categories. The EP will also be commissioning a comprehensive review of current and future transport provision, with a particular emphasis on under served and non-served communities, and seeking to identify where sustainable network growth could be delivered by the EP.
- 10.2 The trails schemes for 'small bus' links within communities to local amenities is important in terms of social value.

Other significant implications

- 11.1 It is important to note that all the four constituent authorities of the proposed MCCA have 'indicative' awards from the BSIP fund. All four are also proposing or have already established their Enhanced Partnerships. If the Council does not approve the establishment of the Enhanced Partnership, then will have a negative impact on our alignment with the MCCA development.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu	4/10/2022
Finance	Toni Nash	7/10/2022
Service Director(s)	Verna Bayliss	04/10/2022
Report sponsor	Rachel North	
Other(s)		

Background papers: List of appendices:
