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## **NATIONAL BUS STRATEGY (NBS)**

### **Purpose of Report**

1. To allow Wiltshire Council to notify its intent to the Department for Transport, to establish an Enhanced Partnership (EP) with bus operators operating in and around Wiltshire under the terms of the Bus Service Improvement Plan (BSIP).

### **Relevance to the Council's Business Plan**

2. Growing the Economy:

- Improving and enhancing the bus network will provide stable, long-term jobs for local people.
- Housing developments will be more sustainable as an improved bus network reduces reliance upon the private car.
- Improved bus services and additional journeys will allow people to get around and access good services more easily.
- They will also support new housing developments and employment growth and encourage regeneration of our town centres.

#### Strong Communities:

- Partnership working between Wiltshire Council and the bus operators will give local communities an opportunity to become involved in the decision-making process when changes to bus services are being planned.
- A "Passenger Charter" will provide good regulation and consumer protection.
- Walking to and from a bus stop can make a good contribution to daily exercise.
- An increase in bus ridership will result in a reduction in private car use, with a consequent reduction in congestion, carbon and pollution leading to a healthier population.
- Reduce the need for people without their own transport to move away from their community to find work.

- Enable people to get out into the countryside and explore walking opportunities between bus routes rather than always planning circular routes to return to their car.

#### Protecting the Vulnerable:

- An improved bus network has the potential to provide school journeys where there is no entitlement to free school transport, and could make a significant reduction to congestion and pollution around schools at peak times.
- Buses reduce social isolation, not only by linking people to services and facilities they wish to use but are often mobile community centres in their own right.
- The importance of bus travel to elderly and disabled people is recognised by the England National Concessionary Travel Scheme which allows them free travel after 09:30hrs on weekdays and all day at weekends.
- The bus network can enable young people to take the first steps towards independent travel to the services and businesses they wish to use without the limitation of how far they can walk or cycle and without reliance on parental transport to do so.

#### Background

3. The Government has committed £3 billion of new money during its Parliament to improve buses outside London. Its central aim is to get more people travelling by bus.
4. Wiltshire has already benefited from this, in a £671k grant to enhance and improve existing bus services, as well as successfully bidding to enhance the current demand responsive transport service in the Pewsey Vale with a £1.2 million grant.
5. Government finally released its NBS in April (**Appendix 1**) and on 13 May released the detail on what is expected of LTAs. (**Appendix 2**).
6. COVID-19 has caused a significant shift from public transport to the private car. To avoid the worst effects of a car-led recovery, cities and towns grinding to a halt; pollution, road injuries, respiratory illness and carbon emissions all rising, the government is committed to shift back quickly, by making radical improvements to local public transport as normal life returns. Buses are the quickest, easiest and cheapest way to do that.
7. Buses are at the centre of the public transport network, making 4.07 billion journeys in England in 2019/2020, more than twice that of rail. In Wiltshire alone 9.8 million journeys are made by bus each year.
8. They bring people to jobs, study and local services; they liberate people who are old, young, disabled and isolated; they save millions of tonnes of carbon and pollution, and thousands of miles of traffic jams.

9. For decades, buses have been largely ignored by government policymakers. Unlike rail, road, aviation, cycling or walking, there was not, until now, a national strategy for buses. And unlike rail or road, buses have never, until now, had long-term funding commitments.
10. A similar model and approach to improving bus usage has been achieved in London, where improvements dramatically increased passenger numbers, reduced congestion, carbon and pollution, helped the disadvantaged and got motorists out of their cars.
11. Buses must become both tools of inclusion and the transport of choice. The NBS wants to demystify buses for non-users, tackle misconceptions about bus travel and address the negative perceptions some still hold about it.
12. The Government makes it clear in the NBS that an LTA's plan must be ambitious, so only by working across services and other key stakeholders will Wiltshire be able to match the innovation and ambition required by government. The Government sees the process as the beginning of a "virtuous circle" where innovation and bus-centred thinking and policies will increase the numbers of people using the network and contributing to the operators' revenue. This in turn will enable investment in more and better services, to make more innovative improvements and further increase the number of people travelling.

### **Main Considerations for the Council**

13. The government's strategy to improve bus usage comes in the form of legally binding agreements which may be either an EP or franchising.
14. The NBS requires LTAs to follow one of three paths:
  - Enhanced Partnership
  - Franchising – but must establish an EP whilst progressing towards a franchise arrangement
  - Neither – but all Government support for buses in the LTA's area will be withdrawn from 1 July 2021 including Bus Services Operators Grant and the COVID-19 Bus Services Support Grant (CBSSG) received annually by the Council from government
15. By the end of October 2021, Government expects all LTAs to publish a local BSIP. These new plans must set out how Wiltshire will use its EP or franchising scheme to deliver an ambitious vision for travel by bus, meeting the goals and expectations in this strategy and driven by what passengers and would be passengers want in Wiltshire.

### **Enhanced Partnership**

16. The Government expects that most LTAs will opt for an EP, and this is the most appropriate route for Wiltshire.
17. Since 1986, the bus market in England outside London has been deregulated.

Prior to COVID-19, around 87% of local bus service mileage outside London was run on a commercial basis by hundreds of private sector bus operators. These operators decide where and when to run commercial services, invest in the buses and facilities and set their own fares, with only a very limited role for LTAs.

18. Before the pandemic, 3.8 million of the total 9.6 million bus journeys made in Wiltshire were done so using Wiltshire Council funded tendered services and are considered socially necessary. Prior to COVID-19, the sector received funding from central Government through concessionary fares funding, BSOG, community transport grants and support to subsidise socially necessary services.
19. This model does not always work for passengers. There is often no incentive for integrated ticketing, or for operators to run services that are not profitable outside of peak hours. LTAs may not have the budget to provide additional or replacement services, or the skills and resources to understand where they are needed. And there is little or no visibility for the public of the role that LTAs play in supporting buses.
20. LTAs can do something about this. Over the past 20 years they have been given increasing powers to work with bus operators to improve services and ensure that they work for passengers and local communities. Most recently, the Bus Services Act 2017 gave LTAs the potential for much greater influence over bus services in their area –underpinned by new types of statutory partnerships with operators and the ability to franchise services.
21. With an EP bus operators will gain things they have long sought: first, the certainty of continued support through what are likely to be several years of recovery; and second a commitment by councils and Government to tackle some of the biggest threats to the future of their operations, above all traffic congestion. LTAs will have access to significant new Government funding streams and powers to make a difference in their areas, and significant assistance to build up their capabilities to exercise those powers.
22. LTAs' performance in exercising these new responsibilities will be taken into account when allocating this and other DfT funding. The Government intends to bring forward the English Devolution and Local Recovery White Paper in due course, detailing how the Government will partner with places across the UK to build a sustainable economic recovery.
23. Government is clear that successful partnerships should work for both parties, with incentives and benefits for both.

### **Franchising**

24. Bus Franchising has only previously been available to LTAs with an elected mayor and for Cornwall. Whilst franchising does not become an automatic option under the Strategy it does become easier for a non-mayoral LTA to apply to the Secretary of State for an exemption and to start the franchising process. The Secretary of State will reserve the right to refuse an application for franchising if he believes an LTA does not, or will not, have the capability and

resources to deliver the franchised model chosen; or that an Enhanced Partnership would deliver the improvements proposed more quickly and cost-effectively.

25. Franchising can be an effective way of correcting a market failure. Used well, franchising can harness the knowledge and expertise of the private sector and improve service levels, customer satisfaction and overall patronage. The bus market is working well in Wiltshire, and a voluntary partnership approach has worked well in the past.
26. The Strategy recognises that franchising is a long-term project, and so an LTA following this route is required to form an EP on the same timescales, which will be implemented while the franchising process is underway.
27. So far, franchising has met with a very negative response from the bus operators. Nexus (Tyne & Wear) withdrew from the franchising process in the early stages, while Manchester has remained committed to its franchise proposal it now faces legal action from its bus operators. Whilst Cornwall has franchising powers it has chosen not to use them as its previously dominant bus operator now has significant competition from a rival, changing the local bus market considerably as a consequence.
28. If experience elsewhere shows that franchising works, or if we suffer a market failure in Wiltshire, the possibility to begin the franchise process at any point remains.

### **Do Neither**

29. The Government has provided an unprecedented amount of support for the bus sector during the pandemic. Through the COVID-19 Bus Services Support Grant (CBSSG) and the Bus Service Operators Grant (BSOG), the Government had announced over £1 billion of support by the end of 2020. CBSSG will remain in place as long as it is needed. They are clear that they will continue to support the sector to run the services needed to get our economy back on track.
30. From 1 July 2021, CBSSG and any successor funding to it; funding to transform services as outlined in this Strategy; and potentially, subject to consultation on wider reform, the reformed Bus Service Operators Grant, will only be available to LTAs, outside of London, who have committed to entering into EPs or started the statutory process of franchising services, and to operators who co-operate with the process. This action would completely decimate the bus market in Wiltshire, seeing large swathes of our community effectively cut off and the likelihood of our small to medium sized operators ceasing to trade.

### **Resourcing and Timeline**

31. In order to deliver improvements on the scale required government has recognised that there are capacity and skills gaps within LTAs in order to deliver. Therefore, a pot of £25 million has been made available to bridge this gap. Wiltshire has secured £100k as part of an initial offering from government to assist. This money, will in part, be spent on securing term consultants Atkins to

develop the BSIP and EP, as well as provide funding for a longer term, permanent member of staff to manage and oversee this area.

### **Timeline**

- **By the end of June 2021**; All LTAs must commit their intent to establishing EP's across their entire areas under the Bus Services Act, and all bus operators must co-operate with the LTA throughout the process.
- **From 1 July 2021**; only LTAs and operators that are part of an EP agreement will continue to receive the COVID-19 Bus Services Support Grant (CBSSG) or any new sources of bus funding from the Government's £3 billion budget.
- **By the end of October 2021**; all LTAs must have published a local BSIP detailing how they propose to use their powers to improve bus services and deliver an "ambitious vision" for travel by bus in their area.
- **By April 2022**; Actual delivery of the EP must have started.

Cabinet will be updated accordingly throughout this process at the appropriate time.

### **Overview and Scrutiny Engagement**

32. No engagement has taken place with Council's Overview and Scrutiny function due to the very short timescales laid out by Government and the local elections.

### **Safeguarding Implications**

33. In not agreeing to an EP, future government funding would not be forthcoming and existing funding would be reduced, forcing Wiltshire Council to significantly reduce its support to public transport. This would adversely affect the most disadvantaged members of our community making them more isolated and unable to access essential services.

### **Public Health Implications**

34. The bus is a great enabler. It takes people to work, to school and college, to the shops and for days out. It is a vital link for many, and many rural routes have a "social club" feel onboard with the same people travelling at the same times each week reducing social isolation.
35. A bus service to the shops and local amenities can enable the elderly to remain independent longer and keep them out of the social care system, with the consequent benefit to their wellbeing and the social care budget.
36. The Strategy also requires LTAs to consider buses, cycling and walking as part of its overall active travel offer. Providing cycle parking at key bus stops can extend the range of journey possible by cycling, while the bus can penetrate wider areas when cycling is considered as an integral part of the journey.

Likewise, walking to and from bus stops has a similar health benefit, especially with promotion of the possibilities and benefits.

37. A double decker bus can carry as many people as 50 averagely loaded cars, using much less road space, easing congestion, improving journey times, using less fuel and producing fewer emissions. Electric cars are seen as the solution but, compared to what a bus can achieve an electric car can only reduce emissions. They need the same road space, they create the same congestion, and they increase journey times. And while a car sits in a car park all day taking up valuable urban space, which could be much better used, the bus goes off to transport another group of passengers and continues to do so all day long.
38. The EP will consider where Wiltshire's Air Quality Management areas are and contribute to the reduction of nitrogen dioxide

### **Procurement Implications**

39. At this stage of the process there will be no procurement by the Authority other than by calling off from the current contract with Atkins. As the EP progresses, expenditure will be required and subject to usual procurement procedures for each element of expenditure.

### **Equalities Impact of the Proposal**

40. Currently, LTAs can step in to ensure that 'socially necessary' services are provided where there are gaps in the commercial network. But outside specific categories, there is no obligation on LTAs to fund these crucial services. Across England, there are significant differences in provision, from reasonably generous to almost nothing, but the trend is sharply downward. Many communities have lost their daily bus services altogether. Others have services for only a few hours a day, suitable perhaps for a short shopping trip but not for work or longer distance journeys. Others might have relatively good services in the daytime but no service at all in the evenings. This has a serious impact on people's ability to find and travel for work.
41. Partnership arrangements must deliver more comprehensive services, including those which are socially or economically necessary. This includes services to smaller and more isolated places and more services in the evenings and at weekends. Without services at the times people want, people will not use the bus. Lack of a whole-day service reduces the number of passengers in the daytime too, preventing people from using the bus if they are unable to get back in the evening.
42. Government will issue new guidance on the meaning and role of 'socially necessary' services, expanding the category to include 'economically necessary' services for the first time. This recognises the vital role that buses have in getting people to work at all times of the day and night and will include provision for economically disadvantaged areas. Making sure that people are connected to centres of employment, broadening their choice of work and education, is both socially and economically important.

## **Environmental and Climate Change Considerations**

43. The UK has one of the most ambitious approaches in the world to achieving net zero by 2050. The Government's Transport Decarbonisation Plan (to be published shortly) will set out measures to help achieve this, with significant local air quality improvements preventing thousands of early deaths each year and will work hand-in-hand with the NBS for England.
44. Zero emission bus services that meet the needs of passengers and communities, and attract passengers from other forms of transport, are at the heart of the plans.
45. New vehicles offer more than environmental benefits – with more comfortable journeys and a reduction in vehicle noise and vibration they provide an opportunity to attract new users. The added incentive is that zero emission buses are expected to achieve operating cost savings in the longer term, which can be reinvested in more frequent services, lower fares and other improvements for passengers.
45. The strategy sets out five principles underpinning the roadmap to a zero emission fleet. They are:
  - consider all technologies fairly, assessing their cost, contribution to decarbonisation and utility.
  - provide the financial support and incentives needed for the market to scale up quickly.
  - take a place-based approach to investment wherever appropriate.
  - both operators and LTAs must play their part.
  - will ensure our plans for buses lead to overall carbon reductions.

### **Question 1**

**Will the proposal result in energy consumption associated with the service area increasing, decreasing or remaining roughly at current levels? Please consider emissions from both static<sup>1</sup> and transport<sup>2</sup> sources. For the purposes of this question contractor emissions are to be included as part of the energy consumption of the service area that manages the contract.**

Wiltshire Council does not directly operate any of the buses covered by the proposed EP and as such they are Scope 3 Emissions.

The aim of the EP is to increase the number of people travelling by bus and that will mean that there will be more buses operating in Wiltshire and that the existing fleet will run more miles. There will be an increase in emissions from buses. However, additional bus passengers will, in the main, be transferring from other modes, especially the private car, which will lead to a reduction of emissions from these vehicles, and a reduction in overall transport emissions.



With fewer cars on the road congestion will be reduced, meaning that those cars which remain on the road will produce lower emissions as they will not be sitting in slow moving traffic with their engines running.

At this stage it is impossible to quantify what effect the EPs will have on emissions as full details of how partnerships will work, and how they will be funded have yet to be made available by Government.

## **Question 2**

**What measures have been introduced, or are planned to be introduced, to reduce the carbon emissions associated with the proposal.**

Most of the bus shelters in the county are owned by Wiltshire Council, and form part of the overall package of bus service provision. Whilst electricity consumption by these shelters is low, we will seek to fund a refurbishment programme which will not only improve the passenger waiting environment but will include the fitting of LED lighting and motion sensors so that lighting is only used when people are waiting.

When procuring future bus services, consideration will need to be given to the overall health and carbon footprint of the services being contracted. This will likely be achieved through a % weighting when evaluating bids.

By virtue of there being less cars on the road and more trips made by bus, or alternate means, there will be less carbon omitted overall.

## **Question 3**

**From the perspective of day to day environmental management, what risks associated with the proposal have been identified and how are they going to be mitigated?**

Our local bus services are operated by a mix of national groups and smaller independent companies. The big group subsidiaries have the corporate strength and ability to instigate comprehensive environmental policies. We will seek, through the EP, to extend their best practises to the smaller, locally owned, companies.

Where we have direct control over processes, such as the cleaning of bus shelters we will ensure the best environmental practises are followed in terms of water usage, and the chemicals used.

## **Question 4**

**If the service or contract is planned to last longer than 20 years, how have issues related to the unavoidable consequences of climate change been integrated and mitigated? For example, increases in the mean summer temperature and increased vulnerability to adverse weather events like heavy snow or rain leading to flooding.**

At the present moment the NBS for England has a life of five years. However, it is envisaged that the changes brought about by the strategy will last beyond the initial five years.

Current legislation does not allow Public Transport contracts to be let for 20 years or more, so even if the Strategy is extended the contracts let on the basis of it would need to be re-tendered and would take account of known climatic conditions/mitigations at that time.

### **Risks that may arise if the proposed decision and related work is not taken**

46. Government wants to see the commitment to these partnerships realised, so from April 2022 only LTAs with an EP or who have begun following the statutory process to decide whether to implement franchising, will be able to access the new discretionary streams of Government bus funding. In addition, where LTAs have not agreed their intent to prepare an EP, the relief CBSSG monies currently being paid to bus operators will cease as early as 1 July 2021 and only services operated under these statutory agreements will be eligible for the reformed Bus Service Operators Grant, subject to consultation.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

47. There is a potential risk that the EP may not receive funding from Government to achieve what it sets out. However, at this stage we are making no commitments to what the Partnership and its associated BSIP will do, beyond the overall aim of increasing bus patronage in Wiltshire, with all its attendant benefits.
48. We are currently waiting for detailed guidance on what an EP will look like from the Department for Transport. We do not anticipate that this detail will add additional risks and will most likely reduce that risk to make it easier to introduce, which is one of the criticisms of the current EP guidance.

### **Financial Implications**

49. It is unfortunate that there is no current guidance available on how the financing will work. Government has pledged that this will be made available during July / August.
50. For the purposes of this stage of the process there is no financial risk or commitment as Wiltshire Council is only pledging its intent to enter into an EP.
51. If, however, that intent is not expressed then the government has said it will withdraw the current financial support the bus sector receives in the form of CBSSG payments, to support bus companies at a time of reduced usage, as well as the revocation of the £974k BSOG grant received annually.

### **Legal Implications**

52. At this stage of the process there are no legal commitments being made, as Wiltshire Council, if the decision is made, would only be stating its intention to enter into an EP.
53. It is likely that if an EP is entered into then that will be done by way of a contract. The Council's procedures on procurement and contracting may have to be

observed at that point, but that depends on the nature and form of the EP that is proposed.

### **Workforce Implications**

54. The Government has already provided Wiltshire Council with £100,000 to assist in growing our staff resources and knowledge base. This is part of a £25 million pot set aside to increase capacity within LTAs in order to deliver the strategy aims. It is important to retain this knowledge within Wiltshire Council, so whilst some of the £100,000 will be spent with consultants to get the project started the remainder will be used to fund a new permanent employee to manage and oversee this new area of work.
55. The Government intends to also use this £25 million pot to support LTAs to establish England's first Bus Centre of Excellence (BCoE), enabling the delivery of a long-term programme of activities and support. The centre will be co-sponsored by the Department for Transport and training will be managed and delivered by experts from across the bus sector. This will focus on public transport service planning and network design, performance oversight, contract procurement and competitive tendering, design and development of bus priority measures, and wider traffic management measures to improve local bus performance.
56. Government will also support a peer network of senior leaders working to deliver bus transformation, to support the sharing of experience and solutions across the private and public sector.

### **Options Considered**

57. The NBS requires LTA's to follow one of three paths:
  - Enhanced Partnership
  - Franchising – but an LTA following this path must establish an EP while progressing towards a Franchise arrangement
  - Neither – but all financial government support for buses in the LTA's area will be withdrawn from 1 July 2021, which includes Bus Services Operators Grant (£974k pa) and the COVID-19 Bus Services Support Grant received annually by the council from government

### **Reason for Proposal**

58. As Wiltshire wishes to preserve and enhance its local bus network it is necessary to opt for either an EP or a franchise model. The EP route was chosen as Wiltshire has positive relations with its local bus operators, and together can achieve the most for Wiltshire's residents and visitors with the greater flexibility that an EP provides.
59. A franchise would take a considerable amount of time and money to set up, and therefore an EP would need to be established for the interim period. We do not

believe that a franchise offers the best option for Wiltshire at this moment in time, but any decision at this stage does not exclude this option to franchise at a later date if circumstances should change

### **Proposal**

60. That Wiltshire Council gives approval to submit its intent to prepare an Enhanced Partnership to the Department for Transport and submits no later than 30 June 2021.

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**The following unpublished documents have been relied on in the preparation of this Report:**

None

### **Appendices**

- Appendix 1 - [Bus Back Better](#) – NBS for England (Department for Transport)**  
**Appendix 2 - [Bus Service Improvement Plans \(BSIP\)](#)**