

REPORT TITLE: Cambridge City Council response to Cambridgeshire & Peterborough Combined Authority Bus franchising consultation

To:

Executive Councillor for Planning, Building Control and Infrastructure

Planning & Transport Scrutiny Committee 4th November 2024

Report by:

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Wards affected:

(All)

Director Approval: The Assistant Chief Executive confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Executive Councillor for decision.

1.	Recommendations
1.1	It is recommended that the Executive Councillor for Planning, Building Control and Infrastructure: 1. Agree Cambridge City Council's response to the Cambridgeshire & Peterborough Combined Authority consultation on bus franchising.
2.	Purpose and reason for the report
2.1	The Combined Authority (CPCA) believes that the way local buses are run needs to change to improve the local bus system for communities that rely on it. The CPCA consultation document explains why the Combined Authority recommends bus franchising as the way to do this, based on its assessment of the Proposed Franchising Scheme.
2.2	The CPCA consultation is a formal consultation as required by the Transport Act 2000 as amended by the Bus Services Act 2017 ('the Act') and has been prepared in accordance with the Act and the supporting Bus Services Act 2017: Franchising Scheme Guidance ('the Guidance').

	<p>It will inform a decision by the Mayor of Cambridgeshire and Peterborough on whether or not to introduce the Proposed Franchising Scheme or an Enhanced Partnership. The Consultation Document summarises (in both a short and long summary) the Bus Reform Assessment (the Assessment) prepared by the Combined Authority in accordance with section 123B of the Act (see section 4.8 and 7 of the Act) and includes the Combined Authority's Proposed Franchising Scheme which is compared against how buses would otherwise operate under an Enhanced Partnership in current conditions.</p> <p>The Consultation Document includes questions about the Assessment and the contents of the Proposed Franchising Scheme itself. This consultation is not intended to capture views about specific operational bus issues such as reliability, frequency or requests for new routes.</p>
3.	Alternative options considered
3.1	The City Council could decide not to respond to the consultation.
4.	Background and key issues
4.1	<p>Cambridgeshire and Peterborough Combined Authority believes it needs to change the way local buses are run to achieve its ambitions for better buses across the area. Buses play a vital role in Cambridgeshire and Peterborough, getting people to places, connecting communities, and supporting the economy. But evidence suggests that passengers face many challenges, resulting in fewer people choosing to travel by bus and a desire for improvements. The way that buses run now, where private companies decide where and how often to run buses, gives the Combined Authority limited ability to change things.</p>
4.2	<p>The Combined Authority believes that franchising is the best way to achieve the change needed and is inviting views on what they are proposing. Franchising is a legal model where buses are under the control of a local authority, such as Cambridgeshire and Peterborough Combined Authority. The franchising model has been in operation in London since 1984 with Transport for London and was introduced in Greater Manchester in September 2023.</p>
4.3	<p>Under franchising, the Combined Authority would set the routes, frequency, fares and overall standards of buses across Cambridgeshire and Peterborough.</p>

	<p>The existing bus operator-led market would be replaced, with private bus operators no longer able to independently decide which services to run or to cancel. Instead, bus services would be planned by the Combined Authority and operated under franchise contracts, where bus operators would bid to run the services through a competitive procurement process managed by the Combined Authority. The operation of franchised services would also be closely monitored by the Combined Authority.</p>
4.4	<p>An alternative model of bus reform is an Enhanced Partnership (EP), a legal model under which private bus operators and local authorities make a legally binding (statutory) plan and schemes which set out a shared vision and targets. They make specific commitments about how they will jointly improve local buses to achieve these. Under an Enhanced Partnership, local bus services remain privately owned and operated ('deregulated') and bus operators continue to take revenue from fares and make independent decisions about how bus services are run.</p>
4.5	<p>The Combined Authority has prepared an assessment of two options, its proposed franchising scheme and an enhanced partnership scheme, in accordance with section 132B of the Transport Act 2000, as amended by the Bus Services Act 2017. The assessment includes information on the strategic, economic, commercial, financial and management case. Each of the cases considers the implications of operating the bus network either under an enhanced partnership or franchising.</p>
4.6	<p>The conclusion of the assessment (set out on page 29 of the consultation document) is that:</p> <p>“Franchising offers clear advantages for the Combined Authority in achieving its strategic objectives. It would have full influence over outcomes and the efficient delivery of bus service improvements to passengers, and bus network changes which support the delivery of wider policy ambitions. Whilst an Enhanced Partnership is less risky for the Combined Authority, Franchising has clear advantages over an Enhanced Partnership in terms of the Commercial Case. It offers more certain delivery, with greater confidence in achieving desired outputs and outcomes.</p> <p>With respect to the Financial Case, both options require substantial financial support in the long term to realise the Combined Authority’s Bus Strategy ambitions and objectives. The case for franchising has been demonstrated to be affordable and sustainable in the long term. For an Enhanced Partnership the Combined Authority would need to raise further funding to manage the decline of the bus network in the long term.</p>

	<p>The Management Case demonstrates that either option is deliverable, and that both would require an expansion of the Combined Authority's resources and capabilities.</p> <p>6.56 Having undertaken this Assessment in accordance with the relevant requirements of the Transport Act and the Franchising Guidance, the Combined Authority considers that, on balance, the strategic advantages of Franchising and the increased certainty which it brings in terms of outcomes, outweigh the disadvantage of taking on significant financial risk. On the basis of this Assessment, it is recommended that the Franchising Scheme is the Combined Authority's preferred option for bus reform."</p>
4.7	In the context of this assessment, the recommendation is that the City Council's response indicates broad support for the proposals.
5.	Corporate plan
5.1	<p><i>Explain how the decision links to the Councils Corporate Plan</i></p> <p>Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council</p> <p>The proposals are supportive of a number of objectives in the City Council's corporate plan, including tackling inequality by providing better and more affordable bus services for those reliant on public transport and transitioning to a zero carbon fleet of buses more rapidly.</p>
6.	Consultation, engagement and communication
6.1	In addition to the CPCA's online consultation, public events have been held in Cambridge on 8 th , 12 th October and 18 th October.
7.	Anticipated outcomes, benefits or impact
7.1	The anticipated outcomes of the proposals are the efficient delivery of bus service improvements to passengers and bus network changes which support the delivery of wider policy ambitions.
8.	Implications
8.1	Relevant risks
	There are no obvious risks to the council of making the decision to agree the consultation response.
	Financial Implications
8.2	There are no financial implications for the City Council of the decision to agree the council's response to the consultation.

	<p>There would be financial implications for the Combined Authority should the proposals be implemented. The consultation document states, under the Financial Case, that: “Both options will require the Combined Authority to increase its capacity and capability in respect of staffing and systems in order to take on greater roles and responsibilities. This will incur additional costs, which will be greater for Franchising, because of the greater control and management responsibilities taken by the Combined Authority.”</p>
	Legal Implications
8.3	Not applicable
	Equalities and socio-economic Implications
8.4	<p>There are no immediate implications of the Council agreeing its consultation response. The Combined Authority has carried out an equalities impact assessment which is set out on page 30 of the consultation document. This notes positive impacts for people with the following protected characteristics:</p> <ul style="list-style-type: none"> • Age (especially younger and older people) • Disability (people with physical and sensory impairments) • Gender reassignment • Sex (particularly women) • Pregnancy and maternity • Race (ethnicity) • Religion and belief • Sexual orientation <p>No impact, or neutral impact was seen across the protected characteristics of marriage and civil partnership.</p>
	Net Zero Carbon, Climate Change and Environmental implications
8.5	<p>There are no direct implications for the city council’s direct emissions, but there are positive impacts from the proposals allowing a more rapid and certain transition to a net zero bus fleet.</p>
	Procurement Implications
8.6	Not applicable

	Community Safety Implications
8.7	Not applicable
	Other Relevant Implications
8.8	The consultation document sets out a range of potential benefits and implications.
9.	Background documents Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985
9.1	Combined Authority Bus Franchising Consultation Document
10.	Appendices
10.1	Appendix A – Draft Cambridge City Council Response to the CPCA Bus Franchising Consultation
	To inspect the background papers or if you have a query on the report please contact Andrew Limb, Assistant Chief Executive, Tel: 01223 457004, e-mail: Andrew.Limb@cambridge.gov.uk

