

## **Communities, Transport & Environment PDS Panel**

### **13 July 2015**

#### **Item 3 - Quality Contract Scheme for Buses – short update on current situation**

1. Council decided on 15 January 2015 to ask the Planning, Transport and Environment Policy Development and Scrutiny Panel to undertake further work into the potential, including advantages and disadvantages, for a quality contract scheme (QCS) in B&NES with a report back to the new Council at the meeting immediately following the Annual meeting in 2015.
2. A QCS is an intervention in the commercial market for under which a local transport authority (LTA) assumes responsibility for planning and specifying bus routes, timetables, fares and vehicle quality within its area.
3. Although powers to make QCSs were established in the Transport Act 2000, only one LTA has embarked on the lengthy process of setting one up – the North East Combined Authority, which covers the urban area around Newcastle-upon-Tyne and Sunderland. NECA's proposals are being considered by a statutory board set up for that purpose.
4. In the Queen's Speech on 27 May 2015, the Government announced that new legislation in the current session of Parliament would include a Buses Bill to "provide the option for combined authority areas with directly-elected Mayors to be responsible for the running of their local bus services."
5. In the Government's view, the main benefits of the Bill would be:
  - (i) Providing the option to franchise bus services to areas willing to strengthen their governance with a directly-elected Mayor;
  - (ii) Supporting a thriving local bus market with the passenger at its centre;
  - (iii) Allowing cities to promote an integrated transport system, supporting the growth and development of their areas.
6. The previous Government had already indicated that it would give bus franchising powers to the Greater Manchester Combined Authority as part of the devolution deal announced in late 2014.
7. Although the Buses Bill has not yet been drafted, it is anticipated that it will enable LTAs that have the required governance to franchise the bus network along similar lines to Transport for London (TfL). It is not known whether or not the existing powers to make QCSs will remain alongside the new powers.

8. In London, the Mayor publishes a Transport Strategy and determines the level of fares. TfL is responsible for implementing that strategy and is funded appropriately.
9. It is anticipated that franchising will offer a more permanent arrangement than a QCS and that the set-up process will be quicker and less bureaucratic. For these reasons, other Combined Authorities have expressed interest in taking on bus franchising powers as part of devolution settlements.
10. Cornwall Council has asked for bus franchising powers as part of a devolution package.
11. In the light of the developments and the emerging legislation, I recommend that the Panel defer consideration of a quality contract scheme for the time being.

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Bath & North East Somerset Council  
13 July 2015