

BUS SERVICES BILL

DRAFT GUIDANCE AND POLICY STATEMENT ON KEY ISSUES RAISED DURING LORDS COMMITTEE DEBATES

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INTRODUCTION AND PURPOSE OF DOCUMENT

1. During discussion of the Bus Services Bill in House of Lords Committee, Peers raised a number of issues which they proposed should be incorporated in the Bill or addressed in the guidance that will be produced to accompany the Bill. Part 1 of this document sets out some initial draft guidance covering the areas which were felt to be of most concern to Peers during Committee, and should help inform discussion during the passage of the Bill. It is intended to outline some of the potential content of such guidance and to give an indication of the general approach to policy issues. However, at this stage this should be regarded as draft guidance only.
2. More widely, the Department intends to issue comprehensive guidance to help local authorities and bus operators to use the tools set out in the Bill most effectively. We are in the process of discussing key aspects of the guidance with stakeholders to ensure any issues or concerns are considered fully as the Bill progresses, and intend to consult formally towards the end of the year or early in the New Year. The intention is then to finalise and publish the guidance shortly after the Bill receives Royal Assent. This will help ensure that authorities and bus operators are well-placed to make the best use of the tools in the Bill.
3. Part 2 of this document sets out a policy statement explaining Government's rationale for providing mayoral combined authorities with automatic access to franchising powers whilst other authorities are required to receive the consent of the Secretary of State, together with a draft of the factors that the Secretary of State will take into account when determining whether or not to grant that consent. It is intended to help inform future debates on these issues and give an indication of the sorts of factors that will be taken into account. The intention is to finalise and publish the policy statement shortly after the Bill achieves Royal Assent.

Department for Transport
October 2016

PART 1. GENERAL GUIDANCE FOR AUTHORITIES CONSIDERING HOW BEST TO IMPROVE THEIR LOCAL BUS SERVICES

4. The guidance set out below should be considered by any local authority that is considering ways to improve its local bus services, is looking to improve local air quality, or is considering how to better integrate or co-ordinate local bus services with other public transport.

IMPROVING RURAL BUS SERVICES

Rural Bus Services – the challenges

5. Local buses help people get to work, school and ensure they can access a wide range of services and leisure opportunities. The loss of a local bus service, particularly in rural areas, can leave people isolated or dependent on friends and family to help them travel. But it can also be in rural areas that commercial services are most difficult to provide, because the critical mass of passengers required for a regular service can be difficult to achieve.
6. Where bus services are not provided commercially by bus operators, local authorities are able to step in and subsidise additional services. Local authorities are best placed to decide which services are needed in their local areas, reflecting local needs and the available budget. In England, local authorities have spent an average of £330 million a year over the past three years supporting bus services.
7. The Department is aware of the many challenges facing local authorities in ensuring rural communities have access to regular bus services - including the concentration of amenities in town and cities and ongoing financial pressures – and it is important that authorities are able to get the most out of the funding that is available to ensure the needs of local communities can be met.
8. Through the provisions in the Bus Services Bill, the Total Transport initiative and its support for community transport, the Department provides a range of tools and options to help local authorities deliver better local bus services, particularly in rural areas, and more detail on these tools is set out below. In addition, the sections below highlight the methods that local authorities can use to consider and take account of the impacts of their policy choices on rural areas.

Rural proofing

9. In deciding how to support rural bus services, or when considering the impact of potential policy choices on rural areas, local authorities should undertake a rural proofing exercise. The Department recommends this is done not only when areas are considering implementing franchising or the partnership provisions in the Bill, but for any area reviewing its transport provisions. Where franchising or partnership approaches are considered rural proofing should be undertaken both at an early stage, to shape the proposals, and before the final arrangements are

implemented.

10. Rural proofing of new policies has been applied across central government for over a decade. It requires policy-makers to consider the rural impacts of their policies and programmes and, where necessary, to make adjustments to achieve equally effective and successful outcomes for individuals, communities and businesses in rural areas. Consideration was given to the rural impact when developing the provisions of the Bus Services Bill.
11. Rural proofing does not require exactly the same outcome, or the provision of exactly the same level of service, in rural as in urban locations. This would not be practical in many cases, as the costs would be prohibitive. Rural communities should, however expect government policies and programmes to be sufficiently flexible to apply fairly in their areas and to deliver quality services that meet their everyday needs.
12. We therefore strongly recommend that local authorities undertake a rural proofing exercise when they are reviewing their transport provisions or considering using the new powers available to them under the provisions of the Bus Services Bill, and adapt their policies as necessary following the exercise to ensure their approach achieves equally effective and successful outcomes for individuals, communities and businesses in rural areas. Further information on rural proofing can be found at: <https://www.gov.uk/guidance/rural-proofing-guidance>.

How the Bus Services Bill can be used to improve rural bus services

13. The Bus Services Bill provides a wide range of tools for local authorities to use to help improve bus journeys for local passengers in a way that meets the needs of their local communities. These powers include the ability to work more effectively with bus operators through advanced quality partnerships or enhanced partnership schemes, and the potential to establish a system of franchising.
14. The powers contained in the Bill have been designed for use across England – in both rural and urban areas. Partnership arrangements are available for any area to take up, and a number of predominantly rural areas, including Cornwall and Greater Lincolnshire, have agreed bus franchising as an element of their devolution deals.
15. It will be up to local areas to decide whether and how to use the powers in the Bill. No area will be forced to pursue a particular approach. However, when considering the most appropriate approach, we recommend that local authorities give full consideration to the needs of rural areas.

Franchising

16. Franchising powers allow local authorities to determine and specify the local bus services that should be provided in their area. Through the implementation of bus franchising, authorities will be able to determine:

- which buses services run and when;
 - the types of ticket available;
 - the fares that should be charged;
 - the types of payment that must be accepted;
 - the information that is available to passengers; and
 - the standard of bus that must be used – including their emissions standards or fuel technologies.
17. Under a franchising scheme local authorities can design the procurement process in a way that makes the most out of the existing resources. This could, for example, involve packaging some less profitable routes in rural areas together with those which are likely to be more commercially viable, but it will be down to each authority to determine the most effective way of delivering the local services.
18. Franchising could be used by an authority to help balance-out the provision of services across the area, potentially diverting some services from more urban areas, where the authority may consider that there is over-provision of services, to rural areas.

Partnerships

19. The advanced quality partnership and enhanced partnership provisions in the Bill enable local authorities and bus operators to work together to set out and deliver improvements to local bus services in the area. Through partnership working, authorities and operators can agree standards for local bus services – including vehicle specifications, branding, ticketing and service frequencies.
20. Partnership working provides the opportunity for authorities and bus operators to work together to identify the bus services needed in an area, including thinking about the best mix of services to meet the needs of passengers throughout the area, including in rural communities.
21. Again, partnerships provide a useful mechanism through which to discuss and determine the optimum network of services for the area, and it may be that there are efficiency savings that could be made, or a re-deployment of existing resources.
22. The Department would encourage any authority considering how best to target support for local bus services in their area, particularly in rural areas, to engage with local bus operators to discuss what might be possible, either through a statutory partnership, or a voluntary approach.

Other options that can be used to improve rural bus services

23. Whilst the Bill provides some useful tools, there are other ways that local authorities can look to make the most out of their resources and deliver more efficient bus services in rural areas. Alongside, or together with, the tools

available in the Bill, the Department strongly recommends that local authorities consider the opportunities offered by encouraging the local community transport sector and through the application of Total Transport principles.

Community transport

24. Community transport operators can play a major role in the solution to transport issues in rural areas. Community transport operators run Demand Responsive Services and also operate scheduled services on fixed routes. They provide crucial services that both encourage growth and reduce isolation by linking individuals and communities to existing transport networks, work, education, shops and services. Where commercial bus services are not viable, the community transport sector can offer bespoke services that address local needs, and the sector is well placed to serve more isolated communities, with approximately 8 million passenger trips taking place in rural areas¹.
25. The Department is helping more than 300 local groups across England to offer vital services to their local communities by providing them with new minibuses through the £25 million Community Minibus Fund. There are also many good examples of community transport organisations working with local authorities and commercial bus operators to deliver new or additional services, supporting local groups and organisations, and those who have difficulty using other forms of transport.

Community transport: Case studies

South Somerset Community Accessible Transport

South Somerset Community Accessible Transport provides a demand-response ‘Ring & Ride’ service as well as a social car scheme using volunteer drivers in their own cars. The service received a new minibus through the Department for Transport Community Minibus Fund in November 2015. The new minibus will be used to provide transport for people without access to health care, day care, shopping or leisure activities.

Wyre Forest Dial-a-Ride

Wyre Forest Dial-a-Ride provides door to door transport services in the Worcestershire area. It uses accessible minibuses for those who are unable to use public transport due to disability and where there is no public transport available. Worcestershire County Council has been instrumental in supporting their operation for a number of years and is valued both by Wyre Forest Dial-a-Ride and other community transport operators in the county.

Cuckmere Buses

Cuckmere Buses has been operating in East Sussex since 1976, providing transport links to many villages and taking people to their nearest towns for shopping, medical

¹ <http://tinyurl.com/ojppgym>

appointments and recreation. They work closely with the commercial operators in their area: Brighton & Hove, Compass and Stagecoach.

26. When reviewing the provision of local bus services in rural areas, the Department recommends that authorities consider how best to encourage and integrate community transport services into the wider network of commercial and supported services. The Community Transport Association is a good source of practical advice and help on how to achieve this.
27. This applies equally when authorities are considering introducing a franchising scheme or a partnership approach, as community transport can be used effectively to complement the wider network under any of the models available through the Bill.

Total Transport

28. In most areas, particularly rural ones, the transport mix includes a variety of public sector funded transport services that cater for a range of transport needs. These can include:
 - non-emergency patient transport;
 - adult social care transport;
 - school bus services;
 - community transport services, such as dial-a-ride; and
 - subsidised local bus services.
29. All of these services can overlap and it is important that they are provided in a joined-up way, especially in rural areas where they often provide a vital link to those who would otherwise have little or no access to transport.
30. The Total Transport concept seeks to achieve this by developing more effective joint-commissioning of public-sector funded transport, avoiding unnecessary duplication and providing a better overall services to passengers.
31. In April 2015, DfT allocated £8m to 37 English rural local authorities for a 2-year trial of Total Transport in their areas. The pilots have shown that integration is possible and has the potential to result in the following benefits to passengers:
 - The creation of a ‘one-stop shop’ – avoiding the need for passengers to deal separately with different service providers that have inconsistent and confusing processes and restrictions.
 - Better management of transport availability so that passengers receive a more responsive service that is better suited to their needs – for example, some areas are considering integrated IT for journey booking. This has the potential to open up the transport options for individual passengers due to a wider fleet of vehicles being available.

- A single and consistent standard of service – for example, eligibility for dial-a-ride, adult social care transport or patient transport.
 - The scope for efficiency savings through better use of existing drivers and vehicle fleet.
32. In rural areas particularly, feeder services and interchange with this sort of transport and ‘mainstream’ local bus services can play a part in maintaining and developing effective and viable rural public transport services. There is potential, for example, for a public-sector funded demand responsive service to carry passengers from a series of villages to a bus stop or interchange where they could use a commercial local bus service to complete their journey, say, into the centre of a market town.
33. This arrangement has the potential to keep the running costs of the demand responsive service down as well as helping to maintain the commercial viability of the connecting commercial local bus service.
34. Total Transport has the potential to greatly improve the services that are provided to passengers of public sector funded transport – such as non-emergency patient transport and adult social care transport – and also result in cost savings to those that fund this type of transport – resulting in even better services to passengers. The Government will continue to engage with the pilot areas to determine how best to take forward Total Transport principles in the future.

Total Transport: Case Study

Devon County Council has an established Transport Coordination Service which manages public transport support, the National Bus Pass, education transport, adult and child social care transport and an in house fleet.

As part of the Total Transport trials the council has recently added non-emergency patient transport to this service, providing an integrated model for managing non-emergency patient transport, working closely with its local clinical commissioning group. The Council is also providing a Patient Transport Advice Service on behalf of the local clinical commissioning group, assessing eligibility for patient transport and signposting non-eligible patients to other options including the community and voluntary sector.

BUS SERVICES AND THE ENVIRONMENT

Background

35. Whilst buses have a vital role to play in getting people to where they need to go, they also have a huge part to play in addressing some of the country's air quality problems and combating global warming.
36. Low emission buses – such as electric or bio-methane vehicles – offer significant carbon dioxide savings and improved air quality. However, diesel buses, which still make up the majority of bus fleets, contribute to the UK's air quality problems and the level of carbon emissions.
37. We want to create a healthy and growing market for low and ultra-low emission buses in this country, speeding up the eventual transition to an entirely ultra-low emission bus fleet. At present these buses only represent around 9% of buses in service in England. However, we are determined to increase that share, and for the UK to be at the forefront of the design, development and manufacturing of these buses.
38. Under the Green Bus Fund, Government funding has helped put over 1,200 low emission buses on our roads since 2009. Building on that success, the current £30 million Low Emission Bus Scheme should deliver hundreds more such buses over the next three years.

Recent successes

In 2013 Reading Buses introduced 20 bio-methane powered Compressed Natural Gas buses. These are self-funded as part of the company's ongoing commitment to environmental improvement.

Green bus funding later allowed a further 14 buses to be added, along with a considerable upgrade to the gas infrastructure at the depot. The company gained international media coverage with its efforts to raise the profile of bio-methane gas buses with its 2015 'fastest bus in the world – BusHound' project.

The company's 'planet Reading' sustainability strategy includes behind the scenes activities such as solar panels on the roof of its depot, rainwater harvesting for bus washing and employee travel to work initiatives including priority parking for car sharers and a cycle to work scheme.

How the Bill can help drive up emission standards and improve air quality

39. The Department would encourage authorities to think about how they can use the tools in the Bill to improve bus services in their area, and whether measures can be introduced to help improve the emission standards of the vehicles used and therefore local air quality.

40. Any authority developing a franchising proposal or an advanced or enhanced partnership scheme should consider whether their proposed approach could be used to improve local air quality. The authority's view on the suitability, or otherwise, of attempting to improve local air quality through the implementation of their franchising or partnership approach should be recorded in consultation materials. As well as the benefits offered, this might include consideration of the cost effectiveness of such an approach and the potential implications for bus operators and service provision.

Partnership-working

41. Through partnership approaches, authorities can work with bus operators in its area to deliver a set of agreed outcomes. One of the areas that local authorities can look to improve through partnerships is that of the quality of the bus fleet used in the area and associated emission standards.
42. If, working with operators, an authority is of the opinion that they want to improve the emission standards of the buses used in their area they can establish either an advanced quality partnership scheme or enhanced partnership to help deliver those outcomes. An authority could, for example, specify that all buses used in the partnership area must comply with certain international engine emission standards, which would require bus operators to either purchase newer, less polluting vehicles, or retro-fit their existing vehicles with technologies to help improve the emission standards. This could help authorities improve air quality in their towns and cities, and provides a useful tool for tackling problem areas.
43. It is important to remember however that these tools are designed to help authorities work together with operators in partnership – not dictate standards. Purchasing newer, cleaner vehicles or retrofitting vehicles with new technologies will be costly, and authorities may find that the best way forward is to begin by discussing with operators options to deliver better outcomes. It may be for example that the authority could agree to provide funding towards delivering the higher standards, or determine realistic timescales with bus operators for implementation.

Franchising

44. Franchising provides another mechanism through which authorities can look to improve the emission standards of the bus fleet in the area. Through franchising, local authorities can take full responsibility for the local bus services that operate in their area, determining which services run, at which times of day and frequency, and other aspects such as the fares and tickets available and the standards of vehicles to be used. Authorities will be able to set certain standards as part of the contracts that they would issue to bus operators, and they would need to consider whether the standards set in those contracts were achievable and affordable.

Standards

45. Where an authority chooses to set vehicle emission standards as part of a franchising or enhanced partnership proposal, with the aim of improving local air quality, they should use standards or thresholds that already exist internationally or are otherwise recognised by the bus manufacturing or emissions reduction sector.

How the Bill interacts with other Government initiatives

46. As set out above, we recognise that there can be a cost associated with improving the emission standards of bus fleets across the country, and Government has provided funding streams in the past such as the Green Bus Fund and Low Emission Bus Scheme to help local authorities increase the uptake of low and ultralow emission buses, speeding up the full transition to an ultralow emission bus fleet and supporting the improvement of local air quality.
47. The Department would encourage authorities to proactively work with operators in their area to determine whether improvements can be made and how the tools set out in the Bill can be used, and also to develop future plans and strategies which could potentially be part-funded by Government should future funds become available.
48. Government has also recently announced plans to improve air quality in cities through the introduction of Clean Air Zones to discourage the use of older, more polluting vehicles. Clean Air Zones are being required in five cities in England outside London, and any local authority already has the power to introduce zones voluntarily should they choose to.
49. The Government will shortly be consulting on a Framework for Clean Air Zones in England. This will include the important principles that need to be consistent in how the zones operate from city to city, for example which vehicle standards to apply. The framework is likely to encourage local authorities to work with bus operators using, where appropriate, advanced quality partnerships, enhanced partnerships and the ability to franchise local bus services to ensure buses within the zones meet minimum emission standards.

DRIVER DISABILITY AWARENESS TRAINING

At committee stage Peers proposed that this issue should be addressed in guidance. When the Department issues final guidance, it is intended that this section will be included as part of the wider guidance on accessibility issues.

50. In order to respond to the needs of disabled people and those with reduced mobility, bus drivers should be adequately trained. The Department is fully supportive of the principle of all drivers being trained in disability awareness and the majority already receive such training as part of their Certificate of Professional Competence.
51. Article 16(1)(b) of Regulation (EU) 181/2011 requires all member states to ensure that bus drivers undertake mandatory disability awareness training, however, the UK has opted to exempt the application of this Article for five years, through to March 2018. Britain will in due course be leaving the EU, but until we do so we will meet our legal obligations. The Government will continue to prepare to implement Article 16 of Regulation (EU) 181/2011 in anticipation of the exemption ending in March 2018, and will work with the bus industry and disabled people to develop and embed the use of best practice guidance on providing disability awareness training in the transport sector.
52. The Government's intention, which will be reflected in the Great Repeal Bill (that will remove from the statute book the European Communities Act), is that the body of existing EU law will be converted into UK law when we leave. So the provisions of Article 16 of Regulation (EU) 181/2011, setting out the requirement for mandatory disability awareness training for bus drivers, will be the starting point for any future consideration of this question.
53. Many local bus operators already provide training of this nature on a non-statutory basis recognising the benefits it brings to passengers and their own businesses. We would encourage all franchising authorities to consider whether such training should be a requirement of their franchise contract requirements. Local transport authorities pursuing partnership arrangements would benefit from discussing current provision and the potential for improvements with local bus operators and representatives of bus users.

APPLICATION OF THE PUBLIC SERVICES (SOCIAL VALUE) ACT 2012 WHEN TENDERING FOR LOCAL BUS SERVICES

At committee stage Peers proposed that local authorities should take account of the Public Services (Social Value) Act 2012 when tendering for local bus services, and draft guidance on this issue is set out below. When the Department issues final guidance, it is intended that this section will be included as part of the wider guidance on tendering or procurement of local bus services.

54. The Public Services (Social Value) Act 2012 requires authorities who commission public services to think about how they can also secure wider social, economic and environmental benefits. Authorities commissioning public services should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area and for local people.
55. The Act is a tool to help get more value for money out of procurement. It also encourages those who commission public services to talk to their local providers and communities to design better services, with the aim of finding new and innovative solutions to difficult problems.
56. Local authorities regularly commission and procure local bus services where they feel that the needs of the local community are not being met by the existing services. In addition, any authority that pursues franchising will be responsible for commissioning and procuring all local bus services in their area. The Department would encourage local authorities who are commissioning and procuring local bus services, be that through franchising or by tendering for supported services, to consider the provisions in the Act and the steps they could take to secure wider social, economic and environmental benefits for their local area. Even where the provisions of the Act do not apply because the procurement value falls below relevant thresholds, local authorities should still look to apply the core principles of the Act when procuring services.
57. In 2015 Lord Young conducted a review of the Act. His report contains a number of useful case studies, practical guidance on how to apply the Act, and a framework and principles for measurement. The report is published on the GOV.UK website and can be found here:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403748/Social_Value_Act_review_report_150212.pdf
58. Again, the Department would encourage authorities to consider this report when applying the principles of the Act when procuring local bus services.

PART 2. POLICY STATEMENT REGARDING ACCESS TO FRANCHISING POWERS

Introduction and purpose

59. The Bus Services Bill provides automatic access to franchising powers to mayoral combined authorities, with other authorities requiring a two-step process to be completed before they can access the powers.
60. This section sets out Government's rationale for this approach, together with a fuller explanation of how the process will work in practice and a draft of the criteria that the Secretary of State will take into account when determining whether or not to grant access to an authority.

Rationale for limiting which authorities can access franchising powers

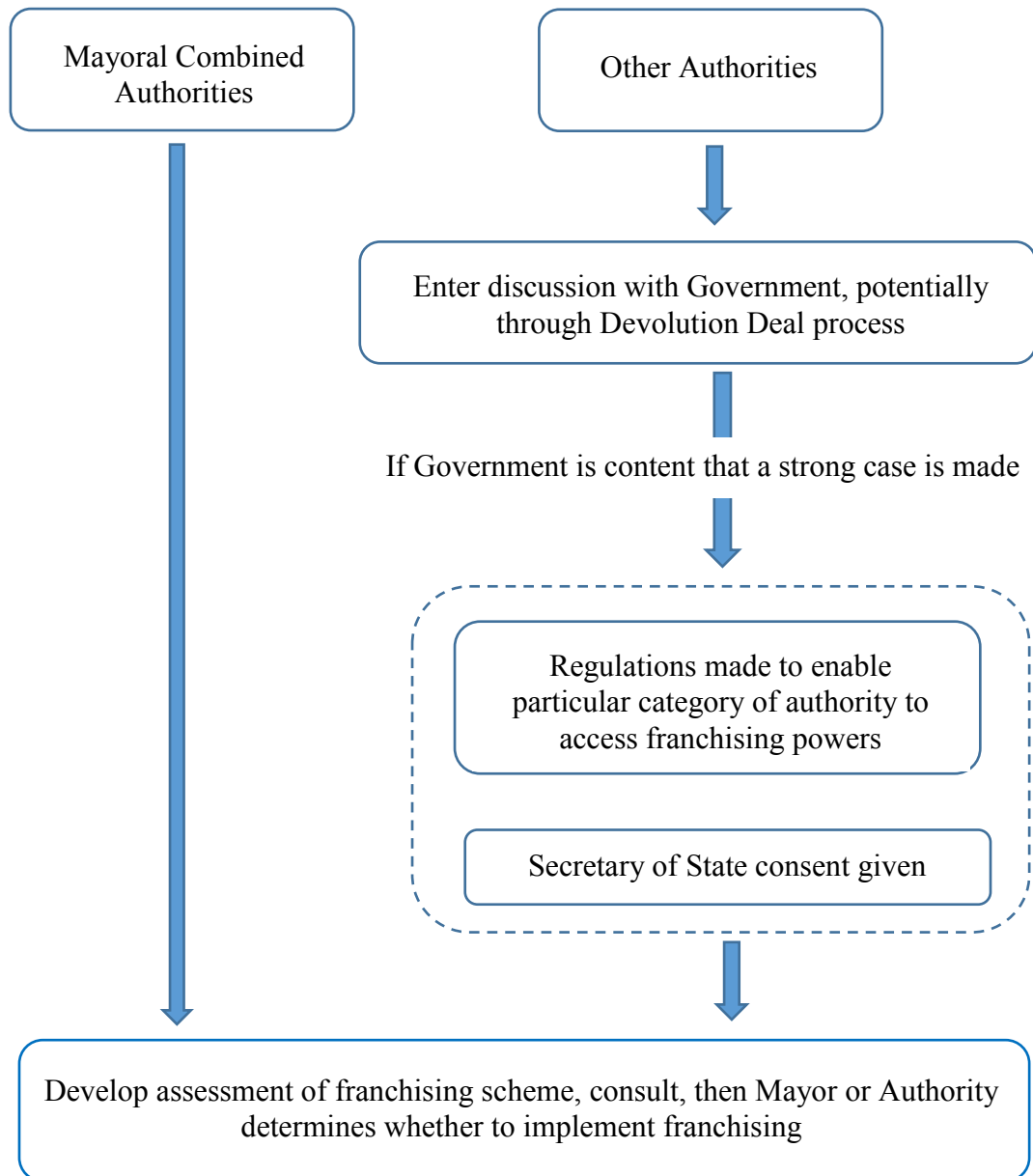
61. Access to franchising powers has been promised to a number of places through devolution deals. Most areas to which franchising has been promised have committed to move to a mayoral combined authority model, with the exception of Cornwall which is a unitary authority.
62. We want to provide the bus industry with as much certainty as possible about the future of the bus market in a given area, to enable them to continue to invest and innovate to deliver good services to their passengers. The last thing we want to do is to prevent investment in areas that have no intention of implementing franchising, simply because the theoretical possibility exists. As such we only want to make franchising powers available to areas that actually want to use them.
63. Franchising is a big step which will have implications for local passengers, bus operators and the authority itself. So we also want to ensure that franchising is only pursued where it makes sense to do so, where it will benefit passengers and where the authority in question has a sensible plan in place. Changing the way bus services are delivered is something that should not be entered into lightly. Once franchising is implemented it will be very difficult to move back to a de-regulated model of providing services, and franchising should be seen as the long-term model of bus service delivery in the area in question. In addition, some areas may be better placed to make franchising a success by virtue of their geography, governance and the powers they have available.
64. In addition, we think Parliament should have a role in determining which sorts of authorities should be able to access franchising powers. The regulation-making step will provide Parliament with the opportunity to debate and discuss the broadening of access to franchising powers.

How the process will work in practice

65. The Bill requires two processes to be completed before an authority other than a mayoral combined authority can access franchising powers. Firstly, regulations

must be made to provide a particular category of authority with access, and then the Secretary of State must give his or her consent to any individual authority from within that category.

66. The first step - regulations to provide access to franchising powers to an additional category of authority, such as combined authorities without an elected mayor, county councils or the different types of unitary authority – is designed to provide a relatively high level of investment certainty for the bus industry. If a particular category of authority has not been “turned on” then there is no risk of the Secretary of State granting franchising consent at short notice.
67. Once this ability to access powers is “turned on”, individual authorities from within that category then only require consent from the Secretary of State before they can initiate the franchising process.
68. The Secretary of State’s role in the process is not to form a view on a particular franchising proposal – that is entirely a matter for local decision once powers have been granted – but rather is to determine whether the authority in question has clear aspirations which will benefit passengers, a sensible plan in place and the right attributes to make franchising a success. It is important to note that providing an authority with access to the powers is the first step in the process, and the authority will then need to develop their detailed franchising proposition, assess the proposition, consult, and they decide for themselves whether or not to proceed with the scheme.
69. Although the Bill requires regulations to be made and consent to be given, in practice we expect these two processes to be pursued in parallel for any early-adopters of franchising. The Government does not intend to “turn on” a particular category of local authority *unless or until it is satisfied that there is one or more local authority in that category that is likely to satisfy the criteria and to whom the Secretary of State is minded to grant franchising powers*. One route for such a conversation is through the devolution deal process.
70. The proposed process is summarised on the next page.



The criteria or factors that the Secretary of State will take into account

71. The bullet points below set out an initial draft of the criteria that an authority must satisfy in order for the Secretary of State to grant them access to franchising powers:

- The authority must be able to articulate their high-level plans to make bus services better for passengers. Authorities should be able to clearly articulate how they intend to use franchising to deliver better services, for example by integrating bus services with wider public transport services, increasing services or their frequencies, by lowering fares or introducing more effective or comprehensive ticketing systems. This should include a clear explanation of why these outcomes cannot be achieved through other routes, such as

partnership arrangements with local bus operators, and the difference that access to franchising powers will make to the day to day experiences of bus passengers in the area.

- The authority must demonstrate that it has a suite of powers in place to make franchising a success – authorities that have control of both local roads and public transport, together with planning responsibilities and control of issues such as parking policy will be better placed to implement franchising as they are able to directly control many of the factors that impact on bus patronage. Where an authority does not have control of these aspects, they could put in place alternative practical arrangements such as:
 - The creation of a key route network of local roads across different authorities – under one management organisation and decision making structure; and
 - A proposition for how the authority and its districts or constituent authorities will work together throughout the different tiers to implement franchising with a shared vision and approach for local bus services.
- The authority must be able to demonstrate that they have effective governance arrangements in place - moving to franchising will have implications for passengers, bus operators and the local authority itself. The decision-making and accountability arrangements need to be transparent to local people, and authorities seeking consent from the Secretary of State will need to set out how this will be achieved. Our presumption is that arrangements which have a named individual taking the decision, such as a Council Leader, are likely to be able to demonstrate this most clearly. This will be particularly important where two-tier authorities or groups of authorities are proposing to implement franchising schemes.
- The authority must be able to demonstrate that franchising can be put into practice effectively across the geography of the area – bus services form part of wider local transport networks, and the decision-maker should have responsibility for the majority of services needed to effectively link the wider area. Authorities requesting franchising powers will need to explain why the geography they propose is appropriate, including information on travel to work and leisure patterns and the nature of existing bus services. Before bringing forward a proposal they should think carefully about the best area in which to implement a franchising scheme given current and potential future travel patterns. This is because the implementation of bus franchising will impact on services not only wholly within the area concerned but also serving other local authority areas. It is unlikely, for example, that the Secretary of State would wish to consent to an application from a small local authority proposing to work on its own and where many local bus services run significantly beyond its boundaries.

- The authority must be able to demonstrate that they have the capability and resources to deliver franchising – the implementation of franchising will bring with it certain risks and responsibilities. An authority or authorities requesting franchising powers should set out why they believe they have the capability to deliver, demonstrating: successful delivery of complex projects; previous commitment to improving public transport and outcomes for passengers – including through sustained local investment in local transport schemes and services; and how they plan to finance and resource a system of franchising. This could include, for example, a clear explanation of the long-term level of funding that the authority would commit to the development of, transition to, implementation of and management of a franchising scheme were it to decide to implement one.

Case Study: Cornwall devolution deal

Cornwall Council agreed a devolution deal with Government in July 2015. During negotiations with Government, Cornwall Council put forward a strong case for bus franchising powers as part of its devolution deal. As such, the Secretary of State is minded to grant franchising powers to Cornwall Council should he receive a formal request to do so. This is because:

- As a unitary authority Cornwall Council has all the other powers and levers necessary to support bus services effectively. These include responsibilities for local roads, planning policy and other related issues, such as parking charges;
- Again, as a unitary authority there is a ‘single controlling mind’ in the Council over all of the key local government policy factors that would influence the success of bus services, together with strong governance arrangements;
- The nature of Cornwall’s geography is such that cross-boundary and other complications that might arise from adopting bus franchising are likely to be comparatively limited, and the Council would have responsibility for services across the wider local economic and transport geography;
- Cornwall Council has demonstrated the importance it attaches to improving local public transport through a sustained programme of investment in rail improvements, which has seen passenger numbers increase by 140% since 2000, and through the prominence it has given to transport measures in its devolution deal, and has a strong track-record of delivery;
- Cornwall has a clear “One Public Transport” vision which has improved services for passengers – across modes - at its heart;
- The council is exploring a range of options for achieving its objectives including pilot partnership arrangements; and, in addition
- Planned service changes and initiatives within the current Great Western rail franchise provide an ideal opportunity to revisit the integration of bus and rail services to create one public transport system for Cornwall.