

Buses Bill Update

The aim of the Buses Bill is to improve local bus services for passengers. We want to see a thriving bus industry. We recognise that local people are best placed to make decisions about the provision of local services, and the Buses Bill will provide local authorities, elected Mayors and bus operators with a more effective toolkit to enable improvements to be made to bus services in their areas.

Following the seven Bus Reform Workshops held in September and October, the Buses Bill policy team committed to keeping you updated on the Bill's progress. In December we published the Bus Reform Workshops Outcome Summary on the GOV.UK website at:

<https://www.gov.uk/government/publications/bus-reform-workshops-background-information>

This email is to give you a brief update on the various policy areas contained in the Bill. We are still in the process of discussing the proposals with Ministers, so nothing at this stage should be taken as final.

The final Parliamentary timetable for the Bill has not yet been confirmed. But we are working on the basis of having a draft Bill ready for around the end of February, either as a draft Bill for informal scrutiny or introduction to Parliament.

We continue to welcome your comments and feedback. These should be sent to: Busworkshops2015@dft.gsi.gov.uk. This inbox is regularly monitored and the comments received are shared with the relevant policy leads.

We plan to send a further update in the New Year

Franchising

The Bill will introduce new franchising powers. These powers are being designed to be clearer and simpler to use than the current Quality Contract Scheme (QCS) process, but would achieve the same end outcome – the replacement of the de-regulated bus market within an area or area(s) with a new system in which the local transport authority would take responsibility for planning and specifying the services to be delivered, and bus operators would bid to provide those services. The main ways in which franchising is likely to differ from the current QCS powers include:

- Changing the approach to the decision-making process by replacing the 5-part public interest test with the requirement to take a balanced and reasonable decision based on the strength of a business case developed in line with [HMT five case business case guidance](#);
- Removing the requirement for a QCS Board to consider the proposals and allowing the local transport authority to take the decision on

whether or not to proceed based on the strength of the business case and the consultation responses.

- Making clear that franchising will be an indefinite change in approach to delivering bus services and not a time-limited scheme along the lines of the QCS.

There was some confusion at the workshops as to whether franchising would be compulsory, and we strove to make it clear that the Buses Bill would enable local transport authorities to pursue franchising, but not require them to. Areas that will have access to these powers, including as part of a devolution deal, will be able to take a local decision on whether or not they wish to franchise their bus services. This reflects the Government's commitment to devolution and the principle that local areas must decide for themselves the most appropriate approach for improving bus services in their areas.

We listened to the feedback we heard at the workshops, particularly around the need for independent scrutiny of certain aspects of the business case and the impact that franchising in one area could have on neighbouring or surrounding services, and are working to ensure we build the necessary safeguards into the Bill. In particular we are proposing that the financial and economic aspects of the business case should be subject to some independent audit to reduce the risk of analytical errors in the analysis.

Partnerships

The Bill will also contain stronger arrangements to allow local government to work in partnership with bus operators and other local stakeholders.

We are likely to revise existing quality partnership rules by removing the requirement that LTAs are always required to provide new facilities and by adding to the measures that can form part of a quality partnership scheme. This reflects the views at the workshops that the existing quality partnership framework was too restrictive.

We are also continuing to work up proposals for the Bill on "Enhanced Partnerships". This is to encourage partnership working to go further by improving governance arrangements, expanding the areas that partnership measures can cover and allowing local implementation and enforcement. Overall, it is intended that these powers will allow Enhanced Partnerships to deliver some of the outcomes that are only otherwise possible under a franchising model. The Enhanced Partnership proposals will also allow for majority decision-making and provide some additional protection from the competition legislation.

We have heard your feedback that this needs to have as little bureaucracy as possible if it is to work well. In developing the draft legislation we are trying to focus on the minimum safeguards and requirements that are likely to be needed at a national level and give flexibility within these to make the partnership work well locally.

The core elements are likely to be:

(a) A network plan, setting out detailed requirements for operating local bus services on individual routes – with powers for the local authority to take over the registration function from the traffic commissioners.

(b) A ticketing regime – potentially including powers to agree and implement a single and multi-operator ticketing scheme and the ability to agree the price premium.

(c) Ability to agree the provision of passenger information – on and off-bus, printed and electronic (web, app etc.).

(d) To collate and process passenger data, to inform how well the bus strategy is working – with safeguards on commercial confidentiality.

Open data and bus registration

There was strong agreement at the workshops that the Bill should aim to make bus services more transparent so that passengers have access to better information about services.

Our intention is to streamline the registration and journey planning data processes so that both can be handled through a single digital process, reducing the need to duplicate work and increasing the accuracy of information. This is in keeping with the Government's digital strategy which aims to improve processes through the use of digital tools and make interactions between business, the public and Government 'digital by default'.

Our favoured approach is to develop a central data repository, building where possible on existing processes, which would meet the requirements of registration and journey planning and store a broad array of information and data relating to bus services. This data might potentially include;

- timetables at bus stop level;
- route data to allow accurate mapping;
- real-time punctuality data for use in services either at bus stops, online or through apps; and
- information on the range of available fares.

In the New Year, we will be having more detailed discussions with users to get a fuller understanding of what they want from this approach and how we can make it work most effectively. This will include the type of data that should be made available, the process for submitting the data, and how the process can be made to work for smaller operators.