



<b>Combined Authority Board</b>	Agenda Item
<b>20th March 2024</b>	<b>10</b>

Title:	Bus Reform and Network Delivery - Update
Report of:	Judith Barker – Executive Director – Place and Connectivity
Lead Member:	Cllr Anna Smith – Deputy Mayor and Chair of Transport and Infrastructure Committee
Public Report:	Yes
Key Decision:	Yes
Voting Arrangements:	A- To note, no vote required B- a vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members C- a vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members D- To note, no vote required

<b>Recommendations:</b>	
A	Note the progress with the franchising proposals including updates from the audit process of the Bus Reform Outline Business Case (OBC) including the intention to bring a decision to consult to a summer Board meeting. The CPCA Board will consider the revised Business Case and the full findings of the Auditor to inform any decision to move to public consultation
B	Approve that officers commence to prepare for an Interim Enhanced Partnership being formed to act as a 'stepping stone' to further, wider reform.
C	Note that CPCA is required to produce an updated Bus Service Improvement Plan (BSIP), in line with Department for Transport requirements, and approval is sought for delegated authority to the Executive Director Place & Connectivity, working with the Chair of the Transport and Infrastructure Committee, to update and finalise the BSIP to ensure submission by 12 June
D	Note the wider package of bus network delivery work, including the investment in bus services through the precept, bus stops infrastructure and £1 bus fare for Under 25s in the region that officers will continue work to implement

<b>Strategic Objective(s):</b>	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities

## 1. Purpose

1.1	Since the Board and Transport and Infrastructure Committee meeting in January 2024, further work has been undertaken to update the Bus Reform Outline Business Case (reviewed by the Committee and Board in September 2023) and finalise the audit stage of the process. This paper provides an update on the work which has been undertaken and recommends next steps. This has also been informed by further advice from the Department of Transport (DfT).
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## 2. Proposal

2.1	<b>Introduction to the Outline Business Case (OBC) Assessment for CPCA Bus Network Reform</b> The Outline Business Case (OBC) for the CPCA bus network reform serves as a comprehensive assessment tool, designed to evaluate the potential pathways for transforming the region's bus services. The OBC's primary objective is to identify the most effective and sustainable model for bus service delivery, aligning with CPCA's strategic goals of improved accessibility, sustainability, and service quality. In line with other business cases, it has 5 elements: strategic, economic, financial, commercial and management cases.
2.2	<b>The Process of assessing Bus Reform</b> The legislation outlines the process for introducing a franchising scheme in the UK bus services sector, as detailed in the Bus Services Act 2017. A franchising scheme may not be made unless the franchising authority has complied with the requirements in sections 123B to 123H of the act. Key steps include: <ul style="list-style-type: none"><li>• Preparation of an assessment for the proposed scheme, detailing its expected effects and comparing it with other actions. (123B)</li><li>• Independent auditing of the scheme's assessment. (123D)</li><li>• Public consultation, including the publication of consultation documents and consideration of feedback. (123E, F and G)</li><li>• Decision and publication, where authorities decide whether to proceed with the franchising scheme based on the consultation's outcome and then publish their decision. (123H)</li></ul> These steps aim to ensure that franchising schemes are thoroughly evaluated and that there is an opportunity for public and stakeholder engagement before any decisions are made. For more detailed information, the legislation can be found directly at the source: <a href="#">Bus Services Act 2017</a> . CPCA is currently completing the Audit stage of this process (123D), with the intention to consult the public on the preferred option to reform the bus network in the CPCA area.
2.3	<b>Scope of the OBC</b> The bus reform OBC considers a range of scenarios and factors to ascertain the most viable approach for bus network reform. It considers all the dimensions of various bus service delivery models, providing a multi-faceted analysis of each option. It considers options for bus reform under three investment scenarios: low, medium, and high – each representing different levels of financial commitment and corresponding service enhancements. These scenarios are evaluated across two potential delivery models of Bus Franchising and Enhanced Partnership (EP).
2.4	<b>Status of the OBC Audit</b> This section provides an update on work to date on the audit process and proposes key next steps.
2.5	In October 2023, Grant Thornton (“the Independent Auditor”) were instructed to prepare the report on the OBC on behalf of the CPCA. The Independent Auditor is in the process of preparing their final letter which should set out their opinion that: <ul style="list-style-type: none"><li>a. The information relied on in considering whether the CPCA would be able to afford to make and operate the Proposed Franchising Scheme, and in considering whether the Proposed Franchising Scheme would represent economic value for money, is of sufficient quality.</li><li>b. The analysis of that information in the Assessment is of sufficient quality.</li></ul>

	<p>c. The Combined Authority had due regard to the guidance issued under section 123B of the Act in preparing the Assessment.</p> <p>The process of the audit has highlighted some further work, which officers are reviewing. These are set out in 2.6 below.</p>
2.6	<p>The audit process is continuing and as such a summary is outlined below. Full information will be provided once the audit process has concluded with the associated formal findings.</p> <p>The strategic, management and commercial cases have remained largely similar throughout this process, demonstrating the strength of evidence and narrative in the document.</p> <p>The process of the audit has generated a request for additional evidence, focused predominantly on the economic and financial appraisal of the scheme over the 30-year appraisal period.</p> <p>Officers are ensuring a 'check and challenge' gateway review of the Outline Business Case and the further work needed to move through the audit stage to reach a satisfactory audit letter.</p> <p>This review will draw on the feedback made available by the auditors, further local analysis of the bus network and lessons learnt from other local authorities.</p> <p>This should enable all actions to be identified and undertaken efficiently and effectively to present a full picture of the Business Case and a complete audit to the Board.</p> <p>The CPCA Board will consider the full findings of the Auditor to inform a later decision to move to public consultation with the aim that this will take place in Summer 2024, subject to the above steps being resolved satisfactorily.</p>
2.7	<p><b>Interim Enhanced Partnership approach</b></p> <p>In order to maximise the benefits of bus reform as early as possible, whilst progressing franchising and the audit process, in the interests of effective management, we are preparing an approach for an interim Enhanced Partnership.</p> <p>This is in line with recently-issued DfT guidelines which require the use of enhanced partnerships as interim arrangements whilst auditing work is progressing.</p> <p>We therefore propose to work further collaborative working with local bus operators to investigate the possibility of an Enhanced Partnership being formed to act as a 'stepping stone' to further, wider reform. This would build on the engagement with local operators through the Bus Operator Forum.</p> <p>It is recommended to progress toward an interim EP, in parallel with advancing the franchising audit and plans, in conjunction with an updated BSIP to ensure existing funding from the Department for Transport is safeguarded and potential future funding schemes have the required governance in place. This work will be resourced to ensure all workstreams can progressed.</p>
2.8	<p>The outline of steps to achieve an Interim Enhanced Partnership (EP) are below as set out by DfT:</p> <ol style="list-style-type: none"> <li>1. Publish Notice of Intent to develop an Enhanced Partnership</li> <li>2. Establish Bus Partnership Group or EP Board and define Terms of Reference (this group could evolve from the current Bus Operators Forum)</li> <li>3. Collate data, background, issues, priorities</li> <li>4. Develop EP Plan (drawn from Bus Strategy and BSIP ambitions)</li> <li>5. Develop EP Scheme, encompassing all current spending and commitments and future ones agreed with operators, along with operator requirements; establish bespoke variation process for the scheme</li> <li>6. Submit draft EP to operators (operator objection period) – <b>must be 28 days</b></li> <li>7. Consultation with statutory consultees – operators, neighbouring authorities, TC, Transport Focus, Police, CMA and any other as necessary</li> <li>8. Authority makes the Plan/Scheme and publishes notice to the effect, publishing them on the website</li> </ol>

2.9	<p><b>Bus Service Improvement Plan (BSIP)</b></p> <p>The Department for Transport mandated in 2021 every local transport authority in England to draft and submit a BSIP, reflecting the current state and ambition of the local bus network.</p> <p>The CPCA submitted a BSIP in October 2021 and have subsequently completed a refresh of the document.</p> <p>The Department for Transport has recently released further guidance for how all local transport authorities should refresh and update their BSIP, requiring this to be done by 12 June 2024. They expect to see next steps on bus reform in this refresh. Our proposal for an interim Enhanced Partnership alongside an update on franchising in a paper to a summer Board should ensure this clarity for DfT.</p> <p>Three key components are required:</p> <ul style="list-style-type: none"> <li>• Update the baseline to reflect changes on the bus network from 2021 to 2023/24 – including issues and opportunities</li> <li>• Set out the improvement programme to the bus network for 2024/25</li> <li>• Outline a pipeline of prioritised proposals for 2025-2029 that will improve the bus network further</li> </ul> <p>The Department for Transport have been clear this is not an immediate ‘bidding’ document but rather an outline of ambition for post 2025 that can be assessed for future funding schemes.</p> <p>A deadline of 12 June 2024 has been set for all local transport authorities for submission. DfT has acknowledged that due to political approval processes, the BSIP may be in draft.</p> <p>Officers are working to fully interpret the guidance and joining DfT sessions to learn more. A package of work will be commissioned to update and refresh the existing BSIP in line with guidance in order to deliver an updated document to DfT.</p> <p>Officers are engaging regularly with DfT Officers on how the BSIP works in parallel with wider bus reform opportunities. DfT have been clear that the CPCA BSIP document will need to demonstrate a clear vision of bus reform and a delivery timeline. It will need to set out how proposals for 2025-2029 can be delivered in both an Enhanced Partnership or Franchising Environment and a clear timeline for bus reform decisions.</p>
2.10	<p><b>Bus Network Service Improvements:</b></p> <p>Recent approvals at the Combined Authority Board (31 January 2024) have enabled development work on investment into the bus network, namely the implementation of new and enhanced services (funded by the Mayoral precept increase), the implementation of a £1 fare for Under 25s in the region and the improvement of bus stops/shelters. This section of the paper updates on those areas.</p> <p>The aim of the precept funded development work into bus service improvements is to improve connections for residents, increase patronage and enable easier access for communities to public transport. A project team has been set up and a methodology for assessing the potential services against critical metrics has been established.</p> <p>The methodology from inception to implementation is as follows:</p> <ol style="list-style-type: none"> <li>1. Assess and analyse the shortlist of bus route suggestions from the public consultation and survey in line with key bus network planning metrics to inform the nature of route.</li> <li>2. Outline recommendations of routes aligned with success factors, operational costs and patronage forecasts.</li> <li>3. Deliverable: ‘Plan on a Page’ for each service proposal, setting out the background to the proposal, main characteristics and metrics along with summary maps and analysis, accompanied by a summary spreadsheet bringing together all the main metrics.</li> <li>4. Recommend services that would need to be implemented via a contracted method and (subject to legal/procurement advice) those via commercial negotiations.</li> <li>5. Devise timetables for routes that enable efficient operational delivery.</li> </ol>

6. Engage with local community groups and/or other forums. (following Leader advice and in line with timescales).
7. Engage with bus operators on tender opportunities and make recommendations on seeking new entrants into the market to ensure effective competition.
8. Collaborate on branding requirements to ensure clear expectations with operator engagement.
9. Conduct the tender process and negotiations with bus operators.
10. Recommend monitoring and evaluation methods for route improvements including collection of patronage data and reliability/punctuality and clear measures of success.

### **Progress to date**

Engagement sessions have been held with each constituent council to work through the route outlines, demand responsive transport proposals and seek additional feedback on local considerations to inform final bus route planning. Further clarification sessions and feedback have been sought from community groups and officers as required.

These sessions and feedback have informed the construction of initial route and timetable proposals. Further analysis of the routes using software modelling will enable officers to consider the suggestions against a range of metrics. The proposals fall into three main types of solution:

- Frequency improvements to existing services;
- Amendments to existing routes (and the resulting timetable); or
- New Services to improve connectivity, or provide new journey opportunities.

In each case, consideration of the possible impact on existing services is being factored into the analysis to ensure there are no unintended consequences (e.g. abstraction from existing services, or duplication of resource).

In the appendix to this report is a summary table outlining the key metrics associated with the bus service improvements. The services are in the final part of the design phase.

Once the design phase has concluded, work will commence at pace on the implementation of the services. Subject to procurement and legal advice, it is intended to negotiate changes to commercial and contracted services first, whilst the open tender process is conducted for the new changes.

Implementation work will take place over the summer period.

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### **£1 youth fare scheme:**

The aim of the £1 youth fare scheme is to enable a more affordable and attractive fare offer for a key demographic in the region, who are reliant on public transport for access to education, work and leisure opportunities.

Since board approval to move to the implementation of a £1 fare scheme, work has developed on the following components:

- Engagement and negotiations with local bus operators, to secure participation in the scheme. This has included working through a range of items raised in a collaborative manner through in person and online sessions
- Setting up a card production method for the scheme, to enable each young person who applies, a photo card that enables each bus driver to identify they're participating in the scheme and can implement the discount to a £1 fare at the point of use
- Work is ongoing to set up an application portal to enable each young person to apply for the card they need for the scheme

Once final approval has been secured with bus operators in the region, a formal scheme will be written up and shared with operators. This will outline the details of the scheme, reimbursement methods and any mechanisms for further review during the 12 months of the scheme.

Work is progressing for the scheme to commence in May/June 2024.

### **Bus Stop/Shelter Improvements:**

At the TIC in November 2023, officers outlined the approach to a bus stop audit across the region. The aim of the audit was to establish how many stops there are, where they are and an outline of their condition. At present 2981 stops have been identified in the Bus Stop database for the region.

The audit also revealed the complexity of bus stops/shelter ownership, with a variety of arrangements through constituent councils.

With budget now approved to improve bus stops/shelters, officers have devised an initial methodology on how to apply the available funding in a targeted manner to have maximum benefit to passengers:

- Develop and apply an assessment criteria to form an initial high priority 50 stops/shelters that would benefit from investment, linked to safety, security and ease of waiting environment.
- Develop a list for features that will be improved within budget requirements, with a clear before and after to demonstrate improvements to residents.
- Seek feedback from local Members and communities to inform the final approach.
- Link improvements to the precept investments, to ensure clearer monitoring and evaluation opportunities for investment in bus services and enable a more integrated, targeted package of improvements.

Once the precept investment routes have been finalised in the design phase, a cross project working group will be set up to ensure collaboration across the projects. It is intended for the bus stop/shelter improvement project to work at pace once the criteria assessment has been finalised.

### **Network Stability/Service Changes:**

The Combined Authority were formally notified of changes to Stagecoach's commercial network, namely Services: F, 25 and 9. Within the current deregulated environment, commercial operators submit changes to services via the Traffic Commissioner.

Unfortunately, all the services outlined below were cited as significantly loss making and unable to continue in their current form.

#### **Service 9:**

- Stagecoach has proposed changes to service 9, operating between Littleport, Ely, and Cambridge.
- At present, the service operates hourly in both directions during the morning and evening peak period, and every other hour during the off-peak period. This will be reduced to three journeys operating in each direction across the whole day.
- Using data provided by Stagecoach, it is estimated that the cost per passenger journey figure would be £1.76 for a potential contracted service. This is well below the benchmark of £12 that has previously been used
- **Due to the severe degradation in service that residents will face, a contracted service that restores as much of the service to its current form will be introduced, subject to a tender process.**

#### **Service F:**

- Stagecoach will remove an early morning and evening links from Fenstanton on to the Busway at St Ives
- Stagecoach introduced this in 2022 and provide this commercially, but they now consider it to be unsustainable, due to running costs and low patronage.
- According to the patronage data provided by Stagecoach, there is an average of two passengers per day travelling on the 07:40 journey. If correct, this would give a cost per passenger journey figure of £97.50. In the recent bus review, the benchmark figure was £12.
- **It is recommended to not replace these journeys due to the very low value for money figure.**

	<p><b>Service 25:</b></p> <ul style="list-style-type: none"> <li>• Stagecoach have cancelled service 25, currently operating between Trumpington Park &amp; Ride and Babraham Road Park &amp; Ride via the Cambridge Biomedical Campus and Addenbrooke’s Hospital. Route 25 also serves the southern section of the Great Kneighton development in Trumpington. Busway A also passes through the centre of the development, providing access to Trumpington Park &amp; Ride, Royal Papworth Hospital (for Francis Crick Avenue), Addenbrooke’s Hospital and Cambridge railway station with onward journeys to Cambridge city centre, King’s Hedges, and villages on the Busway track enroute to St Ives.</li> <li>• <b>It is recommended to link this into the precept work - services from Trumpington to the rail station and Addenbrookes are on the precept suggestion list. If analysis comes out from that process that suggests improvements to either frequency or connectivity across Trumpington, officers can package it together and work further with the local community on an integrated approach.</b></li> </ul> <p><b>Demand Responsive Transport (DRT):</b></p> <p>Work has commenced following the decision in the November 2023 TIC committee and the Combined Authority board in January 2024 to approve further Demand Responsive Trials in the region.</p> <p>The areas identified for DRT are Fenland, East Cambridgeshire and South Cambridgeshire. The following steps outline the components of how the services will be developed from inception to implementation:</p> <ul style="list-style-type: none"> <li>• Design outline service zones based on feedback, operational efficiency and journey purpose in parallel to the assessment of the precept investment suggestion list</li> <li>• Complete research work and recommendations for procuring a technology provider for all three services. This would enable integration and clear oversight from the Combined Authority over data related to the service to inform monitoring, evaluation and improvements</li> <li>• Complete concept designs for branding, to ensure the services are reflective of the communities they will serve</li> <li>• Tender services</li> <li>• Implement services with clear monitoring and evaluation plans to inform measures of success for the trials.</li> </ul> <p>The next step is to finalise the design of the zone of operation, whilst securing a technology partner for the trial period. Following that, officers will work at pace to implement the services over the summer of 2024.</p>
2.12	Officers will continue work on the package of funded network improvements and bring updates to future boards and TICs with the aim of delivering all projects throughout 2024/25.

3. Background	
3.1	The development and reform of the bus network in Cambridgeshire and Peterborough is shaped by a myriad of policies and strategies, spanning local, regional, and national levels. These policies not only direct the operational aspects of bus services but also reflect broader goals in areas such as climate change, economic development, and urban planning.

3.2	<p><b>National Policy and Strategy:</b></p> <p>The National Bus Strategy for England, 'Bus Back Better', introduced in March 2021, represents a fundamental shift in the government's approach to bus networks. This strategy emerged in response to the dual challenges of declining national patronage and the impact of the COVID-19 pandemic. It advocates for a reconsideration of the existing deregulated bus network model and encourages the exploration of alternative delivery methods, including Enhanced Partnerships and Franchising.</p> <p>Key tenets of 'Bus Back Better' include:</p> <ul style="list-style-type: none"> <li>• Integrated services and simple ticketing systems to facilitate ease of use.</li> <li>• Ambitious improvements in bus service frequency, reliability, and coverage.</li> <li>• A strong focus on achieving net-zero targets and supporting the government's Levelling Up agenda by connecting people to jobs, education, and services more effectively.</li> </ul> <p>Regional Policies:</p> <p>England's Economic Heartland (EEH) strategy, 'Connecting People Transforming Journeys', envisions a world-class, decarbonised transport system capitalising on regional technological expertise. This strategy underscores the importance of public transport and shared transport solutions for sustainable growth and improved quality of life.</p>
3.3	<p>The Cambridgeshire and Peterborough Local Transport and Connectivity Plan (LTCP) set out visions for a transport network that supports economic growth, social inclusion, and environmental sustainability. Key goals include:</p> <ul style="list-style-type: none"> <li>• Enhancing access to jobs and services via sustainable transport modes.</li> <li>• Promoting social inclusion through affordable and accessible public transport.</li> <li>• Addressing pollution and aiming for net-zero emissions by 2050.</li> <li>• Improving the resilience and reliability of the transport network.</li> </ul> <p>The LTCP's objectives dovetail with the ambitions outlined in the National Bus Strategy, reinforcing the need for a transformative approach to bus service delivery in the region.</p>
3.4	<p>These policies and strategies collectively underscore the importance of a reimagined bus network in Cambridgeshire and Peterborough - one that is more integrated, efficient, and aligned with contemporary social, economic, and environmental goals. Franchising emerges as a compelling option within this policy context, offering a route to achieving these broad objectives and addressing the challenges of the current bus service delivery model.</p>

## 4. Appendices

4.1	Appendix 1: Report Summary Table
4.2	Appendix 2: Vision and Context for Bus Reform

## 5. Implications

### Financial Implications

5.1	<p>The approved 2023/24 budget provides resource for the next stages of the Bus Reform project to be undertaken.</p> <p>The full financial implications of bus franchising will be considered at the final decision-making stage and will be informed by the statutory and internal processes identified in the paper. The decision to invest public funding into buses under a franchise will remove some flexibility for future budget setting as the financial commitments are required for the medium to long term. The level of public subsidy required will need to demonstrate Value For Money, and this will be determined once the Auditors are content with all the assumptions underpinning the Business Case.</p> <p>If the Authority fails to comply with the DfT requirement to submit a refreshed BSIP by the 12<sup>th</sup> June then it will put at risk BSIP funding for 2024/25 and future years.</p>
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The current MTFP includes the following for the schemes referred to in this report

	2023/24	2024/25	2025/26
	£	£	£
£1 Youth Fare Scheme	0	4,000,000	500,000
Bus Stop Infrastructure	0	500,000	500,000
Bus Services (including mayoral Precept)	7,015,000	15,046,000	15,318,000

## Legal Implications

### 6.1 Compliance with the Bus Services Act 2017

**Franchising Powers:** The Bus Services Act 2017 grants local transport authorities, like CPCA, the power to implement franchising schemes. This involves assuming responsibility for the provision of bus services, which traditionally fell under private operators in a deregulated market.

**Statutory Requirements:** The Act sets out specific statutory requirements that CPCA must adhere to when implementing a franchising scheme. This includes conducting an assessment of the proposed franchising arrangement, demonstrating that it would contribute to the implementation of the local transport policies, and showing that it offers value for money.

#### Public Consultation Process

**Legal Mandate for Consultation:** The Act mandates a thorough public consultation process before any franchising scheme is implemented. This consultation must be comprehensive, inclusive, and transparent, allowing for input from various stakeholders, including current bus operators, passengers, and the general public.

**Consideration of Responses:** CPCA is legally required to consider consultation responses carefully and use them to inform the final decision on the franchising model. The authority must also publish a report summarising the consultation process and its outcomes.

#### Procurement and Contractual Obligations

**Tendering Process:** Implementing a franchising model involves a tendering process for bus service contracts. This process must comply with procurement regulations, ensuring fairness, transparency, and non-discrimination in the selection of bus operators.

**Contract Management:** The legal implications extend to contract management with selected operators. Agreements must outline service standards, performance metrics, financial arrangements, and mechanisms for dispute resolution.

#### Risks of Legal Challenges

**Potential for Challenges:** There is a risk of legal challenges from existing bus operators or other stakeholders who may contest the franchising decision or process. CPCA must ensure that all legal procedures are meticulously followed to mitigate this risk.

**Judicial Review:** Decisions related to franchising can be subject to judicial review, particularly if there are allegations of procedural impropriety or non-compliance with statutory duties.

#### Regulatory Compliance and Monitoring

**Ongoing Compliance:** Once the franchising scheme is in place, CPCA will have ongoing responsibilities to ensure compliance with transport and environmental regulations.

**Monitoring and Enforcement:** The authority must establish mechanisms for monitoring contractual compliance by operators and enforce regulations to maintain service standards and protect passenger interests.

In conclusion, the legal implications of transitioning to a franchising model are substantial and require meticulous adherence to legislative requirements and regulatory standards. The CPCA must undertake a rigorous and legally compliant approach in its franchising scheme, covering all aspects from public consultation to procurement and ongoing regulatory compliance.

## Public Health Implications

7.1	<p>The investment in the Cambridgeshire and Peterborough Combined Authority (CPCA) bus network, particularly under the franchising model, presents significant public health benefits:</p> <ul style="list-style-type: none"> <li>• <b>Accessibility to Healthcare:</b> An efficient bus network ensures easier access to healthcare and essential services, crucial for vulnerable populations.</li> <li>• <b>Improved Air Quality:</b> Transitioning to an eco-friendly bus fleet will enhance air quality, reducing health risks associated with air pollution.</li> <li>• <b>Encouragement of Active Travel:</b> Better bus connectivity promotes walking, contributing to physical fitness and reducing lifestyle-related health conditions.</li> <li>• <b>Mental Well-being and Social Inclusion:</b> Reliable bus services can alleviate travel-related stress and encourage social interaction, enhancing mental health and community cohesion.</li> </ul> <p>While these benefits are notable, it's important to manage any transitional disruptions effectively to maintain public support for the long-term health advantages of the investment.</p>
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**Environmental & Climate Change Implications**

8.1	<p><b>Environmental Impact of CPCA Bus Network Investment</b></p> <p>The investment in the bus network, particularly the transition to a franchising model, would make a substantial positive impact on the environment. This initiative is a key part of the region's commitment to combating climate change and enhancing environmental sustainability. By introducing a more eco-friendly bus fleet, which could include electric buses, the CPCA will significantly lower greenhouse gas emissions associated with public transport.</p> <p><b>Improvement in Air Quality and Resource Conservation</b></p> <p>Another important environmental benefit is the improvement in air quality. A modern, cleaner bus fleet will reduce the emission of harmful pollutants, contributing to a healthier atmosphere and overall public health. This aligns with broader efforts to create a more sustainable and liveable urban environment. Additionally, the move towards an efficient public transport system is expected to contribute to the conservation of natural resources. By optimising fuel usage and embracing sustainable practices, the initiative will reduce the ecological footprint of the region's transportation network, aligning with broader environmental conservation goals.</p> <p><b>Promoting Sustainable Urban Mobility</b></p> <p>The investment aims to promote sustainable urban transport by encouraging a modal shift from private car use to public transport. This shift is critical for reducing overall vehicle emissions, easing traffic congestion, and creating a more sustainable urban transport system. The enhanced bus network will not only meet immediate transportation needs but will also play a vital role in the region's long-term sustainable development.</p>
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**Other Significant Implications**

9.1	<p><b>Impact on Large and SME Bus Operators</b></p> <p>The proposed investment in the CPCA bus network, particularly under a franchising model, has specific implications for both large and small to medium-sized enterprise (SME) bus operators in the region. This section outlines these implications in the context of increased investment in the bus network and CPCA's commitment to supporting operators of all sizes.</p> <p><b>Opportunities for Large Operators:</b></p> <p><b>Expanded Business Opportunities:</b> Increased investment in the bus network would provide larger operators with opportunities to expand their services and modernise their fleets, especially in adopting more environmentally friendly vehicles.</p> <p><b>Stable Contractual Relationships:</b> Franchising models offer the potential for stable, long-term contracts, providing large operators with predictable revenue streams and clearer operational parameters.</p> <p><b>Enhanced Service Standards:</b> With a franchising model, large operators will need to adhere to higher service standards set by CPCA, necessitating improvements in efficiency, customer service, and reliability.</p> <p><b>Challenges and Support for SME Operators:</b></p> <p><b>Market Entry and Competition:</b> The franchising model may present challenges for SME operators in terms of market entry and competition with larger companies. CPCA will ensure that franchising</p>
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	<p>contracts are accessible to SMEs, by designing smaller contract packages and ensuring a transparent bidding process.</p> <p>Engagement and Collaboration: Actively engaging with SME operators throughout the transition process will be vital. This engagement would include consultation, feedback mechanisms, and collaborative planning to ensure that their unique challenges and needs are addressed.</p> <p>Maintaining a Diverse and Competitive Market:</p> <p>Encouraging Diverse Participation: To ensure a healthy, competitive market, CPCA will continue to encourage participation from both large and SME operators. This diversity enriches the service offerings and fosters innovation in service delivery.</p> <p>Balancing Interests: It is essential to balance the interests and capabilities of both large and SME operators. This balance ensures a fair and equitable market, providing choices for consumers.</p> <p>While increased investment in the bus network under a franchising model presents numerous opportunities for bus operators, it also raises challenges, particularly for SMEs. CPCA's approach will aim to foster an environment that supports and encourages the growth of operators of all sizes, ensuring a competitive and diverse market that ultimately benefits the entire region.</p>
Background Papers	
10.1	Previous decision on Bus Reform, CPCA TIC paper, 29/04/2020 <a href="#">CMIS &gt; Meetings</a>
10.2	Previous decision on Bus Reform, CPCA Board paper, 20/09/2023 <a href="#">CMIS &gt; Meetings</a>