



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

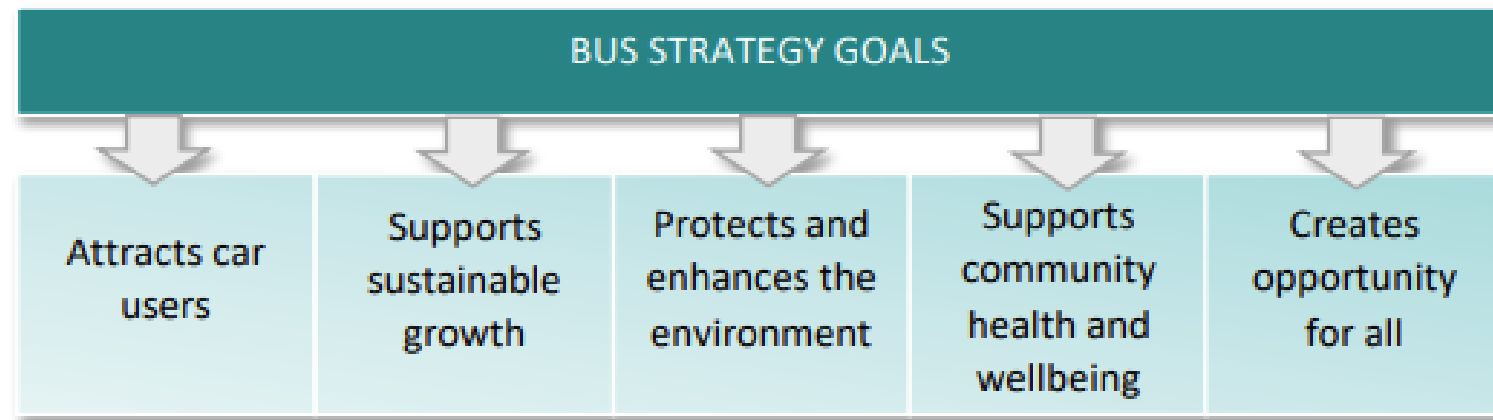
PAUL BRISTOW
MAYOR OF
CAMBRIDGESHIRE
& PETERBOROUGH

BUS FRANCHISING IN CAMBRIDGESHIRE AND PETERBOROUGH

Richard Jeremy



BUS STRATEGY 2023



CURRENT BUS NETWORK MODEL

Under the deregulated market

- The Combined Authority has control over those bus services that it funds but **it has no control over most of the network**, frequencies or quality of the network, despite public subsidy funding 50% of the cost of the bus network on average.
- The Combined Authority has **limited control over the setting and collection of fares** and has no ability to use fare revenues to subsidise the wider network.
- **Integration** with other public transport modes **can be more difficult**.
- **The stability of the network is not guaranteed** due to commercial operation of routes in a historically declining market.
- Within the region, approx. **88% of bus mileage is commercial** and the dominant operator **runs 72% of overall bus mileage with 90% of patronage**.
- **Most services in rural areas are already operated under contract**



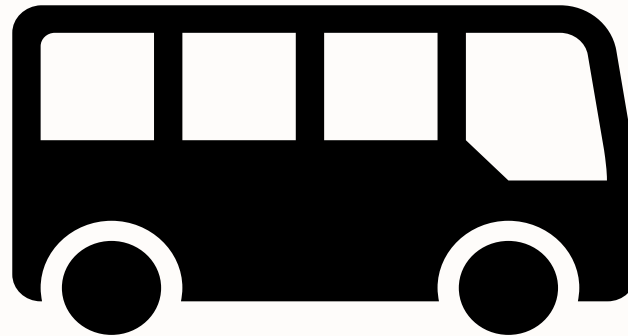
WHY DELIVER CHANGE?

The Combined Authority believes it needs to change the way local buses are run and achieve its ambitions for better buses across the area

Getting people to places they want to go

Connecting Communities

Supporting our economy



Passengers face challenges

Vicious circle of fewer passengers = fewer services

88% bus network operated by private sector. Limited ability to change things for the better

WHAT ARE WE TRYING TO ACHIEVE?

Enhanced and integrated bus/rail network – as quickly as possible

Coordinate services, integrate ticketing, stabilise services and provide better information

Bus Reform
Objectives

Bus services to contribute to wider economic, social and environmental goals

Maximise value for money and benefits from the bus network and cross-subsidy

BUS REFORM ASSESSMENT 2024 - CONCLUSIONS

Strategic – There is a clear case for change. Franchising offers the ability to plan and deliver the bus network in a comprehensive and coordinated manner, with the ability to implement improvements through overall control and achieve strategic objectives. Do nothing is not an option.

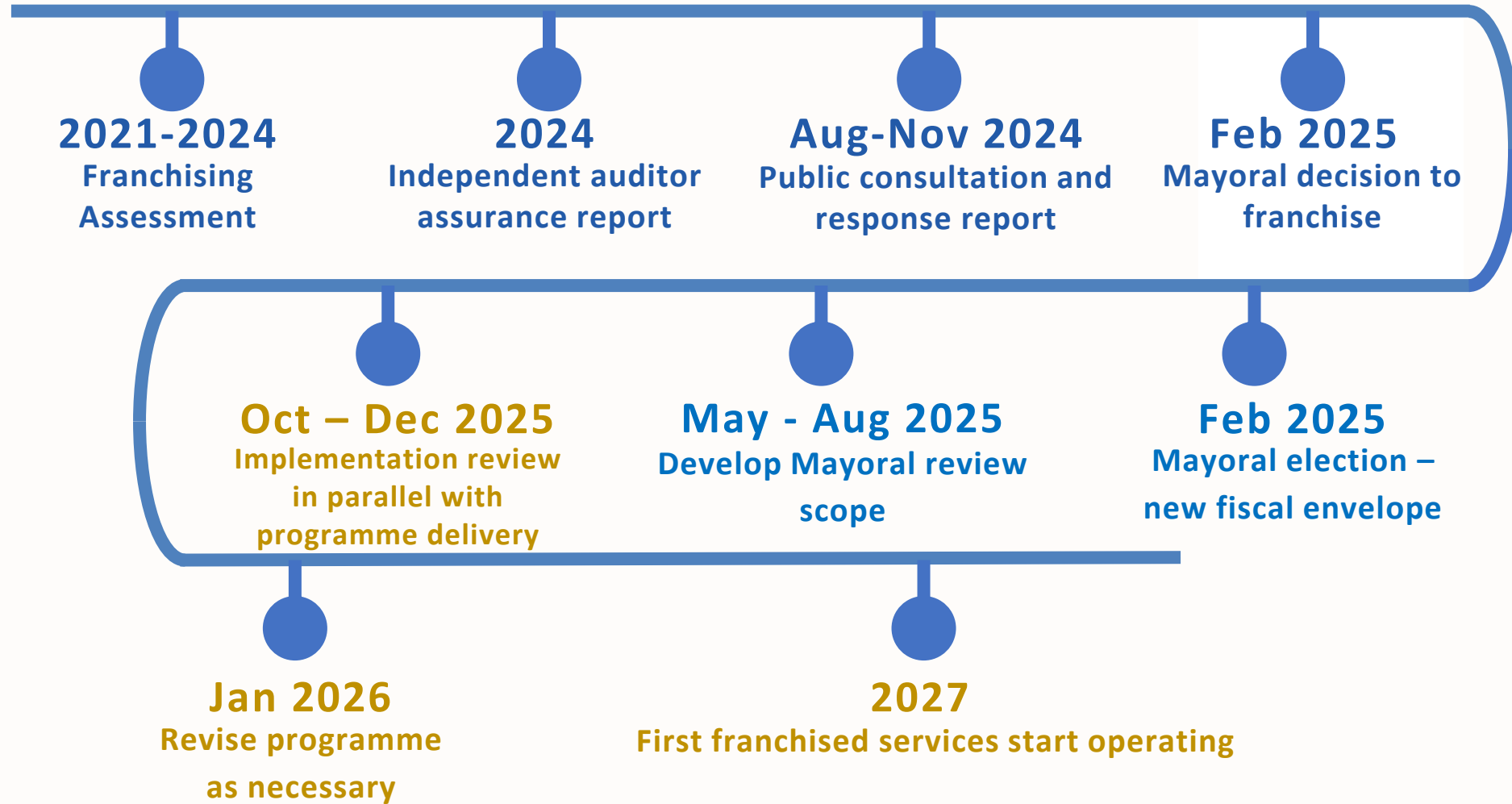
Economic – Both Franchising and Enhance Partnership (EP) offer High Value for Money (BCR > 2). Franchising costs more but offers higher value (both in NPV and BCR terms).

Commercial – Franchising offers greater control and flexibility to manage levels of resources deployed, backed by a performance management framework and monitoring. However, this comes with more risk.

Financial – Franchising is affordable, relying on stable sources of funding.

Management – More resources will be necessary under both EP and Franchising. However, Franchising offers the ability to achieve a more coordinated, seamless network, based around greater control of how and where resources are deployed.

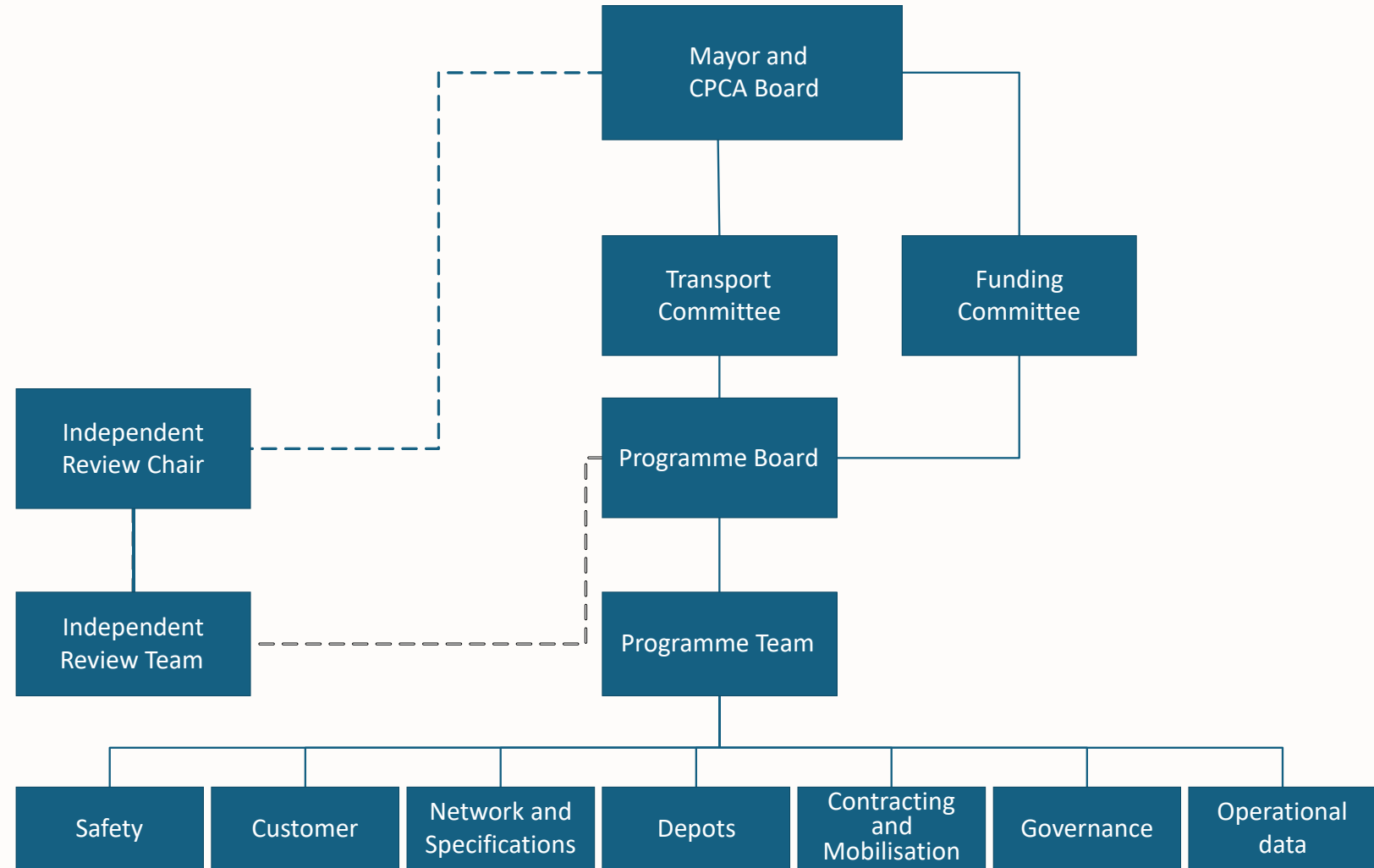
TIMELINE TO DELIVER A NEW MODEL



SCOPE OF WORKSTREAMS (SUBJECT TO INDEPENDENT REVIEW)

Workstream	Scope
Governance	Establish leadership and governance for the programme, from transition into business as usual.
Safety	Ensure people and systems in place to deliver safe operations for staff and customers at all times.
Customer Services	Develop, agree and implement solution to customer service requirements. Baseline and repeat customer research.
Operational data	Identify & establish operational data system to support service planning, performance management and customer data including Automatic Vehicle Location. This includes ticketing systems. Links to wider BAU RTI workstream.
Depots	Develop and deliver depots for Peterborough and Cambridge, including providing interim solutions if required.
Network and Specifications	Plan, budget and propose the network and service for stakeholders, to target reliability standards. Develop Service Planning Guidelines.
Contracting and Mobilisation	Agree and operate transitional notice arrangements. Develop, consult and implement service permits. Tender bus routes, oversee mobilisation and implement performance management, monitoring and reporting. Negotiate quality incentive bonus levels/penalties.

PROGRAMME REPORTING STRUCTURE



INDEPENDENT REVIEW



Review, assess and propose viable pathways of a franchised model with new information (lower precept than forecasted, lower borrowing, light rail, customer services)



Detailed pathway for fleet



Detailed pathway for the depot strategy



Detailed pathway for the network and revenue models



Detailed integration with rail and light rail



Encompasses legal and financial considerations as per the original business case

FINAL THOUGHTS

- Buses succeed with control, continuity, competition and community
- Bus franchising is setting up a business, albeit with social objectives
- There needs to be clear leadership, a team with experience who can challenge, market knowledge and data/research on the product and what you're trying to achieve
- Buses are getting better