

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY OVERVIEW  
AND SCRUTINY COMMITTEE**

**DATE: 22 JANUARY 2024**

**REPORT TITLE: REPORT OF THE BUS SERVICE IMPROVEMENT PLAN  
TASK AND FINISH GROUP**

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## **1.0 Background**

1.1 The Task and Finish Group (TFG) was set up rapidly by the Overview and Scrutiny Committee (O&S) of the Combined Authority (CA) in response to multiple concerns about how the Bus Service Improvement Plan (BSIP) is being delivered, including the use of the associated DfT £106m grant.

## **2.0 Remit**

2.1 The initial remit of the Task and Finish Group was to consider:-

- Decisions about the delivery of the Plan including the Westlink Demand Responsive transport (DRT) service, including recent and upcoming changes to the DfT-funding to be made under delegated authority.
- Governance arrangements, including how Unitary Authority (UA) Transport Portfolio members are involved.
- Examine concerns as to how the “birthday bus” initiative was approved.
- Proposals for monthly monitoring by Scrutiny members going forwards.

2.2 The group’s remit was amended for third meeting and a fourth meeting was also organised: This was to hear directly from BNES portfolio holder (Cllr Sarah Warren, Cabinet Member for Transport in BANES).

2.3 The remit and duration of the TFG was extended to consider certain issues that Cllr Warren, supported by 16 councillors from all three Unitary Authorities in the CA area (UAs), originally sought to refer to O&S through CA’s call-in process. The Chair agreed to consider those issues as part of the TFG process after the

CA's Monitoring Officer ruled that the call-in request did not meet the call-in criteria in the CA's constitution.

### **3.0 Review of matters covered at meetings**

#### Meeting 1 – 18/9/23

3.1 Officers presented a summary of the history of the bus market and current challenges. These included a chronic shortage of bus drivers on account of older drivers retiring during covid and others moving into the road freight transport sector. In addition, there had been a reduction in patronage post covid, which remained 20% lower than pre-covid levels. This was compounded by sustained increases in internet shopping and people working from home.

3.2 The history of BSIP in the CA was discussed, including approval of BSIP at the 1 July 2022 meeting of the CA Committee. Delegated authority had been given to Directors to approve spend and changes within the programme. Changes had been made to the BSIP parameters by the Department for Transport (DfT) extending the time period for spend on certain programmes and allowing BSIP funding to be used to support commercially unviable services, if certain criteria is met.

3.3 Comments and points which emerged through these discussions included:-

- a) A request for a budget breakdown and forecasted expenditure on BSIP.
- b) Serious concerns about the governance generally, including the transparency of decision making and lack of consultation.
- c) Concerns about DRT being unreliable or inaccessible to less tech savvy customers.
- d) A need to understand what money has been allocated and how much remains unallocated.
- e) A need to understand whether any money can be spent on supported services.
- f) A need for better communication with transport leads at the unitary authorities, including giving access to operational performance information.

3.4 The following actions were agreed:-

- a) BSIP information to be shared.
- b) A dashboard was to be produced to include financial information, DRT progress, information on supported services, fares, future changes and birthday bus scheme statistics.

### Meeting 2 – 9/10/23

3.5 The following requests and actions were discussed:-

- a) The KPMG report on a framework to re-prioritise BSIP underspend following recent DfT decisions to allow scheme variations was to be distributed.
- b) There was a discussion about how any underspend from the “birthday bus” fares package could be utilised. It was asked whether any underspend could be used to supported commercially unviable services. The position on that was not clear at that time.
- c) The dashboard presented following the request at the 18/9/23 meeting was discussed, and more detail was requested.
- d) A DRT monthly usage graph was to be circulated (note:- DRT is now up to full capacity of 50 drivers)
- e) Monthly datasets requested for new services, DRT, birthday buses, supported bus usage.

### Meeting 3 – 20/11/23

3.6 This meeting was attended by Councillor Sarah Warren representing transport leads from Bath & North East Somerset Council (BANES), South Gloucestershire Council and other interested parties on the UAs. Sarah presented a statement setting out her view of the history of how decisions were being made in isolation without consultation with the relevant UAs.

3.7 The following requests and actions were discussed:-

- a) A dashboard covering BSIP, EP, DRT (Westlink) and Birthday buses was presented and questions answered. It was agreed that regular monthly monitoring reports would follow hereafter.
- b) There was a discussion about a possible cross UA task and finish officer group to look at DRT and discuss potential improvements.
- c) Councillor Warren’s concerns about BSIP and wider governance issues were presented and discussed. Wider governance issues were to be picked up by O&S as a whole, at dedicated meeting on 8 December 2023.
- d) David Gibson (the CA’s Director of Infrastructure) was to meet with Cllr Warren separately to discuss her concerns relating to BSIP and how decisions are made. This meeting took place and the outcome is recorded in a letter from David Gibson to Cllr Warren dated 22 December 2023 a copy of which is attached to this report.
- e) David Gibson was to talk to UA officers about the Citizen’s panel and engagement soon after this meeting.

#### Meeting 4 – 5/12/23

- 3.8 This meeting was also attended by Cllr Warren and other interested parties from UAs. The matters and action points discussed in the previous three meetings were reviewed. The officer presentation on monthly reporting was agreed.
- 3.9 The action notes of the UA Directors following their Bus Away Day were be provided to O&S. In addition, a summary explanation and briefing on Enhanced Partnership (EP) BSIP Funding was to be provided to O&S, to ensure O&S has oversight of the funding and governance of EP.
- 3.10 An officer presentation covering a WESTlink review and initiatives was being explored.
- 3.11 Concerns about DRT performance were expressed with a number of issues raised, including the need to redraw boundaries and review and potentially adjust other operational arrangements, given the Traffic Commissioner’s technical ruling on the status of the drivers and the length of journeys required.
- 3.12 A technical report into WESTlink was to be shared with O&S, to include information about potential zones.
- 3.13 The following action points were agreed:-
- a) The BSIP PowerPoint, KPMG Report and updates from recent DfT Decisions were to be circulated.
  - b) Monthly reports to be provided.
  - c) A Westlink technical report was to be provided following a review, and consultation with UAs on zones and related subjects was to be undertaken.
  - d) A forward plan of BSIP decisions was to be shared with O&S.
  - e) Chairs of O&S and Audit to discuss West Local and Citizen’s Panel with the CA’s CEO

#### **4.0 Key findings**

##### Delegated Decision Making

- 4.1 The very high level of officer devolved decisions at the initiation of the BSIP funding seemed to be sensible due to the high quantum and short duration of funding. However, there was a perception that this had resulted in decisions

being taken “behind closed doors”. For example, it was said that the Birthday buses concept was developed in isolation, including the process of obtaining formal DfT approval, without reference to the UAs. However, CA officers report that the UAs were informed of the proposal before it was submitted to the DfT for approval.

4.2 Significant concerns were expressed by Cllr Warren about the way decisions have been made on BSIP and the involvement and notice given to UA officers and councillors. It was felt that this is exacerbated by the project and operational teams within the CA not being clear as to who leads on generating and appraising proposals and therefore information is not shared with UAs in a timely way.

4.3 However, CA officers report that all decision making is undertaken in accordance with the requirements of the CA Committee delegation, and that officers from the UAs have played a role in either developing or being informed on those initiatives. UA officers have attended several workshops that helped to develop and then shape the Programme. UA officers are engaged at least monthly with programme updates through mechanisms such as the BSIP Programme Board and they are asked for their views on initiatives as they are developed.

4.4 The method of enacting delegations approved by the Committee has been improved since the initiation of BSIP funding, with a clear process for involving and escalating within UAs. As part of this, UAs also need to ensure that processes are in place to brief and seek steers from their Cabinet/Portfolio members, as this has not necessarily been made routine.

4.5 It was said that there had been a verbal assurance at October’s Committee Meeting that if decisions can still not be agreed at CEO level, then they need to be referred back to Full Committee. The suggested assurance and potential additional escalation routes are being explored further because there are likely to be practical and legal implications that require careful consideration.

4.6 The TFG recognised the improvements but would like O&S to be kept informed about this.

#### The Committee/Joint Committee Boards

4.7 The CA’s constitution provides for there to be Boards with a range of functions, but with an overall purpose of providing guidance and advice to the CA and Joint Committee. The constitution provides that the Boards are to receive briefings on the CA and Joint Committee forward plans in order to enable them to properly

discharge their functions. The membership of the boards comprises the Cabinet leads on the Board's subject matter from each of the UAs.

- 4.8 There was a detailed account of how some felt that discussions at the Boards were stifled by the CA's mayor, who chairs the Advisory Boards in the lead up to the October CA committee meeting, with decisions then proposed to the full CA committee without sufficient notice or information being provided.
- 4.9 The TFG heard how a promise had been made by the CA's mayor to ensure that all upcoming agenda items on the CA Committee and Joint Committee would be discussed with at Board meetings, as this was the key method of involving the UA portfolio holders. The TFG heard that the CA's mayor, who Chairs each Board, has not allowed this to happen. It was said that the mayor has even vetoed requests to have items including on board agendas. The TFG notes with concern that such behaviour would clearly be contrary to the statutory recommendations (SR2) made by the CA's external auditors to do more collaboratively to work up decisions being brought before the CA Committee.

#### October Committee Call-in Request

- 4.10 The TFG heard that a request to call-in a decision in relation to BSIP at the October CA Committee meeting was declined by the Monitoring Officer. The TFG heard that the Monitoring Officer made the decision to decline the call-in request without first involving or informing the Chair or Vice Chair of the Scrutiny Committee if his intention to do so.
- 4.11 For completeness, it is proper to record here that the Monitoring Officer discussed this issue with the Scrutiny Chair on 23 October at the time these concerns were first raised. Whilst there is no requirement in the constitution requiring the Monitoring Officer to consult with the Chair or Vice Chair, the Monitoring Officer explained that he would ordinarily seek to do so. That hadn't been possible on this occasion due to workloads leading directly into a period of annual leave.
- 4.12 The Monitoring Officer was also of the view that there was no discretion to be exercised in the matter in any event. The Monitoring Officer's view was that the call-in request was in respect of a decision of the Infrastructure Director, said to have been taken on 6 October 2023, in relation to the KPMG BSIP prioritisation framework. However, as a matter of fact, no such decision had been taken by the Infrastructure Director and so the call-in request was invalid. He was also mindful that the issues raised could be fully explored in this ongoing TFG process in any event.

- 4.13 In the absence of a clear process in the CA's constitution for determining the validity of call-in requests, the Monitoring Officer followed a process commonly in place in many other authorities, including at least two of the UAs.
- 4.14 Whilst the TFG also heard a concern about the possibility of scrutiny being circumvented by changing the status of a 'Key Decision' to a 'Matter to be Noted', it is correct and proper to note here that this is not what had happened in this case. The BSIP decisions at the October 2023 committee were treated as Key Decisions throughout. The call-in provisions apply (when the criteria are met) to all combined authority committee decisions, whether "Key" or not. The issue here was that the call-in request was made in respect of an officer decision that had not actually been taken.

## **5.0 Conclusions**

### Decision Making

- 5.1 Officers acknowledge the need to involve UAs in a timely way across the CA's programme of activities. Whilst there is a very clear perception of a lack of engagement around BSIP in particular, it is understood that there are a number of formal mechanisms through which the UAs are engaged generally and, in respect of BSIP, these are set out above.
- 5.2 Notwithstanding, the TFG was concerned to hear views that these arrangements were not operating effectively. The TFG considered that the issue of the KPMG prioritisation framework was a very clear example of this. It was not clear how extensively the KPMG framework had been shared before being adopted.
- 5.3 TFG recommend that O&S should continue to monitor the way in which CA and UA engagement works in reality. The TFG acknowledges that an important part of this is the need for the UAs to ensure that they have processes in place to brief and seek steers from their Cabinet members, as this has not necessarily been made routine. It had to be acknowledged that it would be difficult to achieve consensus in a climate where there was a push from the UAs to use the funding to support bus services against a CA position of that not being a prudent or permissible option under the scheme.
- 5.4 The TFG felt very strongly that the Committee/Joint Committee Boards need to move to a place of collaborative agenda setting. There was a very clear view that this was not happening and that was resulting in the Boards not being able to fulfil their constitutional purpose. That resulted in CA Cabinet members feeling disenfranchised and it deprived the committees of the benefit of a wider range of views which ultimately has detrimental impact on the quality of decision making.

### Birthday Bus Fares Package

- 5.5 The TFG heard that the “birthday buses” initiative was a surprise to all stakeholders, including the Leaders and Transport Cabinet members for each Unitary Authority. The TFG heard that this was considered to be on account of the way in which delegated decisions were being taken. It appeared to some of those from whom the TFG heard, that formal DfT change approval was sought and secured without reference to any local stakeholders or Unitary Authorities. However, officers are very clear that the UAs were informed of this proposal before it was submitted to the DfT for approval. This difference of views underlines the need for the recommendation in paragraph 5.3 above.
- 5.6 The TFG heard how this fares package involved a proposed budget of £8M. Whilst it is understood that work was done to assess its potential to build patronage following CV-19, that information was not presented to the TFG.
- 5.7 The TFG felt that an initial analysis shows that it is benefiting the richest 10% significantly more than the poorest 10%, with the other deciles being roughly equally distributed. That analysis led the TFG to the view that the scheme is principally benefitting those that have not lost their local bus services. Officers remain of the view that the early analysis demonstrates significant commercial patronage growth during the autumn of 2023. The TFG felt that the DfT’s request to see regular monitoring information about the scheme could be seen as an acknowledgement that whilst innovative it is inherently risky in terms of value for money.
- 5.8 The TFG have heard that major elements of the BSIP programme still have many “in-flight” decisions to be made, not least due to the budget pressures caused by the DfT extending the time period of the grant without additional financing. The “Birthday bus” budget profile is unpredictable as it is an innovative and demand-led scheme, but it is being monitored closely. The TFG is concerned that all evidence and options should be aired early and comprehensively with UAs as part of the “in-flight” decision making process.
- 5.9 There is a suggestion that the budget might better be used immediately for supporting existing or recently-cut local bus services, which is another change introduced by the DfT with a condition that they are underwritten after the BSIP funding ends. The TFG would not support this suggestion without the required ongoing revenue budgets being confirmed (in line with the DfT requirement), which is a matter which has not been discussed with or confirmed by the UAs.



- 5.10 The TFG were of the view that a better targeted fares reduction scheme (for example based on age, employment or Socio-economic status) may have merits and a comparative analysis of the other BSIP funded schemes would be desirable.
- 5.11 As mentioned above, it is too early to say whether the acknowledgement of officers that more collaboration is needed, and the resulting changes in progress, will be sufficient or effective. The TFG anticipate and advise that evidence-based and costed options (in line with the KPMG framework) must be shared with UAs in good time for collaborative decisions to be made.

#### Westlink, Demand Responsive Transport Service

- 5.12 The TFG was of the view that Westlink appears to have been poorly planned and procured. The TFG heard again suggestions that the scheme progressed with little UA involvement. The TFG heard assertions that some of the fundamental problems with Westlink might have been prevented if officers from the UAs had been more involved in the details of the procurement.
- 5.13 However, the TFG cannot validate this claim. It is counterfactual and the CA's officers are of the view is that the UAs were asked for their input. The TFG does recognise the need for rapid decisions within a programme that needs to be delivered at pace. It would appear to be reasonable in any case for more information to be routinely shared in a timely way with UAs and stakeholders.
- 5.14 The TFG understood the Project Team representative to have said that with the benefit of hindsight, things would have been done differently. There was a fundamentally incorrect assumptions about the type of drivers' licence required and whether a subcontracting arrangement was permitted.
- 5.15 Subsequently, following a ruling by the Traffic commissioner, extensive changes will now be needed to the geographic operation of the scheme. This would probably have been needed anyway as the operating areas are very large, which does not appear to be in line with the philosophy of the scheme to connect people to the nearest busy public transport corridors.
- 5.16 Arguably a further root and branch review may be needed, which will be high risk in itself given the short time in which the scheme has to demonstrate a success.
- 5.17 Little marketing has been done, not least because of the current service failings, although conversely in at least one area where marketing has been done with community support the take up is good, which may offer some hope that overall

take up will increase and with it the value for money, albeit the service is finding it difficult to meet the demands placed upon it in this area.

- 5.18 The TFG is unclear about the ownership of customer data, fundamental to the ongoing success of the project.
- 5.19 Currently a review of all aspects is underway. To date this does not appear to have been done with any visibility or consultation with UA officers, portfolio holders or local affected ward members. A key requirement is to improve the value for money score. Officers consider that ongoing operational tweaks do not require extensive input but agree that decisions such as geographic zones will need feedback from politicians. The TFG believe this needs to include Ward Members of areas affected by bus cuts that are not currently served by Westlink, for example following the statements made to the CA by residents of Ashton Vale.
- 5.20 There has been considerable negative feedback about Westlink, although the TFG note that in at least one area customers have worked with officers to make improvements to good effect.
- 5.21 Although the model theoretically has merits, rapid improvements and changes are needed to improve Westlink operations and value for money. A balance needs to be struck between the need for transparent and collaborative decisions and the rapid pace at which these need to be put in place. It is not clear how customer or stakeholder feedback is being incorporated into this process.

## **6.0 Next Steps**

- 6.1 Arrangements for ongoing Transport/Infrastructure scrutiny to be agreed, possibly via a standing sub-group which would have a formal relationship with the Transport Advisory Board.
- 6.2 A monthly dataset to be provided based on existing programme information. This needs to be provided in a timely way and a lead Scrutiny Member be identified to collate any feedback to officers and/or other committee members (e.g. Chair of any subgroup).
- 6.3 It is unclear what role the Enhanced Partnership Advisory Panel has been playing, and feedback from the Chair of this group will be sought.
- 6.4 Ongoing monitoring of how the decision-making process will be made more collaborative at both officer and member level.

## **7.0 Summary**

- 7.1 Many of the issues were felt to be indicative of wider governance and decision-making issues. Despite BSIP being a successful piece of work to agree the strategy and secure significant DfT funding, it has been the trigger for some of these tensions to be exposed and aired.
- 7.2 Work is underway to satisfy the justified needs of constituent Unitary Authority portfolio holders to be informed and involved in decision making for BSIP and (crucially) in general. The TFG believe that this will improve decision making overall. It is too early to say if current improvements will be effective, and O&S will continue to scrutinise the processes within and between Authorities.
- 7.3 An urgent review of Westlink is needed, acknowledged and underway. The Birthday Bus innovation needs to be kept under review and any learning captured.
- 7.4 All of this is against a backdrop of bus cuts, which are causing considerable effects to local communities, continuing to be a significant political issue and an organised pro-franchise campaign running throughout.

## **8.0 Acknowledgements**

- 8.1 The officers initiated the Task and Finish Group very rapidly, have been supportive, frank, and responsive. They have given considerable time out of office hours to assist the group.
- 8.2 The volunteers from O&S who have engaged proactively, listened carefully and challenged appropriately.
- 8.3 Cllr Warren for agreeing to bring concerns to the group that have improved our understanding of how she feels decisions are being made and the need for greater collaboration.