

Proposed changes to bus franchising guidance

Introduction

Thank you for responding our consultation on proposed changes to bus franchising guidance.

Closing date is 7 October 2024.

View all the questions

This survey provides questions based on user choice, a [full copy of the questions is available \[opens in a new window\]](#).

Print or save a copy of your response

At the end of this questionnaire, you have the chance to either print or save a copy of your response for your records. This option appears after you press 'Submit your response'.

Save and continue option

You have an option to 'save and continue' your response at any time. If you do that you will be sent a link via email to allow you to continue your response where you left off.

It's very important that you enter your correct email address if you choose to save and continue. If you make a mistake in the email address you won't receive the link you need to complete your response.

Accessibility statement

Read our [accessibility statement for SmartSurvey forms \[opens in a new window\]](#).

Confidentiality and data protection

The Department for Transport (DfT) is carrying out this consultation on proposed changes to bus franchising guidance. View our [DfT online form and survey privacy notice \[opens in a new window\]](#) for more information on how your personal data is processed in relation to this survey.

In addition for all organisations we are asking for their name for identification.

Personal details

1. What is your name?

Hannah Bartram

2. What is your email?

Hannah.Bartram@eastsussex.gov.uk

3. Are you responding on behalf of an organisation?

Yes

No (Go to 'Proposals')

Organisation details

4. Your organisation's name is?

Association of Directors of Environment, Economy,
Planning and Transport (ADEPT)

Proposals

Bus franchising is a model for providing bus services where local transport authorities grant private companies the right to operate in a specific area or route. The authorities retain control over vital aspects of the service, such as routes, timetables, and fares.

The bus franchising guidance sets out how the franchising legislation operates in practice and sets out the statutory duties that a franchising authority or auditor must have regard to in exercising relevant functions of the guidance.

The guidance is used by Local Transport Authorities (LTAs) choosing to pursue franchising of their bus services.

The Department for Transport is consulting on proposals to clarify and streamline bus franchising guidance. The consultation seeks views on updates to the guidance and support safer and more accessible services.

The proposed changes to bus franchising guidance are:

- section 4.1 - updating the section to reflect the laying of the statutory instrument (SI) to 'open up' bus franchising to all LTAs and lowering the threshold LTAs are required to meet to prepare a bus franchising scheme assessment
- section 6.3 - creating a new process for the development of the 'do nothing' option in franchising scheme assessments
- section 6.5 and 15 - reducing the content LTAs are required to include in a franchising assessment.
- section 7 - the insertion of a new chapter titled 'Putting people at the heart of franchising'

[Full details of the consultation information is available \[opens in a new window\].](#)

5. Do you agree or disagree with the proposal to lower the consent threshold that LTAs are required to meet to prepare a bus franchising scheme assessment?

✓ Agree

Disagree

Don't know (Go to 'Consent threshold')

Consent threshold reasoning

6. Why?

Currently, the powers are only automatically available to Mayoral Combined Authorities (MCA) and Mayoral Combined County Authorities (MCCA). Individual LTAs should have the autonomy to decide if franchising is suitable for their area and if it could potentially achieve more in terms of improving local bus services than an Enhanced Partnership (EP).

The new consenting threshold makes franchising more accessible to LTAs without existing powers, streamlining the process and making it easier for them to proceed with a franchising assessment.

Bus franchising represents a major structural change in how bus services are run by an LTA and requires significant consideration. The change does not make the implementation of bus franchising any easier, nor is it significant enough to encourage LTAs not currently considering franchising to move forward with franchising assessments.

Consent threshold

7. Do you have any other comments on the consent threshold that LTAs are required to meet to prepare a bus franchising scheme assessment?

✓ Yes

No (Go to 'Option identification')

Don't know (Go to 'Option identification')

ADEPT considers the proposed consenting threshold to be reasonable. It is appropriate for LTAs to have thought through the type of franchising they wish to pursue and how they plan to develop the franchising assessment before the Secretary of State grants consent. These requirements are not seen as overly burdensome for LTAs.

ADEPT also welcomes the recognition that DfT will be involved in the early stages of discussions with LTAs seeking consent for franchising.

Consent threshold comments

8. What comments do you have on how the threshold is described?

The updated consenting threshold is much less onerous for LTAs, making it easier for them to move forward with a franchising assessment. Although the franchising assessment process will still require significant resources and incur substantial costs.

Option identification

[Section 123B of the Transport Act 2000 {opens in a new window}](#) requires franchising authorities to conduct an assessment of the proposed franchising scheme. The purpose of the assessment is to:

- set out what sort of franchise the authority will deliver
- explain how far it will make improvements to bus service outcomes
- confirm that it is affordable and deliverable
- allow an informed decision to be taken whether to proceed by comparing it the currently available Enhanced Partnership (EP) that has been tabled by operators

All local authorities in England that have not implemented franchising have introduced an EP.

Currently, as part of bus franchising assessments, LTAs must compare their preferred franchising model to a package of improvements that local bus operators have tabled to an EP. The revised guidance updates this section to require LTAs to instead compare their preferred option to the existing EP.

The revised guidance would provide for a time-limited window ahead of an assessment to develop the 'do nothing' option (the assessment of bus operator proposals to improve the existing EP), including incorporating improvements put forward by bus operators to an EP. This seeks to prevent delays arising under the current guidance due to LTAs being obliged to consider proposals from operators to amend EPs which arrive late during the assessment process itself.

9. Do you agree or disagree with the proposal to revise the approach to the 'do nothing' option?

✓ Agree

Disagree (Go to 'Option identification')

Don't know (Go to 'Option identification')

Option identification reasoning

10. Why?

ADEPT supports the revised approach to assessing the “do nothing” scenario for the following reasons:

1. **LTAs already have an Enhanced Partnership (EP) in place.** Unless they have implemented franchising, all LTAs are required to have implemented an EP. The updated guidance reflects the change in context.
2. **The EP is a known and defined option that has delivered improvements for residents.** The EP would continue to operate if franchising is not pursued, making it the most suitable option to assess franchising against, providing certainty for authorities, operators, and bus passengers.
3. **Assessing against an untested best EP option (that goes beyond that proposed by operators within the initial three month time period) could confuse passengers about the benefits they might expect from bus reform.** This could undermine public confidence and complicate consultations. It would also require LTAs to make decisions without certainty that the proposed improvements in the best EP could be practically delivered for passengers.

ADEPT supports the introduction of a time-limited window ahead of an assessment to develop the “do nothing” option for the following reasons:

1. **Streamlines the franchise assessment process:** The change will reduce the burden on LTAs. The current guidance requires significant engagement with operators to develop the “do nothing” option, which would need to run concurrently with other key elements of the process. This could stretch team capacity and risk timely delivery of other assessment components.
2. **Encourage proactive engagement by operators:** This change will motivate bus operators to engage proactively with LTAs by presenting their “best offer” for an EP earlier in the process. However, it’s important to note the capacity constraints on the operators’ side. LTAs are likely to make significant data requests to operators for financial and economic modelling while also seeking a best EP proposal. This could overload operators, especially small and medium-sized ones with limited resources. This may result in LTAs needing to frequently offer time extensions.

3. **Preventing Delays:** The time limit will ensure that the best EP proposal does not delay progress in other areas of the assessment. This allows enhancements to the EP to be put forward without risking delays in defining the best EP option and progressing with other assessment areas.

ADEPT supports the commitment to immediately incorporate any new EP offers proposed by bus operators into the EP schemes or other legally binding agreements. This ensures that the EP offer is preserved even if franchising is not pursued. However, further clarity is requested on the implementation process. Without this clarity, there is a risk that the scope of proposed enhancements could be reduced before implementation if an LTA decides not to proceed with franchising.

Options identification

11. Do you have any other comments on the proposal to revise the approach to the 'do nothing' option?

✓ Yes

No (Go to 'Franchising assessment')

Don't know (Go to 'Franchising assessment')

Options identification comments

12. What other comments do you have on proposed approach to revise the approach to the 'do nothing' option of the guidance?

Transitional Arrangements

Transitional arrangements are necessary for LTAs that have already published a notice of intent before the guidance changes were announced but after 4 July 2024. This is because the three-month period to develop the “do nothing” scenario begins from the date the local authority publishes its intention to prepare a franchising agreement.

There is a risk that this will not give LTA's sufficient time for development and proposal of variation to the EP. Furthermore by the time that the guidance is formally introduced there is a risk that the three month period will have expired for some LTAs. A Transitional Arrangement is required for these LTAs to ensure both LTA and operators can benefit from the full three-month period.

Time-Limited Window

As noted in response to Question 10, ADEPT welcome the introduction of a time limited window for the development of the “do nothing” option. However it is important that LTA's have control over this period. This is not only to benefit LTA's who have already published their notice of intent, but also to support LTA's who following the publishing of their notice of intent, may not be able to mobilise resources sufficiently within the three month period to consider variations to the EP.

It is noted that the guidance does provide LTAs with the flexibility to extend the three-month period, as it states, “*The currently available EP should be treated by the LTA as a 'final offer' once the three month period (or any additional period that has been agreed with the LTA) has elapsed and cannot be changed later.*” However it is considered that this could be expanded to fully empower authorities to define their own time-limited windows and deadline dates, allowing them to better align this period to their own programme planning.

Bus operators may also benefit from greater clarity on the improvements proposed under franchising before taking any enhancements to the proposed EP. It is unlikely that they would be able to fully understand these within the initial three month window.

Future Funding Assumptions

Local Transport Authorities (LTAs) need clearer information on the government funding streams available to define the parameters for the current Enhanced Partnership (EP) and franchising.

Currently, key interventions in EPs depend on Bus Service Improvement Plan (BSIP) funding, which has an initial term of three years.

Long-term assumptions about the operation of the EP must be made in the franchising assessment to enable a valid comparison across the appraisal period. The government should clarify the key assumptions required about the long-term operation of the current EP. For example, should LTAs assume the EP remains static?

LTAs also need clarity on the expected values and longevity of government funding to support franchising. This includes positions on long-term revenue support (such as the Bus Service Operators Grant (BSOG)) and one-off capital grants for acquiring depots, zero-emission buses, and supporting infrastructure. This clarity is essential for reaching an informed conclusion on the future affordability of the scheme.

Franchising assessment

References to alignment with [Bus Services Improvement Plans \(BSIP\) \[opens in a new window\]](#) objectives have been largely removed because it can be difficult to match its timescales with a franchising assessment which considers a much longer timeframe. Instead, the revised guidance advises LTAs to consider any relevant documents which set a long-term vision for transport, potentially including the BSIP or the Local Transport Plan.

13. Do you agree or disagree with the proposed changes to reduce the content LTAs need to provide in the franchise assessment?

- ✓ Agree
- Disagree
- Don't know (Go to 'Franchising assessment')

Franchise assessment reasoning

14. Why?

ADEPT supports the removal of references to BSIP objectives, as BSIPs were designed for short-term interventions rather than long-term planning, unlike franchising, which adopts a long-term perspective.

BSIPs typically address specific, short-term measures tied to BSIP funding, with current guidelines extending only to 2028/29.

Although implementing BSIP interventions is crucial for LTAs to meet their Local Transport Plan aspirations, it does not constitute a distinct long-term bus strategy. For most LTAs, it will be more beneficial to assess franchising against the Local Transport Plan, which sets out the long-term vision for transport. However, LTAs should still have the option to assess franchising against the BSIP if deemed relevant.

Franchise assessment

15. Do you have any other comments on the franchise assessment?

✓ Yes

No (Go to 'Putting people at the heart of franchising')

Don't know (Go to 'Putting people at the heart of franchising')

Franchise assessment comments

16. What comments do you have on the guidance on the franchise assessment?

Data gathering and provision

Consideration should be given to specifying a standard list of required data within the guidance. This would enable easier and more accurate comparisons between areas and allow operators to structure their internal systems and processes, making data more readily available. Additionally, receiving a continuous flow of performance data, rather than a one-off indication, would allow trends to be identified and support the transition to a franchised network.

It would also be beneficial to specify timelines for the return of any information requested as part of section 15 (information provision) of the draft guidance.

The guidance also emphasises considering the role of Analyse Bus Open Data Service. While we recognise its potential as a powerful tool for LTAs, many operators question the validity of the data. It would be beneficial to understand how the government plans to improve confidence in the system moving forward.

English National Concessionary Travel Scheme

Passengers will see no difference to ENCTS access, but a gross-cost franchising scheme would see authorities internalise the cost rather than providing commercial-rate reimbursement to operators in the status quo. Clarity should be provided in the Management Case guidance on how ENCTS provision and reimbursement will work for cross-boundary services operated under a service permit regime

Putting people at the heart of franchising

This chapter covers considerations LTAs should make around the [Public Sector Equality Duty \[opens in a new window\]](#), bus driver welfare and passenger safety, including anti-social behaviour and violence against women and girls.

17. Do you agree or disagree with the addition of the section entitled putting people at the heart of franchising?

✓ Agree

Disagree

Don't know (Go to 'Putting people at the heart of franchising')

Putting people at the heart of franchising reasoning

18. Why?

ADEPT supports the inclusion of this chapter. The primary purpose of public transport is to facilitate the movement of people within a community. Therefore, it is essential to place people at the heart of the franchising arrangement. A bus service cannot meet its full potential unless they are accessible to all and provide a comfortable and safe journey. If these matters are not considered, then it is likely that wider objectives will not be met, for example increasing patronage.

It is crucial that the bus network provides equal access to all. As such ADEPT supports the requirement to demonstrate compliance with the Public Sector Equality Duty.

Personal safety concerns are a significant barrier to the use of public transport. ADEPT supports the consideration of personal safety issues from the outset and agrees that this should be addressed during the preparation of the franchising agreement.

At section 7.2.1 in addition to mandatory bus driver training it is considered that training for staff at travel / mobility hubs should be considered.

At section 7.2.3 the installation and regular maintenance of help points should be considered.

An important consideration when considering violence against women and girls is intersectionality. As women and girls may feel unsafe, but this is amplified for instance with women who has a disability.

Putting people at the heart of franchising

19. Do you have any other comments on the section entitled putting people at the heart of franchising

✓ Yes

No (Go to 'Franchising')

Don't know (Go to 'Franchising')

Putting people at the heart of franchising reasoning: other comments

20. Why?

Ensuring equal access to transport and personal safety is a key priority for LTAs. However, it is recognised that more work is needed to make the transport network safe and accessible for all.

LTAs must have the necessary funding and resources to implement and maintain safety measures, especially those requiring revenue funding (e.g., CCTV monitoring).

It is important that the themes and issues highlighted in Section 7 are addressed more widely by LTAs across their entire public transport networks, regardless of whether they are pursuing franchising. This will require additional funding and resources from the government.

It should be noted that some elements, such as driver welfare and ensuring there are toilets available along routes, are likely to fall outside the scope of an LTA and fall under the responsibility of other parties such as District, Town or Parish Councils.

Franchising

The 5 government missions are:

1. Kickstart economic growth to secure the highest sustained growth in the G7 – with good jobs and productivity growth in every part of the country making everyone, not just a few, better off.
2. Make Britain a clean energy superpower to cut bills, create jobs and deliver security with cheaper, zero-carbon electricity by 2030, accelerating to net zero.
3. Take back our streets by halving serious violent crime and raising confidence in the police and criminal justice system to its highest levels.
4. Break down barriers to opportunity by reforming our childcare and education systems, to make sure there is no class ceiling on the ambitions of young people in Britain.
5. Build an NHS fit for the future that is there when people need it; with fewer lives lost to the biggest killers; in a fairer Britain, where everyone lives well for longer.

21. What, if any, suggestions do you have on how the franchising guidance could better:

support delivery of the government's missions

promote other government objectives

Existing bus franchising guidance has not been put into practice enough to fully understand whether any further changes are needed to ensure alignment with government missions and objectives.

However to help improve alignment with the government's missions and objectives, a section on Net Zero could be added. This could require LTAs to consider the carbon impacts of bus franchising and how it can support local, regional and national net zero ambitions, such as through the use of zero-emission vehicles.

It important that any changes to the guidance aimed at aligning with the government's missions and objectives do not impose additional work on LTAs seeking to implement bus franchising, as the costs and resources needed to comply with the guidance could become a barrier.

Wider strategic considerations, such as the role of transport in delivering the government's missions, may be best incorporated into revised Local Transport Plan (LTP) guidance. This approach allows for a holistic consideration across the entire transport portfolio. This in turn would be a key consideration when preparing the franchising assessment. Adding these considerations directly to the franchising guidance is not desirable, as it could lead to complex interference with the provisions that need to be specified in local service contracts.

It should be noted that funding is key to delivering franchising or an EP in a manner that supports the government's missions or objectives. This will not be achieved solely through updated guidance.

Other parts

22. Do you have any comments on any other part of the guidance?

✓ Yes

No (Go to 'Final comments')

Don't know (Go to 'Franchising')

Other parts comments

23. What comments?

Section 9.2

ADEPT welcome reference being made to the preparation of templates to support business case development. This will help with the structure of these documents ensure all relevant information is included. Reference is made to DfT supporting LTAs during early stages of franchising considerations, which is again welcome, but we would want this to extend into the drafting of business cases themselves.

Final comments

24. Any other comments?

ADEPT welcome the changes proposed to the franchising guidance as it simplifies the franchising process for non-MCA/MCCA. However these changes are unlikely to significantly accelerate the franchising assessment process or the introduction of franchising were that to be identified as the preferred option following the assessment.

Future Legislation

ADEPT supports the government's aim to remove the SoS consent requirement for non-MCA/MCCA to access franchising powers through future legislation. This will make it significantly easier for LTA's to commence the preparation of franchising agreements.

Funding

Whilst ADEPT supports proposals to make franchising easier for non-MCA/MCCA LTAs, the proposal do not address the funding gap. Many LTAs that wish to pursue franchising will find it impossible do to so without additional capital and revenue funding.

Developing franchising proposals will incur significant costs, even with a streamlined new process. Many LTAs currently lack the in-house capability or capacity to conduct the necessary feasibility work or to deliver a preferred solution. Many LTA's would need to create new teams for the feasibility stage.

One LTA has estimated that it would need a new team of at least 5-6 people to address franchising, prepare a case and then provide ongoing management and monitoring.

Depending on the franchising model adopted, LTAs would need capital funding for bus depots, depot infrastructure, buses, bus priority and improvement measures on highways, enhancements to bus station estates and capacity, bus shelters and stops, and bus information infrastructure (timetables and real-time information).

LTAs would also need revenue funding to kickstart service capacity and frequency before securing patronage and fare revenue. They would also require initial funding for marketing, operational planning, ticketing integration measures and offers, and digital infrastructure to support services.

Franchising is not the only option for LTAs

It is important that the guidance does not imply through broad statements that all LTAs are poorly managing and delivering bus services and have declining patronage and standards.

ADEPT recognises that franchising is one option to improve bus services, increase passenger numbers, and create opportunities in under-served regions. However, this is not the only option. For some LTAs, an EP is the best choice and their EP and BSIP are performing well, with bus patronage increasing year on year and significant private sector investment being made in vehicles and services.