

MCA - MAYORAL COMBINED AUTHORITY BOARD

MINUTES OF THE MEETING HELD ON:

FRIDAY, 4 MARCH 2022 AT 3.30 PM

SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY, 11
BROAD STREET WEST, SHEFFIELD S1 2BQ



Present:

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| Mayor Dan Jarvis MBE (Chair) | SCR Mayoral Combined Authority |
| Councillor Chris Read (Vice-Chair) | Rotherham MBC |
| Councillor Terry Fox | Sheffield City Council |
| Councillor Sir Steve Houghton CBE | Barnsley MBC |
| Mayor Ros Jones CBE | Doncaster MBC |

In Attendance:

| | | |
|-----------------|--|----------------------|
| Dr Ruth Adams | Deputy Chief Executive | SYMCA Executive Team |
| Stephen Edwards | Executive Director | SYPTe |
| Dr Dave Smith | Chief Executive | SYMCA Executive Team |
| Martin Swales | Interim Director of Transport, Housing, Infrastructure and Planning | SYMCA Executive Team |
| Steve Davenport | Principal Solicitor & Monitoring Officer | SYMCA Executive Team |
| Gareth Sutton | Chief Finance Officer/S73 Officer | SYMCA Executive Team |
| Melanie Bray | Minute Taker | JAGU |

Apologies:

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| Councillor Alex Dale | NE Derbyshire DC |
| Councillor Steve Fritchley | Bolsover DC |
| Councillor Tricia Gilby | Chesterfield BC |
| Councillor Simon Greaves | Bassetlaw DC |
| Damian Allen | Doncaster BMC |
| Eugene Walker | Sheffield City Council |
| Huw Bowen | Chesterfield BC |
| Karen Hanson | Bolsover and North East Derbyshire Councils |
| Kate Josephs | Sheffield City Council |
| Sharon Kemp | Rotherham MBC |
| Sarah Norman | Barnsley MBC |
| Jim Dillon | SYMCA Executive Team |
| Sarah Want | Sheffield University |

1 Welcome and Apologies

The Chair welcomed everyone to the additional meeting of the Mayoral Combined Authority Board.

Apologies for absence were noted as above.

Announcements

Mayor Jarvis MBE commented that the additional meeting of the Mayoral Combined Authority Board had been convened to determine whether to trigger a formal investigation of bus franchising as an option to deliver the best bus service for South Yorkshire. A formal investigation on the merits of bus franchising was an essential legal and practical requirement, should the SYMCA wish to move to franchising.

The SYMCA had pledged to do everything possible to fundamentally improve the bus service within South Yorkshire, and at a minimum, the case that franchising would assist to enable that consideration.

Members were referred to the terrible and needless violence that was currently being encountered within the Ukraine. Mayor Jarvis MBE considered that everyone would be inspired by the resolve, determination and spirit shown by the Ukrainians in response to President Putin's unjustified aggression. South Yorkshire stood united against President Putin's illegal invasion, and sent its solidarity to the Ukrainians both in the United Kingdom and those resisting his barbaric regime.

Following the lifting of the COVID-19 restrictions by the Government, Mayor Jarvis MBE's team continued to support him in the close liaison with the public health and other health authorities and the Local Resilience Forum as the data continued to be monitored and reviewed.

A South Yorkshire Economic Summit would be held on 9 March 2022, which would focus upon four main growth drivers of skills and talent, access to finance, clustering growth and the stimulating of innovation ecosystems. The event would bring together the brightest thinkers and best businesses from across the country with entrepreneurs, research institutes and anchor institutions from across the region.

Members noted the work undertaken to develop and finalise the proposals for the new enhanced partnership arrangements with the bus operators which had been undertaken as part of the Government's request to secure sustained funding. At the next SYMCA meeting scheduled to be held on 21 March 2022, the results of the statutory public consultation process would be considered, which would inform the decision on whether to proceed to the implementation of an enhanced partnership.

Mayor Jarvis MBE had recently met with the senior teams of First Bus and Stagecoach, who had agreed to delay possible network and service reductions whilst awaiting an announcement from the DfT regarding the recovery funding. The delay to the possible network and service reductions would enable the SYMCA to undertake an options appraisal process, which would run through to the summer period and would seek to manage, minimise and mitigate service impacts. On 1 March 2022, the DfT had announced a total of £150m for bus and light rail services, which represented the final tranche of their pandemic support for public transport; the local allocation was awaited.

3 **Urgent Items**

None.

4 **Items to be Considered in the Absence of Public and Press**

None.

5 **Voting Rights for Non-constituent Members**

It was noted that Non-Constituent Members were welcome to participate in the discussion of every item on the agenda.

6 **Declarations of Interest by individual Members in relation to any item of business on the agenda**

None.

7 **Reports from and questions by members**

None.

8 **Receipt of Petitions**

None.

9 **Public Questions**

None.

10 **Minutes of the meeting**

RESOLVED – That the minutes of the meeting held on 24 January 2022 be agreed as a true record.

11 **Approval to proceed with issuing the notice of intention to prepare an assessment of a proposed franchising scheme**

A report was presented which recommended the SYMCA to take the decision to formally assess bus franchising as an option for the whole of South Yorkshire to deliver the Bus Service Improvement Plan (BSIP) and therefore issue, in accordance with S.123C of the Transport Act 2000, the notice of intention to prepare an assessment of a proposed franchising scheme and subsequently commence the assessment.

On 29 October 2021, the SYMCA had submitted an ambitious BSIP to the Government. At the SYMCA meeting held on 15 November 2021, the Board had approved issuing of a notice to operators on the proposal to make an Enhanced Partnership Plan and Scheme, and to enter into a period of statutory consultation with operators of qualifying local bus services, followed by a period of public consultation.

Mayor Jarvis MBE considered that without funding, an enhanced partnership may not deliver the required transformation in bus service provision. He highlighted the need to deliver on the BSIP to ensure that buses would continue into the future. He was conscious that franchising on its own would not replace the need for greater resources for buses, and he fully appreciated the concerns raised by a number of Members. There was a good case that needed testing that greater public control would be helpful and critical to the required transformation, and he was strongly supportive of the report presented. He expressed his thanks to the officers for work undertaken in preparation of the report.

Councillor Read welcomed and supported the report. He referred to the three structural challenges that were faced by the bus network in relation to a lack of regulation, to which he welcomed the opportunity for the franchising option to be assessed to understand if it delivered efficiencies, maintained standards and would correct market failures. Cllr Read recognised the revenue funding challenge of the day-to-day cost of running the bus services, which had been made increasingly difficult over the last 12 years with the reduction in local authority budgets, and the longer term challenge around transport investment. He considered that a franchising system was the same as publicly owned public transport. He acknowledged the huge amount of work to be undertaken.

Councillor Fox also welcomed and supported the report, noting the risk related to the expectation of what would be delivered for the region. Public transport was crucial within the vision and plan of Sheffield City Council to become net zero by 2030.

Councillor Sir Houghton CBE supported the recommendations highlighted within the report. He referred to the observations made over the last 20 year period together with the de-regulation of public transport, which had been unsuccessful. Within South Yorkshire, problems had been encountered with the services prior to the COVID-19 pandemic. The pandemic had increased those problems which had resulted in a significant reduction in patronage across the region. He considered that the SYMCA was correct to build and maintain constructive relationships with the operators, however he did not consider that franchising would present a solution to all of the problems within the region. He considered that the proposals highlighted within the report would not achieve a quick fix solution to the problems, but agreed that the option needed assessing.

Members were referred to the unfortunate comparisons that were made of South Yorkshire to London. The public transport system in London was funded per head at a level seven times greater than in South Yorkshire. South Yorkshire was also compared with Greater Manchester, to which their devolution deal contained an element for public transport which supported the cost of franchising and its implications, together with a mayoral tax which was imposed upon its residents. Councillor Sir Houghton CBE referred to the references that had previously been made to taking profits from the operators, to which he would be willing to consider as part of a public service, noting however that he believed Stagecoach's profit in 2021 had been in the region of £28m across 17 domains, which would not cover the problems faced within South Yorkshire alone. He considered that franchising was a method to

increase SYMCA's control over what would happen, but that it would not enable a return to publicly owned public transport, which would be very difficult to achieve without further support from the Government.

In terms of supporting the recommendations, from a BMBC perspective, Councillor Sir Houghton CBE made the following points:

- i) In the event that it was considered that the bus franchising was too expensive and/or that it was unable to be funded by the SYMCA, that there needed to be an opportunity for the SYMCA to withdraw, and BMBC would withdraw at any stage of the process if that was the case.
- ii) That the four local authorities would be involved in shaping and calculating the assessment and required to sign off the assessment.
- iii) BMBC did not believe that bus franchising should be funded in part or wholly through the new taxes on the South Yorkshire residents.
- iv) That gainshare should not be utilised to support the on-going cost of franchising bus operations. However, in the event that it had not been possible to find a solution to the immediate bus problem, that an alternative solution would be considered in the short term, and to make the case to the Government to support the bus franchising.

Mayor Jones CBE commented that she had the full support of DMBC to continue with the process of assessing the bus franchising scheme. She added that the four caveats as outlined above by Councillor Sir Houghton CBE, applied equally to DMBC's position.

RESOLVED – That the Board:

- i) Approved issuing, in accordance with S.123C Transport Act 2000, a notice of intention to prepare an assessment of a proposed franchising scheme.
- ii) Approved the preparation of the assessment and associated costs of a proposed franchising scheme following issuing of the notice.

12 **Any other business**

None.

I, the undersigned, confirm that this is a true and accurate record of the meeting.

Signed

Name

Position

Date