

Franchising Scheme

1. The proposed Bus Franchising Scheme would cover the entire area of the North East MSA, covering Tyne and Wear, Durham and Northumberland County Council areas. Do you have any comments on this?

The 'Geographic scope' section on page 32 of the Bus Franchising Consultation Document contains further detail on geographical coverage of the proposed scheme.

2. If the decision to introduce the proposed Bus Franchising Scheme is taken, it is anticipated that the first franchised services will be in place in Autumn 2029. Do you have any comments on this?

The 'Transition Strategy' section on page 75 of the Bus Franchising Consultation Document sets out the proposed timeline for implementation.

3. While the majority of services are included in the franchising scheme, some, such as some school services are not. Do you have any comments on this approach?

The 'Network' section on page 69 of the Bus Franchising Consultation Document sets out this approach in more detail.

Strategic Case

1. In the Assessment, we concluded that change is needed to deliver better buses in the North East. Thinking about the buses in the North East, what works well and what doesn't?

Please tell us what works well and what could be improved. You may wish to think about routes, connections between places, frequency, fares, access, how easy it is to get information about how to get around, and the overall customer experience.

The 'Case for change' section on page 29 of the Bus Franchising Consultation Document sets out the case for change identified in the Assessment.

2. The Strategic Case sets out a case for change which focuses on challenges such as a lack of consistency, integration, and accountability to communities, as well as issues regarding value for money and performance. Do you have any comments on the challenges identified in the Strategic Case?

The 'Case for change' section on page 29 of the Bus Franchising Consultation Document sets out the case for change identified in the Assessment.

3. A number of strategic objectives have been developed to help compare the shortlisted delivery options (continuing with the Enhanced Partnership, and introducing the

proposed Bus Franchising Scheme) in the Assessment. Do you have any comments on these strategic objectives for the North East's bus network?

The Bus reform objectives can be found in the 'Bus reform objectives' section on page 30 of the Bus Franchising Consultation Document.

4. The potential impact of the proposed Franchising Scheme on neighbouring authorities, and the bus services in these areas, have been identified in the Strategic Case. Do you have any comments on these potential impacts?

These potential impacts are discussed in two different sections of the Bus Franchising Consultation Document – 'Geographic scope' on page 32 and 'Network' on page 69.

5. The Strategic Case concludes that franchising is best placed to deliver our strategic objectives for buses in the region, when compared to continuing with the current EP. Do you have any comments on this conclusion?

A summary of the Strategic Case conclusion can be found in the 'Strategic case conclusion' section on page 40 of the Bus Franchising Consultation Document.

Economic Case

1. The Economic Case of the Assessment considers the impact of the proposed scheme on the economy, environment, operators, passengers, the MSA, and wider society compared to the current EP. Do you have any comments on these impacts?

The 'Impacts' section on page 44 of the Bus Franchising Consultation Document discusses the economic impact of the proposed scheme.

2. The Economic Case concludes that the proposed Bus Franchising Scheme offers better overall value for money than the current Enhanced Partnership. Do you have any comments on this conclusion?

A summary of the conclusion of the economic case can be found on page 48 of the Bus Franchising Consultation Document.

Financial Case

1. The Financial Case has identified the estimated costs of introducing and operating the proposed Bus Franchising Scheme. Do you have any comments on these costs?

The 'Financial assessment of, and investment needed for, franchising' section on page 56 of the Bus Franchising Consultation Document details these estimated costs.

2. A number of funding sources have been identified which could support bus services under franchising, including revenue from fares, the Integrated Settlement, and the transport levy, among others. Do you have any comments on the proposed sources of funding?

'Funding and financing options' on page 51 of the Bus Franchising Consultation Document details these funding sources.

3. The Financial Case details a number of risks which could have a significant impact on the successful implementation of the franchising scheme. Do you have any comments on the assessment of risk to the Mayoral Strategic Authority in relation to the proposed franchising scheme?

Risks are discussed in the 'Risk' section on page 58 of the Bus Franchising Consultation Document.

4. The Financial Case concludes that the proposed Bus Franchising Scheme is affordable, with the funding options identified providing a robust framework for addressing the investment need while allowing for flexibility in response to evolving financial conditions. Do you have any comments on this conclusion?

A summary of the conclusion of the Financial Case can be found in the 'Franchising and call for investment conclusion' on page 61 of the Bus Franchising Consultation Document.

Commercial Case

1. A number of commercial objectives have been developed by the MSA. Do you have any comments on these commercial objectives?

The commercial objectives can be found in the 'Commercial objectives' section on page 63 of the Bus Franchising Consultation Document.

2. The Commercial Case describes the MSA's proposed packaging and transition strategies, with three tranches made up of a mix of 'large' and 'small' contract packages. Do you have any comments on this approach?

The 'Packaging strategy' and 'Transition strategy' sections on pages 74 and 75 of the Bus Franchising Consultation Document provides more detail on these strategies.

3. The Commercial Case identifies a minimum mobilisation period of six months between a local service contract being awarded and services beginning to operate under this contract. Do you have any comments on the proposed minimum mobilisation period?

The 'Procurement' subsection of the 'Transition Strategy' section on page 76 of the Bus Franchising Consultation Document notes the minimum mobilisation period.

4. The MSA proposes that contracts will have a maximum length of seven-to-eight years, with a shorter guaranteed term (approximately five-to-six years). Do you have any comments on the proposed length of franchise contracts?

Discussion around the contract length can be found in the 'Contract length' subsection of the 'Contract Structure' section on page 72 of the Bus Franchising Consultation Document.

5. Operators are assumed to provide the vehicles under franchising which will be required to comply with an industry-standard specification set by the MSA. To facilitate this approach the MSA will operate a Residual Value Mechanism, lowering the barrier to entry for non-incumbent operators and reducing the risk of operators being left with stranded assets at the end of a franchise contract. Do you have any comments on this approach?

Detail around the proposed approach to vehicle provision and specification can be found in the 'Vehicle provision and specification' subsection of the 'Asset strategy' section on page 66 of the Bus Franchising Consultation Document.

6. The Commercial Case assumes that 12 existing 'strategic' depot sites are acquired by the MSA for use by operators of 'large' contracts, with 'small' contract operators expected to provide their own depot sites. Do you have any comments on the approach to depots under the Proposed Franchising Scheme?

Detail around the proposed approach to depot provision can be found in the 'Depot provision' subsection of the 'Asset strategy' section on page 66 of the Bus Franchising Consultation Document.

7. The Commercial Case highlights various opportunities to facilitate the involvement of small and medium-sized operators (SMOs) in the North East bus market under franchising. Do you have any comments on how the scheme would support or affect small and medium-sized operators?

These opportunities can be found in the 'Opportunities for small-and-medium sized operator involvement' section on page 78 of the Bus Franchising Consultation Document.

8. Under the proposed Bus Franchising Scheme, revenue risk would be retained by the MSA, with cost risk transferred to operators. Do you have any comments on the proposed allocation of risk between the MSA and operators?

Discussion on risk allocation can be found in the 'Revenue risk' and 'Cost risk and inflation indexation' subsections of the 'Contract structure' section on page 73 of the Bus Franchising Consultation Document.

9. The Commercial Case concludes that – while both the proposed franchising scheme and the existing EP are commercially viable options – franchising performs better against the commercial objectives. Do you have any comments on this conclusion?

A summary of the conclusion of the commercial case can be found on page 82 of the Bus Franchising Consultation Document.

Management Case

1. The Management Case sets out how the proposed Bus Franchising Scheme would be managed and what competency and resource is required. Do you have any comments on the delivery arrangements set out to deliver and manage franchising, such as if adequate capability and capacity is identified?

Detail on these arrangements can be found in the 'Management and responsibility split of the EP and franchising scheme' and 'Competency and resource' sections on page 83 of the Bus Franchising Consultation Document.

2. The Management Case describes the arrangements proposed for the potential transfer of bus industry employees to new operators. Do you have any comments on these arrangements?

Detail on these arrangements can be found in the 'Transfer of Undertakings (Protection of Employment) (TUPE) regulation' section on page 84 of the Bus Franchising Consultation Document.

3. In the Management Case the MSA has identified a number of activities which would have to take place during the transition to franchised services. Do you have any comments on the activities identified, and the proposed timeline?

These activities can be found in the 'Transitional change and mobilisation for both options' section on page 85 of the Bus Franchising Consultation Document.

4. The Management Case has set out a five-step process to manage performance and ensure that the anticipated benefits of the proposed Bus Franchising Scheme are realised. Do you have any comments on how the MSA would monitor and evaluate the performance of the proposed Bus Franchising Scheme?

This process can be found in the 'Performance and benefits management' section on page 85 of the Bus Franchising Consultation Document.

5. A governance structure has been proposed which details where responsibility for different aspects of the franchised bus network would rest, and the ways in which local authorities would be able to influence the franchised network. Do you have any comments on the proposed governance arrangements?

Detail on the proposed governance arrangements can be found in the 'Programme management and governance' section on page 90 of the Bus Franchising Consultation Document.

6. The management case concludes that both the existing EP and the proposed franchising scheme are deliverable, with franchising requiring additional investment, transition activity and governance arrangements to enable successful operation. Do you have any comments on this conclusion?

A summary of the conclusion of the management case can be found on page 93 of the Bus Franchising Consultation Document.

Equality, Accessibility & Inclusion

1. Do you have any comments on the findings of the full Equality Impact Assessment?

A summary of the full Equality Impact Assessment can be found on page 94 of the Bus Franchising Consultation Document.

Final Questions

1. Do you support the introduction of the proposed Bus Franchising Scheme in the North East?

- Yes
- No
- Don't know

Please explain why.

2. Are there any changes you think would improve the proposed Franchising Scheme?

3. Do you have any further comments?

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