

COMBINED AUTHORITY MEETING

27 MARCH 2026

Delivering the Mayor's Bus Powers in 2026/27

Report of the Director of Transport

1.0 Purpose of the Report

1.1 The report sets out the requirement to continue to delegate some of the Mayor's transport powers back to North Yorkshire Council (NYC) and City of York Council (CYC) in order to discharge the Mayor's duties in relation to bus service provision in the York & North Yorkshire Combined Authority (YNYCA) area.

2.0 Recommendations

- 2.1 It is recommended that the Mayor's devolved powers relating to the provision of bus services are delegated to NYC and CYC from 1 April 2026 until 31 March 2027.
- 2.2 It is recommended that officers from all three authorities continue their Bus Service Delivery Review, with YNYCA officers providing quarterly updates to the Transport Advisory Board on progress in bringing bus service powers back under YNYCA.

3.0 Background

- 3.1 The devolution deal that created YNYCA included devolution to the Mayor of considerable powers over bus services that were previously held by NYC and CYC as the predecessor local transport authorities. When the Mayor was elected in May 2024 the Combined Authority was not in a position to deliver some of these powers immediately and they were delegated back to NYC and CYC so they could continue the day to day delivery of supported bus services and related functions (such as the management of enhanced partnerships, bus stations, concessionary fares, bus information, real-time information, etc).
- 3.2 In July 2025 this delegation was extended to the end of March 2026. Due to staff changes and capacity constraints within the Combined Authority, there remains work to be done before the delegated powers can be taken back by the Combined Authority.

3.3 Since his election the Mayor has used his other powers over bus services to focus the spend of the Combined Authority's integrated transport settlement from the UK Government. This includes:

- Implementation of the highly successful under 19 £1 flat fare scheme, with over 1.2 million £1 tickets sold in the six month period April-September 2025, an increase of 19% on the previous six month period
- Protecting the cheaper fares for NHS staff at York Hospital
- Enhancing opening hours at York Park and Ride services
- £209,100 in support for extending Moorsbus and Dalesbus services in the two national parks, that had previously limited public funding
- Development of multi operator ticketing to cover all of the Combined Authority's area, for implementation in 2026/27
- Enhancing passenger experience through investment in real time information displays and roadside information systems
- Improving bus infrastructure with new bus stops and shelters and bus station upgrades
- Accessibility improvements to support bus access for those with additional needs
- Use of the integrated transport settlement to extend and maintain supported bus services across the Combined Authority's area
- Production of a new Bus Service Improvement Plan (BSIP) covering both York and North Yorkshire by September 2026
- Creation of a new Enhanced Partnership with the local authorities and bus operators (to be launched summer 2026)

4.0 Delegation of Powers until March 2027

4.1 It is proposed that the current bus powers delegation is extended until 31 March 2027 (subject to acceptance by NYC and CYC), at which point a further decision will be required regarding the delivery of bus services powers. An agreement has been drafted that sets out the terms of this continued delegation, and this has been circulated to the Legal teams at NYC and CYC for comment.

4.2 This approach will ensure the continuity of frontline delivery of bus services across the Combined Authority area. The financial budgets that fund day-to-day bus services reside with NYC and CYC, as do the delivery teams. Both NYC and CYC have base budget funding allocated for bus services but that does not cover all their costs. It is this shortfall that requires funding from the Combined Authority

4.3 Where bus grants have been secured by the Mayor during the 2026/27 municipal year, this funding has been allocated to NYC and CYC to deliver enhanced services and new infrastructure.

5.0 Bus Services Delivery Review

- 5.1 The delivery of bus services is one of the key transport duties devolved to the Mayor and in order to enact this duty the Combined Authority is undertaking a two stage Bus Services Delivery Review. The first stage was a review of bus service delivery options including franchising and an enhanced partnership, completed in January 2026. This forms the basis for a detailed operational review that establishes whether responsibility for day-to-day delivery of bus services should be moved to YNYCA. Any such change would need to avoid disruption to frontline services.
- 5.2 The 2025 Spending Review included a commitment to fund rural bus franchising pilots, which subsequently led to the DfT allocating £0.5m for a rural bus franchising pilot scheme in the YNYCA geography. The contracts to undertake the franchising pilot studies will be awarded imminently and the DfT have indicated that further funding will be available to support franchising trials should the initial research suggest these will offer value for money. The rural franchising pilot work will form a core element of the Bus Service Delivery Review.
- 5.3 Officers from YNYCA, NYC and CYC will continue to work together to complete the second stage of the Bus Service Delivery Review to consider options and opportunities for how to best deliver public transport for the benefit of passengers across North Yorkshire and York,
- 5.4 The review will:
- Establish whether there is a case to cease the delegation of powers from April 2027, or an earlier or later date to be agreed, and establish a bus services delivery team within YNYCA.
 - If such a case exists, produce a plan for the transfer of staff and contracts and resolve all financial, commercial and legal implications for YNYCA, NYC and CYC.
 - Determine how the continued efficiency of other statutory transport duties still held by CYC and NYC can be retained - notably the provision of statutory Home to School transport in NYC, which is a duty not devolved to the Mayor. A dedicated workstream will be added to manage operational linkages and mitigate risks from separating functions.
 - Determine a practical timescale and project plan for completing any recommended changes.
- 5.5 The recommendations of the Bus Services Delivery Review will be reported back to the Transport Advisory Board every three months during the period before the expiry date for the delegation of powers.
- ## **6.0 Financial Implications**
- 6.1 The delegation of powers to NYC and CYC will have no financial implications for the Combined Authority.

- 6.2 The outcome of the Bus Services Delivery Review could have significant financial implications for the Combined Authority, which will need to be fully discussed and resolved during the Review.

7.0 Legal Implications

- 7.1 By virtue of Article 13(2) (and subject to (3)) the York and North Yorkshire Combined Authority Order 2023, the functions specified in Parts 4 (local transport services) and 5 (financial provisions) of the Transport Act 1985 and Part 2 of the Transport Act 2000 are exercisable by the Combined Authority (Local Transport Functions) instead of NYC and CYC.
- 7.2 Article 27 of the Order provides that some of these Combined Authority functions are exercisable only by the Mayor. These include local transport plans in accordance with Section 108 and further provisions about plans within Section 109, supplementary provisions around plans and strategies within Section 112 and grants to bus service operators in accordance with Section 154(1) of the Transport Act 2000.
- 7.3 Pursuant to Section 101 of the Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions)(England) Regulations 2012, a local authority and/or a combined authority may make arrangements for the discharge of any of their functions by another local authority. This means that the Combined Authority can delegate the discharge of the Local Transport Functions (with the exception of those functions at 7.1 above, which are decisions for the Mayor) within the administrative area of North Yorkshire to NYC and for the administrative area of the City of York to CYC. It will be at the discretion of NYC and CYC as to whether they wish to accept this delegation.
- 7.4 The outcome of the Bus Services Delivery Review could have significant legal and organisational implications for the Combined Authority, which will need to be fully explored during the Review.

8.0 Equalities Implications

- 8.1 The proposed delegation of transport powers will maintain and enhance travel opportunities by bus for members of the public across York and North Yorkshire, including vulnerable people.

9.0 Environmental Implications

- 9.1 It is anticipated that the delegation of powers will cause no negative impacts on the environment.

10.0 Human Resources Implications

- 10.1 There are no immediate HR Implications.

11.0 Combined Authority Areas Impacted (Council Areas/Wards/Divisions)

11.1 The delegation covers the whole of York and North Yorkshire.

12.0 Recommendations

- 12.1 It is recommended that the Mayor's devolved powers relating to the provision of bus services are delegated to NYC and CYC from 1 April 2026 until 31 March 2027.
- 12.2 It is recommended that officers from all three authorities continue their Bus Service Delivery Review, with YNYCA officers providing quarterly updates to the Transport Advisory Board on progress in bringing bus service powers back under YNYCA.

13.0 Reasons For Recommendations

- 13.1 The recommendations will ensure the continuity of bus services delivery across the Combined Authority area, enabling NYC and CYC to provide public funding support for bus services on a secure legal footing.

14.0 Contact Details

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