

### Key Features of BES 2

- 1.1. BES 2 will continue to address the loss of farebox revenue and the additional costs associated with responding to the pandemic. Under BES 2, WG funding will sit alongside our own local funding provided through the Concessionary Travel Scheme, via the Revenue Support Grant, and regionally through the Bus Services Support Grant to make up the shortfall.
- 1.2. WG will be a co-signatory to the BES 2 agreement with bus operators, alongside TfW. Local authorities retain legal responsibilities for bus services and therefore remain central to determining which local services receive this support. They need to agree to the principle of the agreement and the relationship with their Lead Authority, in ensuring that the ongoing emergency funding meets their priorities and is delivered on their behalf. This will provide the legal basis for WG to make payments to the operators. In this way, WG can use its powers to support operators, whereas the additional funding would breach local authorities' de minimis limits for direct award contracts (further details in the briefing note in Appendix 2 and the full proposed Agreement is in Appendix 3). LAs will remain responsible for those services which they currently contract directly with bus operators. LAs will need to consider planning for contingencies, such as if the BES 2 agreement is not signed or the level of funding for BES 2 is reduced during the period of the agreement.
- 1.3. Key features of BES 2 will be as follows:
  - Maximum term until 31st July 2022 or until operators enter into an embedded partnership agreement;
  - Development and delivery of a Reference Network, intended to provide a range of benefits to communities; multi-operator ticketing; and operator sign-up to an Economic Contract at the heart of WG's Economic Action Plan (and its principles of fair work, health, decarbonisation, skills and learning etc);
  - Long term co-operation and co-ordination across TfW, LAs and operators by entering into partnerships with a clear set of obligations and shared standards;

- One agreement per operator in each of the regions that they work in, signed by Welsh Government, TfW, a lead authority and the operator;
- Operators will be allowed to make a (capped) profit on services that has not been possible under emergency funding to date.