

Report of the Head of Scrutiny and Member Development

Report to Scrutiny Board (City Development)

Date: 30 March 2016

Subject: Inquiry into Bus Service Provision – Session 3

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Scrutiny Board at its meeting on the 17th of June 2015 resolved to undertake an inquiry to consider bus service provision.
2. The Board expressed a desire to have a clear understanding of current provision and how this supports our objectives as a Council to connect residents and visitors to employment, training, culture and leisure and support the economic prosperity of the city. Whilst undertaking the inquiry the Board also wish to understand the current and future options for bus service provision in the city and consider what would be most beneficial for Leeds.
3. The purpose of this inquiry is to make an assessment of and, where appropriate, make recommendations on the following areas:
 - The provision and connectivity of Bus Services in Leeds, including services into the Leeds area and sufficiency to meet the needs of people and business.
 - Current impact of bus services on social inclusion, poverty and the economy
 - Options for improving local bus services
 - Investment and the delivery of strategic and operational improvement in bus services
 - Consultation on the Bus Bill

4. The January and February Scrutiny meetings provided information on:
 - De-regulation and the West Yorkshire bus context
 - Key Achievements
 - Role of the Highway Authority & WYCA in the Bus System
 - Bus Services and the economy
 - Bus Strategy and Single Transport Plan, including Public and Stakeholder consultation.
Partnership and Quality Contract Legislation
5. On the 11th of February the Bus Minister Andrew Jones made a speech to the Transport Times UK Bus Summit which is attached as appendix 1 for information. This provides an update to the Scrutiny Board on the Buses Bill which was of considerable focus at the January 2016 meeting.
6. The focus of this 3rd session is to further explore the influence and impact of bus services in Leeds on business and the wider the economy, the current bus offer and options for improving local bus services. Representatives from three organisations have been invited to the meeting to provide advice, contribute to debate and answer questions; these are the Unite, The West Yorkshire Campaign for Better Transport and Leeds Chamber of Commerce.
7. The next meeting in April will facilitate discussion with operator representatives.

Recommendations

8. The Scrutiny Board is requested to note this report and information provided during discussion on the 30th March and make recommendations as deemed appropriate.

1 Purpose of this report

- 1.1 This report provides information about the focus of the 3rd session and provides an overview of the organisations contributing to the inquiry at this session.

2 Main issues

- 2.1 The 3rd session of the inquiry provides an opportunity for the Scrutiny Board to further explore the influence and impact of bus services in Leeds on business and the wider the economy, the current bus offer and options for improving local bus services. Representatives from three organisations have been invited to the meeting to provide advice, contribute to debate and answer questions.

- 2.2 Unite – Unite represents more than 95,000 bus, coach, taxi, tram and rail workers representing most of the employees of Stagecoach, First, Arriva and National Express.

Unite state that employment retention and reorganisation in the bus industry are notable concerns, with high quality training needed in most of the large bus companies. Another major issue is pay, which is being addressed by members through negotiation and, where necessary, industrial action and continued campaigns.

Unite has published a Strategy for Transport (November 2015)¹ ‘Transport Matters’ which contains a number of recommendations which relate to the following transport priorities, also relevant to bus provision:

- a commitment to investment;
- accessible, affordable, integrated and accountable public transport;
- a fundamental shift away from further privatisation and deregulation;
- safe transport with decent employment standards, equality and protection for transport workers;
- a sustainable transport system that is better for the environment.

- 2.3 The West Yorkshire Campaign for Better Transport – West Yorkshire Campaign for Better Transport was formed in the mid 1970’s. It campaigns on local issues and supports the national organisation in pressing for sustainable transport.

The national parent organisation, Campaign for Better Transport, has published a number of bus related research documents the most recent being ‘Buses in Crisis, a Report on Bus Funding Across England and Wales 2010 - 2016’². This report makes a number of recommendations which includes suggested areas of inclusion in the forthcoming Buses Bill such as the the ability to franchise services, strengthening regulation around partnerships and help for rural bus services.

- 2.5 Leeds Chamber of Commerce – The Leeds Chamber of Commerce is a business network established in 1851 which works to support and represent local

¹ [http://www.unitetheunion.org/uploaded/documents/Transport%20Matters%20-%20a%20Unite%20strategy%20for%20transport,%20key%20points%20and%20recommendations%20\(updated%20December%202015\)11-24946.pdf](http://www.unitetheunion.org/uploaded/documents/Transport%20Matters%20-%20a%20Unite%20strategy%20for%20transport,%20key%20points%20and%20recommendations%20(updated%20December%202015)11-24946.pdf)

² <http://www.bettertransport.org.uk/sites/default/files/research-files/buses-in-crisis-2015.pdf>

businesses. The network today includes businesses of all sizes and shapes and from a range of different sectors. The Leeds Chamber Property Forum has a transport sub group which is made up individuals from the private and public sectors. The forum meets every quarter to review, discuss and where appropriate initiate transport projects which contribute to the continued economic success of Leeds and improve the local, regional, national and international connectivity of the city.

3 Corporate Considerations

3.1 Consultation and Engagement

3.1.1 The purpose of this session is to obtain the views of the stakeholder organisations represented. Further engagement will be undertaken at the April 2016 meeting.

3.2 Equality and Diversity / Cohesion and Integration

3.2.1 Equality and diversity will be a consideration throughout the Scrutiny Inquiry and due regard will be given to equality through the use of evidence, written and verbal, outcomes from consultation and engagement activities. Where a potential impact has been identified this will be reflected in the final inquiry report, post inquiry.

3.3 Council policies and Best Council Plan

3.3.1 This inquiry will support objectives as defined in The Vision for Leeds 2011 – 2030 and the Best Council Plan 2015-20

3.4 Resources and value for money

3.4.1 This report has no specific resource and value for money implications

3.5 Legal Implications, Access to Information and Call In

3.5.1 This report has no specific legal or access to information implications

3.6 Risk Management

3.6.1 This report has no risk management implications.

4 Recommendations

4.1 The Scrutiny Board is requested to note this report and information provided during discussion on the 30th March and make recommendations as deemed appropriate.

5 Background documents³

Appendix 1 – Speech of the Bus Minister Andrew Jones which explains the government’s forthcoming Buses Bill. 11th February 2016

³ The background documents listed in this section are available to download from the Council’s website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1

Speech of the Bus Minister Andrew Jones which explains the government's forthcoming Buses Bill. 11th February 2016

Source: GOV.UK

Introduction

It's a real pleasure to open the Transport Times UK Bus Summit 2016. I'm really grateful to the Transport Times for running the event and to everyone here for coming. I've chosen as my topic this morning (11 February 2016) the government's forthcoming [Buses Bill](#). I want to set out clearly, and in more detail than the government has done before, why we are introducing a Buses Bill, what the bill will do, and what we expect to change as a result.

Context and aim of the bill

But first, I would like to provide some context. In preparing this bill, we have one clear aim, which is this: to increase bus passenger numbers. Buses help people get to the shops and to work, boosting our economy. Buses enable people to visit friends and family, providing great social benefits. And buses can reduce congestion and air pollution, offering great benefits to our environment. So it is a matter of concern that over the years there has been a general decline in passenger numbers. And it explains the overriding aim of our bill; to get more people using buses.

What the bill will not do

But second, I would also like to dispel a few misconceptions by setting out what the bill will not do. The bill will not impose any particular arrangement on local authorities or on bus operators. Neither will the bill give local authorities new powers to take bus operators' assets, such as vehicles or land. Oversight of anti-competitive behaviour will be left to the Competition and Markets Authority — exactly where oversight lies at the moment. And nor does the bill impose wholesale re-regulation. Instead, the Buses Bill is an enabling bill. It gives local authorities new choices. Choices about how they can improve bus services in the interests of their residents, and, I believe, in the long-term interest of the bus industry too.

Why a Buses Bill

So, why are we introducing a Buses Bill? After all, the government is plainly on the side of free enterprise. We are in favour of cutting red tape, and giving the private sector the space it needs to grow. And there's so much about today's de-regulated bus industry that works well. The latest Transport Focus survey shows that nearly 9 out of 10 customers are satisfied with their bus services.

In my own area I can see good practice, with Transdev launching new state-of-the-art buses on route 36 between Leeds, Harrogate and Rippon. At the same time, a challenger operator — Connexions buses — is pioneering new routes and reaching new markets. Across the country, commercial operators are introducing smart cards, installing Wi-Fi, co-ordinating timetables, and making great strides in improving accessibility — 89% of buses comply with accessibility standards, and we are on track for virtually 100%. All this progress is down to operators taking decisions in the interests of their passengers. It

shows that the de-regulation of the industry has been a success. But it would be wrong to pretend that there's no room for improvement.

We only have to look to the streets outside this building to see how, in some circumstances, things can be done differently. And just as in London, passengers right across the country want Oyster-style ticketing, better access to information about timetables, better information on fares before they travel, and real-time data about when the bus is going to arrive at their stop. There are many other opportunities for improvement, too. To make sure that bus routes reflect and support local economic development, such as new housing, and new business parks. As things stand, areas that want these improvements have a choice. They can enter into voluntary partnerships with bus operators. They can agree quality partnerships, which have the backing of law. Or they can propose quality contracts, under which local authorities take on responsibility for services.

But each of these choices have drawbacks. Voluntary arrangements are only as good as the personal relationships between those involved. Statutory partnerships force local authorities, by law, to spend public money on new infrastructure, even when everyone agrees it isn't needed. While the quality contract scheme process — introduced in 2000 — has proved more time consuming, costly and challenging than anybody could ever have imagined. So we believe there's room for some additional choices. Choices that keep the best features of a de-regulated market, but that give local areas greater say over bus services.

What the bill will include — open data

So, first, our bill will address passengers' need for better information. It is in everyone's interests for people to know as much as possible about the bus services in their area. So our proposal is that all operators will be required to make data about routes, fares and times open and accessible. It will allow app makers to develop products that passengers can use to plan their journeys, and give people the confidence to leave the car at home and take the bus instead.

What the bill will include — new partnerships

Second, the bill will introduce new arrangements for local authorities and bus operators to enter into partnership. We will remove the requirement that a quality partnership scheme must always involve new infrastructure. And we will introduce new, enhanced, partnerships that allow local authorities and bus operators to agree their own standards for all services in their area — perhaps focusing on frequency and reliability along a particular route or transport corridor, or setting emissions standards to improve local air quality, or introducing common branding, marketing and ticketing rules over a wider geographical area.

In this way, the bill will build on the strengths of existing partnership arrangements while addressing their weaknesses, including the weakness that allows a small minority of operators to block improvements that have been agreed by the majority. This new partnership approach won't be right for every area. In many cases it may be better to leave things just as they are. For those cases, our message will be — if it isn't broken, don't fix it. The status quo is acceptable too. Yet sometimes there will be a case for more radical change. For example, some of the things that Londoners have come to expect can be

difficult to deliver in a fully de-regulated bus market, such as a single fare structure across different operators and transport modes.

What the bill will include — franchising

So the bill will honour our devolution deal commitments to give local authorities the choice to use new powers to franchise bus services in their areas. I want to keep the good parts of the quality contract scheme process, which at least forces people to think things through properly, but I want to lose the parts which don't work, such as the excessive cost, the bureaucracy and the second-guessing. The decision to take up those powers will for local areas to make.

Local areas will need clear arrangements for ensuring the powers are used accountably, the capability to meet their promises to passengers, and a system that does not disadvantage bus services that cross local authority boundaries. Operators will need to play their part too.

This will an important decision for local areas to make, and it must be made on the basis of solid information, provided in a timely way. We certainly do not foresee a one-size-fits-all approach in every area. Some local authorities may want to introduce newly-integrated, uniformly branded networks of services just as you see in London. Others will just want to build and improve on what's already there. Whatever approach is chosen — and that will be a local decision — we want to ensure that bus operators and the wider supply chain have as much notice of change as possible. And that the effects on small operators are considered properly. In every case, local authorities will need to work closely with the operators in their area to manage the process in the best interest of passengers, particularly during periods of transition which will need to be handled with care.

Conclusion

So in conclusion, I hope that's given everyone plenty to talk about. I can't yet tell you exactly when the bill will be introduced into Parliament, save to say that the finest minds are working on it and you will see it very soon. We are hoping for Royal Assent by early next year. But we are certainly not at the end of the road just yet. Everything in the bill will be subject to Parliamentary scrutiny. And it won't become law until Parliament is satisfied. So there's plenty of opportunity to shape the content. And I look forward to much debate and discussion in the months ahead.