

Bus franchising: the real opportunities

April 2016

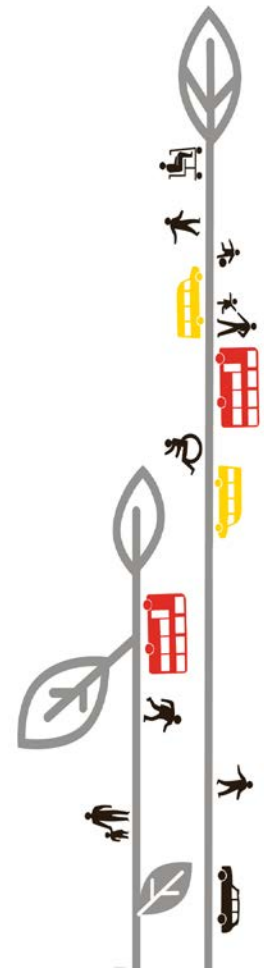


Executive summary

The Buses Bill will give Local Authorities the opportunity to introduce franchising.

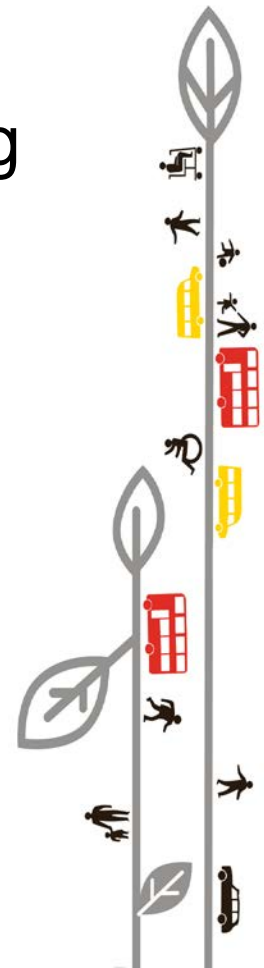
Franchising is:

- Better for passengers
- Better for Local Authorities
- Better for operators



Better for passengers

- Improved, integrated transport offering, responsive to community needs
- Socially essential routes maintained ensuring access for 5 key demographic groups:
 - Older people
 - Younger people
 - Unemployed
 - Low-income employees
 - Disabled people
- “No decision about me, without me” [NHS]
- Simplified ticketing and fares



Better for Local Authorities

- Freedom to shape and deliver networks based on public need
- Increased efficiencies through funding reform, pooling and competition
- Opportunity to tender for innovation
- Responsibility for the delivery of an essential public service under democratic local accountability

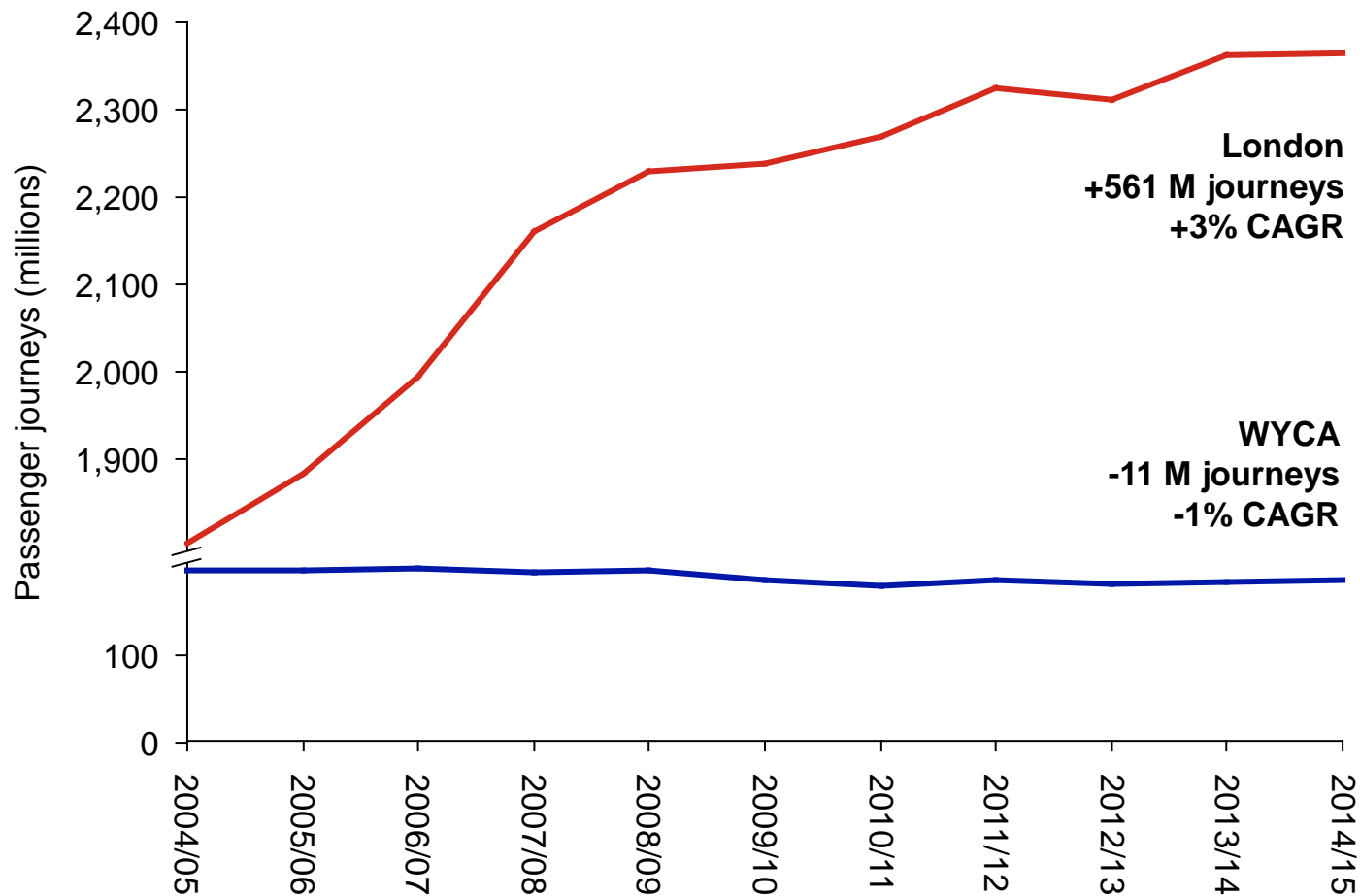


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hct group

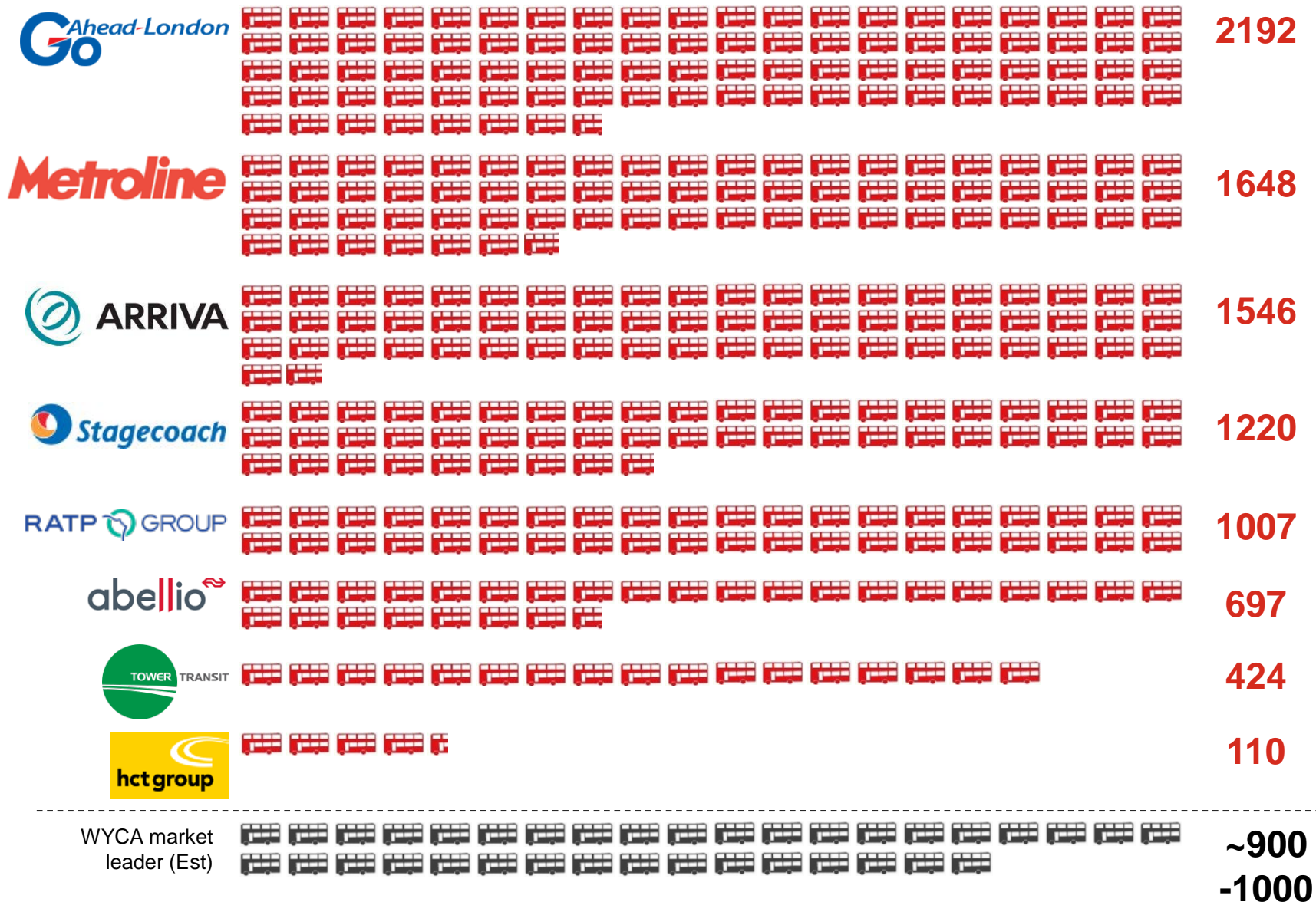
Local bus journeys originating in the area¹



1. Source: DfT Buses Statistics [Table BUS0109b]

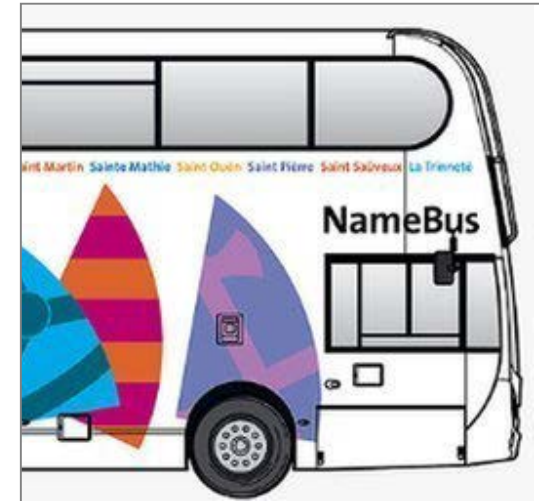
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London franchise competition



Profit Share

Community Involvement



Please also see our accompanying report: Practical Bus Franchising

Franchising options: Netherlands¹

Background:

- Local authorities contracting under **competitive tendering since 2001** (legislation passed in 2000)
- Franchising introduced to **improve efficiencies** and to allow private sector expertise to generating more customer focus and service innovation
- LAs have the freedom select from a **wide variety of contractual formats** including:
 - Net cost
 - Gross cost
 - Superincentive
- Funding is centrally distributed rather than locally raised
- Pooled budgets have been piloted
- Similar population density to the UK



Outcomes:

- **Quality has improved**
- **Passenger satisfaction has increased**
- Tendering has led to **increased efficiency** and mostly attract two to four bidders
- **Falling costs of provision**
- **Significant innovation and diversity** in approaches to contracting
- Ticketing system allows for **tailor-made regional fares**, whilst **retaining nationwide ticketing integration**
- **Clever contract management and skilled authorities** necessary for the development of a **trusted partnership** with the operators
- Regional bus **patronage remains stable**

If you would like to discuss these ideas further, please contact:
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Thank you

