

Submission by ABOWY

Summary

- Bus operation in Leeds is governed by the Transport Act 1985 with regulation by the Traffic Commissioner
- Bus operators in West Yorkshire are currently engaged in constructive discussions with West Yorkshire Combined Authority (WYCA) to agree measures which can be implemented over the next two years to improve bus service quality for customers
- Over 95% of local bus service mileage is commercially operated, without any subsidy and with all costs covered by customers
- Bus operators are playing a significant role in Air Quality Management with new Euro VI vehicles now being introduced. We have worked with manufacturers to reduce fuel use and emissions, such that modern diesels meet low carbon certification requirements and dramatically reduce Hydrocarbons and Nitrous Oxides
- Customer satisfaction rating in West Yorkshire was 87% in 2015 (up from 85% since 2012) from the Transport Focus annual Bus Passenger Survey (BPS)
 - Value for Money score is up from 55% to 61%
 - Satisfaction with punctuality has risen from 70 to 74%
- 27% of customers in the BPS reported that congestion or traffic jams affected their journey, highlighting how traffic delays impact on bus customers and the frustration it causes
- In the ten years to 2015, bus fares in Metropolitan areas rose by 16% in real terms¹ compared to 21% in London; however total operating revenue which includes fares, concessionary reimbursement, BSOG and tendered services revenue has increased by just 3.7% - which highlights the effects of reduction in public funding²
- Over the same time period:
 - Bus operating costs for Northern England rose by 57.5%
 - Bus fuel costs rose by 165.4%
- In real terms public spending on local bus services in West Yorkshire fell from £27.6mn in 2004/5 to £24.4mn in 2014/5 – a 12% reduction
- Ticketing is integrated with one ticket available for purchase for any bus or rail journey in West Yorkshire

¹ DFT Bus0405 Dataset Fare Indices

² DFT Bus0402 Operating Revenue per Passenger Journey

- A simple fare structure exists for the majority of journeys with typically four single fares according to distance, plus day, week, month and annual tickets – and collectively these account for around 75% of fare paying customer’ journeys.
 - This is complemented by the Metrocard/M-card range of multi operator and multi modal ticket – accounting for c13% of journeys
- 32% of passenger journeys are currently made using Smart Cards including concessionary journeys since the cards were introduced for concessions in 2012 and M-Card in 2014
- Passengers will soon be able to load cash onto their cards to buy tickets
- A best value cap is being developed by Yorcard on behalf of WYCA and operators, so customers will be able to use cashless travel but only pay the relevant maximum day, week or month price
- Major bus operators are additionally committed to rolling out contactless payments by 2022 in partnership with the UK Card Association
- The Buses Bill, currently passing through parliament is likely to create new opportunities for partnership working in addition to franchising (network tendering) powers
- Bus operators are major employers within Leeds and make a significant contribution to local communities

Background

Bus services in Leeds and the rest of Great Britain outside London are governed by the Transport Act 1985. Operators are regulated by the Traffic Commissioner. Licensed operators can register, vary or cancel services with 56 days’ notice to the Traffic Commissioner, though operators have agreed with West Yorkshire Combined Authority (WYCA) to restrict change dates to six dates per annum.

Most services are provided on a commercial basis – they are designed by and operated at the commercial risk to the operator without subsidy. In practise WYCA officers and elected members have a significant influence upon operator plans, holding operators to account on behalf of our customers and their electorate. In recent years WYCA and the operators have worked together to review the bus network in each district and we continue to engage with members and officers individually and collectively.

Where a local authority (in this case WYCA) believe there is a social need for additional services, or longer operating hours, it is empowered by law to procure such a service providing it demonstrates value for money in the contract. According to DfT figures³, net spend on these services in West Yorkshire has fallen in real terms from £27.6mn in 2004/5 to £24.4m in 2014/5 - a 12% reduction (DfT Bus 505). In 2000/1 the figure was £35mn in 2014/5 prices (i.e. there has been a 31% reduction since 2000/1).

Bus operators also receive public funds for two other aspects:

³ Dataset Bus505

- Concessionary Fares – we are reimbursed for carrying senior citizens and disabled people free of charge as part of the English National Concessionary Fare scheme and also for a non-statutory half fare scheme for young people – this remains a ‘subsidy to the customer’ rather than the operators
- Bus Service Operators Grant – this has evolved from a fuel duty rebate and has reduced steadily over the years

WYCA also funds Access-bus – a flexible demand responsive service to areas of low demand. WYCA is responsible for bus stations, bus stops and shelters and the production and distribution of information with costs shared with operators.

Bus operators in West Yorkshire are currently engaged in constructive discussions with West Yorkshire Combined Authority (WYCA) to agree measures which can be implemented over the next two years to improve bus service quality for local people. These include:

- Expansion of the M-Card smartcard range and a best value ticket selector
- Network stability measures, with further restrictions on frequency of major changes
- A new engagement strategy for young people
- A strategy to improve Air Quality
- Punctuality Improvement Plans for core corridors to ensure more reliable services
- Customer Services and Customer Information improvements
- Availability of wifi on buses operating on core corridors within Leeds

A new Buses Bill is presently proceeding through parliament, which it is expected will enable local authorities and operators to agree enhanced partnership measures in addition to allowing local authorities with devolved powers, the ability to pursue franchising of local bus services (really a misnomer, as it really is tendering).

Customer Views

Transport Focus is the customer voice for the transport sector. Their autumn 2015 Bus Passenger Survey shows:

- 87% Overall Satisfaction (v 85% in 2012)
- 61% Satisfaction with Value for Money (v 55% in 2012)
- 74% Satisfaction with Punctuality (v 70% in 2012)
- 86% Satisfaction with Journey Time (v 86% in 2012)
- This compares with 82% satisfaction with local rail operator Northern (81% punctuality, 58% value for money and 83% journey time).

27% of customers advised that their journey was affected by congestion or traffic jams; 12% advised that delays were caused by roadworks; 5% by slow bus driving; 6% by poor weather; 7% by waiting

too long at stops and 15% by passenger boarding times. The cost of congestion for bus operators is significant. In Leeds, First alone has added 11 buses (3.1%) to its network to maintain timetables, with average speeds reducing from 11.9mph to 10.2mph over five years. Public sector investment in public transport is often focussed on rail but research has shown that targeted investment in bus priority measures would typically generate £3.32 of net economic benefit for each £1 of cost incurred. Such investment can bring about a virtuous circle of improved punctuality, lower operating costs, reduced fares, more attractive services, less pollution and reduced congestion.

Bus operators actively encourage customer comments – both negative and positive – and are supported in these aims by WYCA and elected members. Complaints are routinely investigated and fed back to the affected parties and where possible a root cause resolution exercise is undertaken to ensure lessons are learned and alterations made.

Value for Money and Ticketing

In the decade to 2015, bus fares in Metropolitan areas have risen by 53.2% - this compares to Retail Price index increase of 32%, but comes despite a 57.5% increase in operating costs in the same period – including 165% increase in fuel costs. Fuel now accounts for 18% of costs with labour accounting for 58%. Most operators hedge their fuel costs in whole or part and thus often are unable to benefit from any reductions in wholesale diesel prices seen by motorists. Overall operating revenue per passenger has risen by just 3.7% over this decade, reflecting a reduction in public funding for the bus industry, with BSOG and tender service support reducing.

Customer satisfaction with value for money has increased from 55% to 61% reflecting fares reductions by major operators in 2014/5, as well as increases in quality.

Fares have been simplified. In Leeds; First has four single fares according to distance - £1.00 or £1.30 for short hops, £2.30 for medium length and £2.80 for longer journeys. Arriva has a similar structure.

Bus operators have to balance ticket simplicity with customer choice and value for money. The majority of customers travel on a small range of standard tickets - singles, day, week and month tickets – 70% of First customers use one of these four tickets. A range of other tickets exist to give more choice, including multi operator tickets, longer period tickets (eg quarterly or annual), 10 trip tickets, bus/rail add ons.

Flat fares are often felt to be simplest - perhaps guided by London experience where a flat £2.60 ticket (reduced to £1.50 with Oyster) is in place. Brighton (£2.40) Edinburgh (£1.60) and Nottingham (£2.00) are other areas where flat singles exist. However these tickets can be expensive for customers making short journeys (eg equivalent to £1 or £1.30 in Leeds) and research elsewhere (Bristol – First) suggest customers making these journeys would object to paying the same price as fares for longer distance journeys.

Bus operators have worked in partnership with WYCA to introduce a popular Smart card under the M-card brand. Operators have spent over £2.6 mn replacing ticket machines to enable them to read Smartcards with initially only the English National Concessionary Travel scheme moving onto Smart media. With the help of a partnership bid to the DfT, a Smart platform for the West Yorkshire area was developed and in 2014 the M-Card brand was launched. This has evolved with new products and new retail systems introduced:

- Existing Week and Month Bus and Bus-Rail tickets made available as Smart cards

- New retail network with sales from 700 Paypoint outlets across West Yorkshire
- New 16-25 ticket introduced replacing existing Student tickets – but available for all within the age group
- During 2015/6, we have developed technical capability for customers to store money on their M-card and following successful tests this will be rolled out soon to customers
- April 2016 sees the launch of a bulk purchase all operator day ticket on M-card
- We are developing an account based ‘cap’ so that customers can be charged as they travel, but with a cap for a day, week or months travel – this would be further advanced than London’s Oyster Smart which only allows a daily cap
- Major bus operators have set a target of 2022 for a UK wide roll out of Contactless ticketing in partnership with the UK Card Association
- These are all important to address boarding time issues which both Metro and customers perceive to be a problem

Air Quality

Leeds is faced with significant air quality issues with a need to reduce traffic emissions. Local buses are an important measure in tackling the issue as they produce lower emissions per person and if modal shift can be achieved onto existing services then of course, substantial emissions savings can be achieved.

Operators are investing in new vehicles on a regular basis and the latest vehicles are to Euro VI emissions standards.

Commercial bus operators, by virtue of their scale, have been able to influence vehicle design to maximise their efficiency. First, for example, has worked with Wrightbus to encourage light weight vehicle construction, combined with ‘Micro Hybrid’ technology to reduce fuel consumption and emissions. First will be purchasing 37 Wrightbus Streetdeck buses in 2016 for operation in Leeds – meeting Euro VI standards and qualifying for Low Carbon Bus status. Funding for 23 First and 10 Transdev buses to be upgraded to Euro 6 equivalent has been granted and First has supported a bid to upgrade Leeds Park and Ride buses to new hybrid buses.

Local staff and community engagement

Bus operators are significant local employers with First in Leeds alone employing over 1500 staff and supporting local apprenticeships for engineers.

They also play an active role as part of local communities, such as First’s support for Roundhay School, the Leeds Citizen network, Joseph Rowntree Foundation and the Dragon Boat race to name just a few. Other operators are also similarly involved as employer and through community engagement in their own areas.