

**Draft Scrutiny Inquiry Final Report
Advancing Bus Service Provision
17 May 2017**

Draft



Contents

	Page
1. Desired Outcomes and Recommendation Summary	3
2. Introduction and Scope	5
3. Conclusions and Recommendations	8
4. Evidence	28
5. Appendix 1	30
6. Appendix 2	31
7. Appendix 3	34
8. Appendix 4	42

Draft



Desired Outcomes and Recommendations

Desired Outcome – To improve bus services to the public through improved accountability and competition.

Recommendation 1 – That the Director of Transport Services (WYCA) explores how existing legislation and powers recently provided in the Bus Services Act could be utilised:

- a) To enhance the responsiveness and accountability of bus operators to local communities.
- b) To open up the bus service market to new competitors and to promote competition in Leeds and the West Yorkshire region.

The findings and conclusions are to be reported to the Scrutiny Board (City Development) in the first quarter of 2018.

Desired Outcome – To improve bus services by reacting to direct public feedback.

Recommendation 2 – That Director of Transport Services (WYCA) provides a report, in the first quarter of 2018, to the Scrutiny Board (City Development) on how the key areas to address, raised in the AECOM report, will be or have been, resolved through the West Yorkshire Bus Strategy and West Yorkshire Transport Strategy.

Desired Outcome – To support Bus Operators to improve bus punctuality and reliability, and to enable the Scrutiny Board to understand the wider congestion reduction strategy for Leeds.

Recommendation 3 – That the Director of City Development provides the Scrutiny Board (City Development), with a report at a future meeting which outlines the congestion alleviation plan for Leeds, including identification of areas of the City that requires priority measures, the measures due to be implemented city wide and timescales for implementation.

Desired Outcome – To identify what measures have been taken to understand the barriers to bus usage from non-users, and the action that needs to be taken to persuade non-users to change their mode of transport to bus.

Recommendation 4 – That Director of Transport Services (WYCA) and ABOWY provide the Scrutiny Board (City Development) with an update, in the first quarter of 2018, regarding the research into the barriers to bus travel for non-users, and the action to be taken to make bus travel a viable and more attractive mode of transport for non-users.

Desired Outcome – To ensure that air quality in the Leeds area is improving.

Recommendation 5 – That Director of Transport Services (WYCA) and the Director of City Development, working in collaboration with Bus Operators, provide the Scrutiny Board (City Development) with an update at a future meeting on the implementation and impact of air quality improvement measures, outlined in the West Yorkshire Bus Strategy, Leeds Transport Strategy, and Bus 18 Programme objectives. (see recommendations 6,7&8)



Desired Outcomes and Recommendations

Desired Outcome – To ensure that the proposals in the West Yorkshire Bus Strategy are implemented and successful outcomes are achieved in a timely manner.

Recommendation 6 – With regard to the West Yorkshire Bus Strategy, that Director of Transport Services (WYCA) provides the Scrutiny Board (City Development) with an update, in the first quarter of 2018, which identifies progress in the implementation and delivery of the proposals outlined in the bus strategy.

Desired Outcome – To ensure that the promises in the Bus 18 Programme are implemented and successful outcomes are achieved in a timely manner.

Recommendation 7 – With regard to the Bus 18 programme, that Director of Transport Services (WYCA), in collaboration with Bus Operators provides the Scrutiny Board (City Development) with an update in the first quarter of 2018, which identifies progress in the implementation of the pledges outlined in the programme. This report should also outline the impact and outcomes delivered by the Bus 18 programme.

Desired Outcome – To ensure that investment and proposals in the Bus element of the Leeds Transport Strategy are implemented and successful outcomes are achieved in a timely manner.

Recommendation 8 – With regard to the investment in bus travel defined in the Leeds Transport Strategy, that the Director of City Development and Director of Transport Services (WYCA) provides the Scrutiny Board (City Development) with:

- a) An update at a future meeting which identifies progress in the £180m investment in bus travel in Leeds.
- b) An update at a future meeting which identifies the outcomes that have been delivered through this investment and the impact of that investment.
- c) An overview of the delivery plan for bus priority measures across Leeds and how this complements the delivery of improvement plans specified by Bus Operators/ ABOWY.

Desired Outcome – To ensure that all options defined in the Bus Services Act 2017 to support bus service improvement are fully explored and understood.

Recommendation 9 – That Director of Transport Services (WYCA) and the Director of City Development fully investigate the elements of the Bus Services Act regarding:

- a) The implementation of partnership arrangements with robust governance and accountability provision.
- b) The requirements for gaining Secretary of State approval for the implementation of bus franchising in Leeds and West Yorkshire.

The analysis, options and methodology for implementation to be reported in the first quarter of 2018 to the Scrutiny Board (City Development).



Introduction and Scope

Introduction

- 1 The vision for Leeds 2011 – 2030 states that Leeds will be fair, open and welcoming, with an economy that is prosperous and sustainable; where communities will be successful and people can access high-quality, affordable and reliable public transport.
- 2 The Scrutiny Board at its meeting on 17 of June 2015 expressed a desire to undertake an inquiry which would consider the current bus service provision in Leeds. In addition, we decided to consider how bus services support our objectives as a council to connect residents and visitors to employment, training, culture and leisure, whilst supporting the economic prosperity of the city. We also expressed our aim to understand the legislative options for bus service provision and consider what potentially could be beneficial for Leeds.
- 3 The Scrutiny Board at its meeting on 17 of June 2015 expressed a desire to undertake an inquiry which would consider the current bus service provision in Leeds. In addition, we decided to consider how bus services support our objectives as a council to connect residents and visitors to employment, training, culture and leisure, whilst supporting the economic prosperity of the city. We also expressed our aim to understand the legislative options for bus service provision and consider what potentially could be beneficial for Leeds.
- 4 The inquiry was conducted over five evidence gathering sessions which took place between January 2016 and October 2016 when we received a range of evidence both written and verbal.
- 5 During our inquiry the Bus Services Bill was introduced. This received Royal Assent on the 27 April 2017. The intention of this legislation is to enable Local Authorities, Elected Mayors and Bus Operators to make improvements to bus services in their areas. The legislation should make it easier for Mayoral Combined Authorities to introduce bus franchising, and also provide a framework for enabling Local Authorities and Operators to reach enhanced partnership agreements.
- 6 Also in development during our inquiry was the West Yorkshire Transport Strategy 2016 – 2036, the West Yorkshire Bus Strategy 2016 – 2036 and more specifically a transport strategy for Leeds. The latter we received and considered at our meeting in February 2017.
- 7 This inquiry was supported by a number of organisations such as HTC Group, Tower Transit and various Leeds Bus Operators. A full list of those who participated is detailed at the end of this

Scope of the Inquiry

- 3 Terms of reference for this inquiry were agreed at our Board meeting on 9 September 2015, when we concluded that the purpose of the inquiry would be 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



Introduction and Scope

report. The information provided was enlightening and valuable, and we would like to thank everyone for their input to this inquiry.

Council Plan

- 8 The scope of this inquiry fulfils a number of best council objectives and priorities as defined in the Best Council Plan 2017/18. Effective bus provision across the city will contribute to the strategic objectives of connecting people and places, and helping to improve air quality
- 9 The plan sets out an ambition to deliver an improved transport infrastructure that will meet the needs of a growing city. 'Improving connectivity will bring new markets within reach for business, new jobs within reach for people, and a wider workforce within reach for employers.'¹

Desired Outcomes, Added Value and Anticipated Service Impact

- 10 Our recommendations outline our expectations regarding a number of significant improvement measures which will require investment, resources and governance changes.
- 11 Within this report we have highlighted exactly why a coherent bus network is essential for Leeds, which connects people and places. We understand that bus patronage had declined

¹ Best Council Plan 2017/18: Tackling poverty and reducing inequalities

considerably since bus service de-regulation with other modes of transport growing in popularity, including car use. A key focus of this inquiry was how bus patronage could be increased. Residents and visitors to Leeds expect and deserve a modern, reliable, punctual and affordable bus service, particularly if they are to be persuaded to travel by bus, which is a more environmentally friendly mode of transport.

- 12 In conducting the Inquiry we reflected on the role and organisational responsibilities of West Yorkshire Combined Authority (WYCA), Leeds City Council and Bus Service Providers. The Scrutiny Board aimed to establish if robust governance, plans, strategies, and high impact operational practices are in place to enhance customer experience, increase bus patronage and provide a network that considers the needs of communities and economic growth. The Board gathered intelligence and were informed through the collective knowledge and experience of all those who contributed to the inquiry. We hope that our findings provide a clear summary of areas that require focus and action. We acknowledge that WYCA, Leeds City Council and Bus Operators have introduced strategies for improvement. It is our intention to monitor the delivery of the stated objectives, aspirations and promises made.
- 13 Ongoing monitoring of the progress of outcomes and recommendations will be undertaken by the Scrutiny Board (City Development) or successor board with the authority to discharge scrutiny functions for highways and transportation.



Introduction and Scope

Equality and Diversity

- 14 The Equality Improvement Priorities 2016 – 2020 have been developed to ensure that the council meets its legal duties under the Equality Act 2010. The priorities will help the council to identify work and activities that help to reduce disadvantage, discrimination and inequalities of opportunity to achieve its ambition to be the best city in the UK.
- 15 Equality and diversity issues have been considered throughout this Scrutiny Inquiry. The evidence submitted and the topics debated in this inquiry have highlighted that there are several social groups dependent on bus services as their main mode of transportation. These groups include those on low incomes, older people, younger people, disabled people and those living in remote and rural areas. The lack of a suitable bus service can reinforce significant barriers such as social and economic exclusion. Improvement in bus services will promote better access to employment and education, and further empowers people to independently partake in social activities, shopping trips, access healthcare and other essential public services.
- 16 As a result of feedback received through the Bus Strategy consultation, WYCA are undertaking public consultation from 1 May 2017 regarding an accessible bus system. This was highlighted as important to all, but especially for users with short and long term disabilities. There is currently an intention to add an additional policy to the West Yorkshire Bus Strategy regarding improving accessibility for all, which we fully support.
- 17 Where a Scrutiny Board has made recommendations and these are agreed, the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, and where appropriate an equality impact assessment should be carried out.



Conclusions and Recommendations

Background

- 18 Following the Transport Act of 1985, bus services were deregulated and many of the publicly owned bus companies became largely privately operated. The Act also removed the duty of local authorities to coordinate public passenger transport. Currently approximately 90% of bus service mileage in Leeds and across West Yorkshire is run on a commercial basis by private companies.
- 19 We were advised that across West Yorkshire and in Leeds most public transport journeys are made by bus. In 2013/14, there were more than three times as many bus journeys as rail journeys. Every day, almost 2.5 million people all over Britain travel to work by bus, 30% of people are frequent bus users (using the bus at least once a week). Over half of 16-19 year olds and over a third of 20-29 year olds are frequent bus users.
- 20 Nearly all local bus services across England are delivered within a complex arrangement involving Central Government, Local Government, the Traffic Commissioner and Bus Operators. This was illustrated by KPMG in January 2016, attached as appendix 1.²
- 21 Traffic Commissioners, appointed by the Secretary of State for Transport, are responsible for the licensing and regulation of those who operate buses and coaches, and the registration of local bus services. They have the power to take action where an operator no longer meets the conditions of their

license or does not operate services in line with the registration that is made. The Commissioners also set punctuality standards against which the reliability of local bus services are measured.

- 22 We were informed that since deregulation the role of local authorities in the provision or control of bus services has been limited by the privatised nature of bus service delivery.
- 23 The West Yorkshire Combined Authority (WYCA) was established on 1 April 2014. This combined authority brought together decision making powers for Transport, Economic Growth and Regeneration for the five West Yorkshire Local Authorities including Leeds. WYCA, the local transport authority, operates under the brand name Metro in the provision of transport services for the region, with responsibility for the following:
- Under the 2008 Local Transport Act, WYCA has a statutory duty to produce and maintain a Local Transport Plan for the region. A new, overarching Single Transport Plan to replace the existing Local Transport Plan is currently in development. Leeds City Council will have input into the public transport policies contained within this plan.
 - The planning and delivery of tendered bus services (those bus services which are considered to be “socially necessary”) are not provided commercially by bus operators. These services, at present around 10% of the bus system in West Yorkshire, are typically funded by the public sector;

² KPMG, Local Bus Market Study, 26 January 2016



Conclusions and Recommendations

- Managing the English National Concessionary Travel Scheme on behalf of the registered residents in West Yorkshire, including Senior, Disabled, Disabled and Companion. In addition WYCA manages Young Persons, Scholars and 16-25 year olds concessionary travel schemes;
- Managing school transport by procuring bus services for school pupils across the county, co-ordinating the needs of statutory travel and non-statutory needs.
- Administering and facilitating the development and implementation of M-Card smartcards.
- Managing transport assets across the region, including 14,000 bus shelters and stops, and 30 bus stations and bus points.
- Providing travel information at stops, stations, online, and over the phone through Metroline.

24 It is acknowledged in a recent House of Commons briefing paper that unless local transport authorities are involved in partnerships (and then only by agreement with the bus operator), they have little control over the level and structure of fares, integrated ticketing, the stability of the network, branding and marketing.³

25 Leeds City Council does not have any statutory responsibility for the co-ordination, provision or financial support of bus services. However, as the Local

Highway Authority it does have the following duties with regard to buses:

- The Highway Act (1980), which sets out the main duties of highway authorities in England and Wales, with regard to the management and operation of the road network. In terms of provision for buses, this act gives the Highway Authority the responsibility for the creation, maintenance and improvement of bus infrastructure, for example bus lanes and traffic light priority measures.
- The Traffic Management Act (2004), includes a duty for local traffic authorities to secure 'the expeditious movement of traffic on the authority's road network' to tackle congestion and disruption on the road network, including the movement of buses.
- Under the provisions of the Road Traffic Regulation Act (1984), local authorities can implement 'Traffic Regulation Orders'. A traffic regulation order (TRO) is the legal instrument by which traffic authorities implement most traffic management controls on their roads. TROs are designed to regulate, restrict or prohibit the use of a road, or any part of the width of a road by vehicular traffic or pedestrians.
- In November 2005, new regulations enabled local authorities outside London to carry out camera enforcement of bus lanes provided that their area had been designated as a permitted/ special parking area under the provisions of Schedule 3 of the Road Traffic Act 1991. Leeds

³ House of Commons Library, Briefing Paper CBP07545, 22 February 2017, Bus Services Bill (HL) 2016-17



Conclusions and Recommendations

City Council has adopted these powers to enforce bus lanes.

- Working closely with WYCA on strategic transport developments, such as HS2 and Transport for the North.

26 Bus Operators did explain to us that they consider the regulatory framework to be transparent and sufficient. During our inquiry, the Bus Services Bill was introduced to Parliament. In considering the statutory accountability framework in place for Bus Operators currently we consider that there is little democratic accountability and more can be done to improve accountability to the public. We hope that this will be strengthened by the new legislation. The reasons for this are highlighted later within this report.

Deregulation and Patronage

27 The 1985 Transport Act de-regulated local bus services, with the exceptions of London and Northern Ireland. The introduction of the act brought about a change in the operation of bus services from public bodies to private companies. As a result bus services in Leeds are operated by private companies within a de-regulated framework, with approximately 90% of bus service mileage provided on a commercial basis in West Yorkshire.

28 We were advised that the 1985 act enables local transport authorities to influence the performance and development of local bus services through partnership agreements (either voluntary or statutory) or through a Quality Contract Scheme (QCS), which

would have the effect of introducing franchising, such as the tendering regime that applies in London and most major European cities.

29 We heard that in order to implement a QCS there are a great deal of legislative barriers to overcome. A QCS has never been successfully implemented despite a submission in 2014 by Nexus, part of the North East Combined Authority. We were advised that Bus Operators in the North East fiercely objected to the introduction of the QCS and that the scheme broadly failed on process. This demonstrates to us that legislation as it currently stands does not support or facilitate in practice alternative approaches to improving local bus services.

30 Bus patronage was in decline during the 1970s, with a very similar pattern in both the metropolitan areas and in London.⁴ We understand that the purpose of deregulation was to reverse this trend, to improve bus services and increase patronage by introducing commercial competition. It was explained to us that this did not happen and in the West Yorkshire area there has been an overall fall in bus use since deregulation. This is highlighted in graphical information in appendix 2.⁵

31 It is stated that the bus industry believes deregulation has generally been a success and has delivered significant investment and service improvements since 1986.⁶ We heard from a number

⁴ Building a world-class bus system for Britain – TfQL Community Interest Company May 2016

⁵ Provided by WYCA

⁶ House of Commons Library, Briefing Paper CBP07545, 22 February 2017, Bus Services Bill (HL) 2016-17



Conclusions and Recommendations

of visitors contributing to the inquiry that more people in Leeds travel by bus than any other mode of transport. However, there has been a decline of bus patronage, during a period of time when the local economy has prospered and rail patronage has grown.

- 32 We challenged the major bus operators regarding growth and investment. We asked for clarity about the turnover of profit from their operations in West Yorkshire, and the perceived lack of reinvestment in services. In response First Bus advised us that there has been studies which suggests that there is not sufficient profit to reinvest and that 'super-profits' are not being earned in West Yorkshire. Arriva advised that the bus industry requires a lot of investment and that profit margins reflect this.
- 33 First Bus did concur that their reputation in the past was based on cutting services and increasing fares. They stated that this was a while ago and that bus operators in West Yorkshire are focusing on investment in growth.
- 34 We acknowledge that there has been consistent growth in patronage within West Yorkshire since 2012, which was attributed to the efforts made by the bus operators. However, patronage figures are still considerably lower than the preceding decade and therefore we concluded that the baseline, from which investment in services and improvement in patronage is being measured, is low. Significant improvement is still required to build passenger numbers.
- 35 Concerns were expressed during the inquiry about the wider impact of deregulation particularly by the bus drivers union Unite. At this session we

discussed service reduction, fare increases and the profits made by commercial operators. Unite representatives advised us that they believe profits should be reinvested into the community, new greener vehicles, improving services and improving bus driver employment terms and conditions. They stated 'Bus drivers are carrying our families, and one of the most difficult jobs at this moment in time is driving a bus around the city centres.' Unite actively campaign for the re-regulation of bus services across the country.

- 36 We were advised of the success of deregulation in areas such as Bristol, Oxford, York and Leicester. We sought clarity about examples of similar successes in major cities like Leeds. Representatives from Unite advised us that the only comparator area is Sheffield where a working partnership is established between operators, the transport authority and the local authority to manage the network and wider functions.
- 37 Dai Powell from HTC highlighted recent evidence showing the success of the re-regulated system in Jersey, where HTC operate a contracted bus network. This showed that a level of subsidy has reduced by £800,000 per year while passenger usage has increased by almost a third.⁷ Tower Transit also brought our attention to their successes under franchised systems in Singapore and Perth.

⁷ HTC Group, practical bus franchising the Jersey model May 2016



Conclusions and Recommendations

The Bus Network - Economic and Social Value

38 Buses connect people to jobs and customers to businesses, they provide access to essential services, promote social inclusion and provide environmental improvements by encouraging a switch from private to public transport.⁸

39 With regard to economic growth it has been stated that 'in Metropolitan areas alone, bus networks are estimated to generate over £2.5bn in economic benefits against public funding of £0.5bn.'⁹ In addition more people access high streets by bus than by any other mode, 'bringing a combined total retail and leisure spend to £27.2 billion of which £21.5 billion is spent in town or city centres.'¹⁰

40 With regard to social value, a report commissioned by the Department for Transport¹¹ looked at the impacts of public transport in general and concluded that there are several social groups who benefit from local public transport interventions. Those who benefit the most are on low incomes, older people, younger people, disabled people and those living in remote and rural areas. The main common denominator with these groups 'being

the tendency towards non-car ownership', which creates significant barriers such as social and economic exclusion.

41 The report also highlights the benefit of public transport; 'access to employment, education and labour market participation is a key benefit for many groups as is the ability to independently partake in social activities, shopping trips and get to other essential public services, especially healthcare.'

42 We certainly recognise that the bus is a vital mode of transport for young people in order to connect them to education and employment opportunities. We remained unconvinced however that young people find bus travel affordable and this is a barrier to their achievement in both education and employment.

43 Other recognised benefits of bus travel for society in general are through reduced congestion, pollution and accident rates.

44 HTC group deliver a range of transport services and reinvest the profits from their commercial work into transport services or projects in the communities they serve. HTC Group advised us that the social value of bus services, the voice and influence of passengers and the shaping of bus networks could be better facilitated through the implementation of franchising powers, to be introduced by the Bus Services Act. We were advised that 'at the moment they [the community] have no influence, they have virtually no say and they get what they are given.'

45 Representatives from the Chamber of Commerce put into context how

⁸ KPMG Local Bus Market Study, Report to the Department of Transport, January 2016

⁹ Making the connections: The cross-sector benefits of supporting bus services. PTEG

¹⁰ Buses and Economic Growth, Institute for Transport Studies, June 2012

¹¹ Valuing the social impacts of public transport, Department for Transport (University of Leeds & Mott MacDonald)



Conclusions and Recommendations

important buses are to the Leeds economy. 'It is not just about people travelling in to work, it is also about ensuring travel to schools, colleges and hospitals. Buses also benefit the night-time economy. Buses are about transport not only to the city centre but other useful centres. Around 80% of our members would choose cars as their chosen mode of transport. However, they also recognise that in order for the broader economy to be able to function you have to have an efficient and effective public transport system supporting economic growth.' Improving transport networks is one of their key lobbying areas, nationally, regionally and locally.

- 46 Representatives from the Chamber of Commerce also stressed to us the importance of integrated transport systems, in terms of how buses, taxis and trains are integrated. WYCA advised us that a West Yorkshire Transport Strategy is in development, to update the existing Local Transport Plan. This will bring a range of current strategic transport plans and programmes into one single plan and provide a clear statement of the Combined Authority's vision for transport.
- 47 It is important that organisations and potential employers consider Leeds as a viable proposition in which to establish their enterprise. We are very aware that a 'fit for purpose' bus network is a location consideration for organisations to facilitate the transport of potential employees from the Leeds area and beyond. We understand the well documented link between efficient transport systems and prosperity in the economy and in communities.
- 48 The bus helps to build communities. Transport links have been a key consideration in assessing land supply for future house building across Leeds. We are mindful however that the majority of the bus network is not planned or managed by the WYCA and conventionally the provision of bus services are demand led. This does not guarantee that new or developing communities will be well served. There is a disconnect, and we believe that franchising could be an option which would better enable Leeds City Council and WYCA to strategically plan, deliver and manage integrated transport services that would enable communities to thrive and provide links to healthcare, education and housing.
- 49 We established early in this inquiry that the WYCA has little control over the stability of the commercial bus network, run by private operators, which provides 90% of the bus service mileage in Leeds and across West Yorkshire. WYCA are responsible for non-commercial supported services for the remainder of the network. They advised us that they have very tight resources and capacity to provide new services is limited. Their £19m budget (West Yorkshire) has reduced over the last 6 years from £26m due to austerity measures. We were advised that WYCA have managed to maintain services by removing support for high frequency services and these are now wholly supported by commercial services.
- 50 As Elected Members and community representatives, we discussed our experiences of the bus network, to understand the extent to which the Leeds network is designed for the public good or to maximise operator profit.



Conclusions and Recommendations

- 51 Bus operator representatives advised us that if they were purely profit motivated much smaller networks would be in operation. However, they operate broader networks than they might otherwise do for the benefit of communities.
- 52 We considered the nature of demand led services and the impact of bus route changes in our communities. We were advised that there are good arterial services in and out of the centre of Leeds. However, there are difficulties travelling between some communities directly as they are less profitable routes. We recognise that bus companies operate in a commercial market, having a responsibility to shareholders. We also recognise that this does create compromise with regard to supporting the needs of the public.
- 53 A source of considerable frustration within our communities is the frequency of service changes, which we believe erodes confidence in bus services. We acknowledge that some cancelled commercial services have been re-established through support from WYCA, where funding permits. We were advised that licensed operators can register, vary or cancel services with 56 days' notice to the Traffic Commissioner, though operators had agreed with WYCA to restrict date changes to six dates per annum.
- 54 The Association of Bus Operators in West Yorkshire (ABOWY) acknowledged that there could be better consultation regarding the change to services and confirmed that operators are committed to undertaking formal consultation with customers, councillors and the authority, to enable communities to express their views and provide feedback on the proposed changes, which will be reflected in the networks operated.
- 55 Since our evidence gathering sessions we are pleased to note that WYCA and the leading Bus Operators have agreed a protocol for bus service changes which came into effect from 1 January 2017. This will restrict major service changes¹² to twice a year in late February and early September. The protocol also involves operators and WYCA consulting customers and communities prior to the registration of major changes.¹³
- 56 Following the Jersey example provided by HTC Group we considered the potential for improving network design with communities, where operators could work with the combined authority and the community to design routes that served the community better.
- 57 We also focused on the success of the Elland Road Park and Ride which was established jointly, in partnership with First Bus, WYCA and Leeds City Council. This provided an opportunity to determine and deliver an integrated package including the site, routes and quality journeys for customers. This highlighted a better methodology for network delivery across the city. We were advised that a franchising approach would provide an opportunity for better integration of transport systems and a whole city approach to planning a network.

¹² A major change involves alterations to routes and frequencies as opposed to minor timetable changes.

¹³ City Region Transport Update, Transport Committee WYCA 9 December 2016



Conclusions and Recommendations

58 The Jersey example, along with the Elland Road Park and Ride demonstrates clearly to us that transport authorities and wider stakeholders should have greater influence in the design of networks which will serve established and new communities, in a way which will provide access to health and education services, links to employment, meet social needs, and enable better integration with other modes of transport.

Competition

59 The deregulation of bus services was based on the notion that competition would increase quality and decrease cost to the consumer. We are clear that this has not been achieved. Since deregulation the market is mainly dominated by five large operators nationally which accounts for 70% of the market by number of services registered.¹⁴ In Leeds there are two main operators, First and Arriva, with the former enjoying overall dominance. We were concerned about the negative effects a lack of competition has had.

60 In December 2011 the Competition Commission published a report on local bus competition which considered the post de-regulation situation, this being an oligopoly nationally, with most urban areas having either a near-monopoly operator or two dominant operators. It was estimated that the total detriment to consumers and taxpayers as a result of adverse effects on competition was in the range of £115m to £305m per year nationally. We were advised, using the

Competition Commission's figures provided, that in 2010 the adverse estimated effect was £25m per annum in West Yorkshire.

61 The KPMG Local Bus Market Study¹⁵ also highlights that the lack of competition could also lead to higher fares, lower output, reduced service quality, reduced innovation and higher operator profits.

62 We were advised that the Competition Commission proposed a number of remedies aimed at promoting competition between bus companies. We were also advised however that the former WYITA were advised that these remedies were unlikely to be effective in the West Yorkshire context as they were already in place or were considered to have little potential impact. We were also informed that recent market analysis has demonstrated that the level of competition has not changed significantly since the Competition Commission's report was published, meaning the potential for significant detriment remains.

63 WYCA advised us that they are endeavouring to encourage small operators into the market with half of their £19m budget for supported services invested with small operators. This however represents a very small share of the total network.

64 We explored with smaller operators what could be done at present to address the lack of competition. We were advised that influencing change in the current circumstances in West Yorkshire would be very difficult. It was stated that smaller operators could only

¹⁴ House of Commons Library, Briefing Paper CBP07545, 22 February 2017, Bus Services Bill (HL) 2016-17

¹⁵ See footnote 7



Conclusions and Recommendations

‘scratch around the edges and that is all you can do because it is a dominant monopoly’ and ‘In somewhere like West Yorkshire it is very very difficult to become a medium sized player.’¹⁶

65 It is our view that the legislation provided in the Bus Services Act (once enacted) must be explored to identify the options available to mitigate the detrimental impacts identified by the Competition Commission in 2011. It is important that the options and methodology for introducing effective competition into the West Yorkshire market are identified.

Recommendation 1 – That the Director of Transport Services (WYCA) explores how existing legislation and powers recently provided in the Bus Services Act could be utilised:

- a) To enhance the responsiveness and accountability of bus operators to local communities.
- b) To open up the bus service market to new competitors and to promote competition in Leeds and the West Yorkshire region.

The findings and conclusions are to be reported to the Scrutiny Board (City Development) in the first quarter of 2018.

Bus Service Standards and Quality

66 During the period of our inquiry WYCA was developing a West Yorkshire Transport Strategy. An element of that plan is the development of a Bus

Strategy for West Yorkshire. Work on the evolving Bus Strategy preceded the introduction of the Bus Services Bill and development of the strategy has been ongoing whilst the bill has progressed through Parliament. We were assured that the strategy will ultimately reflect the requirements of the Bus Services Act.

67 We were fully advised of the public consultation undertaken with regard to the Bus Strategy, to which we contributed. The consultation ran between 18th July and 21st October 2016 and included public drop-in sessions, workshops, one-to-one meetings with key stakeholders and online access.

68 The Bus Strategy consultation received over 3,300 responses¹⁷ for the West Yorkshire Area. Consultants AECOM were commissioned to produce a full independent report which analysed the consultation responses and has given us an interesting insight into the public perception of bus services currently.

69 In general the responders to the consultation advised that:

- Buses failed to turn up (81%);
- Destinations could take a long time to reach (69%);
- Bus Services didn't run to timetable (65%); and
- Information provision was inconsistent and difficult to find (63%).

¹⁶ Dai Powell HTC Group

¹⁷ Report to the Transport Committee (WYCA), Bus Strategy, 24 February 2017



Conclusions and Recommendations

70 The AECOM report¹⁸ highlighted the responses for Leeds, these being:

- 88% stated that they had occasionally experienced buses that failed to turn up.
- 83% agreed with the proposal to ensure that travel information when planning a journey was easily accessible and reliable.
- 79% agreed that there should be integrated, simple and affordable bus fares for all.
- In terms of importance, 79% of respondents from Leeds stated that the provision of a bus journey that offered modern, coherent and integrated bus services was of importance. 70% selected customer experience, i.e. a consistent and excellent customer service across the bus system.

71 It also outlined a number of key areas to address in the future:

- Travel Information - should be easily accessible and reliable.
- Accountability - greater measures to force accountability and a feeling of uncertainty that the proposals would become a reality.
- Integration - there should be improved integration between modes and across boundaries with improved bus infrastructure and greater accessibility. Journeys should be modern, coherent and integrated.
- Reliability - Those in Leeds were most likely to say the bus service did not run to timetable or the bus did

not turn up and took a long time to reach its destination.

- Cost - Cost was of greater importance to BME and younger respondents. Overall respondents feel payment should be integrated, simple and affordable for all, and with a modern low carbon bus system.

Recommendation 2 – That Director of Transport Services (WYCA) provides a report, in the first quarter of 2018, to the Scrutiny Board (City Development) on how the key areas to address, raised in the AECOM report, will be or have been, resolved through the West Yorkshire Bus Strategy and West Yorkshire Transport Strategy.

72 Each year Transport Focus publishes their Annual Bus Passenger Survey which captures the views of bus users only. This represents a narrower field than those consulted on the Bus Strategy. ABOWY usefully presented us with a summary of the Bus Passenger Survey for West Yorkshire which we compared to the national average statistics¹⁹.

- Overall 87% of passengers were satisfied with their service. (85% in 2012), National satisfaction is 86%
- 61% of fare paying passenger were satisfied with Value for Money (55% in 2012), National satisfaction 63%
- 74% of passengers satisfied with Punctuality (70% in 2012), National satisfaction 75%
- 86% of passengers satisfied with Journey Time (86% in 2012), National satisfaction 84%

¹⁸ Independent Analysis of the West Yorkshire Bus Strategy Consultation Responses, Executive Summary, Phase 2, February 2017 (AECOM)

¹⁹ Bus Passenger Survey, Autumn 2015 Report, Transport Focus



Conclusions and Recommendations

ABOWY advised us that this compares favourably with local rail operator Northern Rail with 82% satisfaction (81% punctuality, 58% value for money and 83% journey time). Therefore overall satisfaction rates with bus travel are higher.

73 The KPMG Local Bus Market Study²⁰ acknowledges that levels of passenger satisfaction are high and that scores are improving. It also states that there were 'concerns raised during the stakeholder interviews that high passenger satisfaction levels potentially reflect low passenger expectations rather than high service quality.' We also believe that low expectations and the perceptions of non-users about the quality of bus travel is a key issue to be addressed if people are to be persuaded to change their mode of transport to bus.

Punctuality and Congestion

74 We fully appreciate that the contributing factors for poor punctuality can be numerous and can be caused by Bus Operators, the Highways Authority or organisations such as the Highways Agency or utility companies. We were therefore reassured to hear that endeavours are made to work in partnership in order to bring about improvements.

75 The representative from ABOWY advised us that the cost of congestion for bus operators in Leeds is significant. First Bus has added 11 buses (3.1%) to its network to maintain their timetables, with average speeds reducing from 11.9mph to 10.2mph over the last five years. Operators stated that the vast

majority of cancelled services are due to buses being caught up in congested traffic. They also advised us that public sector investment is important, as 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.

76 We do not disagree with this assertion in the knowledge that a considerable amount has been invested into bus lanes, smart traffic lights and large projects such as the A65 corridor. We understand that there is also a commitment with the bus operators to ensure that buses have priority over other vehicles where possible with significant investment having been made in physical bus prioritisation to ensure buses run more reliably. It is logical to draw the conclusion however that further investment will be required to accommodate the aspirational passenger growth as defined in the West Yorkshire Bus Strategy and Leeds Transport Strategy.

77 29% of West Yorkshire bus passengers surveyed in the 2015 Bus Passenger Survey reported that congestion or traffic jams affected their journey time, this is an increase from 24% in 2014. 16% said road works affected their journey, this is an increase from 11% in 2014.²¹

78 We were advised that road works in various different forms can frustrate the punctual operations of a bus service and can also frustrate the use of the road generally. WYCA and Leeds City Council work closely in order to manage

²⁰ KPMG Local Bus Market Study, Report to the Department of Transport, January 2016

²¹ Bus Passenger Survey, Autumn 2015 Report, Transport Focus



Conclusions and Recommendations

planned road works as well as having processes to re-route bus services around major congestion areas.

79 We were further advised that a street works permit scheme is in place for planned road works. The utilities have statutory rights to undertake works, however short-term 'utility-based' road works that aren't planned or communicated can create the greatest disruption to punctuality.

80 We do recognise that congestion is only one element contributing to the current bus system challenges in Leeds. London and Edinburgh are two of the most congested cities in the UK yet their bus patronage is still growing. It is essential that organisations work together to overcome the challenge of congestion including operators who are expected to manage their fleet, improve boarding times, travel times, and ensure there is sufficient resilience within the system to ensure that services are punctual and reliable.

Recommendation 3 – That the Director of City Development provides the Scrutiny Board (City Development), with a report at a future meeting which outlines the congestion alleviation plan for Leeds, including identification of areas of the City that requires priority measures, the measures due to be implemented city wide and timescales for implementation.

Customer Satisfaction

81 Bus Strategy consultation has highlighted the importance of a modern bus service with a consistent and

excellent customer experience. Bus Operators advised us that they actively encourage customer comments, both negative and positive. 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. We concluded however that passengers have limited influence over the levels of service provided.

82 We found that traveller experience across Leeds is a mixed picture. Expectations have changed, with higher quality vehicles, good customer service and Wi-Fi being desirable. There were some good examples of investment considered, such as Transdev's 36 bus and Arriva's premium Sapphire service. We were advised that generally a premium is charged for those services, however there is a market for them. Operators informed us that the company standard adopted by Transdev is motivational and what they aspire to achieve. However, it was stated that rapid investment in vehicles across the whole network is not possible and would have to be done on a staged basis. Operators recognise that investment in vehicles is necessary to make bus travel attractive to those who currently do not utilise this mode of transport.

83 With regard to non-commercial services WYCA advised us that quality standards are in place. Monitoring officers work incognito to observe and monitor services. WYCA also implements a penalty scheme, deducting funding where service is considered to be poor.

84 We explored passenger safety and anti-social behaviour on buses and at the bus station in Leeds. We were advised



Conclusions and Recommendations

by WYCA representatives that increased patronage would improve journey safety. With regard to Leeds bus station, the concourse-style and closed environment creates a safer environment; it also has security arrangements including CCTV. The partnership arrangement with West Yorkshire Police was also highlighted, including the assistance from police community support officers. In Leeds the police travel on 'Trojan' buses which help them to identify and reduce crime and anti-social behaviour.

Bus Fares and Ticketing

85 79% of respondents to the Bus Strategy consultation stated that there should be integrated, simple and affordable bus fares for all. Bus Operators advised us that they need to balance ticket simplicity with customer choice and value for money and that customer satisfaction in West Yorkshire with regard to value for money has increased in 2015 from 55% to 61%. .

86 Bus fares for services in England outside of London have risen at a higher rate than general inflation since 2005.²² The same report also states that fares tend to follow trends in operating costs which have also increased at a faster rate than inflation, and operating costs are largely driven by labour and fuel costs and both have risen substantially over recent years.

87 That said, bus fares should represent good value for money compared to other modes of transport, such as driving or taxi, in order to attract new service users. It is perceived however

that bus fares have risen substantially, while the cost of motoring has fallen.

88 When we considered bus patronage demand over the last 20 years by different age groups we were concerned about the level of decline in bus usage by younger people, despite fares for younger people being subsidised by the tax payer's discretionary concessionary fare scheme, as they are ultimately the future of bus travel. We were reassured in part that WYCA and Bus Operators are already looking at viable options for reversing this trend.

89 It became evident during our inquiry that there are many and varied fare options available in Leeds. We were advised that anyone travelling on Kirkstall Road by bus had over 100 different fare options to consider. We heard from a number of representatives that simplification of the fare system would be a huge benefit with integrated, multi operator, multi modal options.

90 We therefore welcome the introduction of a statutory ticketing scheme which compels bus operators to accept multi operator/multi modal tickets including the M-card²³, which came into effect on 8 November 2016.²⁴

91 We were also advised that operators are committed to developing an account based 'cap' system for a day, week or month travel so that customers can be charged as they travel. Operators are also committed to rolling out contactless payment by 2022. We hope that these initiatives will address boarding time

²² KPMG Local Bus Market Study, Report to the Department of Transport, January 2016

²³ Bus operators in partnership with WYCA have introduced a smart card under the M-card brand.

²⁴ WYCA Transport Committee – 9th Dec 2016



Conclusions and Recommendations

issues which customers currently perceive to be a problem.

Increasing Patronage

92 Evidence was provided at the inquiry which highlighted that bus patronage in West Yorkshire has declined by 11% between 2001 and 2011, despite an increase in population and the introduction of the English National Concessionary Travel Scheme. We were informed that the reasons for decline are a complex mix and include changes in car ownership, growth in local rail travel, the relative costs of public transport and car use, perceptions of value for money and operational performance. Some of these areas are addressed earlier in this report.

93 A key consideration throughout the inquiry was how patronage could be increased. We concluded that there is a clear need to identify the factors that are preventing non-users from catching the bus. The Bus Passenger Survey could not give this insight, however the Bus Strategy consultation provided a greater understanding. However, only by direct engagement with people who travel using other modes of transport could this be understood. Bus Operators contributing to this inquiry echoed this view. Since the inquiry ABOWY have stated their intention to undertake a research study in order to understand barriers for bus non users and the factors which would move them towards bus usage.²⁵

94 Representatives from the Chamber of Commerce advised us of the need to

²⁵ WYCA, Bus strategy consultation, Appendix J Bus 2018 Scope

widen the bus debate and get different people to comment. It was said that businesses in the city are often concerned about graduate retention. It is perceived that an improved transport system in Leeds would be one factor that make Leeds a more attractive place to stay, work and build a future. There is a need to engage with those groups who normally would not be involved within the bus debate.

95 Dai Powell from HTC Group advised of the need to work with employers, to understand their transport priorities and bus requirements. He also advised us that of the essential need to make bus travel attractive to entice professionals to use the bus, who might otherwise use their car.

96 We were informed that over half of the people completing the bus passenger survey elected to leave their car at home. A view from operators was expressed about the need to curb the use of cars through restraint and parking charges in addition to making bus provision more attractive. This view was not generally accepted by the board as a measure to encourage modal change when the current perception exists that bus travel is not generally a viable, reliable, punctual or pleasant alternative.

Recommendation 4 – That Director of Transport Services (WYCA) and ABOWY provide the Scrutiny Board (City Development) with an update, in the first quarter of 2018, regarding the research into the barriers to bus travel for non-users, and the action to be taken to make bus travel a viable and more attractive mode of transport for non-users.



Conclusions and Recommendations

Air Quality

- 97 One bus journey could remove the need for 30 individual car journeys. Increasing bus patronage can have a significant positive impact on improving air quality, and reducing CO2 and other hazardous emissions.
- 98 We understand that Leeds is faced with significant air quality issues with a need to reduce traffic emissions. Poor air quality can have detrimental effects on the general health and wellbeing of Leeds residents. We were made aware that there are 'hotspots' in Leeds where pollutants are having a seriously adverse effect on young people. Representatives from Unite also brought to our attention cases where they contend drivers are suffering from lung cancer due to driving older polluting vehicles for a number of years, alongside other polluting vehicles.
- 99 We were informed that some of the West Yorkshire bus operators are by choice working with manufacturers to develop green, clean bus technology. However the majority of bus vehicles on the Leeds network are currently older diesel vehicles.
- 100 Both Bus Operators and WYCA felt that they are making a contribution to improving air quality. Bus Operators advised us that they are aiming to comply with Euro 6 standard and are investing accordingly. First Bus stated that they would have 60 vehicles meeting Euro 6 standards in Leeds by autumn 2016. First Bus also confirmed that they have been successful, along with Transdev and WYCA, in bidding for funding to convert vehicles to Euro 6 standards.
- 101 WYCA added that they have converted 165 Yellow Buses into 'green' buses, exceeding Euro 6 standards and are also converting 26 access buses. They also operate a number of contracts where the buses have hybrid technology.
- 102 The Bus Strategy states an ambition for a low carbon bus system which contributes to improved air quality, encouraging technologies which move towards near to zero vehicle emissions. We were advised that the type of technology is not specified in the Strategy as development of green technology is evolving at a fast pace.
- 103 In December 2015 DEFRA published its Air Quality Improvement Plan. The Scrutiny Board (Environment and Housing) are currently undertaking an inquiry into improving air quality in Leeds. It is anticipated that this inquiry report will be agreed in May 2017. The scope of that inquiry includes the following relevant areas:
- Understanding the key features of the DEFRA report and its implications for Leeds.
 - Making an assessment of existing and potential mechanisms used to engage the public and various stakeholder groups on the issue of air quality and potential solutions and
 - The extent to which air quality issues are being considered in the development of the Transport Strategy for Leeds, with particular reference to the proposed introduction of a clean air zone.



Conclusions and Recommendations

104 ABOWY have expressed concern at this inquiry. They stated that the bus industry in Leeds wants to be part of the air quality solution, however there is a potential for clean air zones to have unintended consequences in its implementation, with the potential to impact negatively on the network.

Recommendation 5 – That Director of Transport Services (WYCA) and the Director of City Development, working in collaboration with Bus Operators, provide the Scrutiny Board (City Development) with an update at a future meeting on the implementation and impact of air quality improvement measures, outlined in the West Yorkshire Bus Strategy, Leeds Transport Strategy, and Bus 18 Programme objectives. (see recommendations 6,7&8)

Service Transformation

Bus Strategy

105 During the course of our inquiry WYCA was actively developing the West Yorkshire Transport Strategy. An integral element of that strategy is the evolving West Yorkshire Bus Strategy. The Bus Strategy was described as the 'daughter document' to the broader Transport Strategy. Consultation on this strategy is referenced earlier in this report. WYCA advised us that they worked with the five West Yorkshire Councils, stakeholders and the three main Bus Operators to develop the principles and vision for the strategy.

106 We were presented with a draft version of the Bus Strategy and were advised that it has been designed to help West Yorkshire achieve more from its bus services. The Strategy reflects ambitions which could potentially address our areas of concern. It outlines the factors that require development in order to deliver bus services that support economic growth, and supports broader environmental and social goals.

107 The vision encapsulated within the strategy states the desired outcome to establish the best system in Europe; *To create a modern, integrated and innovative bus system, which puts customers first and contributes to the delivery of West Yorkshire's economic, environmental and quality of life ambitions as set out in the Strategic Economic Plan and the West Yorkshire Transport Strategy*

108 The ambition to grow patronage by 25% over the next 10 years, across West Yorkshire is also stated. We were advised that less than 25% over the next decade could endanger the delivery of the planned level of forecast economic growth and there is an opportunity to target higher levels of patronage growth. The aspiration for Leeds is to double bus patronage by 2027 (Leeds Transport Strategy).

109 The ambitions, objectives and desired outcomes are detailed in the full West Yorkshire Bus Strategy, appendix 3. The adoption of the Bus Strategy is planned for summer 2017, following which we aim to establish if the defined priorities are being delivered.



Conclusions and Recommendations

Recommendation 6 – With regard to the West Yorkshire Bus Strategy, that Director of Transport Services (WYCA) provides the Scrutiny Board (City Development) with an update, in the first quarter of 2018, which identifies progress in the implementation and delivery of the proposals outlined in the bus strategy.

Post Inquiry – Bus 18 and Leeds Transport Strategy

110 During the inquiry we were advised that the ‘Bus 18 programme’ was being developed by a collaborative partnership between WYCA, Arriva, First Bus, Transdev and ABOWY. This programme aspires to provide the foundation for delivering a number of objectives in the Bus Strategy before the end of 2018. The programme ‘includes a raft of pledges that will make bus travel better with the ultimate aim of encouraging more people to use the bus.’ The Bus 18 programme was launched on the 24 March 2017. The pledges are detailed in appendix 4. Again we aim to establish how successfully these promises are delivered.

Recommendation 7 – With regard to the Bus 18 programme, that Director of Transport Services (WYCA), in collaboration with Bus Operators provides the Scrutiny Board (City Development) with an update in the first quarter of 2018, which identifies progress in the implementation of the pledges outlined in the programme. This report should also outline the impact and outcomes delivered by the Bus 18 programme.

111 At our meeting on the 15 Feb 2017 we considered the Transport Strategy for Leeds. This has been developed to align with the West Yorkshire Transport and Bus Strategies.²⁶ The strategy outlines the planned investment of £270m for transport in Leeds with over £180m of this investment assigned for bus travel.²⁷ The main investment priorities are:

- A comprehensive package of bus priority measures across the city to improve journey times on some of the most congested corridors in Leeds.
- An aim to double bus patronage in Leeds by 2027
- Over 90% of core bus services will run every 10 minutes, up to 8pm
- A strategic bus park and ride site at Stourton with express bus services to Leeds city centre. More car park spaces and new routes from Elland Road Park and Ride.
- Free Wi-Fi on all new buses, smart technology improving ticketing, boarding and waiting times.
- Improved local bus journeys, connecting communities and neighbourhoods.
- Investment of £71m for 284 new buses from First Group by the end of 2020 that will meet as a minimum Euro 6 standards.
- A series of more modern district bus hubs across the City, which are serviced

112 We have stated earlier in our report that it is essential for organisations to

²⁶ Transport Conversation update and Leeds Public Transport Investment Programme, December 2016

²⁷ <http://democracy.leeds.gov.uk/documents/s152792/Transport%20Report%20Appendix%20A%20061216.pdf>



Conclusions and Recommendations

work together to overcome the challenge of congestion. Bus operators repeatedly stressed the importance of public sector investment in bus priority measures. Operators have committed to improve networks, increase patronage and improve the quality of buses and it is important that the package of bus priority measures is delivered at a suitable pace to complement these commitments.

advised that the resulting Bus Services Act will set out three areas of improvement. Firstly, a simpler route to bus franchising for those authorities which are a mayoral devolved organisation. Secondly improved partnership working with the bus operators and thirdly the improved data transfer and 'open data' approaches to enable customers to gather the information that they need for bus travel.

Recommendation 8 – With regard to the investment in bus travel defined in the Leeds Transport Strategy, that the Director of City Development and Director of Transport Services (WYCA) provides the Scrutiny Board (City Development) with:

- a) An update at a future meeting which identifies progress in the £180m investment in bus travel in Leeds.
- b) An update at a future meeting which identifies the outcomes that have been delivered through this investment and the impact of that investment.
- c) An overview of the delivery plan for bus priority measures across Leeds and how this complements the delivery of improvement plans specified by Bus Operators/ABOWY.

114 The new franchising powers provided by the Bus Services Act are intended to be clearer and simpler to use than the current Quality Contract Scheme (QCS) process. The Bill was clear that franchising powers will only be available to authorities with devolved elected mayoral arrangements. For all other authorities, Secretary of State approval must be given.

115 When the Bill was first introduced it contained a clause that prevented local transport authorities in England from forming a new municipal bus company. This was not supported in the House of Lords who amended Bill, to enable all local authorities to form new municipal bus companies.

116 WYCA advised us that they supported this change and had taken the proactive step in writing to West Yorkshire MPs to promote the benefits for simpler routes to franchising and to express their concern should the clause be reintroduced through future parliamentary process. We also wrote to Leeds MP's to reinforce this message. Disappointingly, the clause was reintroduced as the bill proceeded through the House of Commons.

The Bus Services Act

113 Earlier in this report we made reference to the introduction of the Bus Services Bill. The intention of this legislation is to enable Local Authorities, Elected Mayors and Bus Operators to make improvements to bus services in their areas. During the inquiry we were



Conclusions and Recommendations

- 117 We have considered the merits and the perceived benefits that franchising would bring to competition, network improvement and innovation. We were advised that many of the major operators, including those in Leeds, already operate under franchise systems both here in the UK and in other countries.
- 118 Two organisations participating in the inquiry, Tower Transit and HTC Group advocated franchising to reduce costs to government, improve services, generate growth in passenger numbers and help to achieve local government's social and economic policy objectives. Tower Transit, stated that franchising would put local government in charge of what it does best: policy and strategy, and get the best out of the private sector when they compete to operate bus services. They added that international research on this topic cite London, Perth and now Singapore as exemplar models of bus services because of the powers the transport authorities have through franchising.
- 119 We heard how the proposed franchising provisions of the Bus Services Bill could potentially open up the market to new competitors, as bus operators would compete to provide services by contracting with Local Authorities. It would expose bus operators in the current regime to the forces of competition, which we have identified does not exist in practice across the UK, outside London. We were advised that a partnership model would not facilitate this, with incumbent operators continuing to protect their business position. We were also advised that transport authorities and passengers will only obtain service innovation, reduced costs and improved performance when there is full accountability and real competition between operators.
- 120 ABOWY advised us that they have different views compared with those expressed by Tower Transit and HCT Group. It is their perception that franchising will have no effect on reliability and punctuality, and provide no guarantee of passenger growth. ABOWY also questioned the capacity of authorities to deliver bus services at a time when public sector funding is constrained. In addition ABOWY questioned whether authorities are prepared for the level of commercial risk they could potentially be undertaking under a franchise regime. ABOWY added that the Bus Services Act will facilitate collaborative partnership work, which has already begun with WYCA.
- 121 Clearly the new act supports the development and creation of new and existing partnerships schemes, which requires the full support of bus operators to be effective. The Scrutiny Board is unanimous in its belief that bus franchising decisions should be made locally, to drive improvement in bus provision. There is also unanimity in the view that all Combined Authorities (mayoral or non-mayoral) should have the option, if they wish, to be a franchising authority. Not allowing simple franchising powers to all Authorities means that there will be disparity in how improvements can be progressed across the country where partnership arrangements prove ineffective.
- 122 We are ultimately disappointed that franchising powers under the Bus Services Act will currently be limited for



Conclusions and Recommendations

West Yorkshire without Secretary of State intervention. It is the objective of this Scrutiny Board to monitor the performance of the established partnership arrangements to determine if they are delivering the objectives and vision of the Bus Strategy, Bus 18 programme and Leeds Transport Strategy. We do consider it prudent however to fully explore all the options and requirements under the Bus Services Act for the implementation of franchising arrangements in West Yorkshire.

Recommendation 9 – That Director of Transport Services (WYCA) and the Director of City Development fully investigate the elements of the Bus Services Act regarding:

- a) The implementation of partnership arrangements with robust governance and accountability provision.
- b) The requirements for gaining Secretary of State approval for the implementation of bus franchising in Leeds and West Yorkshire.

The analysis, options and methodology for implementation to be reported in the first quarter of 2018 to the Scrutiny Board (City Development).



Monitoring arrangements

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

Reports and Publications Submitted/Considered

- Report of the Director of City Development, Inquiry into Bus Service Provision 27 January 2016
- Report of the Head of Scrutiny and Member Development and West Yorkshire Combined Authority, Inquiry into Bus Service Provision, 17 February 2016
- Local Bus Market Study – KPMG, January 2016
- Report of the Head of Scrutiny and Member Development, Inquiry into Bus Service Provision 30 March 2016
- Speech of the Bus Minister Andrew Jones which explains the government's forthcoming Buses Bill – 11th February 2016
- Report of the Head of Scrutiny and Member Development, Inquiry into Bus Service Provision 27 April 2016
- ABOWY Charter, the route to great public transport
- HTC group, Bus franchising: the real opportunities, April 2016
- HTC Group, practical bus franchising the Jersey model May 2016
- Leeds Scrutiny Inquiry into Bus Service Provision – Submission by ABOWY
- Tourism and Transport Forum – On the buses, February 2016
- Devolution, integration and franchising Local public transport in the Netherlands – Urban Transport Group
- Report of the West Yorkshire Combined Authority, Inquiry into Bus Service Provision 12 October 2016
- West Yorkshire Transport Strategy Summary
- West Yorkshire Bus Strategy Summary
- The Bus Services Bill and Overview, Department of Transport
- Letter from WYCA Transport Committee to MP's regarding the Bus Services Bill
- Local Government Association briefing note on Bus Services Bill
- UTG response to the Transport Select Committee
- House of Commons Library, Briefing Paper CBP07545, 22 February 2017, Bus Services Bill (HL) 2016-17
- Building a world-class bus system for Britain – TfQL Community Interest Company May 2016



- Making the connections: The cross-sector benefits of supporting bus services. PTEG
- Buses and Economic Growth, Institute for Transport Studies, June 2012
- Transport Conversation update and Leeds Public Transport Investment Programme, Report of the Director of City Development to Executive Board Leeds, 14 December 2016
- Best Council Plan 2017/18: Tackling poverty and reducing inequalities
- Valuing the social impacts of public transport, Department for Transport (University of Leeds & Mott MacDonald)
- Report to the Transport Committee (WYCA), Bus Strategy, 24 February 2017
- Report to the Transport Committee (WYCA) City Region Transport Update 9 December 2016

Witnesses Heard

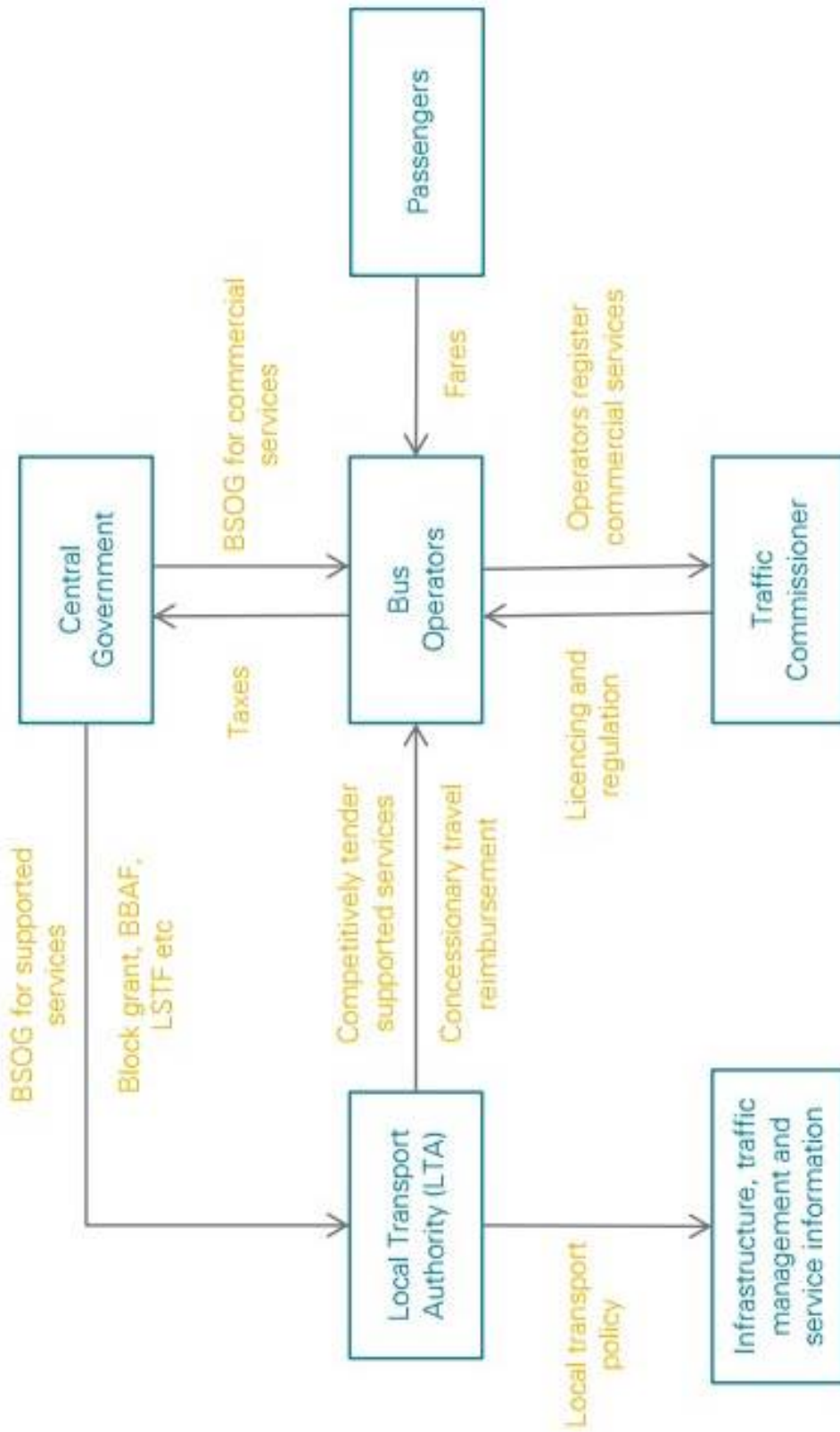
Tom Gifford – Project Manager WYCA
Neale Wallace – Bus Services Manager WYCA
Cllr Keith Wakefield – Chair of Transport Committee WYCA
Dave Pearson – Director of Transport Services, WYCA
Gary Bartlett – Chief Highways Officer, Leeds City Council
Andrew Hall – Head of Transportation, Leeds City Council
Liz Bennett – Projects and Monitoring, Transportation, Leeds City Council
Cllr Richard Lewis – Executive Board Member, Regeneration, Transport and Planning.
Jonathan Bray - Urban Transport Group
Phil Bown – Regional Officer, Unite
Andy Dyer – Branch Secretary for First Bus Leeds, Unite
Ray Wilks – West Yorkshire Campaign for Better Transport
Ian Williams – Leeds Chamber of Commerce
Nigel Foster – Leeds Chamber of Commerce
Keith McNally – ABOWY
Paul Matthews – First
Nigel Featham – Arriva
Alex Hornby – Transdev
Stephanie Elsy – Tower Transit
Dai Powell – HTC Group

Dates of Scrutiny

9 September 2015
27 January 2016
17 February 2016
30 March 2016
27 April 2016
12 October 2016
15 February 2017



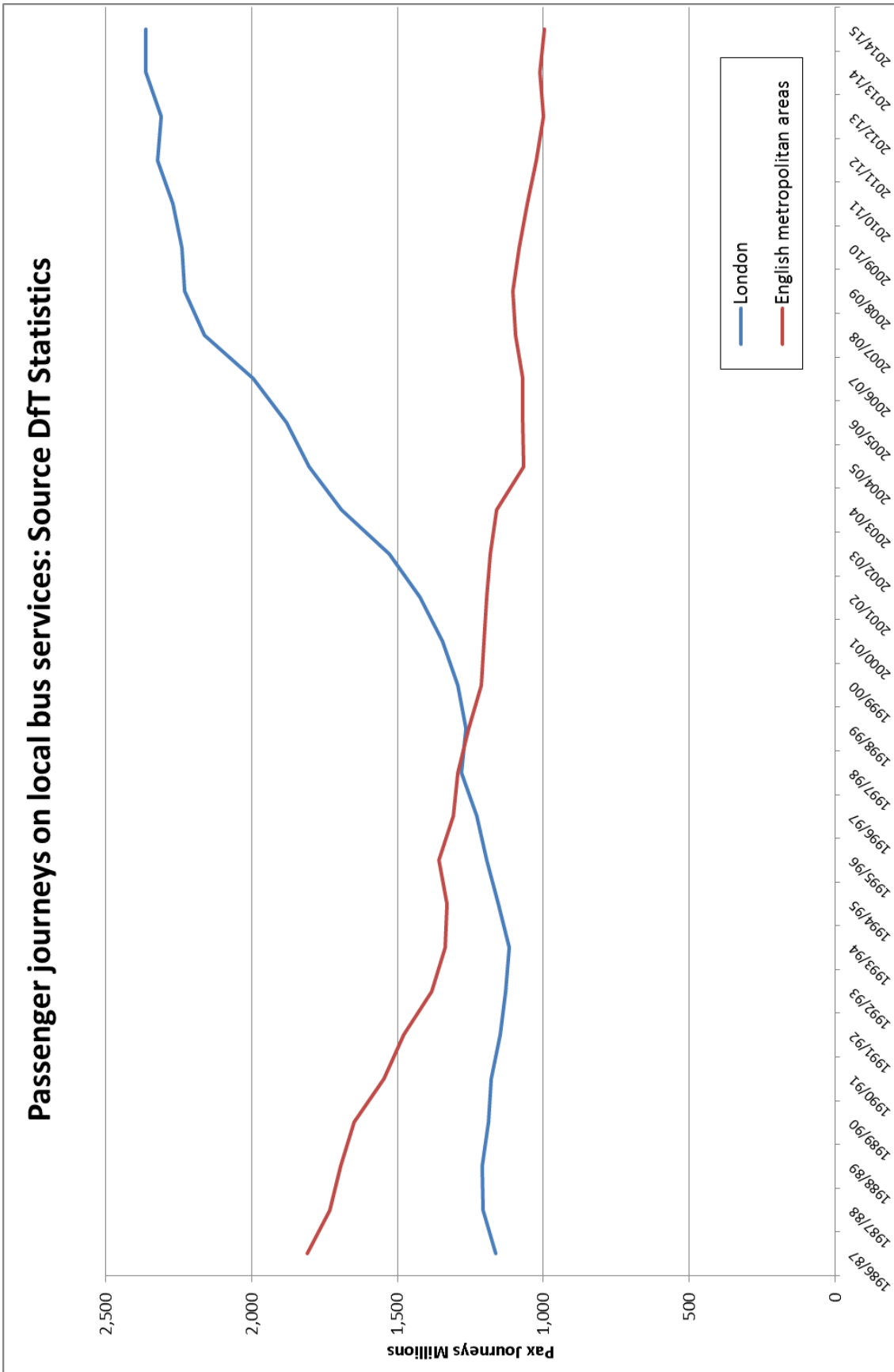
Appendix 1



Source: KPMG Analysis

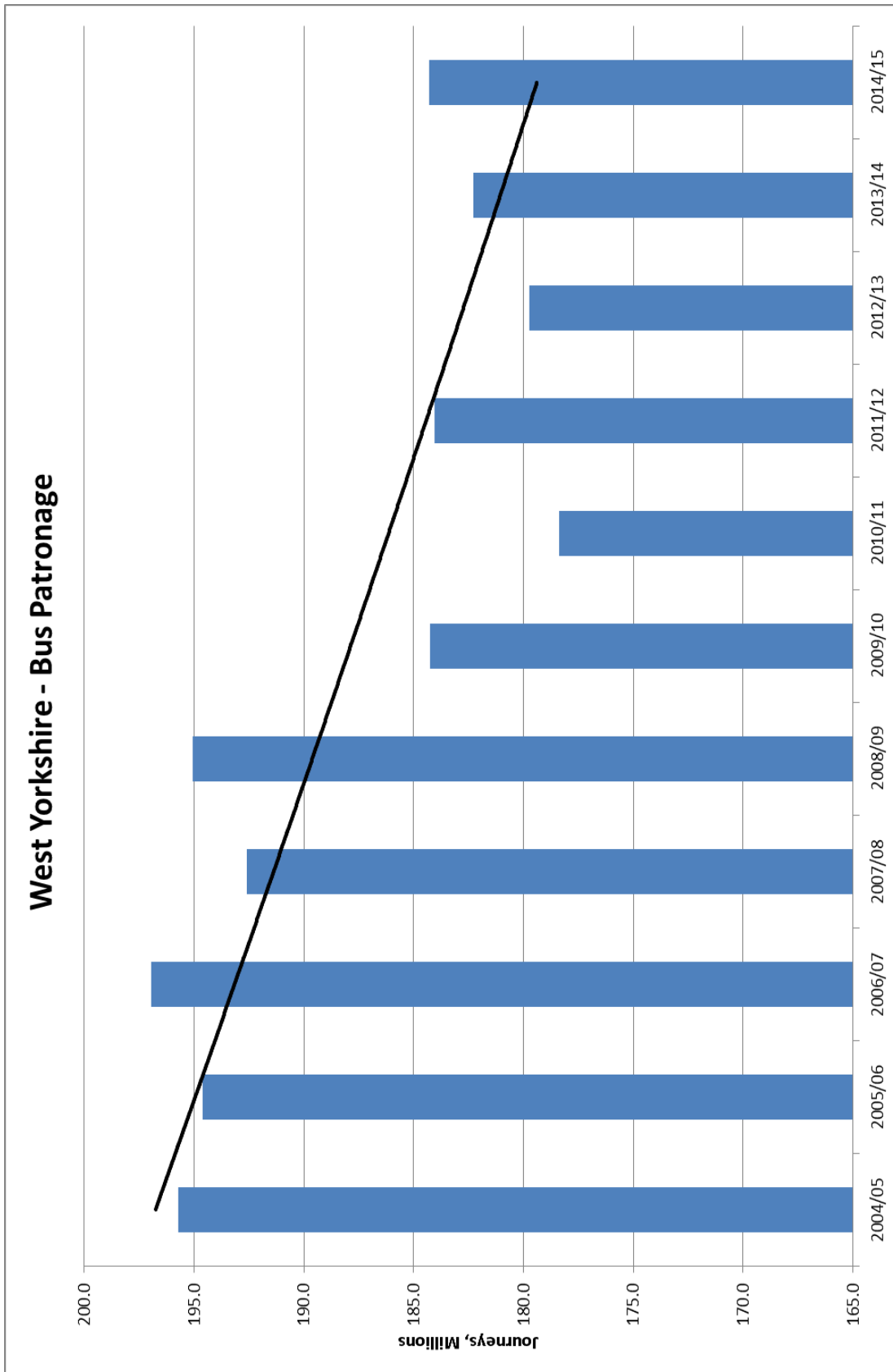


Appendix 2



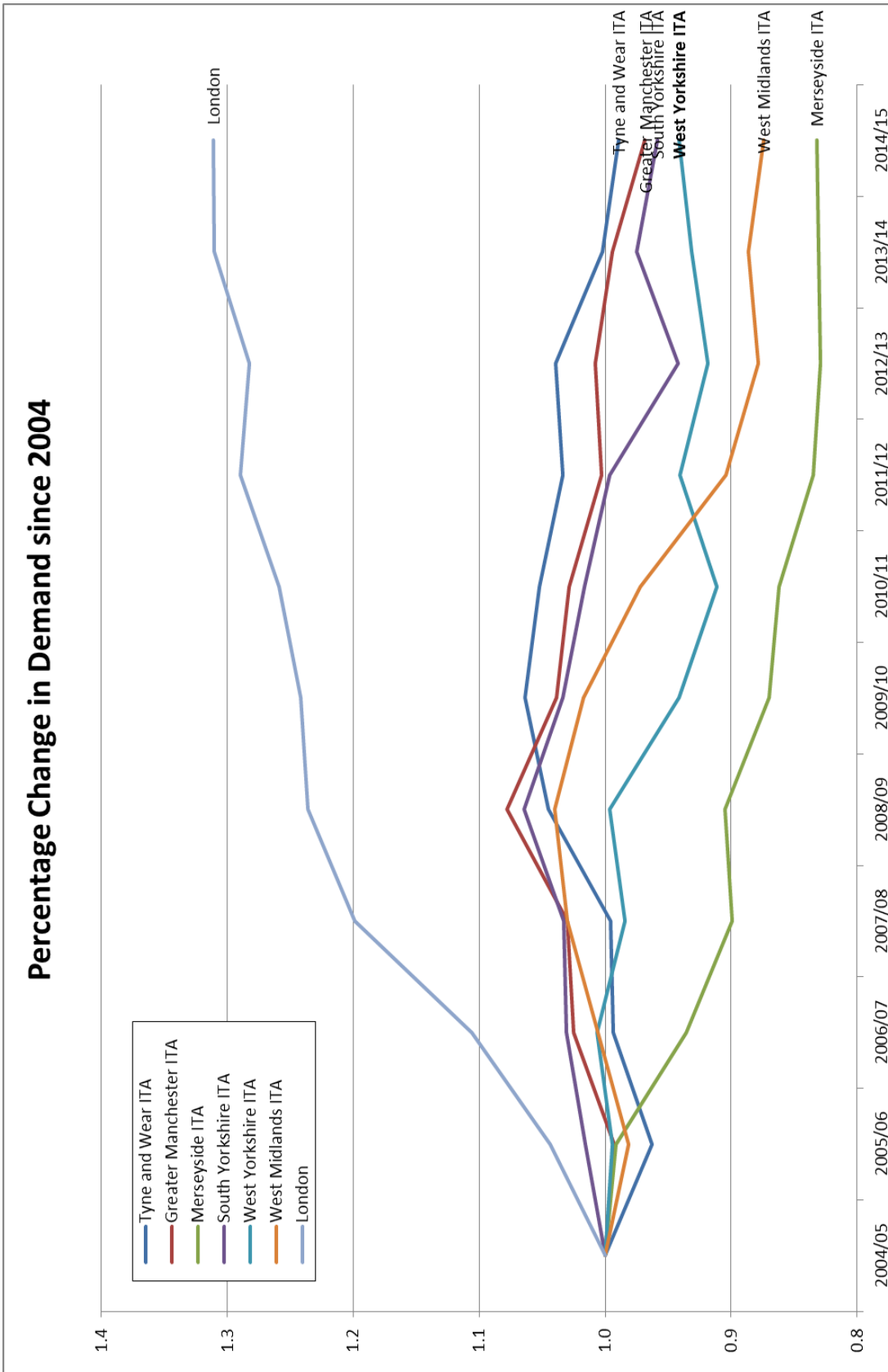


Appendix 2





Appendix 2





Appendix 3

WEST YORKSHIRE BUS STRATEGY

2016-2036

First ARRIVA transdev LEP LEEDS CITY REGION ENTERPRISE PARTNERSHIP WEST YORKSHIRE COMBINED AUTHORITY METRO

This document has been developed by West Yorkshire Combined Authority with support from the West Yorkshire District Councils, plus bus operators Arriva, First West Yorkshire & Transdev.

Foreword

Buses are vital to West Yorkshire, its people, its business and its economy. Each week people in West Yorkshire make over 3.5 million journeys on local bus services, making them the most highly used form of public transport. Those journeys link them to jobs, education, training, shopping and vital health services. Buses also provide essential connections with friends and family, for days and evenings out.

If we are going to achieve the ambitious levels of economic growth we have set for West Yorkshire and the City Region, an improved bus system is vital.

Our goal is to create the best bus system in Europe, where catching the bus is an attractive and natural choice for everyone. This will take time, but by working with our partners and customers, the Combined Authority wants to develop a modern, integrated and innovative bus system, which we can all be proud of. We have drafted a West Yorkshire Bus Strategy, which sets out what we want West Yorkshire's bus system to achieve between 2016 and 2036.

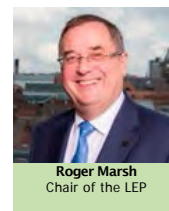
If we are going to reinvent our bus system over the next 20 years, we need your help. You may be a bus service user who wants to tell us how you want to see buses improved, or if you are someone who never catches the bus, we would like to know why. If you are a business owner we want to hear how buses can work better for you and your employees.

Whatever your views, please let us know them and help us build the modern bus network of the future that West Yorkshire needs.

This document is a summary of the proposed West Yorkshire Bus Strategy. The full document can be seen on our website, alongside details on how to take part in this consultation online, just visit: www.yourtravelyoursay.co.uk



Clr Keith Wakefield
Chair of Transport
Committee WYCA



Roger Marsh
Chair of the LEP

Who we are and how the buses are run

What is the West Yorkshire Combined Authority (WYCA)?

WYCA was formed in April 2014 and has responsibility for Transport, Economic Development and Regeneration in the five West Yorkshire Districts: Bradford, Calderdale, Kirklees, Leeds and Wakefield.



Metro is the transport brand owned by WYCA

The LEP is a public-private partnership, responsible for driving business-led economic growth across Leeds City Region. WYCA is its accountable body.

Who runs the bus services in West Yorkshire?

West Yorkshire's buses are run by around 40 private companies who decide the majority of routes and timetables, and set fares for them. Arriva, First and Transdev run around 90% of all these services.

WYCA does not run any of the buses but it does contract bus companies to run around 15% of the county's bus services - those which are important to people but don't make much money.

Further information on how the bus system currently operates can be found in chapters 1 and 2 of the main Bus Strategy document.

When we talk about the bus system we mean all aspects of bus travel including vehicles, tickets, highways, infrastructure, information and how both we and the bus companies communicate with you.

The West Yorkshire Bus Strategy is being produced as part of the wider West Yorkshire Transport Strategy 2016 - 2036. The Transport Strategy builds upon the transport element of the Leeds City Region Strategic Economic Plan (SEP). The SEP sets out WYCA's long-term vision for the Leeds City Region economy.

For more information on the SEP and to get involved in the wider Transport Strategy Consultation, which includes plans to support rail, cycling, walking, highways and freight movement, please visit: www.yourtravelyoursay.co.uk



driven by buses in West Yorkshire each year



miles of roads in West Yorkshire



bus journeys in West Yorkshire each year

Recent achievements

We have worked with bus companies and district councils to introduce a number of bus initiatives, including:

- YourNextBus - our live mobile timetable information which is used over 3,740,000 times per month via apps, SMS and mobile internet.
- Castleford's award winning new £6m Bus Station, which opened in 2015.
- Elland Road Park & Ride - around 500 cars are parked there Monday to Saturday and we are expanding to meet growing demand.
- MCard, the smart multi-operator ticket scheme - used for around a third of all West Yorkshire bus trips, or around 1.1 million journeys per week.
- Introduction of smart phone technology to provide real-time information at all West Yorkshire bus stops.
- Continued investment into vehicles by bus companies to make them attractive and accessible - the majority now have low floors and 97% are now fitted with smart ticketing machines.



The vision for buses

In order to create the best bus system in Europe, our vision is:

To create a modern, integrated and innovative bus system, which puts customers first and contributes to the delivery of West Yorkshire's economic, environmental and quality of life ambitions as set out in the Strategic Economic Plan and the West Yorkshire Transport Strategy.

Objectives for the Bus Strategy:

- To enable economic growth in West Yorkshire by improving connectivity to areas of economic opportunity.
- To realise environmental aspirations, including significantly reducing local emissions.
- To support local communities by improving access to health services, education, employment, leisure and retail destinations.

To deliver these objectives we need to ensure customers are consistently put first and their rising expectations are met. The strategy must create a safe and secure environment for all. We also need to make sure that the West Yorkshire bus system, as set out in the main Bus Strategy document, is financially sustainable in the long term.

The Bus Strategy sets the target to grow the number of bus passengers by up to 25% over the next ten years.



Target to grow the number of bus passengers over the next 10 years

Further information on the Vision, Objectives and Target can be found in chapter 5 of the main Bus Strategy document.

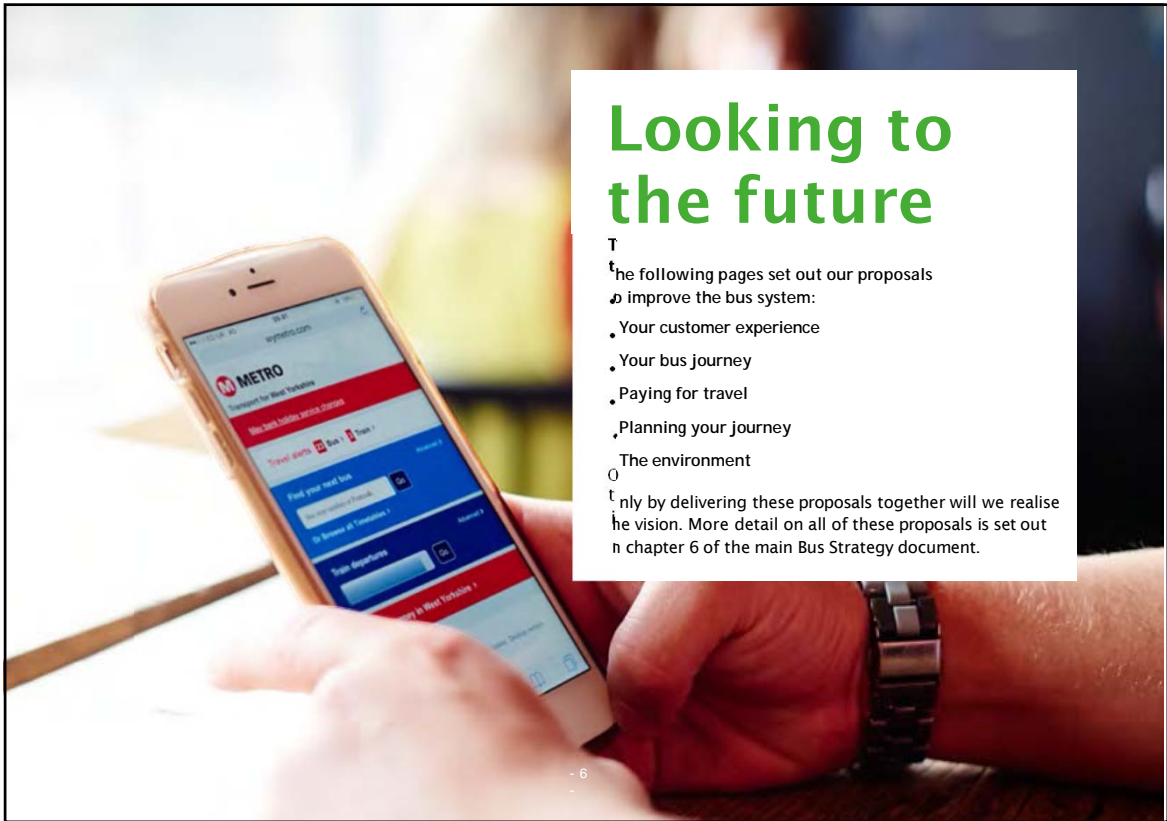
Your feedback so far

87% of people who use buses in West Yorkshire are satisfied by their experiences*. We hear lots of good things about the buses, but we know there are still issues to address.

Some passengers have told us that:

- Travel by bus is not always a satisfactory quality experience.
- Buses don't always run to timetable, and occasionally fail to turn up at all.
- Buses can take a long time to reach their destination.
- The bus network is complicated and difficult to understand, which makes it hard to work out which bus or buses to catch.
- It can be hard to know which bus tickets/passes offer best value for money.
- Bus travel information can be inconsistent and/or not always easily available.
- It is difficult for customers to understand who operates their bus service, what WYCA does, who to contact if things go wrong, or how to provide feedback.
- Some buses are old and their exhaust emissions can be harmful.

This consultation will enable us to check how widely these concerns are shared.



Looking to the future

The following pages set out our proposals to improve the bus system:

- Your customer experience
- Your bus journey
- Paying for travel
- Planning your journey

The environment

Only by delivering these proposals together will we realise the vision. More detail on all of these proposals is set out in chapter 6 of the main Bus Strategy document.

Your customer experience

Our proposal is to provide consistent and excellent customer service across the bus system

Creating a modern customer experience, which encourages trust, confidence, and long term loyalty is fundamental.

To achieve this we propose:

- Introducing a single customer portal for the whole West Yorkshire bus system where customers can obtain advice and assistance on any bus related matter.
- Investing in more staff training so customers receive an excellent service at all stages of their journey.
- Using data and intelligence to understand and meet customer needs better.
- Providing a clean and welcoming environment for everyone, at interchanges, stops, shelters and on vehicles.

Bus services should be clearly and consistently designed and easily-identifiable with the service they are providing (e.g. express, rural, school). The exterior of the vehicle should be correct for the type of service it is operating, with the appropriate information displayed internally and externally.

Improving the customer experience could also include on-board visual displays, audio announcements, speedy and reliable Wi-Fi connectivity, and phone and tablet charging capability.



Your bus journey

Our proposal is to provide modern, coherent and integrated bus services

This proposal seeks to deliver beyond just the 'essentials' enabling the bus system to operate punctually to consistent standards, to cope with disruption and meet customer expectations.

This proposal includes:


- Designing a clear and understandable bus network with better connections for both urban and rural communities across West Yorkshire and beyond.
- Providing a bus network with better integration, and improved links with other modes of transport such as rail, cycling, and walking.
- Improving bus service frequencies to cater for demand, e.g. "turn up and go" on routes of high demand and simpler timetables where they are serving a lower density community.
- Providing bus services to new housing and employment developments.
- Integrated communications to keep you informed, especially when things go wrong.
- Improving access to a wider range of jobs and travel to schools, colleges and universities.

Innovations could include:

- Better interchange between bus, rail and other modes.
- Frequent services operating later into the evening.
- A new night bus network.
- New Park & Ride sites and services.
- A network of fast and frequent express services.
- Encouraging community and door-to-door travel.

Targeted infrastructure improvements to make bus journeys quicker and more reliable, this could include investment in:

- New segregated bus priority lanes.
- Priority for buses at traffic signals across West Yorkshire.
- Reliable real-time information on all services.
- Modern waiting areas which provide passenger safety and comfort, and make neighbourhoods more attractive places to live, work and play.



Paying for travel

Our proposal is to provide integrated, simple and affordable bus fares for all

This proposal includes:

- **Integration:** One fare for each journey, no matter which bus company runs the service
- **Simplicity:** A handful of products across all West Yorkshire bus services
- **Affordability:** Reasonably priced fares that offer value for money

We will continue to provide concessionary fares for young, older, blind or disabled people and others who will benefit most from them.

Flexible ways of paying for a journey are increasingly important to customers. The proposal also includes introducing more cashless methods of paying for bus tickets.

Moving away from cash will contribute to improving journey reliability by minimising bus boarding times and encouraging customer loyalty.

- 10 -

Planning your journey

Our proposals are to:

- Present the bus system as a single network
- Provide easily accessible and reliable travel information

These proposals include:

- Developing a clear, simple and consistent brand for West Yorkshire's buses which also makes it possible to identify specific services such as express, local or rural services.
- Providing passengers with a choice in how they receive high quality and reliable information, when and where they need it, across all bus services.
- Using digital information such as social media, web and mobile apps to encourage customer 'self-service' and meet fast-changing requirements.
- Where appropriate and practicable, continuing to provide printed timetables, fares information, route maps and information points at busy city and town centre locations, focused on promoting bus travel.
- Providing information about all fares, as well as routes and services on journey planning tools.
- Providing real-time information for all bus journeys.
- Providing up to the minute travel information, including disruptions, that enables passengers to make informed choices about their journey.

- 11 -



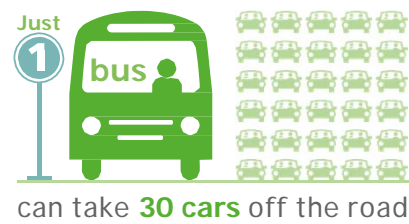
The environment

Our proposal is for a modern, low carbon bus system which contributes to improved air quality

This proposal includes:

- A bus fleet that has a positive impact on health and environment, with consistent year on year improvement
- Meeting the legal health standards for air quality by ensuring older buses are modernised or replaced through investment to reduce local emissions.
- Requiring all vehicles new to West Yorkshire to meet at least the latest environmental standard* as a minimum.
- Encouraging new vehicle technologies which move towards near to zero vehicle emissions.
- Providing support to establish clean air zones across West Yorkshire.
- Raising public awareness around bus emissions standards.
- The current standard is Euro VI

Delivery of the range of proposals outlined in this document will help to increase bus patronage, which is integrated with other environmentally-friendly methods of transport such as cycling, walking and car-sharing.





What happens next?

Please complete our questionnaire online by visiting:
www.yourtravelyoursay.co.uk by 21 October 2016.

Alternatively paper copies of the questionnaire are available on request, or can be printed from the website and returned via the freepost address below.

Your views and comments will help to shape the main Bus Strategy document, which we aim to finalise and adopt in 2017.

The West Yorkshire Transport Strategy consultation is taking place at the same time as the West Yorkshire Bus Strategy consultation.

You can find further details and take part in both consultations at:
www.yourtravelyoursay.co.uk

Contact Us:

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 Email: yourtravelyoursay@westyorks-ca.gov.uk
 Telephone: 0113 245 7676 (MetroLine)
 Like us on Facebook: [yourtravelyoursay](https://www.facebook.com/yourtravelyoursay)
 Follow us on Twitter: [@ytravelyrsay](https://twitter.com/ytravelyrsay)

If you require this information in another format (e.g. large print, braille, audio, other language) please email yourtravelyoursay@westyorks-ca.gov.uk or phone MetroLine on 0113 245 7676

If you would prefer to write to us then please use the following freepost address:
 Freepost CONSULTATION TEAM (WYCA)

Developed with support from:





Appendix 4

Bus 18

What's next

The Bus 18 partnership will continue to build on these pledges and deliver further improvements over the next 18 months. Work in progress includes:

- To make buses easy to use**
Information - we plan to improve the presentation and usability of bus stop information and provide better information in times of disruption.
Punctuality and Reliability - we will identify and address the issues which impact on punctuality on five major bus routes.
- To reduce emissions**
We will introduce more environmentally friendly buses with less harmful emissions in order to improve air quality.
- To improve customer satisfaction and passenger experience**
Young people - consultation events have taken place and engagement will continue with young people's groups.
Customer service - work is underway to improve customer services which includes the following:

Our commitment - from 24 March 2017

1 Any customers not happy with their bus journey can claim a free travel voucher from either: First, Arriva or Transdev.

2 Customers can call a taxi and claim the cost back from either First, Arriva or Transdev if their last bus doesn't arrive within 20 minutes of the scheduled time.





West Yorkshire Combined Authority is working together with the City Region's major bus companies Arriva, First, Transdev and Association of Bus Operators in West Yorkshire to launch a new ambitious partnership, Bus 18. The Bus 18 programme includes a raft of pledges that will make bus travel better with the ultimate aim of encouraging more people to use the bus.

Our Pledges

- To make buses easy to use**
We will: develop a simpler bus network with fewer changes, more reliable services, smarter information and more ways to pay in advance.
- To reduce emissions**
We will: introduce more environmentally friendly buses with less emissions to improve air quality.
- To improve customer satisfaction and passenger experience**
We will: agree a customer promise to increase satisfaction with bus travel and engage with young people to understand what is needed to make buses more useful to them.



Our achievements so far

- To make buses easy to use**
Network stability - we have reduced the number of times services are changed and will ensure people are consulted before any major changes.
Ticketing - we have launched a number of new tickets including a day saver and pay as you go.
Information - we are making it easier for people to enquire online: the wymetro.com website includes a new journey planning facility and across First, Transdev, Arriva and the Combined Authority we have over 2m page views every month and 750,000 monthly timetables downloaded from wymetro.com. We also have a combination of over 53,000 Twitter followers and over 31,000 Facebook followers.
- To reduce emissions**
Air Quality - First, Transdev, Arriva and the Combined Authority are committed to participating in the ECO Stars scheme which will help reduce fuel consumption and harmful emissions.
- To improve customer satisfaction and passenger experience**
Young people - we have extended the concessionary bus fare scheme enabling young people aged 16 to 18 to travel at cheaper fares.



Scrutiny Board (City Development)
Advancing Bus Service Provision
17 May 2017
Report author: Sandra Pentelow

www.scrutiny.unit@leeds.gov.uk