

Submission from First Leeds

EXECUTIVE SUMMARY

1 Background

- 1.1 Under current law bus operators determine which routes and journeys they will operate on a commercial basis and the local authority has the responsibility for providing under contract those journeys considered socially necessary but not provided by the operator. Currently 97.2% of First's network in Leeds is operated on a commercial basis. This will increase to c98.25% in April

2 The Role of WYITA

- 2.1 As well as supporting socially necessary services WYITA, through its Executive Metro, takes responsibility for infrastructure, bus stations, and publicity and its distribution

3 Fares

- 3.1 In setting fares First aims to make sufficient profit to support an investment programme and a regular supply of new buses.
- 3.2 Fares charged by First have risen 54% between 2004 and 2012 which is above RPI. However transport based costs have risen in the same period by 55.1%.
- 3.3 The cost of fuel has increased in the period by 142%. Rebate of fuel tax has been reduced by 20%.
- 3.4 Amongst other changes First has recently simplified fares introducing
- A short hop fare
 - Leeds Green Week ticket
 - Child weekly ticket
 - "Bus for Jobs" travel for job seekers

4 Ticketing

- 4.1 First has invested £2.6m in new ticket machines enabling the move towards Oyster style ticketing by the end of 2013.
- 4.2 First has joined with other operators to introduce ticket inter availability on the A65 corridor

5 Journey Times

- 5.1 Congestion reduces the attractiveness and reliability of bus services. First provides extra peak time buses to counteract traffic congestion at a cost of £3.5m p.a. and congestion adds 10% to First's total costs in Leeds
- 5.2 Scheduled service running times have increased by 30% over the last 35 years.
- 5.3 Joint ventures between First Leeds City and Metro have resulted in the successful introduction of Guided bus ways on Scot Hall and York Roads and improvements on the A65 to reduce journey times and increase passengers.

6 Reliability

- 6.1 Punctuality of First's services improved from 90.4% to 91.99% between 2010 and 2012 but largely due to congestion reliability declined from operation of 98.17% to 97.45% of all scheduled miles over the same period.

7 Routes

- 7.1 First has implemented a programme of increasing frequencies on core services with 18 services now operating at least every 10 minutes on Mondays to Saturday day times. 98 new and 204 refurbished buses went into service on these routes in 2012 all with the latest engine design to reduce pollutants.
- 7.2 Service 72 has been re-launched as Hyperlink with newly refurbished buses equipped with leather seats and wi-fi and at an increased frequency of every 7/8 minutes.
- 7.3 Following withdrawal of funding for the free City Centre Bus First has operated it at a 50p flat fare without subsidy since early 2012.
- 7.4 First has implemented short notice service changes in response to public requests such as Service 4 and 86.

8 Opportunities for Increased Bus Usage

- 8.1 There has been an increase in bus passengers in West Yorkshire of 3.1% between 2010 and 2012. First has experienced similar increases in Leeds.
- 8.2 Independent surveys by Passenger Focus have recorded 83% passenger satisfaction with First's Leeds services.
- 8.3 Elimination of congestion provides a great opportunity for passenger growth. First is willing to invest any savings from the reduced congestion cost in increased service frequencies or fares propositions.

9 Role of Highway Authority

- 9.1 First is keen to work in partnership with Leeds' Highways to reduce congestion and punctuality of its services have benefited from recent bus lane enforcement.

10 Area Bus Network Review

- 10.1 Following a review with Metro First has offered to operate commercially from April 2013 in Leeds a number of journeys previously under contract at an annual cost to First – and saving to Metro – of c£1m.

11 Overview of Quality Contracts and Proposed Quality Partnership

- 11.1 Under a Quality Contract Metro would design the network of services ticket types and specify the age type and size of bus for each service. Operators would bid to operate the services. Metro would take the financial risk.
- 11.2 A similar system applies in London where the cost was £720m in 2010/11 and public expenditure per head on bus services was nine times that of West Yorkshire. Only 70.4% of costs are recovered from fares in London compared with 93% in West Yorkshire.
- 11.3 Unexpected increases in costs – such as fuel – or shortfall in fares revenue would have to be met by Metro as opposed to the operator under a Quality Contract.

- 11.4 It would take approximately three years from announcement to implementation of a Quality Contract. A Partnership could be introduced almost immediately and operators in West Yorkshire are keen to introduce a binding partnership with Metro.
- 11.5 A Partnership would be able to achieve improvements in services - such as Oyster style ticketing service and fares stability – identical to those that could be achieved under a Quality Contract but in a much shorter time scale and without risk of increased public expenditure. Sizeable passenger growth has occurred in a number of towns and cities in Britain where operators and local authorities have worked in close partnership
- 11.6 Potential additional public funding through devolvement of BSOG distribution would not be available under a Quality Contract.