



## Report of Metro (Bus Development Team)

Area Committee Inner East

Date: 3 February 2011

Subject: Bus Quality Contract Scheme for West Yorkshire

<b>Electoral Wards Affected:</b>		<b>Specific Implications For:</b>	
<input checked="" type="checkbox"/>	Ward Members consulted (referred to in report)	Equality and Diversity	<input type="checkbox"/>
		Community Cohesion	<input type="checkbox"/>
		Narrowing the Gap	<input type="checkbox"/>
Council Function	<input checked="" type="checkbox"/>	Delegated Executive Function available for call in	<input type="checkbox"/>
		Delegated Executive Function not available for Call In Details set out in the report	<input type="checkbox"/>

## Executive Summary

Bus Quality Contracts are a form of local bus franchising introduced by the Local Transport Act 2000. Under a Bus Quality Contract Metro would have the power to specify the West Yorkshire bus network, fares, ticketing and operating conditions. The private companies that run buses would then run services under contract to Metro and would be accountable to local politicians and Council-Tax payers.

In November 2009 the West Yorkshire Integrated Transport Authority endorsed the development of a Bus Quality Contract Scheme in West Yorkshire, whilst remaining receptive to partnership approaches from bus operators that achieved similar outcomes.

The emerging proposals for a Bus Quality Contract Scheme have been discussed in some detail with local bus operators and other key stakeholders. In order to build on this initial stakeholder engagement, a period of informal consultation was held between 1st October to 31st December. The objectives of this informal period of consultation were to raise awareness of the proposals and to gain an initial indication of levels of public support for the proposals.

This report provides further information relating to the development of a Bus Quality Contract Scheme for West Yorkshire and the associated consultation process.

## **Purpose of This Report**

1. To provide Area Committee members with information regarding Metro's proposals for a Quality Bus Contract Scheme for West Yorkshire and the associated public consultation process.

## **Background Information**

2. The Transport Act 1985 introduced deregulation of bus services outside London and Northern Ireland.
3. Since deregulation there has been a general consolidation of the bus industry, with the majority of services operated by one of five companies (First, Arriva, Stagecoach, National Express and Go Ahead). First and Arriva have dominant positions within their operating areas in West Yorkshire.
4. Members of the West Yorkshire Integrated Transport Authority (WYITA) have expressed a number of concerns about the performance of local bus services. Whilst recent market research satisfaction scores are generally positive other consultations reveal a number of concerns. Local Transport Plan targets have not been achieved as there has been a general decline in bus patronage despite investment by operators, Metro and District Councils and a wide range of partnership initiatives. Whilst operators cite the recession as the cause of the recent decline in fare paying passengers, patronage also declined whilst the economy was growing. This decline is in stark contrast to the significant growth in local rail travel.
5. West Yorkshire District Councils have also recorded other dissatisfaction with local bus services, including fare levels, the frequency of service changes, the lack of transparency regarding value for money for the £90 million a year public revenue support to bus services in West Yorkshire and detrimental impacts on air quality.
6. Metro and the five West Yorkshire District Councils are developing a new Local Transport Plan, setting out a 15-year strategy for West Yorkshire's transport system from 2011 onwards. Improving bus services is a key part of this Plan. The vision for bus services contained within this plan can be summarised as follows:
  - Simple fares and smartcard-based tickets (like the Oyster card in London) that could be used on all public transport services;
  - A public transport network that is easier to understand and use;
  - Fewer service and timetable changes;
  - Better connections with rail services;
  - More reliable bus services that arrive on time; and
  - A standard compensation policy for passengers if things go wrong.
7. In order to deliver this vision Metro is currently developing proposals for a Bus Quality Contract Scheme which is a form of local bus franchising introduced by the Local Transport Act 2000. This would give Metro the power to specify the West Yorkshire bus network, fares, ticketing and operating conditions. The private companies that run buses would then run services under contract to Metro and would be accountable to local politicians and Council-Tax payers.

8. In November 2009 the WYITA endorsed the development of a Bus Quality Contract Scheme, whilst remaining receptive to partnership approaches from bus operators that achieved similar outcomes.

### **Main Issues**

9. Metro is in the process of developing detailed proposals for the Bus Quality Contract Scheme. The objectives for the scheme can be summarised as follows:
  - To achieve an integrated public transport system in line with international city region best practice;
  - To achieve higher bus use than would be the case without a Bus Quality Contract scheme;
  - To achieve high customer satisfaction scores, demonstrating improvement over current satisfaction ratings;
  - To contribute towards District Councils' local policy objectives, including Local Area Agreement targets relating to congestion, accessibility air quality, reduced CO<sup>2</sup> emissions and mode share;
  - To achieve demonstrable and measurable value for money from WYITA and District Council support for local bus services; and
  - To manage the potential for adverse impact on incumbent operators in achieving other objectives.
10. Under a Quality Bus Contract Scheme Metro would be responsible for deciding:
  - Where buses run to;
  - Frequency and timings of bus services;
  - What fares and tickets are available;
  - What quality standards apply; and
  - What happens if things go wrong.
11. The emerging proposals have been discussed in some detail with local bus operators and other key stakeholders. In order to build on this initial stakeholder engagement a period of informal consultation was held between 1<sup>st</sup> October to 31<sup>st</sup> December. The objectives of this informal period of consultation were to raise awareness of the proposals and to gain an initial indication of levels of public support for the proposals.
12. Following completion of the analysis of responses a full report of findings will be published on Metro's website and a summary of the findings will be reported at the Area Committee meeting.
13. Following further consideration of the responses to the informal consultation exercise, a decision will be taken on whether to proceed to a formal consultation exercise. This is a statutory period of consultation which must be undertaken prior to the establishment of a Bus Quality Contract Scheme. This formal consultation would involve the publication of a detailed consultation document.
14. Discussions have taken place with local bus operators on the development of proposals for a Bus Quality Contract Scheme for West Yorkshire. While

operators are generally understood to be largely opposed to the concept of Bus Quality Contracts, they are continuing to develop proposals for possible partnership approaches which they believe could achieve similar outcomes. Engagement with local bus operators on this issue is continuing.

### **Implications For Council Policy And Governance**

15. None as a result of this report

### **Legal And Resource Implications**

16. None as a result of this report

### **Conclusions**

17. As a result of concerns over the performance of local bus services Metro are continuing to develop proposals for a Bus Quality Contract Scheme for West Yorkshire.
18. Under such a scheme Metro would be responsible for specifying the local bus network, fares, ticketing products and operating conditions. The private companies that run buses would then run services under contract to Metro and would be accountable to local politicians and Council-Tax payers
19. In order to raise awareness of these proposals and to gain an initial indication of levels of public support, an informal consultation exercise has recently been held.
20. Following consideration of the responses to the informal consultation exercise, a decision will be taken on whether to proceed to a formal consultation exercise.

### **Recommendations**

21. That this report be noted.

Background papers

All the consultation material is available on the websites:

<http://www.wyltp.com/getinvolved/Consultation.htm>

<http://www.wymetro.com/news/releases/qualitycontracts>