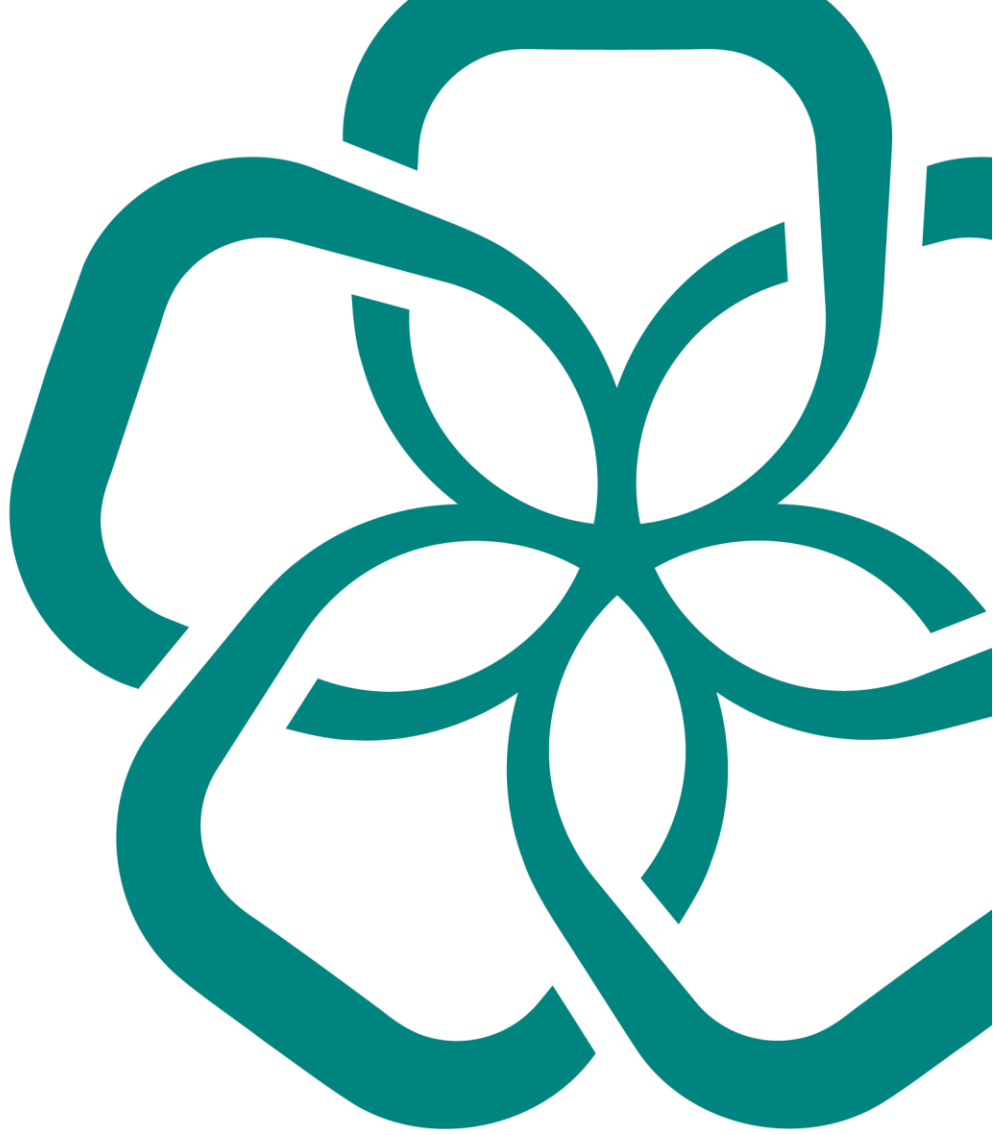




West
Yorkshire
Combined
Authority

Tracy
Brabin
Mayor of
West Yorkshire



West Yorkshire Bus Reform

Report on Franchising Decision

West Yorkshire Combined Authority/ 27th March 2024

This Report

This report is published pursuant to s123G of the Transport Act 2000 as amended by the Bus Services Act 2017 (the “**Act**”) and includes:

1. the decision on whether to make a franchising scheme (section 123G(1)(b) of the Act) exercised by the Mayor acting on behalf of the Combined Authority;
2. the Combined Authority’s response to the consultation on Bus Reform in West Yorkshire (section 123G(1)(a) of the Act); and
3. a paper setting out how, in conducting the procurement process for the provision of local services, the Combined Authority will facilitate the involvement of small and medium-sized operators in the provision of local services (section 123G(3) of the Act).

The draft Franchising Scheme (originally Appendix 3 to the Combined Authority paper considered at the Combined Authority meeting on 14 March 2024) is set out at Appendix 1 to this Report.

The final Franchising Scheme and Transitional Notice dated with today’s date (27th March 2024) are also published today.

1. Decision

This report confirms that the Mayor has decided on behalf of the Combined Authority, in accordance with section 123G(4) of the Transport Act 2000 as amended by the Bus Services Act 2017, to make the West Yorkshire Franchising Scheme and publish the Transitional Notice.

The decision details are as follows (as set out further on the Combined Authority's website [here](#)):

At a meeting of the Combined Authority held on 14 March 2024, the Combined Authority considered an agenda item on Bus Reform together with its appendices and resolved as follows:

Resolved:

- (i) The Combined Authority noted the completion of the consultation process, its extent and the responses received.
- (ii) The Combined Authority noted and considered the contents of the Consultation Response Report at Appendix 2 and associated documents, including the Bus Reform Assessment, and endorsed the Combined Authority's response to the consultation summarised in the report and set out at Appendix 2.
- (iii) The Combined Authority recommended to the Mayor that she make a franchising scheme as set out at Appendix 3, complying with all associated statutory requirements, rather than recommending that the Combined Authority pursue an Enhanced Partnership Plus.
- (iv) That following a decision by the Mayor whether or not to make a franchising scheme, the Combined Authority agreed to adopt and publish the Combined Authority's response to the consultation, together with the Mayor's decision as the report to be published by the Combined Authority under section 123G(1) of the Transport Act 2000 (the "Act") and in accordance with s123G(2) of the Act to give notice to the traffic commissioner.
- (v) That if the Mayor decided to make a franchising scheme, the Combined Authority would publish the scheme set out at Appendix 3 on behalf of the Mayor at the same time as the Consultation Response Report (Appendix 2) to be published under section 123G(1) of the Act; and, at the same time, publish a transitional notice in the terms set out in Appendix 4 and then within 14 days of date upon which transitional notice is published, give notice to the traffic commissioner of its publication on behalf of the Mayor if the Mayor so decides (or alternatively WYCA) as required by the Public Service Vehicles (Registration of Local Services) (Franchising Schemes Transitional Provisions and Amendments) (England) Regulations 2018. Further, the Combined Authority agreed that, in conducting the procurement process for the provision of local services, the Combined Authority would facilitate the involvement of small and medium sized operators in the provision of local services as set out at Appendix 5 (s123G(3) of the Act); and commence with mobilisation of franchising, noting section 2.140 – 2.160 of the report (Mobilisation).
- (vi) That if the Mayor recommended that the Combined Authority pursued Enhanced Partnership Plus, to commence with mobilisation of Enhanced Partnership Plus, noting section 2.140 – 2.160 of the report (Mobilisation).
- (vii) The Combined Authority approved the repurposing of the remaining £2,883,150 funding approved for the preparation of the assessment to be used for initial mobilisation costs.

Mayoral Decision

Following the resolutions made by the Combined Authority, the Mayor:-

- confirmed that she had taken into account the information presented to her to date,
- noted that, in line with statutory requirements, the Combined Authority had completed an assessment of the proposed franchising scheme, in accordance with Section 123B of the Transport Act 2000 and

had obtained a report from an independent auditor of that assessment, in accordance with Section 123D of the Transport Act 2000.

- noted that the Combined Authority had also carried out a consultation in respect of the proposed franchising scheme on 10 October 2023, to 7 January 2024, in accordance with Section 123E and 123F of the Transport Act 2000.
- considered the recommendation of the Combined Authority that she make the franchising scheme and that the transitional notice be published.

The Mayor confirmed that she was satisfied that making the West Yorkshire Franchising Scheme offered clear, strategic benefits and greater opportunity to achieve the Combined Authority's objectives and ambitions for West Yorkshire and that it was justifiable, in terms of delivering high value for money affordable and deliverable as had been assessed.

Having considered all of the evidence and being satisfied that all legal requirements had been complied with, the Mayor decided on behalf of the Combined Authority, and in accordance with Section 123G(4) of the Transport Act 2000, as amended by the Bus Services Act 2017, to make the West Yorkshire Franchising Scheme and publish the transitional notice as set out in Appendix 4 of the report.

Accompanying documents

- [Item 5 - Bus Reform](#)  PDF 433 KB
- [Item 5 \(Addendum\) Bus Reform - DJS Bus Reform Con Rpt \(Addendum 1 & Updated List of Stakeholder Participants\)](#)  PDF 344 KB

2. The Combined Authority's Response to the Consultation

The Combined Authority's response to the Consultation is set out in the following Consultation Response Report.



West
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Mayor of
West Yorkshire



Bus Reform Consultation Response Report

March 2023

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1. Introduction

- 1.1. The West Yorkshire Combined Authority (the Combined Authority) believes it needs to change the way local buses are run to achieve our ambitions for better buses in West Yorkshire.
- 1.2. Buses play a vital role in West Yorkshire, getting people to places, connecting our communities, and shaping our economy. But evidence shows passengers face many challenges resulting in poor satisfaction and fewer people choosing to travel by bus. The way that buses are currently run gives the Combined Authority limited ability to change this.
- 1.3. The Combined Authority has assessed two options available, the Enhanced Partnership Plus (EP+) and the Proposed Franchising Scheme, in the Bus Reform Assessment (the Assessment) which were both compared to the way buses are currently run, the Enhanced Partnership Reference Case (EP Reference Case).

Purpose and background

- 1.4. This report is required by the Transport Act 2000 (as amended by the Bus Services Act 2017) (“the Act”) in response to the Combined Authority’s Bus Reform Consultation. Following the consultation, the Combined Authority must prepare and publish a report setting out our response to the consultation alongside a decision as to whether or not to proceed with the Proposed Franchising Scheme.
- 1.5. This report forms part of the response and looks to address issues raised by respondents, including setting out any changes to the Proposed Franchising Scheme following the consultation.
- 1.6. It is the Mayor of West Yorkshire that takes the decision as to whether or not to proceed with the Proposed Franchising Scheme.
- 1.7. Following the consultation, this report looks to communicate the key themes of the consultation and present the findings which will both be published for the public and used to inform the Mayor’s decision on bus reform. This report is published alongside a report provided by our external analysis partner, DJS Research, who carried out independent verification and coding of responses to the consultation. The report sets out:
 - The Combined Authority’s approach to analysing the responses received as part of the consultation.
 - The Combined Authority’s response to the independent report and analysis undertaken by DJS Research including:
 - A breakdown of the themes across the consultation, including responses from statutory consultees
 - Any proposed changes to the scheme
- 1.8. This report is part of the Combined Authority’s response to the consultation and will be supported by further considerations of:
 - Whether the Combined Authority believes the Proposed Franchising Scheme should be made, with or without modifications; and
 - If the Proposed Franchising Scheme should be made with modifications, what these modifications should be and whether any further consultation is required. This report explains how any modifications would be proposed to account for the responses to the consultation.

Structure of this report

- 1.9. This report is set out in sections that reflect the Bus Reform Consultation Document and accompanying questionnaire used within the consultation. It is therefore set out over the following sections:
 - Section 3: Proposed Franchising Scheme

- Section 4: Strategic Case
- Section 5: Economic Case
- Section 6: Commercial Case
- Section 7: Financial Case
- Section 8: Management Case
- Section 9: Equality Impact Assessment
- Section 10: Assessment Conclusion

Consultation overview

- 1.10.** At its meeting on 28 September 2023 the Combined Authority decided to undertake consultation with statutory consultees, as detailed above. The Combined Authority agreed that consultation be undertaken of all statutory consultees as listed in section 123E(4) of the Act, as well as the general public more broadly.
- 1.11.** The purpose of the consultation is for the Combined Authority to consult widely on the proposals included within the Assessment. The consultation gave the opportunity for local passengers, businesses, and transport providers to comment on the proposals in the Assessment before the Mayor makes a decision on whether or not to implement the Proposed Franchising Scheme.
- 1.12.** The consultation ran from Tuesday October 10 2023 and closed at 11:59pm on Sunday 7 January 2024. To inform consultees, and as required by section 123(E) of the Act, the following documents were published on launch of the consultation:
- The Consultation Document, detailing the information required under Section 123F of the Act;
 - The Bus Reform Assessment (“the Assessment”) which assessed the Proposed Franchising Scheme;
 - The Auditor’s report on the Assessment – Grant Thornton’s Independent Auditor report; and
 - Supporting documents to the Consultation Document and the Assessment including an Equality Impact Assessment (EqIA) and a document detailing the case for change (Buses in West Yorkshire – Evidence for Reform).
- 1.13.** The Combined Authority used best practice examples and aimed to make the consultation materials as accessible as possible to interested persons and organisations, ensuring a range of events were provided to improve this access. This looked to ensure that a wide range of views could be inputted into the consultation.

Consultation methods and response

- 1.14.** At the close of the consultation there was a total of 1,245 responses. Of those who responded to the consultation, 1,176 were from members of the public and 69 were from stakeholder organisations (including elected representatives).

Table 1.1: Consultation response by channel and consultee type

Response channel		Members of the public	Stakeholder organisations	Overall total
Response Form	Short	1,024	24	1,048
	Long	148	27	175

Email/whitemail	4	18	22
Total	1,176	69	1,245

- 1.15. In addition to the responses in the table above, there were 14,960 responses categorised as campaign responses. This comprised of 2,677 emails from an organised email campaign, 12,182 submitted as part of a petition as well as 101 printed response postcards. Further details on these responses – including common themes and additional points raised - can be found in Section 5 of the DJS Research Report at Appendix 3.

Questionnaires

- 1.16. The primary response mechanism was an online questionnaire, available via the Combined Authority’s YourVoice consultation platform. There were two versions of the consultation questionnaire. The short version which was set out throughout the Executive Summary of the Consultation Document and the long version which may have been more appropriate for respondents who had a good level of knowledge and interest in the bus market as it contains more questions – some of which are more complex.
- 1.17. As well as submitting questionnaires online, both the long and short questionnaires could be requested in printed form, with consultees able to return these via the Combined Authority’s freepost address.
- 1.18. A total of 1,245 questionnaire responses were received, across all channels.
- 1.19. A copy of the questionnaires can be found in Appendix 1. All respondents were encouraged to read the corresponding sections of the Consultation Document before answering the questionnaire.

Alternative ways of responding

- 1.20. In addition to the opportunities discussed above, other opportunities were provided for respondents to share their views which were outlined within the Consultation Document. This included:
- Letters and emails via dedicated postal and email addresses.
 - Questions submitted through our telephone contact centre, Metroline.
 - Online question and answers submitted through our YourVoice platform.
- 1.21. Responses received in this way were processed through the same way as questionnaires received and detailed below.

Campaign responses

- 1.22. The DJS Research report defines a campaign as “a co-ordinated approach by an individual or organisation to facilitate others into submitting responses”. A total of 14,960 campaign responses were received. This comprised of 2,677 emails from an organised email campaign and 12,182 submitted as part of a petition.
- 1.23. Emails were received from the email campaign ran by WeOwnIt. A number of templates were provided via the campaign website which participants could also edit if they desired. In addition to the online campaign, 101 pre-printed postcards from the same campaign were received to the consultation free post address.
- 1.24. A petition was sent by ‘Better Buses for West Yorkshire’ signed by 12,182 people which was delivered by hand on 5 January 2024. It should be noted that the Combined Authority understands the collection of signatures predates the launch of the Bus Reform consultation in October 2023 and therefore reflects general support for bus reform rather than being a direct response to the Proposed Franchising Scheme, as set out in the Assessment.

1.25. Further details on these responses can be found in the DJS Research Report.

Events

1.26. The consultation also included 62 awareness raising and public events which gave additional opportunities to gather feedback. Further detail on these is included within Appendix 2 and within the DJS Research report at Appendix 3. Insight from qualitative research is also discussed within section 4.10 of this report.

1.27. The events included:

- Targeted engagement activity – 15 drop-in and discussion events to encourage responses from seldom heard groups and those with protected characteristics.
- Awareness raising activity – 23 public information flyering events covering each bus station in West Yorkshire and 11 flyering events at non-transport locations.
- Presentation events – 10 public questionnaire and answer events in city/town centre locations.
- Webinars – two online webinars providing information to members of the public and interested stakeholders.
- Qualitative focus groups (facilitated online by DJS Research) - 5 focus groups with respondents identified as being impacted by bus reform in the Equality Impact Assessment.

2. Consultation response review

2.1. Introduction

- 2.1.1.** Responses received during the consultation were sent to DJS Research – our external analysis partner – who were the consultancy appointed by the Combined Authority to analyse and categorise responses through coding.
- 2.1.2.** The Combined Authority stored and transferred all responses to DJS Research in line with the requirements of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR).
- 2.1.3.** DJS Research produced a separate report, the “*Bus Reform Consultation Summary Report*” (the DJS Report) which summarises and categorises the responses received. This report has been published alongside this report.
- 2.1.4.** A variety of processes were adopted during the consultation period including:
- Online YourVoice questionnaires: the Combined Authority were responsible for sending a data download from our YourVoice platform on a weekly basis.
 - Email responses: the Combined Authority were responsible for sharing all email responses (including campaign responses) that were directly received by the Combined Authority to DJS Research.
 - Paper questionnaires: these were shared with DJS Research in the weekly data download after being manually inputted into the system.
- 2.1.5.** DJS Research were responsible for producing a codeframe for all questionnaire responses. This allowed questionnaires to be analysed through categorising and coding open text responses in a thematic approach. The full report is included at Appendix 3 of this report.
- 2.1.6.** In addition, the Combined Authority took a review of the following responses:
- Statutory consultees – full review and response (see sections 3 – 10 plus copies of statutory responses in Appendix 4)
 - Questionnaire responses submitted via YourVoice – a 10% quality assurance check across the DJS Research codeframe was undertaken.
- 2.1.7.** Further methodology is set out below. For the purposes of this report, key themes from comments from consultees are set out alongside each case of the Assessment (see sections 3 to 10 below). This includes the Combined Authority’s responses to these comments.

2.2. Analysis of consultation responses

DJS Research review process

- 2.2.1.** To process the responses received from questionnaires, DJS Research created a codeframe from an initial set of responses and developed this as more responses were received. The Combined Authority were sent the codeframe on a weekly basis to understand how categories were evolving and to ensure verification of this as the process progressed.
- 2.2.2.** As a quality assurance check, the Combined Authority reviewed 10% of all responses received to ensure that responses were coded to appropriate categories. This was undertaken to review how DJS Research had coded the responses and to provide reassurance that responses had been coded correctly.
- 2.2.3.** The quality assurance process reviewed 10% of the total responses by selecting every tenth response until the sample size was met. The exercise demonstrated that the majority of the coding was completed at a high standard, however a few issues were identified including clarification on

how the 'if/but' responses were coded. This resulted in adjustments to the entire codeframe to ensure these nuances were correctly coded.

Combined Authority review process

- 2.2.4.** As stated above, in addition to the codeframe produced by DJS Research, the Combined Authority reviewed responses to the consultation to consider respondents' views and concerns to ensure that any questions or modifications to the Proposed Franchising Scheme were identified and responded to. The Combined Authority reviewed all responses from statutory consultees, including bus operators, local authorities and unions representing employee of bus operators (see Appendix 4 for all responses).
- 2.2.5.** The review process involved appropriate Combined Authority officers, and consultants who developed the Assessment. This ensured the review was undertaken by those with the correct expertise and level of knowledge of the subject matter when reviewing responses.

Approach to late responses

- 2.2.6.** The consultation closed at 11:59pm on 7 January. As the Combined Authority provided a Freepost address, it was agreed that a cut off of Friday 12 January would allow any final postal responses to be received.
- 2.2.7.** Four responses were received after the consultation deadline. These responses comprised of organisational or statutory stakeholder responses. Postal responses received after the consultation were given a grace period of 7 working days to reflect timelines associated with postage.
- 2.2.8.** Any late responses have been summarised separately to those received within the consultation timeframe within the DJS Research report.
- 2.2.9.** As stated above, several of the late responses were from statutory consultees. This included Transport for Greater Manchester (TfGM). TfGM notified the Combined Authority that they would not meet the consultation deadline and their response would be submitted late. TfGM's response was received on 11 January 2024. Wakefield District Council also gave prior notice that their response would be late on 5 January 2024. This response was received on 12 January 2024. Two other late responses were received from the Traffic Commissioner (received 22 February 2024) and Chief of Police (received 15 February 2024). All of these responses were reviewed with the same methodology applied to other statutory consultee responses to ensure a fair and consistent analysis was undertaken. Within the DJS Research report late responses are analysed separately within section 14 (see Appendix 3). The late responses have been included within the theme narratives within this report.

2.3. Approach to reviewing qualitative research

Introduction

- 2.3.1.** In addition to the approach of coding and producing a report on the questionnaire responses, DJS Research were commissioned to engage specific groups to get a more detailed understanding of the implications of bus reform on their future.
- 2.3.2.** Qualitative research methods looked to explore the Assessment, allowing detailed presentation of particular issues and two core strands of qualitative research were adopted.
- 2.3.3.** The Combined Authority has reviewed and considered findings of these qualitative methods alongside the findings of the main report.

Town hall events

- 2.3.4.** These events provided an afternoon (14.00-15:30) and evening session (17.30-19.00) at a central location in each of the five local authority districts in West Yorkshire. The Combined Authority presented information at these meetings, with DJS Research providing support in attending and capturing feedback. The purpose of the events was to enable members of the public to learn more about the proposals for bus reform in West Yorkshire (as set out in the Consultation Document),

ask questions and seek clarification regarding the proposed options. Full details of these events can be found in DJS Research's report (Appendix 3, section 13).

Focus groups

- 2.3.5.** DJS Research designed, recruited and moderated five focus groups targeting specific groups which were identified as being most impacted by bus reform in the Combined Authority's Equality Impact Assessment (EQIA). These groups were:
- 11-16 year olds who use bus at least once per week;
 - 16-21 year olds who use bus at least once per week;
 - Those who travel into and out of the Combined Authority area at least once per week (cross-border);
 - Those who are eligible for a senior bus pass, with half of the group using the bus at least once per week and the other half not using it at all (seniors); and
 - Those in employment who use the bus at least once per week (commuters).
- 2.3.6.** These focus groups were set up online with the aim of asking for participants feedback on current bus usage and experiences as well as views on the Proposed Franchising Scheme. Analysis was undertaken and incorporated into the final research report with full details provided within section 13 of the DJS Research report (Appendix 3).

3. The Proposed Franchising Scheme

3.1. Introduction

- 3.1.1.** This section looks to set out the responses received through the Bus Reform consultation on the Proposed Franchising Scheme across the short and long questionnaire and the conclusion of the Assessment.
- 3.1.2.** The Proposed Franchising Scheme is the draft of the legal scheme which is required to be made in accordance with the Act in order to implement franchising across buses in West Yorkshire. The details included within the Proposed Franchising Scheme included:
- The date on which the franchising scheme is to be made, this was expected to be 14 March 2024;
 - The date the franchising scheme would come into operation, this was expected to be 28 June 2026;
 - Details on franchise contracts including the minimum mobilisation period (the time between a contract start date and buses being on the road) which was specified as nine months;
 - Information on the routes included in the franchising scheme and services which will not be included (see Annex 1, 2 and 3 of Appendix 5);
 - Details on plans for consultation on the operation of the scheme (see paragraph 8);
 - The variation and revocation of the existing enhanced partnership plan and schemes.
- 3.1.3.** The Proposed Franchising Scheme sets out the franchised bus network, with franchising powers allowing the Combined Authority to determine service frequencies and timetables for these routes. Bus operators would bid to run the bus services included in the Proposed Franchising Scheme through a competitive procurement process managed by the Combined Authority.
- 3.1.4.** Franchised bus services would be operated by bus operators under franchise contracts, with the Combined Authority able to set routes, fares, frequencies and customer service standards. Once the Proposed Franchising Scheme is in place all services will be required to operate under franchise contracts, be exempted from the scheme or have been granted a service permit.
- 3.1.5.** In the long questionnaire the following questions were asked:
- Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?
- Q2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?
- Q3. Do you have any comments on the local services that are proposed to be franchised?
- Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?
- Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?
- Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?
- Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?
- Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

- 3.1.6.** This section discusses issues raised in response to these questions through submissions to the Bus Reform consultation across emails, letters and the online questionnaire. The structure of this section reflects the key themes identified across these responses.
- 3.1.7.** This section also looks to consider the wider public responses to the consultation which are quantified and analysed in the DJS Research report. The DJS Research report showed an overall agreement to the question on the Proposed Franchising Scheme applying to the whole of West Yorkshire and a range of view relating to the other seven questions in the long questionnaire.
- 3.1.8.** One of the main issues raised in the DJS Report from public consultees was around timescales for the Proposed Franchising Scheme to be made, the date on that the first franchise contracts would be entered into, and the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract. Many public respondents wanted the timescales to be brought sooner, while others felt that they were too ambitious. Public respondents also expressed a desire for regular communication relating to with residents and passengers relating to how the Combined Authority would consult on how well the Proposed Franchising Scheme is working.
- 3.1.9.** Consultees provided comments across each of 8 questions related to details of the proposed franchising scheme draft document. These are considered each in turn in this section, before the chapter picks up further comments specifically from bus operators of particular impacts of the scheme in general on operators.
- 3.1.10.** The section is structured as follows:
- Applying franchising to West Yorkshire geography
 - Lotting Strategy
 - Services to be franchised
 - Exempt services
 - Decision date
 - Entry into first contracts
 - Mobilisation period
 - Consultation
 - Conclusions on the feedback received on the proposed franchising scheme

3.2. Theme 1: Applying franchising to West Yorkshire Geography

- 3.2.1.** Comments were received supportive of the proposed approach to applying the franchising scheme to the whole West Yorkshire geography. As outlined in the DJS Research report, over half of public respondents to this question agreed that the scheme should apply to the whole West Yorkshire geography. Some comments from statutory stakeholders explained why they were supportive, with points made about the consistency of services for passengers, integrating of planning and achieving economies of scale. First West Yorkshire make a particular point that: *“It would be appropriate to apply the Proposed Franchising Scheme (the “Scheme”) across the whole geography of West Yorkshire (“WY”). This would ensure alignment with transport policies, aims and objectives, which are specified and applicable across the entire region.”*
- 3.2.2.** In some cases, whilst supporting the application across the entire West Yorkshire geography, specific comments were made about how this approach would recognise that the region contains specific areas with different needs and requirements. Confederation of Passenger Transport (CPT) say that *“West Yorkshire is a complicated mix of towns/cities and rural/urban which are not*

easily comparable to each other, with inconsistency across patterns and passenger types. It would be difficult to franchise parts of the network which would create additional challenges in cross boundary by adding artificial boundaries.”

- 3.2.3.** It was also referenced by some that the geography of the West Yorkshire Combined Authority is an artificial creation, and that it cuts across some communities, and that there is interconnectivity.
- 3.2.4.** Other responses recognise this difference in geography as a rationale for doubts about how franchising would work in West Yorkshire. TLC for example state: *“However, the county is very diverse with specific identities so there is concern that franchising would not work effectively in all areas, particularly rural.”* Transdev stated differences across West Yorkshire operations and commented that *“A unique Franchise contractual framework is feasible in West Yorkshire region but it does not seem adapted to the specificities of the different urban and rural areas.”*
- 3.2.5.** A further set of comments, which in the whole were still supportive of the proposal for applying franchising to West Yorkshire geography, raised cross-boundary as an issue that needed to be given particular consideration. For example, Stagecoach made the following comment: *“An effective approach will be required for services which cross the Franchise boundary, for example, Barnsley to Wakefield and Pontefract. Cross border services have been a challenge in other Franchised regions such as London and Manchester. An effective solution is needed to deliver the desired customer benefits, including simple fares and ticketing, and matching neighbouring authorities aspirations on every journey.”*
- 3.2.6.** On cross-boundary services, Arriva make a point about the viability of some of their existing services: *“Arriva Yorkshire operate cross boundary services into North and South Yorkshire, along with services into East Riding. Services operating into other counties, particularly Selby in North Yorkshire may be placed at risk if our operations in the surrounding area were reduced as many of these services are only sustainable through the existing cross subsidy of overhead costs. This may result in a decrease in services to key employment locations outside of West Yorkshire where residents from West Yorkshire travel to such as Sherburn. Some of these challenges are already seen to a lesser extent with the Mayor’s Fares where West Yorkshire residents travelling cross boundary are unable to benefit from cheaper fares.”*

A similar point was also made by Dales and Bowland Community Interest Company (Dales and Bowland CIC) about viability of cross boundary and also out of region services: *“It is unclear at this stage how cross-boundary and out-of-area services can be provided from within West Yorkshire under the proposed new scheme. For example, if the main bus depot in Keighley is allocated to a new franchise operator what happens to the cross-boundary services (e.g. 64 and 66) and out-of-area services (e.g. Skipton to Grassington service 72) which are currently operated by Transdev from that depot commercially or under contract to North Yorkshire Council? We are concerned that such services which need to be enhanced could end up being cut as a result of the implementation of franchising.”* In terms of comments that did not agree with the proposal of applying franchising to the West Yorkshire geography, Better Buses for West Yorkshire suggest that wider Yorkshire has a stronger identity and economic integration, and that a scheme should be explored with at least South Yorkshire. Bus Users UK provided both pros and cons in response to this question, without providing an overall conclusion, but noted on cons that there are diverse needs across West Yorkshire, that implementation could be complex and that small and medium size operators might find it challenging to compete.

The Combined Authority’s response

- 3.2.7.** The Combined Authority acknowledges the points raised on a West Yorkshire wide scheme supporting consistency across the region for passengers and that this aligns with wider transport policies that are for that geography.
- 3.2.8.** It is recognised that West Yorkshire does contain a diverse geography, particularly with urban and rural areas, something that is central to our identity and wider place policies. In balancing this with providing a consistent and coherent approach to bus services the Proposed Franchising Scheme has been designed in a way that attempts to recognise the different types of services and networks within the region, in particular through the lotting strategy, which includes both zoning and the allocation of services to different sized lots.

- 3.2.9.** The issue of cross-boundary services has been considered in the assessment (section 6.4 in the Commercial Case) and is picked up further in other parts of this chapter and in response to comments on the Commercial Case. On how cross-boundary services are impacted by a decision to apply the proposed franchising scheme to the whole of West Yorkshire, it is worth recognising that the franchising scheme itself can only apply within the West Yorkshire Combined Authority boundaries (unless a scheme is developed jointly with other Local Transport Authorities). The points raised on needing to ensure there is an effective approach on cross-boundary are agreed with, and the use of a permit scheme (as referenced in some comments) is a key part of the Combined Authority's proposals which is discussed in more detail in section 6.4 on the permit regime.
- 3.2.10.** In response to the point raised by Stagecoach on simpler fares and ticketing, the Commercial Case sets out that the service permit regime could consider the inclusion of a requirement for operators holding service permits to participate in regional ticketing schemes where these were beneficial to passengers. In further development of the service permit regime and consultation on this the Combined Authority would seek to understand in detail what the impacts of involvement in a West Yorkshire franchised ticketing regime within the borders of West Yorkshire would be. Regarding Stagecoach's point about matching neighbouring authority aspirations, the Combined Authority has engaged with neighbouring authorities on the scheme and considered the impact of the scheme on the policies of neighbouring authorities, and feedback received suggest that these are broadly aligned, and there is a commitment to ongoing dialogue on these issues.
- 3.2.11.** On the particular challenges raised by Arriva and Dales and Bowland CIC about cross-subsidisation of cross-boundary services and running of services out of the region from West Yorkshire depots, it is recognised that there could be some potential adverse impacts of the scheme on those services that would not be subject to the proposed franchising scheme, particularly cross-boundary services. The vast majority of cross-boundary services are currently operated commercially, and under the proposed franchising scheme, the part of such services which operates within West Yorkshire could continue to be run under the service permit regime within the franchise area, assuming such services meet the criteria for the granting of a service permit. Where services that are currently considered commercial by an operator but could become uncommercial by the introduction of franchising, as described by Arriva, then the Combined Authority would have the ability if necessary to let those services, if they cease commercial operation, (with the services permitted as cross-boundary services within West Yorkshire), as would neighbouring authorities. As part of evolving the depot strategy, consideration would be given to whether there could be additional capacity to support some of these services within an Authority provided Lot A depot, should those services require letting as secured services under existing powers, whilst ensuring that such an approach did not distort competition in respect of those services, by providing a benefit to the Lot A operator. This is also in line with a comment received from Stagecoach in relation to special event services (see section 3.5.5), which the Combined Authority could also consider treating in the same way. Where services might operate wholly outside of West Yorkshire, but are currently operated from a West Yorkshire depot, the Combined Authority would not have powers to let such services and these services would not be subject to the service permit regime. Whilst it is possible that the operators of any such services may need to make alternative arrangements if they were unable to operate these services from a West Yorkshire depot, the Combined Authority does not believe that this would affect a significant number of services, and the Combined Authority would work with neighbouring local authorities to consider practical alternatives which it may be possible to implement to mitigate the impact on any such services outside West Yorkshire.
- 3.2.12.** On the suggestion that a franchising scheme is developed jointly with South Yorkshire or a wider Yorkshire geography, this is not something that the Combined Authority is looking to pursue with those authorities, and those authorities have also not suggested to us that there is a desire to do so. In the case of North Yorkshire, at the date of the consultation, they were not a mayoral combined authority and therefore did not have the powers to proceed with a franchising scheme without consent from the Secretary of State. In the case of South Yorkshire, they are also in the process of assessing bus franchising, within their own governance processes. As recognised by the majority of responses, there is strong support for a West Yorkshire approach, and this aligns

with wider transport priorities at a regional level. It is however recognised that close working with our neighbouring authorities is essential to successful delivery of bus reform, and consideration has been given to how the proposed franchising scheme contributes to policies and strategies of those areas. We will continue to work closely on implementation if a decision is taken to pursue a franchising scheme, including specifically on how the permit scheme will be designed, and if necessary, modify the West Yorkshire scheme at a later date to ensure the approaches work together if other areas introduce new arrangements.

- 3.2.13.** The challenge raised on complexity of implementation is one that has been considered by the Combined Authority and has informed the transition approach detailed in the commercial case and the length of transition as a result. It is considered however that applying franchising to a different geography would in some ways be just as complex given the interconnection of networks in the region, and the need for alternative arrangements to meet strategic objectives around improved experience for customers in the whole Region.
- 3.2.14.** On issues in relation to the impact of the geographic extent of the scheme on small and medium size operators, these are picked up more generally in the commercial case. It is recognised that applying the proposed franchising scheme for a West Yorkshire geography has impacts on operators that work within that geography, which have been considered in the assessment, but it is not expected that there is a greater impact on their ability to compete generally for franchising services on applying this geography than applying a different geography. Positively there should be a greater number of contracts available under a franchising scheme for a West Yorkshire geography, which creates opportunities for small and medium size operators, further supported by contract conditions of Lots B and C which are designed in a way to provide opportunities for Small and Medium sized Operators (SMOs) to tender. This is the subject of section 6.6 of the Commercial Case.

3.3. Theme 2: Lotting Strategy

- 3.3.1.** The second question of the long questionnaire asked for comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds. There are strong links between responses received here in relation to the Proposed Franchising Scheme and the lotting strategy of the commercial case. We have considered some issues here in relation to the specific question asked on zones and procurement rounds but pick up additional points on lotting in the chapter on Commercial Case (see section 6.7).
- 3.3.2.** A number of comments, including from Transdev, Calderdale Council and TfGM, were supportive of the zoning approach as suggested from the proposed franchising scheme. In supporting the approach, a number of comments were made about this supporting the phasing in of the franchised network. Bus Users UK also suggested a possible positive feature of this approach being the ability to focus on procurements, recognising the unique requirements for each zone area. There were also suggestions about resourcing efficiencies and allowing learning. As outlined in the DJS Research report, about a quarter of public respondents to question 2 of the long questionnaire supported the zoning approach (30 responses), while less than one in ten did not support it (9 responses).
- 3.3.3.** Some comments sought further clarification in relation to the zoning approach. CPT asked for clarification on the decision-making process to determine the sub regions, and there were specific asks around clarity on services allocated in the Leeds lots by TfGM and between Keighley and Bradford zones by Bradford Metropolitan District Council. There were also comments from Ross Travel Group (and Globe and Station Coaches) about recognising the importance of links between different zones, citing in particular Kirklees and Wakefield districts. In suggesting their support for the approach, Squarepeg questioned as to whether *“there are already sufficient resources in each zone to deal with the routes to be operated”*.
- 3.3.4.** Stagecoach made a point that *“In our view, there are inconsistencies in the geographical split and phased roll out of contracts for each round. The underlying structure and mapping of depots and routes will be key to delivering efficient operations.”*

- 3.3.5.** As with other questions, Bus Users UK provided pros and cons in their response. In terms of cons, they suggested that the zoning approach could lead to fragmenting of services, inequalities in service quality due to timing differences, logistical complexity and challenges for operators to adapt if they operate in multiple zones. Stagecoach also mentioned the number of inter-urban zones and that this might make transition disjointed for customers.
- 3.3.6.** Just Transition Wakefield in their response suggested reconsidering the zoning to prioritise economic excluded areas. A different phasing was similarly considered by Friends of Dales Buses, but from the perspective of areas with perceived poor service coverage.
- 3.3.7.** Better buses for West Yorkshire suggested that although they could see the benefits of a rounds-based approach, they wanted to see franchising delivered at speed with additional resources as needed to enable this.

The Combined Authority's response

- 3.3.8.** The Combined Authority recognise the comments from consultees in support of the proposed zoning and rounds approach. It is intended, in line with the wider lotting strategy, that the approach effectively supports the Combined Authority to manage and plan the transition of the network from the existing deregulation to franchising. Further detail on how this approach was developed, is contained in the Lotting Strategy document of the assessment. In response to the point raised by CPT on decision making to determine this, the Lotting Strategy, which formed part of the Assessment published with the consultation documents, explains how the proposals were developed by officers, and this approach was then endorsed by the Combined Authority in submitting the Assessment to audit and then consultation.
- 3.3.9.** In terms of other clarifications requested in terms of the approach to Leeds lots and Keighley and Bradford zones, as detailed in the lotting strategy the zoning approach developed is based around the major bus destinations in the city region, and the operation of the existing bus network which is centred around depot locations. In the case of Leeds, due to the size and extent of bus services it was split into three, as three larger contracts, each with their own depot allows services to be provided within a proximity to the location of the depot and of a scale attractive to competition. Therefore, providing a greater level of operator efficiency, in comparison to a single Leeds lot. Routes in Leeds were allocated to these three zones based on existing operations, including locations of depots and grouping of services, and to ensure each lot has a broadly similar peak vehicle requirement (PVR). These are less geographically separate than the other zones. It is recognised by the assessment that two of the lots currently contain services that are predominantly delivered from a single depot in Hunslet, and that therefore if this was to be split into two lots this would require provision of a new depot (which is considered in the capital costs for the franchising scheme). The potential for disruption from splitting Leeds across three rounds was considered in developing the proposed lotting order, however it was concluded that the advantages of the approach set out outweighed this.
- 3.3.10.** As the Keighley and Bradford zones have been based around existing operations, it is believed that this does reflect the geography of delivery in the Wharfedale area as requested by Bradford Metropolitan District Council.
- 3.3.11.** On the point raised about recognising connections between zones, particularly Kirklees and Wakefield, these have been considered, and the resultant zoning approach looks to balance those links based on the existing network. The inclusion of a Heavy Woollen District recognises in particular some of the key interconnections between specifically parts of Kirklees and Wakefield, but also into the south of Leeds and to Bradford. The rounds have also considered this a priority for the first round of franchised contracts to recognise the role particularly of this zone in connecting different local authority areas of West Yorkshire.
- 3.3.12.** Utilising the existing network as a basis is also a clear rationale in response to the question raised by Squarepeg about sufficient resources, where it is suggested that applying the franchising scheme to the existing network should mitigate some risks in relation to available resources. It is recognised however that this isn't guaranteed, as has been pointed out in a number of other consultee responses and would require careful management between the Combined Authority

and future successful franchisees, working with current operators. This is dealt with in more detail in the Management Case section.

- 3.3.13.** On the point raised by Stagecoach on geographical and roll out inconsistencies, although they refer to geographical and roll out inconsistencies, they do not then provide an express example of this, making it more difficult to identify what they are seeking to refer. As outlined in the lotting strategy, the Combined Authority has looked to apply lotting approach principles to its decision on lotting, with a focus on balancing of the commercial impact, grouping geographically and passenger demand. The phasing of contracts across three rounds is considered to be consistent with these principles and in the timings that are proposed for contracting and mobilisation. It is agreed that the underlying mapping of depots and routes are therefore important to a finalised lotting strategy, and it is recognised that in the case of the Leeds lots in particular this will need to consider the impacts of possibly splitting existing services from the current depot in Hunslet.
- 3.3.14.** In terms of the cons of the approach raised by Bus Users UK, the approach to zoning on the basis of the existing network and depot operations is intended intentionally to minimise the fragmentation of services. There is also no intention to manage these zones in a different way, although as pointed out the service requirements in different geographies are not the same. On inequalities in services, it is recognised that to some extent a transition period does pose risks to service inequalities in the short term as services are introduced. It is however the case that the region already has differences in terms of service quality in the current market, and that it is intended that with the introduction of the first franchised contracts some benefits across all services can be achieved immediately – such as the availability of a single ticketing approach. On logistical complexity, as referenced by Bus Users UK the transition planning approach will be essential to ensure coordination between rounds, but it is recognised in the commercial and management case of the assessment that this will be a complex undertaking that requires management. Given the major transformation that franchising would be introducing, it is the Combined Authority's view that it is a more manageable risk to manage the complexity than to coordinate for a single round of procurement. And on the challenges for operators who operate in multiple zones, this has specifically been considered in the lotting strategy, where consideration has been given to minimise the potential for all of an operator's services to be franchised in the same round.
- 3.3.15.** On the Stagecoach point about inter-urban zones, it is recognised that there is a risk that would need to be managed about the communication of change and the process of delivering transition. A clear communication plan during transition would be essential to managing this risk, as well as looking at what consistencies can be delivered across the network at the time of the first services being operational, including the availability of a single ticketing approach. Over time however, it is proposed that franchising would maximise the objective of improved experience for customers.
- 3.3.16.** In response to the points raised about alternative phasing of the lotting strategy, the Combined Authority has considered a number of different principles that balance the commercial impact, grouping geographically and passenger demand. Whilst it is recognised that there are areas with higher levels of deprivation in West Yorkshire, and varying levels of service coverage currently, maximising the potential benefits of the lotting strategy is likely to deliver the greatest level of benefits to those communities, for example by increasing the possibilities of cross-subsidisation of routes, rather than an approach to target the phasing at those areas and risk adverse such as less competitive tenders and possibly less services delivered. It is also important to emphasise that the proposed franchising scheme would be based on the current network at the start, and not seek to make wider network reorganisation in the initial franchising, recognising the logistical challenges of transition from a de-regulated to regulated bus system will cause some transition risk, and looking to therefore reduce the impact of such changes.
- 3.3.17.** Finally, in response to the point on the speed of the rounds-based approach, it is recognised that delivering benefits as quickly as possible for customers is a key part of a potential successful transition to franchising. Careful consideration has been given to the timescales of delivering the various activities required during transition, and it is the Combined Authority's view that the timetable proposed provides the best balance between speed and deliverability, recognising in particular timescales required to deliver infrastructure assets such as depots (as pointed out

elsewhere in consultation responses, discussed in section 6.3). Therefore overall, the Combined Authority remains of the view that the current timetable balances the risks appropriately between the desire for accelerated delivery and the need to manage transition risk and the tasks that need to be completed.

3.4. Theme 3: Services to be franchised

- 3.4.1.** The third question of the long questionnaire asked people to comment on the local services that are proposed to be franchised under the proposed franchising scheme. Here comments were received from stakeholders with regard to particular types of services and how they are anticipated to be dealt with by the scheme. Under this question a number of comments were raised with regard to the lotting strategy and in regard to future network development. These issues are dealt with in the Commercial Case section 6.6 and the Strategic Case section 4.9 of this report.
- 3.4.2.** On 4 December 2023 a revised version of the Proposed franchising scheme was uploaded on the consultation website, and all statutory stakeholders made aware. This revised version made corrections to the list of services in the draft Proposed Franchising Scheme published with the consultation report to ensure that the lists of services were consistent with paragraph 3.4 of the consultation document.
- 3.4.3.** A number of consultees responded with comments suggesting that services have been missed off from the list, although details of which services were not given, so this may be a result of looking at the draft of the scheme prior to 4 December 2023. If that is the case, then the updated scheme should have addressed this issue. Others commented that there were insufficient details on the services, with some suggesting that numbered services should be included. Dales and Bowland CIC make reference to the list being updated, but that the list could still be clearer “*Various errors in the first draft have now been corrected, but it would have been helpful to include a full list of numbered services to help explain some of the network rationalisation proposals later in the document.*”
- 3.4.4.** A number of comments from bus operators also suggested that information regarding which routes would be allocated to each depot would be important information for operators. Stagecoach made reference to the lotting strategy in stating that it was difficult from the maps to understand the allocation of routes to depots.

The Combined Authority’s response

- 3.4.5.** The Combined Authority have reviewed the list of services for the proposed franchising scheme, and if a franchising scheme is made intend to revise that list to reflect changes to services that have taken place since the network that was used as the basis for the assessment. This means that the list of services in any final franchising scheme will reflect the principle of the services operated at the time of the scheme being made, subject to the exemptions outlined in the scheme – scholars’ services, rail replacement and any local service specified in the scheme up to the point where the first service contract in which that service is specified (exempt services are discussed further in section 3.5).
- 3.4.6.** In explaining the updates that have taken place to reflect changes to services since the network used for the assessment, the network has evolved significantly since the initial assessment period in 2021. Whilst many services remain the same, others have been amended to reflect the ever-changing nature of bus connectivity in West Yorkshire, during the post-pandemic period.
- 3.4.7.** There are multiple reasons for the rapid change in the Bus Network since the Covid-19 pandemic. These include reduced patronage due to changing passenger behaviours such as hybrid working, changing high streets and increased internet shopping. In addition, there have also been changes as a result of investment into the bus network from local government and operators as the difficult operating environment has impacted the network.

- 3.4.8.** This list, therefore differs from the 2021 list to reflect where bus services have changed their route, including the Start, Via or End points, due to various operational factors in relation to running bus services. This is consistent with the note included in Annex 1 to the Proposed Franchising Scheme published with the consultation documentation that noted that the lists may need to be updated to reflect change in the bus network in the interim.
- 3.4.9.** However, it must be noted that any service that operates as of February 2024, taking account service changes made during that month, which meets the following criteria has been included:
- The service operates solely within the West Yorkshire boundary; and
 - The service is considered open to the general public.
- 3.4.10.** Services running within the boundary, which for any portion travel outside of West Yorkshire, and services which cannot be considered open to the general public (such as school services), have not been included within this list as they will be controlled through other means, namely service permits for cross boundary routes and scholars' services for school services. Therefore whilst changes have been made to the scheme those changes are consistent with the approach set out in the assessment and the Proposed Franchising Scheme that went to consultation.
- 3.4.11.** School services which have been named have been done so to allow those services to be run as services which can be accessed not only by pupils and staff of their respective educational establishments but also by other members of the general public. If parties wish to run such "open" school services outside the franchising scheme they would require a service permit to do so. Closed school services, which are solely for the use of persons associated with the school are exempted from the scheme as Scholars' Services and can be operated without involvement in the franchising process (both to schools listed in Annex B and other schools within, or providing for pupils of, West Yorkshire).

Section 22 permits

- 3.4.12.** Services currently operated under a section 22 licence (a not-for-profit PSV permit) have been included in the franchised service list. However, the Combined Authority would not seek to franchise these services whilst operated under a Section 22 operational license and would only seek to do so were they to be instead ran as a for-profit bus service.
- 3.4.13.** The approach to listing services by destination rather than services was taken in line with franchising schemes in other areas and is consistent with the Act that requires under Section 123A(3)(a) that an authority should "*identify the local services that they consider appropriate to be provided...*". Whilst current route numbers may have assisted some operators with in depth knowledge of their services, service numbers change and sometimes the route run under a service number is altered and it is believed that this would have caused more confusion to the reader than the approach taken. The Combined Authority also agree with the comment made by Leeds City Council that the list should not be too rigid.
- 3.4.14.** With regard to the comments about the allocation of routes to depots, as is explained in the lotting strategy initially this has been done with the network as assessed. A final decision on allocations would be refined in the implementation stage should a decision be taken to pursue a franchising scheme, recognising also that the final depot strategy and acquisition could also impact on this. The Combined Authority recognise also the particular risk raised by Stagecoach in relation to allocation and Transfer of Undertakings (Protection of Employment_ Regulations 2006 (TUPE) implications and would look to mitigate this risk through early identification of the final allocation of routes to depots if a franchising decision is made to allow sufficient time for this to be communicated. The fact that the Lotting Strategy broadly maps to existing depots and/or groups of services which are currently provided by existing incumbent operators assists in ensuring that TUPE should apply to allow for drivers and other employees who are principally connected to services falling within a franchise contract to transfer under TUPE from their previous employer to the relevant new operator.

3.4.15. A number of comments suggested that the list of services should include all services, including from some public responses and from Calderdale Council and Squarepeg, Squarepeg noting the exemptions mentioned as the exception. Calderdale Council suggested that all school services should be included “*as school services often interwork with scheduled services for example, making operational sense.*”

3.4.16. Other comments also focussed particularly on school services. A number of different specific points were mentioned on schools:

- That services to schools outside of West Yorkshire should not be included
- That all Home to School services should be excluded from the scheme
- That all closed-door services should be included in the scheme
- That there is confusion in the scheme as to whether existing Combined Authority contracted school buses will be within or outside the franchised scheme
- That franchising schools on a route-by-route basis that economies of scale are missed in terms of placing them into surplus Lot A depot capacity
- That commercial open school services and other services currently funded by schools or other organisations should be excluded

3.4.17. As is demonstrated from the range of comments, there are diverse views on how schools should be treated under a proposed franchising scheme and there have been different interpretations of the suggested approach to schools services within the published draft franchising scheme document.

School Services

3.4.18. This sub-section discusses issues around school services and the Combined Authority’s response to these as raised through the responses in the consultation.

3.4.19. In response to the point made about confusion on whether services are included or not in the scheme, School services are treated separately under the scheme from “scholars’ services”, which are exempt from the scheme. Under the scheme a Scholars’ Service is a service that does not provide transport to the general public, and is used to provide transport for pupils to/from schools in the franchised area, such services are also known as “closed” services. This still leaves other school services which may be run as local services open to the general public but which are particularly timetabled or routed to provide access to a school as falling within the scheme as franchised services. The schools to which these services run are included in Annex 2 to the scheme. It is worth clarifying further that as scholars’ services are exempt, it would continue to be possible to run closed Scholars’ Services to any school, even those listed in the scheme.

3.4.20. The approach to including school services in the proposed franchising scheme is outlined in the lotting strategy document. This recognises the benefits of including schools contracts, currently contracted by the Combined Authority, within the franchising scheme. It also discusses the balance between services being considered within Lot A contracts, as well as being let as separate smaller contracts. The exact make up of lots would be decided once a decision is taken to pursue a proposed franchising scheme.

3.4.21. Services to schools outside of West Yorkshire are not included in the list of schools at Annex 2 of the document. Some schools were removed from the revised list in the update to the scheme included with the consultation made on 4 December 2023 to ensure that the list was consistent with the assessment. In response to a particular comment from South Yorkshire Mayoral Combined Authority (SYMCA) on cross-boundary academic services, it would depend on whether these services operate as Scholars’ Services or open school services as defined above. Scholars’ Services would be exempt from the scheme whereas school services which ran as cross-boundary services would not be exempt and would be subject to a permit scheme in respect of their operation in West Yorkshire, in the same way as other cross-boundary services.

- 3.4.22.** In terms of the comment about excluding all home to school transport, where these are operated as Scholars' Services and do not accept fare paying passengers then these would be exempt from the scheme. If home to school services operate as school services that accept fare paying passengers then if listed in Annex 2 to the scheme they will be let as local service contracts under the franchising scheme, and any services not listed would require a service permit to operate.
- 3.4.23.** On the comment about Lot A depot capacity, the approach to lotting considered adding school services to Lot A contracts where that aligns with existing practice, for example in Bradford and Keighley. However, as discussed in the strategy, it is not proposed to link all school services to Lot A depots, as this would not align with current approaches, and would undermine some of the opportunities that could be achieved particularly for SMO operators to potentially grow their market share. The Combined Authority would look to keep this under review as part of implementation of a franchising scheme, as set out in the lotting strategy, to ensure that the approach achieves the balance of outcomes considered in the lotting strategy, e.g. that it does not exclude smaller operators and allows for those opportunities to be maintained, but continues efficiencies that exist for provision from larger depots where appropriate and there is capacity.
- 3.4.24.** On the point about services that are currently funded by schools or other organisations, to the extent that there are, the same principles apply as other school services – if they are closed local services then they would fall within the definition of Scholars' Services, if they accept the general public then they are treated the same way as other services which accept the general public and would need a service permit to operate in the franchise area.

Cross-boundary services

- 3.4.25.** This sub-section discusses issues around cross-boundary services and the Combined Authority's response to these as raised through the responses in the consultation.
- 3.4.26.** Cross-boundary services were a further area particularly brought out in responses on the services to be franchised. There are a variety of comments on cross-boundary services raised across this report, the comments considered here are those specifically concerning how cross-boundary services are treated within the Proposed Franchising Scheme. A number of comments related to some cross-boundary services being included in the list of services, but this is assumed to relate to the list before it was revised, as the final list did not include any destinations outside of West Yorkshire, in recognition that the scheme would not apply beyond the Region.
- 3.4.27.** Cross boundary services were noted as a concern for some respondents, with several neighbouring LTAs requesting clarity for the requirements on non-franchised cross boundary services relating to service permits throughout the procurement rounds and noted the need for network stability of these services. This view was also expressed by Globe and Station Coaches, requesting consideration for cross-boundary services, particularly those operated out of depots in West Yorkshire.
- 3.4.28.** The approach to cross-boundary services in terms of the list of services to be franchised is that they are not intended to be franchised, and therefore will not appear on this list. Separate arrangements would be made, and proposals for this are picked up in the commercial case.
- 3.4.29.** A specific comment was raised by TfGM : *"It is proposed that from March 2024 a Greater Manchester franchised service 184 will operate between Oldham and Huddersfield. TfGM requests further dialogue on how this franchised service will interact with the proposed WYCA franchised network to provide integration for passengers."* This service will operate as a franchised service within Greater Manchester (as that is what the Greater Manchester scheme allows for), and the Combined Authority assumes that TfGM is relying upon its general existing powers to secure services for the element of this service which falls outside of Greater Manchester. This means that TfGM/the operator of this service will need a service permit to continue operation of the service if franchising is introduced in West Yorkshire. Should a franchising scheme be introduced in West Yorkshire, the Combined Authority will engage further with TfGM on this particular issue with a view to ensuring that there is a positive solution for the transition period, recognising that this service will be in place significantly in advance of the Combined Authority entering into franchised contracts in West Yorkshire.

3.5. Theme 4: Exempt services

- 3.5.1.** As well as including a list of services to be franchised as part of the scheme, the draft proposed franchising scheme also lists types of services that would be exempt. The scheme suggests three such types of services:
“The following Local Services shall be excepted from regulation arising because of the Scheme (as further set out below, as applicable):
1.1 a Scholars’ Service;
1.2 a Local Service provided where a railway service has been temporarily interrupted;
and.
1.3 any Local Service specified in Annex 1 or Annex 2 to this Scheme up until the effective time of the first Local Service Contract in which such Local Service is specified.”
- 3.5.2.** Comments received included on those services suggested, but also those that are not currently listed. As highlighted in the DJS Research report, members of the public also had a mix of views, with the most common response agreeing with the exemptions, but some suggesting all services be included in the scheme and others that all be excluded.
- 3.5.3.** A number of comments received were supportive of the list of exempt services, including Calderdale Council, Peak District National Park Authority and Squarepeg.
- 3.5.4.** Of those who raised comments about the list, the majority were from operators asking for clarification or suggesting that some services should be exempt. The following specific services were raised in this respect:
- large event services,
 - tourist services,
 - football, concert and special event shuttles,
 - home to school,
 - “express services”,
 - works services operated in a similar manner to closed schools,
 - “commercially open school terms and other services that are currently funded by schools or other organisations”
 - “local bus”
 - cross-boundary services
- 3.5.5.** In the case of Stagecoach, their response suggested how some services could be secured or provided through other mechanisms if not in the scheme: “As well as tourist services we would recommend that football, concert and special event shuttle services should be excluded from the Franchise Scheme so that they can be operated commercially under the permit scheme. Where they are not provided commercially but are still required, the WYCA should be able to tender services competitively allowing them to operate out of Franchised depots with Franchised vehicles”.
- 3.5.6.** Comments were also made, particularly by Bus Users UK, who concluded in summary that the proposed list of exemptions seemed sensible, about the need to clearly communicate the exempt services and to regularly review the list of exemptions. Leeds City Council also made a comment about wanting to discuss further in the future.
- 3.5.7.** Only one operator, TLC, commented to say there was insufficient information to be able to comment.
- 3.5.8.** The approach to exemptions that are listed appears to have been broadly accepted by respondents, with the only contention seeming to be about whether schools services are exempted under the definition of scholar services, with some operators arguing that they should be. This relates to the discussion in section 3.4 under the heading of school services, where the Combined Authority has considered the value of which school services should be included.
- 3.5.9.** On the additional types of services that are exempted, the Combined Authority has given consideration to these and has taken the following positions.

The Combined Authority’s response

Services that would be subject to the permit scheme

- 3.5.10.** Of the specific further exemptions suggested, the following are proposed by the Combined Authority to be subject to the service permit regime should a franchising scheme be introduced:
- large event services,

- tourist services,
- football, concert and special event shuttles (e.g. Leeds Festival),
- “express services”,
- works services operated in a similar manner to closed schools,
- commercially open school services and other services that are currently funded by schools or other organisations

3.5.11. As the majority of these services are proposed for specific purposes which (subject to the nature of such services) could be expected to be unlikely to adversely impact on franchised services, the Combined Authority considers it appropriate for such services to be subject to the service permit regime. This would allow the Combined Authority, following relevant consultation (with operators, any other local authorities that will be affected by the granting of the service permit, and any other people or organisations that the Combined Authority considers to be appropriate), to set different conditions which would apply to different types of bus service, for the benefit of passengers.

3.5.12. The Combined Authority does not think that it would be appropriate to exempt the services listed above as the operation of such services (which the Combined Authority would then have limited control over) could, in some circumstances, have an adverse impact on franchised services such as abstracting revenue from franchised services, but a permit scheme will allow them to operate where they do not have such an adverse impact.

Home to School

3.5.13. As detailed in section 3.4 open school services are treated separately under the scheme from "Scholars' Services", with Scholars' Services exempt from the scheme. Where a Home to School service meets the definition of a Scholars' Service then this would be exempt, however where they are open these would be included in the franchising scheme, or require a permit to be otherwise operated.

Cross-boundary services

3.5.14. These services are not exempted from the scheme but will be picked up separately under a service permit regime, as detailed in the commercial case.

“Local bus”

3.5.15. No further details were provided by Connexions to explain what is intended by “local bus” in their response to this question and so it has been considered to refer to all local services. It is not the intention of the Combined Authority to exclude these from the franchising scheme, which will apply to all local services operating within West Yorkshire unless exempt from the scheme or operating under the service permit regime (where such services meet the requirements under that regime).

3.5.16. As noted above, the list of services in any final franchising scheme will reflect the principle of the services operated at the time of the scheme being made. As outlined in section 3.4, services currently operated under a section 22 licence (a not for profit PSV permit) have been included in the franchised service list. However the Combined Authority would not seek to franchise these services unless these would not continue to be funded as community bus services by the then current funding body of those services. Therefore any vehicles operated under a section 22 permit could continue to run services, supporting community services to continue to operate once a franchising scheme was introduced, but the Combined Authority would be able to consider letting these services under the franchising scheme if they were withdrawn by that operator.

Reviewing the list of services

3.5.17. In terms of the point made with regard to clearly communicating the list and regularly keeping it under review, the Combined Authority will clearly communicate this final list of exemptions under the scheme if a franchising scheme is introduced, and will look to engage with operators to ensure the definitions of exempt services are clearly understood before franchised services begin operation. The Combined Authority does not intend to regularly review the list of exempt services, because as noted in section 3.5 the Combined Authority considers that the additional services suggested by consultees should be subject to the service permit regime rather than being exempted. If in practice, it becomes administratively burdensome for particular types of services to be operated under service permits, the Combined Authority could consider varying the scheme to exempt relevant service types from the regulation of the scheme, noting that this would mean that the Combined Authority would then have limited control over such services if exempted. Any such

variation of the scheme to amend the list of exempt services would be subject to the statutory process set out in the Transport Act 2000.

3.6. Theme 5: Decision Date

- 3.6.1. Question five of the long questionnaire asked specifically for any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024.
- 3.6.2. A number of comments received on this question were supportive of the date, with suggestions from Stagecoach that the date was reasonable, and Calderdale Council supporting it on the basis of it being achievable against the programme. Communication of the decision in an accessible way was referenced by Bus Users UK.
- 3.6.3. Some comments from operators suggested that the timescales were too short, and questioned whether there was sufficient time to consider the feedback from consultees. Two comments questioned whether that meant there was a presumption that no changes would be made to the proposed franchising scheme, and Bus Users UK also questioned whether the consultation was actually about if franchising was the right mechanism *“Two and a half months between the consultation closing and the analysis of the feedback suggests that there is no expectation of a change of decision as to the way forward, which in turn suggests that this is a consultation into how a franchising scheme would be accepted rather than whether it is the right mechanism for providing buses in the region”*.
- 3.6.4. Transdev suggested that it would make sense to wait for Greater Manchester to finish its franchising mobilisation before taking a decision: *“If London is not really an example, in a Year Manchester will be fully implemented. This will give us (WYCA, Operators, Stakeholder) all the learning feedback necessary to propose something better for our passenger and public transport system. Waiting and learning from this will correct most issues from the beginning. It is like when purchasing a new bus, you never want to be the first one to do it if you look for efficiency and getting the best product for money.”*
- 3.6.5. Conversely to views that the period before a decision is too short, Better Buses for West Yorkshire suggest that it is too long: *“We are not sure why it must take so long to analyse the results of the consultation and make a decision. The South Yorkshire MCA found practices that allowed it to schedule a decision much faster after the consultation concluded.”* Members of the public who responded to this question were also more likely to suggest that they wanted implementation sooner.
- 3.6.6. Bradford Metropolitan District Council make a number of practical observations in relation to the date proposed, and impacts that they might have on operations in the district. Firstly that there is a planned date for buses switching to new routes *“The timing of the date for making the Franchising Scheme is immediately before the planned date for buses switching to new routes as part of the Transforming Cities Fund (TCF) City Centre scheme on the 17th of March.”*. The second point relates to works taking place at Bradford Interchange. *“The decision to make the Scheme will likely impact on operator willingness to register service changes and will extend the timescales for registration, which would affect areas such as Bradford Interchange where services need to be re-registered to coincide with completion of resurfacing works in May 2024.”*
- 3.6.7. A number of comments from operators were also made that relate to the timetable then for contracting, with suggestions that operators require time to prepare for tenders and that there could possibly be overlap with tenders in other franchised areas (including places that are also completing the assessment process).
- 3.6.8. One operator also commented on the date of the decision and reference to this being ahead of the pre-election period.

The Combined Authority’s response

- 3.6.9. In response to the comments that the date is too soon, the Combined Authority set out in the consultation material this proposed date, based on an evaluation of the time that it would take to be able to complete the review of consultation responses. Not knowing how many responses there would have been or the content of those, it was not possible to say with certainty that the date would be achievable, and this has been kept under review throughout the process. In response to the point from Better Buses for West Yorkshire, given the volume of responses received to the consultation it has not been possible to complete the work to formulate a response earlier, but that this is considered a positive in making sure that views could be thoroughly

considered before any decision. The South Yorkshire assessment of a proposed franchising scheme has not yet been consulted on at the time of writing this report, and so in response to the point about scheduling a decision faster this is not something that has been proven to be deliverable.

- 3.6.10.** In terms of if franchising is the right mechanism, the consultation material has been clear on the approach, and that no decision has been made on which option should be pursued, but that the Assessment suggests that the proposed franchising scheme is the preferred option. Questions in the consultation have asked also for views and comments on the alternative proposal of Enhanced Partnership Plus, and are picked up throughout this document.
- 3.6.11.** On points suggesting that the Combined Authority should wait to learn lessons from the completion of the implementation of franchising in Greater Manchester, the Combined Authority does not consider that not waiting for the final sub-area in Greater Manchester to be contracted inhibits the ability for the Combined Authority to learn lessons from what has happened in Greater Manchester, which is an ongoing process that will continue to be important in ensuring successful implementation. A number of such lessons have already been considered in the design of the proposed franchising scheme, including through the feedback from operators involved in bidding for franchising contracts in Greater Manchester. As identified in the strategic case of the assessment, and in a number of the responses from consultees, there is a recognised need for Bus Reform in West Yorkshire, and the proposed decision date is an opportunity to provide certainty on how this will be delivered in West Yorkshire.
- 3.6.12.** In response to the specific operational points raised by Bradford Metropolitan District Council, on the immediate challenge of registrations affecting switching of routes as part of the TCF City Centre scheme this should not be impacted directly by the introduction of the proposed franchising scheme as route registrations will continue to operate as normal until the day that a franchised service may first be provided under a franchise contract in West Yorkshire, except that services may be registered at short notice if the Combined Authority enters into an agreement with an operator to provide a service in the transition period. On the point about impacting the willingness of operators to register service changes and extensions of the timescales for registrations, the Combined Authority are proposing that should a decision be taken to implement a franchising scheme that the Transition Notice, which may be published by the Combined Authority at the same time that it makes and publishes the scheme, would contain flexibilities to shorten the period for service registrations / de-registrations at the Combined Authority's discretion where the short notice grounds for cancellation or variation of services in regulation 7(2) of the Public Service Vehicles (Registration of Local Services) Regulations 1986 which enable the Traffic Commissioner to allow such changes would apply, which could support mitigating this.
- 3.6.13.** In the event that incumbent operators ceased running commercial services during transition to franchising, the Combined Authority would act to mitigate the risks of withdrawal of services and ensure continuity of the network, and has proposed contingencies for disruption to the network in the commercial case, including budget for possible additional tendered services to ensure service continuity should an operator withdraw its services. As noted above, it would be possible to register services at short notice if the Combined Authority entered into an agreement with an operator to provide a service in the transition period, in order to replace a service which has ceased to run. In general terms the Combined Authority works proactively with the five constituent local authorities to ensure there is partnership working on operational matters in relation to disruption and infrastructure schemes and would follow this approach in relation to the franchising scheme.
- 3.6.14.** The points raised about the need to allow time for operators to prepare for tenders is recognised, and has been addressed through the proposed timetable for implementation of a franchising scheme, including the period for contracting across the different zones. On issues related to multiple areas potentially pursuing franchising and bidders being selective, this is recognised as a potential risk in the management case around insufficient bidders, and the timetable will also be kept under review to seek to avoid unnecessary alignment issues. The Combined Authority is already aware that Liverpool City Region Combined Authority are mobilising for implementing a franchising scheme, and the Bus Reform team have been, and will continue to be in engagement with counterparts in Liverpool City Region on implementation so that timings such as bid submission deadlines are not coinciding. As part of market engagement the Combined Authority would explore what further can be done to minimise unnecessary processes or costs for bidders to make contract bidding more attractive.
- 3.6.15.** On the point about the date being ahead of the pre-election period, this is correct, and has been identified over a long period as the possible programmed decision. This is in line with the

programme plan that has been followed in completing the assessment, recognising the time required to complete each of the necessary stages. As highlighted earlier in this section, this date was provisional on the basis that it was not possible to determine the results of the consultation and the time required to respond, which has been kept under review.

3.7. Theme 6: Entry into first contracts

- 3.7.1.** Consultees were asked to provide comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026. The scheme specifies that there will be a minimum mobilisation period of nine months (being the time between a franchise contract being entered into, and franchise services under that franchise services being operated), and therefore the first franchised services could commence operation from 1 April 2027. In response to this question a number of consultees provided responses that relate to specifics of the lotting strategy or the approach to contracting, and these are picked up within the commercial case.
- 3.7.2.** Where responses were received particularly about the proposed date of 28 June 2026, a number of consultees, including operators, were supportive of this date. CPT for example stated that: *“We are pleased to see that WYCA has set a clear and realistic timescale for moving towards a franchise, with manageable areas undergoing tender processes on a staged basis.”* First West Yorkshire were also supportive: *“The timescale is considered reasonable, given the mobilisation process required”*.
- 3.7.3.** Some comments from operators suggested the more important date would be when services were due to commence. Ross Travel Group for example highlighted that *“this should be on a date that sits easily with school term start / finish and other major events during the year”*. Stagecoach understood the proposed date to mean the date following mobilisation, but also made a point about the importance to align with school term dates: *“we are comfortable with any commencement date however it may be beneficial to align with the timetable change at the end of the school term, not in the middle of term. We would welcome the chance to provide feedback on any revision to proposed dates.”* Stagecoach also suggested service change dates in late July could also be an important consideration.
- 3.7.4.** Dales and Bowland CIC also raised the point on school term dates, but in addition highlighted *“Dales Bus services managed by Dales and Bowland Community Interest Company operate on a winter/summer seasonal basis – so any major changes occurring mid-season in June could be problematic for operational and promotional reasons.”*
- 3.7.5.** Better Buses for West Yorkshire did not support the proposed date and suggested that it needed to be brought forward: *“If this date is kept, it will have taken 5 years to introduce franchising after the Mayor was elected on a pledge to introduce this change. Timelines of this nature undermine public support, trust, and interest in politics. More widely, our region cannot afford such a lengthy wait for change, on the grounds of economic growth, climate security, and social inclusion. This needs to be brought forward as a matter of urgency.”* As referenced in the DJS Research report, members of the public also focussed on wanting contracts to be made sooner in their responses, with one in ten agreeing with the date.
- 3.7.6.** Other comments received related to the amount of time for operators as a result of this date. As pointed out by Bus Users UK: *“This time gap between the decision date and the initiation of franchised services offers a transition period. This will be crucial for operators, the local authority and the community to adjust to the upcoming changes gradually.”*
- 3.7.7.** Leeds City Council focussed on the possible impact of disruption on passengers during the transition period, and other comments also picked up the potential for service changes in the period before the date of entry into first contracts.
- 3.7.8.** Some points were also made about the need to learn lessons in between tendering rounds. Responses to these are picked up within the Commercial Case section 6.3 in which the approach to contracts, procurement and implementation and transition planning are discussed.

The Combined Authority’s response

- 3.7.9.** The Combined Authority recognises that there were comments supportive of the date as it is proposed. Taking on the comments received about the importance of the date when services are due to commence, the legislation requires the scheme document to highlight the date of entry into contracts and the draft scheme also provides the date on which a Local Service may first be provided under a Local Service Contract. Contrary to the comment by Stagecoach, the intent is

that the 28 June 2036 date is ahead of the mobilisation period, and so therefore the earliest date for commencement of services would actually be 1 April 2027 as set out above, nine months after 28 June 2026, if the minimum mobilisation period of nine months which is set out in the scheme is observed. This will be clarified in the final franchising scheme, which will include both the entry into contract and the commencement date.

- 3.7.10.** This may also impact on the comments received with regard to aligning dates with school term dates and existing timetable changes. This feedback however is welcome, as it is recognised that changes made need to minimise the disruption to passengers. The Combined Authority will therefore look within its timelines to align the dates on which franchise services commence operation in West Yorkshire with relevant school terms – for example the date on which the first franchised services will begin operation in April 2027, will be updated to 28 March 2027 which would put it in line with the Easter term dates.
- 3.7.11.** Specifically on the point raised by Dales and Bowland CIC on Dales Bus services, the challenge of mid-season changes are recognised but also that Dales Bus services currently are cross-boundary services, and therefore would be impacted by the introduction of the service permit scheme at the point of entry into franchised contracts, rather than the contracts themselves. This is a separate issue and the service permit regime would be subject to a further consultation, but would become operative on the same date as the franchise scheme, as a service permit would be required in order for services subject to the service permit regime to operate from that point. The service permit regime would therefore also be aligned to the relevant school term date as described in the previous paragraph.
- 3.7.12.** On the point raised by Better Buses for West Yorkshire on the length of change, it is recognised that this is a significant period, but also that a potential move to a proposed franchising scheme is a significant decision and therefore should not be rushed as it risks undermining the objectives the Combined Authority is seeking to achieve. The timetable for the entry into first contracts is comparable with the timetable being undertaken in Liverpool City Region, and recognises the amount of work required to deliver a new model in West Yorkshire, as well as the need for operators to prepare for these changes, which is underlined by the comment from Bus Users UK.
- 3.7.13.** The point made by Leeds City Council on managing transition is a critical one, and one that is highlighted in particular as a risk in the management case. Detailed transition planning will be an essential mitigation against this, and ensuring there is sufficient capacity and capability in place this is discussed in more detail within section 8.2 of the Management Case response in this report. Some of these issues are also discussed in more detail in and the Commercial Case section 6.3 of this report which specifically looks at the approach proposed to managing disruption.

3.8. Theme 7: Mobilisation period

- 3.8.1.** Question seven of the long questionnaire sought comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract. A range of views were shared on the timescales, with some agreeing with the suggested nine month period and others suggesting a shorter or a longer period.
- 3.8.2.** Of those that supported the proposed nine month period, a number of points were raised in caveat to that support. For example, Calderdale Council suggested they wanted “*assurance and involvement on the management of the transition period and any relevant decisions*”. TfGM gave support “*providing there is appropriate regular dialogue between TfGM and the WYCA with regards to the effect on services running between West Yorkshire and Greater Manchester*”. J&B Travel suggested there were no obvious issues but that “*For large companies it will assist with TUPE of staff, depots N&P with TC office And for operators to inspect vehicles etc prior to transfer*”. Stagecoach made a point that “*based on the information we have currently, we believe the proposed 9- month mobilisation period is sensible given the proposed fleet and depot strategy.*”
- 3.8.3.** Bus Users UK, whilst not specifically supporting the proposed mobilisation period made general comments on the benefits of a longer period, including supporting operator readiness, smoothing transition and increasing the opportunities for operator engagement. They noted caution however that a longer period would delay the realisation of benefits.
- 3.8.4.** There were also suggestions of having a shorter mobilisation period by some consultees. First West Yorkshire suggested: “*we would estimate a mobilisation period of less than 6 months in the case that there’s an existing depot, and no requirements for additional staff, vehicles, or other equipment.*” Likewise Stagecoach suggested the mobilisation period could be shortened if

approaches were altered – in particular if the Combined Authority is able to order vehicles prior to mobilisation. Better Buses for West Yorkshire suggest the statutory minimum six months is selected, with the possibility for a short extension, and challenge on the selection of nine months in the assessment *“In the time available for studying the full franchising assessment, we could not identify the rationale for taking 50% longer than outlined by the Government to mobilise a franchising contract”*. Members of the public also stated more frequently in their responses on a desire for implementation sooner, with very few supportive of a longer time period.

3.8.5. Conversely Transdev suggested that a longer mobilisation would be required. *“Nine months is too short and recommend a 12 + 6 (emergency extension) months period to mobilise for the initial contracts given the large and complex tasks required to procure depots and new fleets.”*

3.8.6. Other consultees did not explicitly comment on whether the date should be shorter or longer, but made comments with regards factors that should be considered:

- Detail on fleet and depots (including depot electrification)
- Confirmation of driver numbers and any recruitment of drivers
- Scale of the lot
- Post bid employee issues
- TUPE timescales
- Time needed to move systems, Health & Safety, and maintenance upon the changeover.

3.8.7. A number of consultees also raised connected points about the approach to managing of services during the mobilisation period, and how the behaviours of incumbent operators could change during that period. Squarepeg for example question *“how can we ensure a service continues to operate in the nine months if the current operator is not the successful bidder?”*. Concerns were also raised in this regard by other consultees around a period of uncertainty during transition, and whether there would be operators who walk away if they lose contracts and that there should be mitigation measures to minimise disruption and the loss of key employees. Bradford Metropolitan District Council raised a slightly different concern about the timescales for introducing the scheme and that this *“will lead to a penalising situation whereby few service increments can be made in the 2024-2027 period and will seek assurances that WYCA will make mitigations for this.”*. Dales and Bowland CIC also make a statement on not neglecting network development in the transition.

3.8.8. A final specific point raised under this question was from Stagecoach with regard to the possible impact of splitting Leeds 1 and 2 lots *“if Leeds 1 and 2 are tendered separately as per the consultation document there are added complexities (split depots, moving of routes and employees) and therefore a longer period than 9 months is likely to be needed. Application of TUPE for the splitting of this depot will add complexity.”*

The Combined Authority’s response

3.8.9. As is demonstrated by the different comments, there is not a single agreed length of mobilisation period that is supported by all stakeholders. However, although a number of consultees have suggested alternative lengths of mobilisation, the majority of comments were around the consideration of different elements that need to be considered, which are helpful.

3.8.10. Of the specific alternative lengths of mobilisation, and those that have suggested a shorter period, First West Yorkshire proposed this could be considered if there is an existing depot and no requirements for staff or vehicles. As the proposal is for the Combined Authority to provide the depot for large lots, it is possible that this depot could be an existing depot or a newly developed site, depending on the final depot strategy and negotiation with operators with regard to existing assets. It is not possible to know this detail at the time of making the scheme, and so therefore the timetable for introducing the franchising scheme has been considered to provide sufficient time before operation of franchised services to enable depot acquisition. Likewise, although arrangements would be in place to support the TUPE of staff, this would be a right rather than an obligation and therefore it cannot be confirmed whether operators would need additional staff. Having additional time in mobilisation, as suggested by some responses, would be unlikely to make a difference in this regard, as TUPE positions are unlikely to be known until closer to the date of transfer. For the first round of contracts, it is proposed that the Combined Authority will not be in a position to provide a full fleet of Combined Authority vehicles, so will look to combine acquisition with use of a residual value mechanism and under the terms of Franchise contracts require Operators to provide some vehicles. On the basis of these requirements it is perceived that this would not meet the requirements suggested by First for a shorter mobilisation. These same requirements also provide a rationale for not supporting the proposal from Better Buses for

West Yorkshire for a shorter mobilisation period, which could create greater risks of mobilisation not being achieved successfully.

3.8.11. On the suggestion that a longer period of 12 + 6 months should be followed, this does not appear to fit with the suggested approach, particularly for large contracts where the procuring of depots would sit with the Combined Authority, and over time the Combined Authority would be looking to provide the fleet for contracts. Feedback from some operators has suggested that fleet could be a particular challenge in acquiring, although as highlighted in the DJS Research report non-incumbent operator Transport UK actually suggest that acquiring all fleet is deliverable prior to commencing operation of services. In any case the Combined Authority would look to mitigate this as far as possible through the residual value mechanism and the provision of some Combined Authority vehicles, worked up in a detailed business case for fleet provision under a scenario where Franchising is taken forward. Early engagement with operators would also be undertaken to understand their willingness to utilise the residual value mechanism and with manufacturers about updated lead in times since engagement as part of the assessment process.

3.8.12. On the further points for consideration in deciding the mobilisation period, the Combined Authority has considered the following:

- Detail on fleet and depots (including depot electrification) – on the point of depot electrification this has been considered a requirement for the introduction of Zero Emission Buses, and an allowance made within the analysis. This will be worked up in greater detail upon finalisation of the depot strategy. As it is proposed that Zero Emission Buses would be introduced at the same speed across all bus reform options, and that operators have committed to meeting those timescales under the EP+ (subject to funding), that it is possible to achieve depot electrification over the period. To some extent the roll-out of Zero Emission Buses will be dictated by these depot investments, and it could be that some depots are able to come forward earlier than others during the period. As it is not a requirement specifically to have a Zero Emission Bus fleet on introduction of contracts, it is not perceived to be a direct issue for the nine month mobilisation period.
- Confirmation of driver numbers and any recruitment of drivers – it is recognised that confirmation of driver numbers is an important consideration for mobilisation, and that early information on this point will be important. The Combined Authority will look to work constructively with incumbent operators in preparation and during mobilisation to ensure these details can be shared as soon as possible and actions taken by franchisees if any recruitment is required.
- Scale of the lots – the scale of lots has been considered against the existing network, and as the network that would be included in the Proposed Franchising Scheme will be similar to the current network, the scale of lots is not expected to be a material challenge to mobilisation. It is noted that there is the potential for further network changes that shrink the network during transition, and that this risk will be kept under review and consideration given to amendments of final contracted services.
- Post bid employee issues – it is recognised that a longer period could mean that there are more employee changes post bid than in a shorter window. To manage this the mobilisation approach will need to make sure regular information update processes are in place to understand from incumbent operators and incoming franchisee operator any changes that might impact on successful transition, however it is noted that TUPE positions are unlikely to be known until closer to the date of transfer in any case. The Franchising Schemes and Enhanced Partnership Schemes (Application of TUPE) (England) Regulations 2017 provide a framework for the provision of employee information by existing operators, and how employees will be assigned to particular franchise agreements for the purposes of TUPE, and the Combined Authority will have a right to request more detailed information in relation to transferring employees if a franchising scheme is made. A more detailed plan for the application of TUPE will need to be developed in due course, including a communication and engagement strategy with employers and employees throughout the procurement and mobilisation of franchised contracts.
- TUPE timescales – TUPE will apply by virtue of section 123X of the Transport Act 2000 and the regulations referred to above where an incumbent operator ceases to provide services at the time that a new operator starts to provide services under a franchise agreement, and the Combined Authority recognises that the transfer of staff between employers will need to be carefully managed and form a significant part of transition to the Proposed Franchising Scheme as well as during steady-state with further detail of these plans included within the Commercial Case (sections 5.4 and 5.10) and Management Cases (Table 10) of the Assessment.

- Transfer from one employer to another will happen automatically for employees of existing operators who are in scope to transfer under TUPE (and choose to do so), and as noted above the Combined Authority will develop a more detailed plan in respect of the application of TUPE in due course.
- Time needed to move systems, Health & Safety, and maintenance upon the changeover – these points are helpful feedback and will be taken into account in market engagement with potential bidders prior to the procurement process starting, to ensure that the procurement process considers what processes and systems operators would put in place to ensure that they could move quickly to put systems into place ready for day one service delivery. Some operators will have experience of this in either tendered services or other franchised areas, and we can look to London and Greater Manchester for any learnings on how to do this efficiently

3.8.13. In terms of the points raised on managing mobilisation and the continuity of services, this is something considered more generally for the transition period and would apply the same during mobilisation. Section 6.3 of the Commercial Case specifically looks at the approach proposed to managing disruption. It is recognised that there is a risk of this resulting in some services being withdrawn by incumbent operators, and the Combined Authority would look to maintain services through other means where possible, including through restrictions on short-term cancellation of services through a transitional notice that would be published alongside the Proposed Franchising Scheme in section 6.3 of the Commercial Case of this report. On the specific point about losing key employees some of this is considered more in the Management Case section 8.2, under theme one 'Organisational ability to manage – transition'. And on the point raised about service increments during transition, the Combined Authority would continue to look to how this could be achieved through existing powers and resourcing, within the budget available.

3.8.14. The point raised by Stagecoach relates to wider considerations of the lotting strategy and the division of the Leeds zone into three lots. The feedback is recognised that if the existing services currently operated out of the Hunslet depot would be split into separate lots under franchising then there would be added complexities. To some extent this is mitigated by the proposal for the lotting strategy that Leeds lots are divided across the three procurement rounds and that Leeds 1 & 2 would be in the second and third rounds. This gives added time for the acquisition of an additional depot and for there to be decisions taken as to the exact split of services, driven partly by depot locations. The issue of TUPE is recognised however as being an issue even if the depots can be secured in good time. If it is possible to agree with the incumbent operator (First West Yorkshire), the Combined Authority would look to mitigate some of this risk by including conditions as part of any depot acquisition on support with splitting of existing staff between lots. If that is not possible, the Combined Authority would still look to mitigate through cooperation during the contracting phase and in mobilisation with First West Yorkshire, but would otherwise be addressed during the mobilisation process with the incoming franchisee. TUPE is considered in more detail under the management case theme 9 'Employment – TUPE and Transfer'. If these risks can be appropriately mitigated, as outlined in the lotting strategy there are perceived benefits for competition that can be achieved that will benefit the wider franchising scheme implementation, and do not require a different approach to mobilisation than for the other lotting areas.

3.9. Theme 8: Consultation

3.9.1. The final specific question on the Proposed Franchising Scheme sought comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working. This is a distinct requirement to consult on the functioning of the scheme itself, and should be considered separately but in connection to wider consultation on implementing elements of the Proposed Franchising Scheme, which are mostly covered in the Management Case section of this report (see section 8.8). The proposal in the draft franchising scheme is that this is done [24] months from the date set out in article 4.3 ((which as discussed in section 3.8 on the basis of feedback from consultation this has been revised to 28 March 2027) and at such other times periodically as the Combined Authority considers appropriate.

3.9.2. As referenced in the DJS Research report, members of the public in general gave a sentiment of the need to have regular communication with residents and passengers. Specific comments from other stakeholders on this question refer broadly to who should be consulted, when consultation should take place and what should be reviewed as part of that consultation.

3.9.3. On who should be consulted, the scheme suggests that the Combined Authority would consult such organisations being those that appear to the Combined Authority to be representative of

users of Local Services, and may consult other organisations and persons, as the Combined Authority thinks fit. Calderdale Council suggest that the list appears to include all key stakeholders. Some comments have suggested more emphasis should be given to passengers, whilst one stakeholder has also suggested the views of people who don't currently use the bus should be considered. Stagecoach make a particular point on the need to engage proportionately: "*WYCA should take care to ensure any consultation of bus users includes a fair and proportional representation of all users, particularly under-represented groups who struggle to find time to engage with consultations (i.e. commuters, young adults, etc).*" Bus Users UK also suggest a focus on passengers with a range of characteristics. TLC make particular reference to engaging with operators, in particular regarding patronage and costs and variations against targets. And Action for Yorkshire Transport include bus drivers alongside passengers as groups that best know the issues and challenges of services.

- 3.9.4.** On when consultation should take place, TfGM are supportive of the approach of the consultation taking place after 24 months of the first contracts being entered into. Peak District National Park Authority suggest it should be a year into the operation of contracts (which if it meant only from the first phase of contracts would be ahead of the commencement of the third round of lots). First West Yorkshire suggest that: "*The review process should begin at 6 months from the start of services under franchising contracts and be repeated every 6 months until all services are mobilised and have been for at least 24 months*". Better Buses for West Yorkshire suggest the time is too long, and in fact suggest a different method altogether in setting up a supervisory board and citizens assembly. J&B Travel suggest that there should be a break clause before 24 months in contracts for the Combined Authority, but stated they weren't sure if this would come in contract terms and conditions.
- 3.9.5.** In terms of what information should be reviewed as part of that consultation, a range of different proposals were suggested, including analysis of complaints and comments, surveys, public meetings, focus groups, gathering insights into challenges faced by users, operators, and other stakeholders, agreeing a set of Key Performance Indicators.
- 3.9.6.** Separate comments were also raised by a number of operators about suggesting that the network design is consulted on before implementation.
- 3.9.7.** There were comments about the need for actions to be taken as a result of information collected for this to be meaningful.
- 3.9.8.** And Bus Users UK also provided suggestions on the need for the feedback to be reported in a transparent way, with clear communications and accessible routes for individuals to provide their feedback.

The Combined Authority's response

- 3.9.9.** The feedback received in relation to this question will be important in the future design of the broader approach to consultation and engagement of the Proposed Franchising Scheme if introduced. In many cases, the suggestions are in line with the broad proposal within the scheme, in terms of who could be consulted or what forms or methods that feedback could take, none of which has been firmly decided on at this stage. Operator engagement would also be informed by regular contractual reviews as per the terms of any franchising contracts. The point raised on consulting with non-bus users in relation to the performance of the scheme is however one area that the Combined Authority does not think would be appropriate for this particular consultation, however it would clearly be an important part of wider consultation and engagement to encourage more people to use buses in line with wider objectives.
- 3.9.10.** In terms of the timing of this specific consultation, it is recognised that there is a balance to strike between allowing the scheme to be in delivery for a period and not waiting too long to get feedback to understand how the scheme is perceived. In most cases, the suggestions for when to consult were earlier than the proposed 24 months date from commencement of services set out in the draft scheme. Recognising that in the initial implementation of franchising it is proposed to be procured across three rounds, First West Yorkshire's suggestion that the first consultation took place after six months when only one of the three procurement rounds will have commenced services. The Peak District National Park Authority's suggestion would be ahead of the commencement of the third round of lots. On reflection, the Combined Authority has therefore decided that the 24 month proposal, which would therefore mean consultation took place by March 2029, would allow the full scheme to have been in operation for six months following mobilisation and therefore would provide a more comprehensive and coherent consultation of the

scheme as a whole. The Combined Authority could still consider consulting earlier than this specifically on the operations of the contracts that have commenced in the first two rounds.

- 3.9.11.** On the approach that such a consultation should take place, the Combined Authority would develop this in greater detail if a decision was taken to make a franchising scheme. This recognises that some elements of the wider consultation and engagement approach will also be developed within this timescale. In general the Combined Authority's approach to consultation and responding to consultation is dealt with in the Management Case section of this report (see section 8.8), which is broadly aligned to what has been proposed.
- 3.9.12.** Points on network consultation are picked up in the commercial case, but it is recognised that the Combined Authority would take on responsibilities if a franchising scheme was introduced to consult on any changes to the network. On points specifically raised that the network should be reviewed entirely before franchising is introduced, as outlined elsewhere in this document the intention is that the network will be franchised in a way that is broadly comparable to the network as it is at the moment. This recognises that there are particular challenges and risks already associated with moving from a de-regulated to a franchised market for buses, and looking to do this concurrently with a complete revision of the network is something that is considered too challenging for the first round of contracts. Any work to design future network changes would be subject to consultation process including any amendments to the scheme services following the required statutory processes.
- 3.9.13.** On the suggestions of Better Buses for West Yorkshire on a model of supervisory governance and a citizens assembly, the Management Case of the Assessment in section 8 considers how the model of governance for implementation of Bus Reform could evolve from the programme to date depending on the decision taken. Theme 7 of the Management Case section, and Theme 6 of the Assessment conclusion section of this report both give further consideration of how stakeholders, including residents and elected representatives in West Yorkshire would be involved in decisions, and this would be subject to further development during transition. The Combined Authority can confirm therefore that there will be a model of engagement with residents and elected representatives in place once services are franchised, but not a citizens board or assembly unless such decision is made by the Combined Authority in the future.
- 3.9.14.** On the point raised by J&B Travel on break clauses, the sections of the commercial case on performance regime and contracting outline some of the principles that are suggested to be developed in terms of contracts if franchising is taken forward. The exact mechanisms contained within contracts would be subject to further development and market engagement after any decision.

3.10. The Proposed Franchising Scheme Conclusion

- 3.10.1.** The Proposed Franchising Scheme chapter has captured comments received on the questions related to the draft of the legal scheme that would need to be made to introduce a franchising scheme.

Applying franchising to West Yorkshire geography

- 3.10.2.** Comments were received supportive of the proposed approach to applying the franchising scheme to the whole West Yorkshire geography. As outlined in the DJS Research report, over half of public respondents to this question agreed that the scheme should apply to the whole West Yorkshire geography. Some comments raised questions about how this approach would work across the different parts of West Yorkshire, and how it would relate to cross-boundary services.
- 3.10.3.** The Combined Authority considers that applying franchising to the West Yorkshire geography as a whole remains the right approach, fitting best with strategic objectives that recognise the importance of a sustainable transport offer across West Yorkshire.

Lotting Strategy

- 3.10.4.** In this section comments specific to the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds were discussed. There was support for this approach from a number of responses, noting also that particularly operators wanted to understand further detail of the allocations of routes and depots. Only a small number of responses proposed alternative approaches.

- 3.10.5.** The Combined Authority is comfortable that the proposed split of the geographical area and the three round approach remains appropriate, reflecting the principles contained in the assessment. As highlighted in the responses, a detailed lotting strategy based on that set out in the Assessment will need to be completed prior to contract procurement starting to finalise route and depot allocations, and any updates from the current approach would be made in line with the principles set out in the assessment.

Services to be franchised

- 3.10.6.** A number of consultees provided comments on the services to be franchised, predominately in relation to types of services to be included in the list of services rather than on specific listed services. The treatment of schools services and cross boundary services were particularly emphasised.
- 3.10.7.** The Combined Authority response highlighted the approach taken to these types of services, and that the updated lists of services reflected the approach set out in the Commercial Case regarding schools and cross boundary services.
- 3.10.8.** As set out in the chapter, and as was highlighted in the draft Proposed Franchising Scheme that was published for consultation, the Combined Authority have reviewed the list of services for the Proposed Franchising Scheme, and if a franchising scheme is made would intend to revise that list to reflect changes to services that have taken place since the network that was used as the basis for the assessment, but consistent with the approach taken for the original list of services. This means that the list of services in the final proposed franchising scheme will reflect the principle of the services operated at the time of the scheme being made, subject to the exemptions outlined in the scheme – scholars' services, rail replacement and any local service specified in the scheme up to the point where the first service contract in which that service is specified.
- 3.10.9.** Services currently operated under a section 22 licence (a not-for-profit PSV permit) have been included in the franchised service list. However, the Combined Authority would not seek to franchise these services whilst operated under a Section 22 operational license and would only seek to do so were they to be instead ran as a for-profit bus service.

Exempt services

- 3.10.10.** Connected to the theme on services to be franchised, the draft Proposed Franchising Scheme also includes a list of services that would be exempt from franchising. Comments raised a number of different types of services suggested to be exempt.
- 3.10.11.** The Combined Authority has considered these additional suggestions. The draft scheme made a distinction between "closed" scholars services and open "school services", with the former being exempt, and this approach seems correct in light of the feedback received. It remains the case that "open" schools services which are not let as franchised services, and the other categories of services which consultees suggested should be exempt will be able to run under service permits provided that they do not adversely affect the franchised services, and this approach remains appropriate, as it will allow complementary offerings to be provided, without the risk that exempting whole categories of service could lead to those services undermining the franchising scheme

Decision date

- 3.10.12.** A number of comments were made on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024. Whilst there were responses received that agreed with the date, there were some suggestions that the date was too soon, or that it was not soon enough.
- 3.10.13.** In responding to comments about the date being too soon, the Combined Authority has explained the approach to responding to the consultation and how it has and will ensure lessons are learned from other areas, particularly Greater Manchester. As the consultation response report is complete and the Combined Authority is due to meet on 14 March 2024 to discuss the findings of the consultation and the Mayor to consider making the scheme, it is the Combined Authority's view that this date should remain. If there is any delay in consideration of the report, then it would be necessary to delay the making of the scheme and any consequential dates accordingly.

Entry into first contracts

- 3.10.14.** Comments were received from consultees on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026. A number of consultees, including operators, were supportive of this date. Other comments said the more important date was the date of commencing operations, and comments made suggestions on when this date should be, particularly to recognise the school term and service change dates. And there were also comments suggesting that this time period was too long and should be brought forward.
- 3.10.15.** In response to this, it is explained that the timetable for entry into first contracts is based on analysis of the time taken for the Combined Authority to implement the scheme, which it believes reasonable and comparable with other areas introducing a franchising scheme. The scheme specifies that there will be a minimum mobilisation period of nine months (being the time between a franchise contract being entered into, and franchise services under that franchise services being operated), and therefore the first franchised services could commence operation from 1 April 2027. In acknowledging the helpful feedback from consultees, it is suggested that this date be aligned to school term dates for Easter 2027, and will be updated accordingly to ensure this alignment. Subsequent procurement round mobilisations will also be aligned to coincide with relevant term dates (January 2028 and October 2028). No change in the date of 28 June 2026 is proposed, but it will be clarified in the scheme that this relates to the first entry into contracts, and not the first date of the franchise services operating, which will follow the mobilisation period.

Mobilisation period

- 3.10.16.** Consultees provided feedback on the scheme specification of a minimum mobilisation period of nine months for commencing operations. A range of views were provided, some supportive of this length, others suggesting longer or shorter periods, and others providing areas of consideration for the length of mobilisation.
- 3.10.17.** Balancing this range of feedback, with the proposed approach of the commercial case to implementation, it is not proposed to amend the mobilisation period, which the assessment considers is achievable.

Consultation

- 3.10.18.** Finally there were comments received on when the Combined Authority would consult on how well the Proposed Franchising Scheme is working, which is proposed to be 24 months from the date on which a Local Service may first be provided. Comments received covered a range of points around who should be consulted, what information should be shared and when the consultation should take place.
- 3.10.19.** A number of the points raised about who should be consulted and the information that would be shared are helpful as they can inform the future design of this consultation. On the date for this specific consultation, it is recognised that a number of comments have been received suggesting that consultation should take place sooner than this, however it is Combined Authority's view that the 24 month proposal, which would therefore mean consultation took place by March 2029, would allow the full scheme to have been in operation for six months following mobilisation and therefore would provide a more comprehensive and coherent consultation of the scheme as a whole. The Combined Authority could still consider consulting earlier than this specifically on the operations of the contracts that have commenced in the first two rounds.

4. Strategic Case

4.1. Introduction

- 4.1.1.** This section looks to set out the responses received through the Bus Reform consultation on the Strategic Case of the Assessment across the short and long questionnaire and the conclusion of the Assessment.
- 4.1.2.** The Strategic Case in the Assessment sets out a case for change for bus reform in West Yorkshire, considering two bus reform options against policy objectives of the Combined Authority, neighbouring authorities and national level initiatives. The Strategic Case considers the National Bus Strategy (2021) alongside local policy context including the West Yorkshire Transport Strategy 2040 and the Bus Service Improvement Plan (BSIP).
- 4.1.3.** The Strategic Case sets out how the current bus system in West Yorkshire faces fundamental challenges impacting the customer is the day-to-day experience of using the bus and operator/market challenges, affecting financial stability and running of services.
- 4.1.4.** The drivers for change are outlined and are framed around the five delivery areas identified within the West Yorkshire BSIP. These delivery areas are used throughout the Strategic Case to demonstrate what needs to be achieved for bus in West Yorkshire and how the two bus reform options can deliver against these. The options are assessed against the strategic objectives defined in the case.
- 4.1.5.** The Strategic Case concludes that there are a variety of benefits to bus reform that can be achieved, albeit to differing degrees across both options. Most impact will be seen in areas of the network, fares and ticketing and customer service and information.
- 4.1.6.** Whilst both options perform above the current Enhanced Partnership (EP Reference Case), the simplicity and ease of delivering interventions through the Proposed Franchising Scheme was seen to provide better control and certainty to bus customers and a greater ability to achieve strategic objectives, compared to the EP+.
- 4.1.7.** In the short questionnaire the following questions were asked:
- Q1. The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this?
- Q2. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the Region. Do you have any comments on this?
- 4.1.8.** In the long questionnaire the following questions were asked:
- Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?
- Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?
- Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?
- Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?
- Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the Region. Do you have any comments on this?

- 4.1.9.** This section discusses issues raised in response to these questions through submissions to the Bus Reform consultation across emails, letters and the online questionnaire. The structure of this section reflects the key themes identified across these responses.
- 4.1.10.** This section also looks to consider the wider public responses to the consultation which are quantified and analysed in the DJS Research report.
- 4.1.11.** The DJS Research report found public support for the need for reform, with respondents agreeing that bus plays an important role connecting customers to employment and education, healthcare and leisure activities. Support for reform was indicated by two in five public responses (378) stating that the bus system was underperforming and over one quarter suggested that the bus system needs improving (269). Support was also received to objectives particularly benefitting the customer such as network enhancement, ticketing and customer service improvements, and improving fleet standards (see section 6.3 of the DJS Research Report). It was noted by a number of respondents that the bus system needs to deliver against local objectives and recognise the individuality of West Yorkshire.
- 4.1.12.** There were differing views on:
- Drivers for change, including calls to consider external factors, congestion and bus priority
 - Local Authority policy impacts
 - Strategic performance of bus reform options
 - Ability for the Combined Authority to deliver
- 4.1.13.** The section is structured as follows:
- Theme 1: Challenges facing the bus industry and evidence for reform
 - Theme 2: Consideration of the objectives presented
 - Theme 3: Bus Reform Options
 - Theme 4: Issues with bus priority and highways management
 - Theme 5: Approach to customer service and information
 - Theme 6: Environmental sustainability
 - Theme 7: fares and ticketing
 - Theme 8: Network
 - Insight from qualitative research on Strategic Case issues
 - Strategic Case conclusion

4.2. Theme 1: Challenges facing the bus industry and evidence for reform

- 4.2.1.** A number of incumbent operators, passenger interest groups and local authorities submitted responses relating to additional issues affecting bus performance that they wanted more consideration of within the Assessment, or wanted to provide further information on in support of the Assessment.
- 4.2.2.** A number of incumbent operators highlighted additional external influences and national issues challenging that these are some of the key influences on the operation of buses services currently.

External influences

- 4.2.3.** A number of incumbent operators and operator/passenger groups highlighted additional external influences that have impacted bus services with the argument that changing the bus governance mechanism does not change the economics of running a bus service, which is influenced by many independent external factors. In addition, Bus Users UK suggest that the Strategic Case is based on national challenges, rather than local challenges and therefore the issues impact across the national bus system, they cited areas where patronage is increasing which are in enhanced partnerships. CPT quote that “75% of the decline in bus passenger numbers can be attributed to factors outside the operator’s control”. One of these is the decline in bus patronage, noting that

the decrease in patronage is closely aligned to an increase in private car ownership. Arriva, Transdev and CPT point to this evidence and their responses demonstrate that this trend was seen prior to deregulation in the 1980s. The responses suggest that the bus reform options do not consider these wider external issues.

- 4.2.4.** Arriva, Transdev, CPT and Connexions also note the impact that the Covid-19 pandemic had on bus patronage which changed working patterns and significantly impacted the bus market. Whilst government funds have helped to some degree, patterns have not yet stabilised. In addition to this, Transdev highlighted additional external shocks impacting the bus market including Brexit which has created staff shortages, inflation, impacted supply change and created uncertainty. Transdev conclude by saying that more stability is needed across the bus market as this is impacting their ability to reinvest, recruit and propose new services with insufficient support over the recent years. A smaller operator perspective from J&B Travel highlights these external challenges, alongside political pressure which is creating pressure on bus operators to operate.
- 4.2.5.** Other respondents noted that the long term decline in patronage is indicative of a challenge that need to be addressed for the bus market to attract and retain customers. The decline in patronage is stated to be crucial in addressing this and is not just evident in West Yorkshire as TfGM noted in their response.
- 4.2.6.** The Strategic Case recognises external factors that have increased the cost of running services affecting financial sustainability for bus operators, whilst noting that patronage has been in long term decline and that patronage targets are far from being met.
- 4.2.7.** The Combined Authority acknowledges the impact and influence of external factors that influence the bus market; however, it is clear that these issues are sufficiently covered in the drivers for change within the Strategic Case of the Assessment. The impact of the Covid-19 pandemic is referenced several times, particularly relating to the uncertainty on recovery post pandemic and the disruption it caused to the bus network. The Strategic Case also demonstrates the increased public spending on the network since the pandemic due to the slow recovery of bus patronage and the uncertainty of funding for operators.
- 4.2.8.** Car ownership is noted within the drivers for change, demonstrating that car ownership costs have risen more slowly than public transport costs, making it a more attractive travel mode supported through the analysis that demonstrates car is the dominant mode of travel across West Yorkshire. The conclusion of the Strategic Case recognises the challenges of falling bus patronage and financial stability which impacts services and the Combined Authority remain confident that the Proposed Franchising Scheme is better able to regulate this external influence through the control and certainty over the network and customer offer and therefore brings greater opportunity to achieve wider objectives and ambitions.

Decline in bus offer

- 4.2.9.** Several organisations responded to the consultation giving views on the declining bus offer and the impact this is having on passengers. The comments on this sub-theme were supportive of bus reform pointing to issues with market-based solutions that have failed passengers and lead to bus patronage decline, alongside additional impacts on congestion, air quality and the economy.
- 4.2.10.** The TUC raise the need for radical and extensive solutions to the issues experienced in the bus market and the impact this has on the travelling customer. The TUC's response reflects the need for radical intervention following deregulation of buses and the lack of investment seen in areas outside of London. This is reflected by South Pennine Community Transport who call for West Yorkshire to "*lead the way in delivering radical change and improvements for its people*". In contrast to operator views, the TUC's response supports the decline in the bus offer as the cause of the rise in private car use. They argue that there is a clear precedent for an alternative option in managing the governance of bus services. The TUC claim the decline in bus offer has created network shrinkage and there are impacts on customers including overcrowding and forcing people into alternative forms of transport. Several of the West Yorkshire Local Authority's also highlight the impacts of the decline in bus offer across West Yorkshire resulting in the loss of roots and the long-term decline in patronage.
- 4.2.11.** Action for Yorkshire's response points to the issues of privatisation and the substantial decline in the bus offer which has accompanied this, whilst the population of West Yorkshire has risen. They point to the issue of no competition and the market being led by a few large bus companies. Their response highlights "*the failure of the bus system to attract passengers*" which has wider impacts on car use and congestion which has a knock-on effect on journey times, leading to public money being spent on road schemes to alleviate problems. Action for Yorkshire concludes that the

decline in the bus system does not support wider objectives and that Leeds, as a city, is increasingly dependent on private car usage.

- 4.2.12.** Several other respondents highlight the failure of the current system, and the impact private operators are having on this which has created a “*cobbled product*” (Squarepeg), with Action for Yorkshire Transport, Friends of Dales Buses, Squarepeg, TUC Creative and Leisure Industries Committee and the West Yorkshire County Association of Trade Unions all suggesting privatisation has failed bus customers and had also led to worse conditions for bus workers. Unite further suggest that it is a system of ‘managed decline’ with companies focusing on profits rather than the communities they serve.
- 4.2.13.** Aside from the specific responses raising the issues above, several responses showed general agreement with the need to reform the bus market to address the challenges as the bus service is important to thousands of people on a daily basis and plays an important role to the social, environmental, and economic needs of West Yorkshire. This was reflected in the DJS Research report which saw a variety of comments on issues with buses including reliability, cancellations, late running bus and lack of routes.
- 4.2.14.** The Combined Authority recognises the challenges that exist in the current bus system and acknowledges these through the Strategic Case of the Assessment. A variety of issues contributed to the decline in bus offer and the need for governance reform is strongly recognised by the Combined Authority and through the Strategic Case at delivering better outcomes for bus customers. The Assessment demonstrated that both options would better deliver the Combined Authority’s strategic ambitions as set out in the Assessment above and beyond what is being delivered through the current governance model.
- 4.2.15.** Further discussion on some of the points raised here can be found in the discussion of the theme around ambitions and objectives (see section 4.3).

Additional evidence provided

- 4.2.16.** Several respondents suggested additional evidence that may be useful in reviewing the impact of a governance mechanism change and pointed to some evidence that would be useful in the future.
- 4.2.17.** Transport Focus provided an in depth response highlighting some of the key drivers for change that are highlighted in the reports that they compile. They have noted that their new Your Bus Journey survey is not available until March 2024 but that there is declining passenger satisfaction, whilst value for money and bus driver attitude has improved. Transport Focus recommended that the Combined Authority review passenger satisfaction once the new data becomes available. The response also demonstrated that in West Yorkshire frequency, punctuality, the network, and value for money are particularly high priorities. They also highlight barriers to bus use and demonstrate that issues around convenience, timing and network are high priorities.
- 4.2.18.** There were specific suggestions, guided by Transport Focus’s research on fares and ticketing and the communication of fares, tickets and specific policies to encourage younger travellers. It was noted that different passengers have distinct needs, highlighting younger passengers and the need to better design services to meet their needs. Another group that Transport Focus suggested needed a particular focus was the views of people who have a disability.
- 4.2.19.** In addition, Transport Focus highlighted the current available data reflecting what elements are important to travelling customers, including timeliness, punctuality, journey time, value for money and waiting time. Research from Transport Focus was used in the Strategic Case document and the Combined Authority note it’s importance in understanding customer priorities.
- 4.2.20.** Better Buses for West Yorkshire provided extra evidence to support the decline in the bus offer drawing evidence from a range of reports from local to international organisations. They use this data to support the need for reform and point to the fact that no other European country has deregulated its buses, suggesting limited evidence to support a deregulated governance model. Better buses for West Yorkshire support the evidence with the statement that the bus network is one of the worst performing internationally and change is required.
- 4.2.21.** The Competition and Markets Authority (CMA) noted that if particular data can be provided on fares, timetabling and live bus data further insight on passenger demand and travelling habits can be gained. There is the ability to go beyond what is currently offered and could deliver benefits through sharing data on passenger use, common routes, and congestion.
- 4.2.22.** The Combined Authority used the latest available data at the point of producing the Strategic Case, including Transport Focus’s Bus Passenger Survey in our Evidence for Reform document.

We welcome the publication of data that helps us better understand how to design services around customer needs and this will be important regardless of which option is taken forward. Also published alongside the Strategic Case was a data appendix which noted how data was used across the Strategic Case. The Combined Authority will continue to draw on Transport Focus reports for future reference and acknowledge they are an important source of information.

The Combined Authority's response

- 4.2.23.** A variety of issues have been raised relating to challenges facing the bus industry and evidence for reform. The Combined Authority acknowledges the impact of external factors on the bus market and have demonstrated the use of data and objectives within the Strategic Case to acknowledging these factors within the Assessment.
- 4.2.24.** External influences on the bus market are used within the Strategic Case of the Assessment to understand the bus operator context, particularly noting funding, inflation, driver shortages and the Covid-19 pandemic within sections 5.4 and 5.5 of the Strategic Case. This forms the case for change for bus relating to the operator environment, recognising the challenges that are faced by many operators within West Yorkshire.
- 4.2.25.** In response to the points raised on patronage decline, the Strategic Case is based around improving the bus offer to bus customers and providing a viable and attractive alternative to the private car. The Strategic Case specifically notes that car usership is steadily increasing (page 56 of the Strategic Case) and that car remains the dominant mode of travel in West Yorkshire.
- 4.2.26.** The responses discussed in regard to the decline of the bus offer support the case for change behind bus reform and the Strategic Case's conclusion that the bus offer is in decline in terms of network mileage, increased pressure on budgets and increased public funding to maintain the network.
- 4.2.27.** It is also evident that there are challenges relating to the long term decline of the bus market, which is reflected through long term patronage decline. Many of the responses offered in the theme of a declining bus offer support the Combined Authority's Strategic Case which recognises the variety of issues which have led to a worse customer offering. The case for bus reform strongly rests of the need to drive improvements, with the Combined Authority recognising that the current scheme is not delivering the benefits required of the bus system. This is supported by the conclusions of the Strategic Case that demonstrate both options deliver against our strategic objectives above that of the current Enhanced Partnership.
- 4.2.28.** The Combined Authority recognise the need to use current data to explore the latest trends, especially regarding customer views. The Combined Authority will ensure that our general bus monitoring, including updated BSIP, makes use of the additional sources provided upon their release, however notes that these cannot be used as part of the Assessment of bus reform as they were not published when the Assessment was completed.
- 4.2.29.** Further discussion on some of the points raised here can be found in the discussion of theme 2 – consideration of the objectives presented (section 4.3).

4.3. Theme 2: Consideration of the objectives presented

- 4.3.1.** This theme identifies responses that have flagged any concerns or adjustments required relating to the objectives presented and will discussed in the following sections.
- 4.3.2.** Whilst many respondents supported the objectives in general, some questions were raised challenging their content and how they were presented within the Strategic Case.

Alignment

- 4.3.3.** There was general support across a number of organisations encompassing operators, passenger groups, West Yorkshire local authority's and neighbouring authorities that the objectives presented aligned with their ambitions and vision for the bus system in West Yorkshire. Across those that supported this view, there was a general feeling that organisations wanted to work in partnership to achieve similar benefits for the bus system.

- 4.3.4.** CPT noted that bus operators are keen to achieve common goals and operators would work in partnership with the Combined Authority regardless of the governance mechanism. Whilst more supportive of the EP+, Transdev noted that the objectives give the opportunity for better collaboration across public private partnerships with increased cooperation likely to improve the public transport network. This view was supported by numerous smaller operators including South Pennine Community Transport who said there was a great spirit and desire across operators to reform bus services.
- 4.3.5.** All five of West Yorkshire Local Authorities were supportive of the objectives and noted that they aligned to their own policies, recognising the importance of a sustainable transport offer across West Yorkshire and in future policy and transport interventions, such as Mass Transit. Calderdale Council noted that the bus network needed to be more responsive to local objectives and more broadly across districts it was noted that achieving bus reform objectives would complement Local Authority wider economic and environmental ambitions. Leeds City Council supported this view, noting alignment with their Best City Ambition, however they noted that the five districts across West Yorkshire have differing levels of aspirations on the role of bus within their local plans and that bus reform ambitions will have to be somewhat specific to each district's challenges and aspirations.
- 4.3.6.** Neighbouring local authorities also showed alignment across objectives in their responses, irrespective of the governance model being pursued. Lancashire County Council did note that the objectives required adequate funding and resources to enable the achievement of the stated objectives. Neighbouring authorities did note the importance of ongoing engagement to ensure objectives around customer service and ticketing do not impact on cross-boundary services. TfGM noted that on introduction of their franchising scheme they set ambitious patronage growth targets, and they expressed hope that West Yorkshire would support their objectives with a similar level of ambition but agreed that franchising can deliver more benefits which guided their decision to introduce such a scheme.
- 4.3.7.** The TUC supported the objectives and went further in suggesting a hierarchy for improvements to the bus service for passengers in the following order: accessible, reliable, punctual, on-board experience. The TUC claimed that these elements that would support getting more people onto buses.
- 4.3.8.** Within the DJS Research report a small number of comments (99) were received from the public regarding the objectives used in the Strategic Case. The main comments raised included 'agreement or support for the objectives' (27 responses), with some suggesting 'that bus services needed to be become more reliable' (7), whilst a small number of people did express 'concerns that the objectives might not work' (5).

Challenge on objectives

- 4.3.9.** There were positive and negative responses in relation to how the Combined Authority's bus reform objectives align to wider policy with comments on ambition central to both of these. Alongside this there were a number of specific challenges on the objectives.
- 4.3.10.** The response submitted on behalf of Globe and Station Coaches, and Dales and Bowland CIC supported the objectives in broad terms but called for them to have quantified time-bound targets, particularly around mode share.
- 4.3.11.** Transport Focus raised a question on the objectives highlighting that whilst they reflect passengers' concerns, it is unclear whether the Combined Authority will achieve them. They draw a comparison with Greater Manchester's Proposed Franchising Scheme which contained more detail on the specifics of delivery, therefore outlining what the objectives could achieve. Further to this, they suggested that if specifications and targets reflect people's needs, services will be better designed and draw more and new users to the market. Dales and Bowland noted in addition that whilst shortcomings are identified, the objectives lack actions to deal with these.
- 4.3.12.** Better Buses for West Yorkshire note in their response the restrictive nature of DfT legislation in forming the objectives, expressing that they are not wholly satisfied with the objectives presented. They suggest aligning the objectives on infrastructure (bus priority and green vehicles) to better capture passenger experience, climate, and community goals which through policy decisions on infrastructure are made. This would refocus objectives on reliability and punctuality, and cleaner air.
- 4.3.13.** In Squarepeg's response they state that there is a need to include further detail or reflections towards passengers. They call for a need for behaviour change, acknowledging the fact that for

many bus travel is not a choice but a necessity. Squarepeg therefore suggest that prioritising the customer should be the most important consideration as other benefits would flow from increased patronage. They also challenged the “wish list” stating it was too long with the priority needing to be getting buses on the road and full of passengers.

- 4.3.14.** In addition, Bus Users UK questioned the level of detail included on route optimisation, stating that the document should outline how the options would deliver against objectives on service quality and efficiency. They made specific reference on plans to achieve objectives around network and services which would enable the Proposed Franchising Scheme to be compared against the EP+ option.
- 4.3.15.** First West Yorkshire’s response indicated that they believed that the Proposed Franchising Scheme is unable to achieve transport policy targets, specifically noting the 25% increase in bus patronage included within the Transport Strategy 2040.. They note the Franchising Guidance which suggests objectives need to align with objectives within the Combined Authority’s wider transport policy. They claim that focusing on increased bus mode share, decreased car mode share and decrease carbon emissions do not realise these transport policy targets. First West Yorkshire suggested that it raised significant questions regarding whether the Proposed Franchising Scheme could achieve wider transport policy and therefore whether the scheme was suitability, making additional points that benefits were overstated for the Proposed Franchising Scheme and did not take account of implementation issues.
- 4.3.16.** First West Yorkshire also raise concerns that the Strategic Case does not provide detail on how the Combined Authority will use additional control to deliver better outcomes for customers and achieve objectives and linking this to the assumed patronage decline noted elsewhere in the Assessment. They highlight a concern of an implicit assumption that the Combined Authority is better placed to address the challenges identified in the bus market, but suggest there is a lack of evidence to support this, particularly noting the existing expertise of commercial operators. Other operators, including Transdev and Globe and Station Coaches, echo the concern that the Combined Authority claims that greater control delivers greater benefits. Transdev state that “there are no guarantees that control will be deployed in a manner that maximises benefits, especially if funding becomes an issue”.
- 4.3.17.** Countering this challenge, Calderdale Council and several bus passenger groups have responded to show support for objectives in its ability to make the bus a more attractive travel mode and increasing bus patronage. The Peak District Park Authority noted the complementary impact this would have on wider Combined Authority objectives including air quality and economic growth whilst CPT did note the positive alignment with goals on reducing car ownership.
- 4.3.18.** One of the challenges levelled by multiple stakeholders is the lack of an objective on patronage growth. Friends of Dales Buses challenged that the consultation was not positive due to the use of wording around managing decline, whilst several bus operators were concerned that the options did not have a plan to increase bus use and that this was not reflected in the objectives. Bus Users UK question whether the strategic objectives can be achieved if no patronage increase is seen, therefore raising concerns of additional costs for policy levers to support options to deliver. Adding to this TLC suggest that with a declining market it is better to opt for the best value governance mechanism. Campaign for Better Transport noted the importance to reverse the decline in bus patronage without which the Combined Authority would not achieve wider objectives around economic growth, net zero and addressing health and social inequalities suggesting the need to fund policy interventions to grow patronage.
- 4.3.19.** Operators in particular expressed concerns that the models within the Assessment do not show ambition and do not address challenges, therefore questioning the objectives. Transdev recognised that whilst being “*straightforward and logical*” there was a lack of scope for radical change to the market, especially where modal shift was not fully recognised. Connexions added that the objectives must include passenger growth, not stagnation and decline, whilst TLC level a challenge that they do not feel that the Proposed Franchising Scheme will deliver on the objectives set and questioned whether investing in such a scheme whilst there is a declining local and national bus market is a sensible decision.

The Combined Authority’s response

Alignment

- 4.3.20.** The Combined Authority welcomes the support of organisations in achieving their ambitions and objectives for bus. The close alignment of responses from a number of organisations supports

that the Strategic Case includes appropriate objectives, whilst it has demonstrated the alignment with broader transport strategy as noted by several respondents.

- 4.3.21.** In response to the comments from Leeds City Council and the need for differing levels of aspirations to be understood, this will be largely addressed in policy in further policy interventions, noting that the Strategic Case does align broadly with each of the five district's transport policies.
- 4.3.22.** In response to comments regarding funding, the wider Assessment shows the funding available to achieve the objectives. In response to TfGM's comment regarding patronage targets, the Combined Authority is currently developing a new Local Transport Plan which will include wider vision across transport and reflect our ambitions across patronage and modal share.

Challenge on objectives

- 4.3.23.** In response to concerns on objective formation and design (Better Buses for West Yorkshire, Bus Users UK, Dales and Bowland CIC, Globe and Station Coaches, Squarepeg and Transport Focus) , the Combined Authority followed statutory guidance in formulating objectives which requires detail on how bus reform options will achieve adopted policies of the Combined Authority. The objectives reflect the challenges facing the bus system in West Yorkshire and therefore achieving them would help to support the bus market allowing for improved customer service and providing financial stability. Our BSIP is aimed at delivering a better passenger experience with the objectives use passenger data to inform them based on the challenges identified within section 6 of the Strategic Case. The Combined Authority has no hierarchy in addressing the objectives and all are approached with equal weighting. The objectives formed show a clear link to the Combined Authority's overarching policies and strategies, such as the West Yorkshire Transport Strategy and more bus specific policy in reflecting the ambitions of the BSIP.
- 4.3.24.** Regarding the comments from Transport Focus regarding the delivery of objectives, consideration will be given in future business cases to ensure specific, time bound targets are set in line with our ambitions for bus reform.
- 4.3.25.** Responding to the challenge by First West Yorkshire, the Combined Authority recognise that it is not down to the governance of bus alone to achieve policy ambitions, and that it forms one element that contributes towards these targets. The Strategic Case makes references to other policy measures that are required to support either option, including bus priority, but these have not been assumed as being delivered under any of the options and they are subject to further decision-making processes and available funding. The objectives used within the Strategic Case directly reflect the objectives contained within the West Yorkshire Transport Strategy 2040 of the economy, environment and people and place. The patronage target referred to is a policy target, rather than a stated objective. Responding to the claim that benefits are overstated, there is evidence demonstrating the strategic benefits against the delivery of objectives within section 10 of the Strategic Case which concludes that the Proposed Franchising Scheme delivers more consistency for bus customers due to the need for operator agreement under the EP+. This is further supported by the evidence presented in the Economic Case, that concludes that the Proposed Franchising Scheme has a higher NPV than the EP+ and generates a wider range and scale of non-monetised benefit.
- 4.3.26.** Regarding First West Yorkshire's concerns on the detail on how the Combined Authority would use control to deliver better outcomes, Section 10 of the Strategic Case is focussed on looking at how the reform options deliver against the objectives. In a number of areas, the wider Assessment explains how control could deliver better outcomes such as within the Commercial Case which shows the benefit of control over the fleet to purchase zero emission buses and implement consistent standards. The focus within the Strategic Case is the strategic benefit of the certainty and control which allow for a more consistent bus offer to customers when comparing the Proposed Franchising Scheme to the EP+.
- 4.3.27.** The Combined Authority note the concerns regarding patronage objectives that have been provided in responses. All of the objectives included within the Strategic Case aim to provide a better bus service that would encourage more people to travel by bus, it is therefore implicit that our strategic aim is to provide a better bus service and it is not a requirement of the Strategic Case to model how these interventions could impact bus patronage. It is also noted under both options that complementary measures could be implemented regardless of governance mechanism which would look to boost patronage. As above, the Combined Authority is required to relate the objectives of bus reform back to existing policies and strategies and it does this by aligning to the objectives within those policies and strategies. The Combined Authority therefore remains of the view that bus patronage does not need to be included as a separate objective.

- 4.3.28.** The Combined Authority notes the general support received for the objectives with a number of organisations expressing that these align with their own objectives. This is particularly important as it offers assurance that our objectives are reflective of others within the industry and organisations that the Combined Authority would work closely with under either option of bus reform. This reaffirms that the Strategic Case reflects the challenges and objectives that are of greatest importance across the Region. In regard to the challenges raised, the objectives used within the Strategic Case were formed using statutory guidance which required the Combined Authority to consider existing policies and reflect their objectives. The two overarching objectives consider the Transport Strategy 2040 and the BSIP and the objectives used within these policies. In addition, other strategies and policies are referred to, such as the mode share considerations reflecting our ambitions in our Climate and Environment Plan. This demonstrates that the Combined Authority have used statutory guidance in the formation of objectives, considering transport and wider policy context in their formation.
- 4.3.29.** The objectives used are measurable, demonstrated through the measures column included in Table 14 in the Strategic Case and the Combined Authority will set specific targets against those objectives once a monitoring and evaluation plan is in place to support the bus reform option that is selected.
- 4.3.30.** Specifically on patronage growth, all of the objectives aim to provide a better bus service that would encourage more people to travel by bus, it is therefore implicit that our strategic aim is to provide a better bus service and encourage patronage growth, with the Economic Case then modelling these interventions. It is also noted that additional interventions, such as bus priority, will be considered under both options, subject to funding, which may encourage new bus users to services under both options.

4.4. Theme 3: Bus Reform Options

- 4.4.1.** This theme covers issues highlighting particular responses in favour of delivering against a particular option. It looks at partnership success and option considerations highlighting advantages and disadvantages associated with the options presented in the Assessment. Particular issues with the delivery of some themes are covered elsewhere in this section.

Partnership success

- 4.4.2.** Several incumbent operators highlighted existing partnership success to demonstrate the strengths of continuing in an enhanced partnership with operators. Arriva highlighted several successes of the existing EP including successful funding bids for electric buses and fleet investment. CPT add that there are successes demonstrating quick and effective delivery through the existing governance structure including schemes around young people's fares, Mayor's Fares, school uniform policy and operation Husky (an adopted protocol covering major disruption affecting operation of bus services). CPT added that there are examples elsewhere in the country which demonstrate how an enhanced partnership model can deliver transformative change at a fast pace. These views were also supported by Transdev, noting the successes in recent years achieved through collaborative working and willingness to change historic ways of working.
- 4.4.3.** Whist South Pennine Community Transport acknowledge the need for reform it stresses the importance of needing to continue the traditions of cooperation and hard work that are an asset to West Yorkshire. They touch on the successes of the MCard and the ability for cooperation to be a driving force.

The EP+

- 4.4.4.** Another focus for responses was the EP+ and the ability it has to deliver within West Yorkshire. There was a variety of views, highlighting weaknesses and strengths of the EP+ approach to governance of bus within West Yorkshire. It was noted by several respondents that the EP+ would use the same governance mechanism as the existing EP with additional policy levers and powers to create the most ambitious EP allowable in West Yorkshire.
- 4.4.5.** In relation to the delivery of options through the EP+ several operators stated that the EP+ could achieve objectives more quickly than franchising with less financial risk to the Combined Authority. A number of incumbent operators noted the commitment that has already been confirmed by those operators to the EP+ proposals which, once formalised legally, could then deliver much

more quickly than the Proposed Franchising Scheme. Arriva stated that all of the objectives could be delivered under the EP+ without the additional costs that the Proposed Franchising Scheme brings. Several operators highlight successes that prove that objectives can be delivered through enhanced partnerships, such as the Mayor's Fares ticketing scheme and operator investment in ticketing machines. J&B Travel noted that the majority of interventions detailed in the objectives could be delivered through the EP+ with political support. In addition, Bus Users UK highlighted the risk of local government funding and politics which would ultimately impact the ability of the Proposed Franchising Scheme to deliver across the objectives. Several respondents also highlighted the ability to pursue greater collaboration through the working groups in the EP+.

- 4.4.6.** Transdev supported the EP+ in balancing the benefits of a commercial environment against public sector influence and brings flexibility and a cost-effective way to deliver a better bus system. Their response suggested that the EP+ would be much less disruptive compared to the Proposed Franchising Scheme and benefits to the passenger could be achieved earlier. Other operators highlighted that the EP+ goes further than ever before, presenting an improved and dynamic model compared to the current EP. Connexions added that commercial companies need to provide good services in order to survive and that working in partnership is "*the only way to do this*", adding that the EP+ has the potential to provide better benefits than the Proposed Franchising Scheme as it is more customer needs led and has less bureaucracy.
- 4.4.7.** First West Yorkshire's response suggested that there is a lack of evidence suggesting why and how objectives in the Strategic Case could not be achieved through the EP+, citing that operators have provided letters of commitment, that commitments would be legally binding and that the Combined Authority would have additional enforcement powers.
- 4.4.8.** Somewhat contrasting to the point raised by First West Yorkshire, Bus Users UK suggested that the successful implementation of the EP+ would be dependent on operator agreement, negotiation, and funding. It was stressed that communication and alignment would be required to overcome potential challenges. In addition, Bus Users UK suggested the need for the EP+ to be flexible and adaptable to changing circumstances to meet fluctuating markets and associated challenges and opportunities.
- 4.4.9.** Squarepeg highlighted the enforcement around the Proposed Franchising Scheme with the issue of negotiation in the EP+ option watering down commitments with control now the only option to see an improvement. Weaknesses of the EP+ were discussed around multiple parties wanting different outcomes which results in "*tinkering with the problem instead of dealing with it*".
- 4.4.10.** Several respondents highlighted the potential risks in pursuing the EP+ as this option requires reliance on a number of commercial factors, causing issues such as delay or complication in achieving bus reform objectives. Squarepeg also suggested that the EP+ would not stem the decline seen in bus patronage.
- 4.4.11.** Multiple West Yorkshire district councils and neighbouring LTAs responded with concerns about how well the EP+ aligns to the objectives and that whilst the EP+ does present improvements there were particular concerns regarding the longevity, scope and risk posed to the commercial environment under this option. These respondents therefore thought that the EP+ does not deliver the long-term stability required for the bus market, with Calderdale Council raising concerns on the EP+ being of undefined duration and not being legally robust.
- 4.4.12.** Unions and several passenger groups also highlighted views on the EP+ potentially failing to enhance bus services which questions whether this option could waste funding and create further disillusionment with bus services. One of the concerns raised by Better Buses for West Yorkshire included the need for operator consent which would be required under the EP+ with private operators only acting to serve their interests. Unite stated that they "*have no confidence in an enhanced partnership plus proposal*" and noted that operators had been seeking support for this option.
- 4.4.13.** The DJS Research report shows the public response to be sceptical regarding the EP+ proposals, several disagreed with the EP+ proposal, whilst some expressed a view that the EP+ would work or make any difference.

The Proposed Franchising Scheme

- 4.4.14.** A variety of views were also received on the Proposed Franchising Scheme and how far this option could go to realise objectives. TLC highlighted the absence of concrete evidence that objectives could be better achieved through the Proposed Franchising Scheme.

- 4.4.15.** A risk was identified by Transdev stating that if a franchise environment was “*wrongly organised*” then it could result in a small concentration of larger operators. Some operators also expressed a concern about organisational buy in at the Combined Authority and needing colleagues to support the Proposed Franchising Scheme if it was implemented. Other operators stressed the need for any franchising scheme to be designed and delivered effectively.
- 4.4.16.** The need for accountability came across in several responses, suggesting that full public accountability would be required if a franchising scheme was introduced in West Yorkshire.
- 4.4.17.** Bus Users UK challenged the conclusion of the Strategic Case as it was unclear whether the Proposed Franchising Scheme is the right thing to do as the proposal is based only upon projections. In addition, J&B Travel challenged that the Proposed Franchising Scheme will result in patronage decline and that some of the proposed interventions, such as vehicle standardisation, will be very lengthy to implement. Several operators raised concerns that the real test for the Proposed Franchising Scheme is whether it can increase passenger numbers through providing reliable, high quality and value for money services.
- 4.4.18.** A concern raised by South Pennine Community Transport is the need for the Proposed Franchising Scheme to be bespoke to West Yorkshire in a way that the option is “*fit and relevant to its people and landscapes*”. They stressed the need for and importance of a flexible, robust, financially durable and brave model in order to deliver the required change.
- 4.4.19.** Further to this, First West Yorkshire challenged that the Strategic Case focuses heavily on the implementation risks of the EP+, particularly noting references to achieving operator agreement. They claim the treatment of risk in this way largely ignores the significant implementation risks associated with the Proposed Franchising Scheme and note the number of risks detailed within the Management Case. First West Yorkshire therefore claim the risk associated with the Proposed Franchising Scheme is downplayed and does not present an equal and balanced assessment of the two options, resulting in underestimation of risks in implementing the Proposed Franchising Scheme and therefore impacting the ability for the Combined Authority to achieve strategic benefits.
- 4.4.20.** There were several respondents, including some operators, that supported the Proposed Franchising scheme to better deliver against the objectives, particularly those around a cohesive network and local decision making. This was reflected in the public response, discussed in further detail in the DJS Research Report, showing that the majority of respondents either explicitly supported the Proposed Franchising Scheme, stated that change needs to happen or had comments on the poor offering and the prioritisation of profit over services.
- 4.4.21.** Several West Yorkshire local authorities, along with the Peak District National Park Authority noted that the Proposed Franchising Scheme allows for better oversight to meet the objectives due to enabling a better focus on the challenges and to take an area wide approach to solving them, with Calderdale Council focusing on the long-term stability it would offer and the potential for the Proposed Franchising Scheme to grow bus patronage as it has successfully done in London.
- 4.4.22.** Unions broadly supported these points and highlighted the failings of private bus operators who have not taken advantage of a collaborative approach and the Proposed Franchising Scheme is the only way to deliver wider ambitions around climate and public transport access. The TUC emphasised several benefits of the Proposed Franchising Scheme of safer, open and inclusive transport with control allowing greater opportunity on these themes and Wakefield and District Trade Union Council added that the passenger focus of the Proposed Franchising Scheme brings greater benefits.
- 4.4.23.** In addition, several neighbouring authorities’ pursuing or adopting franchising schemes acknowledged the importance in sharing best practice in order to achieve objectives and propose innovative solutions to common challenges, stating the possibilities to improve cross-boundary services.
- 4.4.24.** On positive responses to the Proposed Franchising Scheme issues of certainty and control, rather than relying on private operators, came out as key topics for discussion. Action for Yorkshire Transport noted that under franchising there is financial incentive not to cancel buses, whilst performance regimes would hold operators to account more effectively.
- 4.4.25.** The public response to the questionnaire, seen in the DJS Research Report, shows strong public support for the Proposed Franchising Scheme with over two thirds agreeing that it is the best option for the Combined Authority to meet its strategic objectives for bus in the Region. Positive comments were received, especially in relation on the Proposed Franchising Scheme’s ability to

connect communities and create a more unified transport system with some responses citing the success of similar schemes.

Neutral views on bus reform options

- 4.4.26. There were a number of neutral comments suggesting the same issues would exist in delivering on objectives across both options. Several operators noted that there were outstanding issues not covered by the objectives including congestion, bus priority and the level of spend on service delivery that meant the Proposed Franchising Scheme and the EP+ would ultimately not deliver effectively.
- 4.4.27. A number of organisations presented a neutral view across the delivery of objectives stating that objectives could be delivered across either option. This view was supported by a variety of stakeholders including several operators and operator groups. Bus Users UK pointed to a lack of information that demonstrates why the Proposed Franchising Scheme would deliver the objectives better than the EP+, suggesting an equal passenger benefit across both options.
- 4.4.28. Action for Yorkshire Transport also noted that whilst the objectives were agreeable, franchising on its own will not provide the full solution. The Combined Authority are confident that this is expressed in the Assessment Conclusion noting the need for additional policy interventions to deliver better outcomes for bus customers.
- 4.4.29. The Competition and Markets Authority recognised the Proposed Franchising Scheme as an “*important policy option*” and that the Bus Service Act (2017) has empowered LTAs to reenvision their local bus markets. Their response highlighted that innovation and knowledge determine the success of franchised operations and can bring about a boost in passenger numbers, however stressed that it is for policy makers to “*judge and balance risks...and benefits, both in relation to the impacts on competition and consumers, and in relation to wide policy objectives*”. Several other responses also suggested that it was the decision of the Combined Authority on which option best addresses the strategic objectives to achieve our strategic objectives.

Additional considerations

- 4.4.30. Several respondents had additional views and suggestions which could determine the success of both the EP+ and the Proposed Franchising Scheme and highlighted these in their responses.
- 4.4.31. Others urged caution including CPT, who called for the Combined Authority to consider all options evaluated against the same objectives, ensuring decision makers have all the information required. Other respondents highlighted models that have demonstrated success, however several respondents did make the suggestion that franchising in the rail sector has not been successful.
- 4.4.32. Transport Focus noted that the consultation focused on a theoretical model of franchising and enhanced partnership with neither of these options being detailed in what they would deliver. They suggested it is up to the current and future Mayor of West Yorkshire to determine what priority to give to improving bus services and is also dependent on funding bodies and how much support they offer.
- 4.4.33. Several unions and campaign groups also suggested that full public ownership and a publicly owned bus company should be the ultimate goal, bringing most benefits for bus workers and passengers and would be the best way to achieve the Combined Authority’s strategic objectives. Examples were cited to support this view, including Germany which has proven success with this model. In addition to this, the TUC suggested that under the Proposed Franchising Scheme the opportunity should be taken to “*place bus infrastructure under public ownership*”.
- 4.4.34. South Pennine Community Transport highlighted a “*new super partnership with Kirklees, Calderdale, Wakefield, Bradford and Leeds Council’s and utilities for a fully integrated highway liaison system*” which would act in the public interest.
- 4.4.35. The National Bus Strategy cited in the Strategic Case was challenged by Better Buses for West Yorkshire who claim that government funding could have been accessed without entering an enhanced partnership, therefore we could have prepared the Assessment quicker and implemented franchising at a quicker pace.

The Combined Authority's response

Partnership Success

- 4.4.36.** The Combined Authority acknowledge that the current EP has delivered change and acknowledges the partnership achievements through working with operators in West Yorkshire. The limitations, however, outweigh the achievements with the expected progress not having being realised for a variety of reasons. This is discussed in section 7.6 in the Strategic Case of the Assessment that aligns BSIP delivery areas to interventions, or lack of interventions, in the current EP and concludes that there has been a limited contribution to the current EP in addressing BSIP delivery areas and the expected progress has not been realised.

The EP+

- 4.4.37.** The Combined Authority recognises that there are a range of views on the EP+ and was encouraged to see engagement on this topic. We maintain our conclusions of the Strategic Case that the strategic objectives of bus reform can be better delivered under the Proposed Franchising Scheme as it offers the control and certainty to the Combined Authority and does not rely on operator negotiation, as some of the EP+ interventions require. It is noted that the EP+ does perform better than the current EP and the Combined Authority acknowledge that there have been successes through the current partnership.
- 4.4.38.** In regard to the specific challenge from First West Yorkshire in the lack of evidence supporting conclusions that the EP+ would be less likely to achieve the objectives, the Combined Authority is clear in the Strategic Case where operators have firmly committed to implementing something. It is noted that letters of support are included, but these are not legally binding on operators and that formal negotiation of the EP+ would need to be completed with operators remaining sufficiently aligned on the detail of those proposals for them to be implemented, with the risk that some commitments may not come to fruition. This additional work would therefore need to be successfully completed, for there to be the certainty required over reallocation of network resource through the Network Management Group and to give confidence of funding being available to invest in ZEBs. The Strategic Case also notes that the current EP has not always delivered against targets, including missing targets on expected outcomes, such as patronage. The Combined Authority remains of the view that the consideration of the EP+ within the Assessment remains reasonable and balanced, as interventions under this option remain contingent on agreement being reached with multiple operators both to allow implementation of the EP+ which would be required, and also other ancillary agreements which also have not been made. It also remains fair to note that targets have been missed within the current EP and therefore use of this governance mechanism is not currently fully delivering, creating risk in its ability to deliver greater reform.

The Proposing Franchising Scheme

- 4.4.39.** The responses supporting the Proposed Franchising Scheme generally align to the conclusions of the Strategic Case, demonstrating the strategic benefits of the Proposed Franchising Scheme delivering improved outcomes for bus customers through the consistency and certainty it could deliver if under control of the Combined Authority.
- 4.4.40.** The Combined Authority recognise that a number of factors influence the current bus service including operational and market-based problems and that a combination of factors has led to the decline of the bus market.
- 4.4.41.** In terms of the issues around risk discussed by Transdev in this section, our Commercial Case discusses competition issues in more detail within section 6.2 of this report. In summarising the Combined Authority's response within this section, we recognise the need to encourage a range of operators to bid as part of a successful franchise scheme through our Commercial Success Factors. In addition, as a public body, accountability to any scheme is of utmost importance and we would achieve this in the Proposed Franchising Scheme through transparent and regular reporting supported through public consultation as required. If a decision was made to progress with the Proposed Franchising Scheme a clearly defined monitoring and evaluation strategy would be developed setting out key performance indicators and allowing the Combined Authority to monitor operator performance through a performance regime which is discussed in further the Commercial Case section of this report (see section 6.2).
- 4.4.42.** In relation to comments made from Bus Users UK around whether the Proposed Franchising Scheme better delivers than the EP+ the Combined Authority would refer to the Strategic Case conclusion that demonstrates the certainty and control offered through a franchising scheme that

would allow the Combined Authority to have greater influence and deliver more consistency for customers. Better outcomes are seen especially in terms of consistency of customer offer through a single ticketing scheme and communications channel, and network through having a holistic view of the entire network. The benefits of the Proposed Franchising Scheme are further demonstrated in the conclusions across the other cases of the Assessment.

- 4.4.43.** In response to issues raised by First West Yorkshire on the treatment of risk in the Strategic Case, the Combined Authority believes it is reasonable to highlight the implementation risk in regard to operator agreement – particularly noting that a new EP scheme would have to be negotiated alongside additional policy agreements. Operator letters have evidenced differing levels of commitments and only those with firm commitments can be reflected in the Strategic Case.

Neutral view on bus reform options

- 4.4.44.** The Combined Authority recognise that some organisations did not show a strong preference for a particular option in the consultation and others felt that it was not within their remit to advise. The Combined Authority have taken all consultation responses and recognise that not all respondents felt the need to support a particular bus reform option. The Combined Authority has undertaken the Assessment in order to present evidence on how the two bus reform options perform which will be used as supporting evidence submitted the Mayor in order to make a decision.
- 4.4.45.** In response to CPT's urge for caution, the Assessment already presents information to decision-makers and evaluates both options under the same criteria.
- 4.4.46.** Regarding the suggestion that these are theoretical models, the process that the Combined Authority are undertaking is set out in legislation and the approach has been audited by an external agency. The Strategic Case forms the reasoning behind adopting a new approach to the governance of bus and is supported by modelling conclusions in other cases which set out whether it delivers value for money (Economic Case), how the commercial model could operate (Commercial Case), whether options are affordable (Financial Case) and the management structures required to deliver options (Management Case). The Combined Authority note that a scheme, until introduced, remains theoretical in nature and has undertaken sufficient modelling to present the expected outcomes of both bus reform options.
- 4.4.47.** We recognise calls for public ownership from organisations. As set out in the Assessment, municipal ownership of bus companies is not an option the Combined Authority can currently legally pursue, and the Assessment is set out on the options that are available. In regards to bus infrastructure, if it is assumed that this goes beyond the buses and assets themselves, the Combined Authority are seeking through either option the use of Key Route Network powers, working in collaboration with Local Authority partners to deliver possible enhancements to the road network.
- 4.4.48.** On the claims from Better Buses for West Yorkshire on not needing to enter an enhanced partnership, the Mayor was following guidance issued within the National Bus Strategy that set out that CBSSG (Covid-19 bus service support grant) and BSIP funding was contingent on entering into an enhanced partnership or franchising scheme. Greater Manchester and Liverpool City Region had already initiated their franchising process, as did Cambridgeshire on 9 May 2019. It is noted that the guidance does make reference to disapplying rules on an exceptional basis, but the Combined Authority wanted assurance in access to future funding. It should also be noted that the notice of intent for both the enhanced partnership and preparing a franchising scheme were twin tracked, showing commitment to assuring short term funding, whilst looking into longer term bus reform options.

Concluding remarks

- 4.4.49.** The Combined Authority is clear in its Strategic Case that the Proposed Franchising Scheme would see strategic benefits from both bus reform options when compared to the Reference Case, albeit to differing degrees. The EP+ would demonstrate improvements across objectives but interventions may be limited as some are subject to operator agreement, and additional funding. The Proposed Franchising Scheme is seen to deliver against objectives in a way that provides better control and certainty to bus customers with the greater ability to achieve objectives under this option. It should be noted that whilst operators have proposed an EP+ option there is still a timeline associated with this relating to the legal process which could impact on implementation timescales and the ability to achieve the objectives.
- 4.4.50.** The Combined Authority notes additional points raised in this section, but subject to the detailed points contained within the response, remains of the review that the conclusions in the Strategic

Case regarding the ability of options to deliver on objectives are assessed fully and the conclusions are well founded.

4.5. Theme 4: issues with bus priority and highways management

- 4.5.1. A number of operators and bus passenger groups, along with one of the five local authorities in West Yorkshire highlighted the issues around bus priority and highways management, supporting the view that a key focus on improving bus services should be supporting passengers to make quicker journeys through improved bus priority measures which would have a follow on impact on journey times.
- 4.5.2. A number of incumbent operators challenged the Assessment in its lack of focus on punctuality and performance. They argued that highways management directly impacts performance and efficiency of services and without infrastructure improvements only limited improvements to bus services can be made. Several operators stated that resources need to be more effectively targeted and road schemes better planned which is a key element affecting current bus service performance which is not properly acknowledged within the Assessment.
- 4.5.3. Several key issues were raised within the wider theme of bus priority and highways management which will be discussed under the headings of:
- Congestion and journey time
 - Local Authority policy
 - Alternative options

Congestion and journey time

- 4.5.4. Several incumbent bus operators highlighted congestion and journey times as the most significant measure that would improve services for passengers. Arriva noted that policy measures tackling congestion would shorten journey times and make the bus a more appealing option, therefore resulting in increased passenger numbers. They supported this with evidence from Transport Focus that demonstrates that passengers greatly value punctuality and therefore this should be a key focus. Several operators, including Arriva suggested that there are several benefits relating to the resource required to maintain frequencies in a congested environment, bringing benefits to ticket prices and opportunities for the network. Arriva responded that this issue is already under the control of the Combined Authority and therefore bus reform is not required to address it.
- 4.5.5. Several small and medium sized operators submitted similar responses to Arriva's including responses submitted on behalf of Globe and Station Coaches, Ross Travel Group, J&B Travel, Connexions, and Dales and Bowland CIC. These operators all highlighted that the Proposed Franchising Scheme does not include measures or funding to tackle issues around bus priority and congestion and therefore the most significant issues for passengers are not resolved by franchising. The responses suggested that resources could be better deployed by being put into tackling these issues and several operators challenged that neither option will deliver on the objectives.
- 4.5.6. In addition, several smaller operators made the case that whilst the objectives included within the Strategic Case were agreeable, none of them deliver on the key issue of congestion, bus priority and the level of spend of service issues. Some operators added that neither bus reform option address these issues.
- 4.5.7. Several other groups supported congestion as the most significant single policy measure including CPT, who argued that increasing bus customers also has the benefit of taking more cars off the road. CPT noted that it is therefore punctuality that is the biggest issue affecting the performance of bus services with the governance mechanism for bus not being able to impact this. It was suggested that operators are unable to influence bus priority.
- 4.5.8. Action for Yorkshire Transport responded on the issue of congestion and reliability that an unreliable service reduces passenger demand and creates a vicious circle and that it was *"essential that buses are not held up by traffic congestion"*.
- 4.5.9. CPT and Bus Users UK responded with specific points regarding the implementation of on street infrastructure, including bus lanes. Their response highlighted the need for more bus lanes to speed up journey times. Bus Users UK highlighted the inconsistency in current measures which limits the effectiveness of the bus service, impacting customer confidence. Bus Users UK

recognised the importance that Key Route Network (KRN) powers could play, working in partnership with operators to plan bus priority more effectively.

- 4.5.10. Leeds City Council also noted the reference to KRN powers and invited the Combined Authority to meet to discuss how any potential new powers could be used in respect to bus reform.
- 4.5.11. Stagecoach responded that customer satisfaction is most heavily impacted by speed, frequency, and punctuality of buses and that any governance mechanism would need to be supported by bus priority measures and they were supportive of improvements in bus priority within the West Yorkshire Region. Their response highlighted that delivering growth in bus patronage will only be achieved through bus priority measures.
- 4.5.12. In addition to these points, Transport Focus noted the importance of enforcement of bus priority measures in order to seek the full benefits of infrastructure schemes.
- 4.5.13. Friends of Dales Buses responded with a differing view, accentuating the need for increased reliability, but additionally giving the view that franchising will assist this and help improve customer confidence in services through operators being “*forced to provide a ‘service’*”. Calderdale Council also supported the Proposed Franchising Scheme in improving the network and bringing additional benefits to modal integration and reducing journey times. They also identified that this option would help plan transport infrastructure, bringing further advantages to customers.
- 4.5.14. The DJS Research report sets out public responses to the consultation, and highlighted several issues with congestion and journey time within responses. Key concerns highlight issues around reliability and late running services. This shows that issues of congestion and journey time, whilst not explicitly linked to bus reform options within the public response, are important issues for the public.

Local Authority Policy

- 4.5.15. Several incumbent bus operators highlighted issues with local authority highways policy which contributes to issues of bus priority and highways management. Transdev highlighted that consistency in highways policy is not resolved by either option and alignment between the Combined Authority and West Yorkshire local authorities is agnostic to governance mechanism.
- 4.5.16. This view was also reflected in responses from Squarepeg, highlighting issues around compliance on journey times which are often impacted by local authority highways issues, such as roadworks. Roadworks impacting journey times and compliance are not within bus operators remit or responsibility to control.
- 4.5.17. J&B Travel supported these comments suggesting the need for local authorities to better coordinate highways. An additional point was raised on local authority schemes which have made it harder for bus and coach operators to access city centres.
- 4.5.18. In addition, Transdev supported the need for Local Authorities to consider additional policy measures such as road user pricing and workplace parking levies to help reverse the decline in bus patronage. Connexions also supported the use of the workplace parking levy, using implementation in Nottingham as an example. Transdev accentuate the point that there have been few local or national policy interventions that have looked to radically reduce private car use in over 70 years. The challenge is that without these measures, a governance change will not address fundamental issues in the bus market. Arriva’s response reflected this, claiming that these issues could be addressed through the current model and that the EP+ would enhance this as operators and local authorities would have legally binding agreements on which complementary measures to take.
- 4.5.19. Action for Yorkshire transport supported the view that the Combined Authority is best placed to find solutions affecting congestion and journey reliability. In contrast to the above views Action for Yorkshire Transport suggested that operators have not effectively lobbied for change on this.

Combined Authority response and conclusion

- 4.5.20. The Combined Authority recognises congestion as a driver for change within the Strategic Case, noting that congestion “*impacts punctuality and reliability and...affects customer perceptions of travel and impacts the length of bus journeys*”. The Combined Authority therefore acknowledge the significance of this factor within the Assessment. Enhancing priority for buses on the road is a key element of the Combined Authority’s ambition for buses, with the need for journeying by bus to be quicker and a viable alternative to the private car, which is noted within the Strategic Case of

the Assessment. The Combined Authority also acknowledge that enhancing bus priority is possible under both reform options and that investment is agnostic of governance mechanism, requiring additional capital investment. It is stated as a longer-term priority requiring additional funding and both options are treated equally in that respect.

- 4.5.21.** The Combined Authority recognises issues such as inconsistency in application of highways policy through the Strategic Case of the Assessment, including by recognising lack of consistent highway policy across West Yorkshire within section 6 (drivers for change) and understanding this has resulted in a range of inconsistent bus priority and parking measures and differing enforcement across West Yorkshire authorities . Through identifying Bus Priority within the objectives of the Strategic Case it further supports the recognition of bus priority and congestion on the customer experience of bus in West Yorkshire. There are several levers which could be used to improve bus priority, and these are recognised as complementary, longer-term measures. Partnership working with the five district councils is identified as a priority through KRN powers, given through the Level 4 devolution deal, which will enable the Combined Authority to work more closely with authorities with highways responsibilities.
- 4.5.22.** Greater control, offered through the Proposed Franchising Scheme, can support interventions in bus priority including through enforcement of franchise contracts and complementary bus priority measures. Whilst bus priority measures are neutral across both options (they would require additional funding and agreement) the Proposed Franchising Scheme could better coordinate these measures through the network benefits that it could bring, as noted in Section 10.3 of the Strategic Case of the Assessment.
- 4.5.23.** Additional policy levers, including road user pricing and workplace parking levies are beyond the scope of this consultation and are issues that West Yorkshire local authorities would need to implement. As stated above, the Combined Authority recognise the importance of consistent highways policy and will continue to work with local authorities to find solutions that ease congestion whilst considering specific place based contexts for each local authority.
- 4.5.24.** The Combined Authority acknowledges the importance of complementary bus priority measures and understands the concerns regarding congestion. The issue of congestion is covered within our BSIP which recognises the impact this has on service reliability. Further to this, our BSIP recognises that a consistent approach to Local Authority policy could help ease congestion and create a more attractive bus service. Both issues will remain priorities going forward and are recognised in the Strategic Case of the Assessment as drivers for change and objectives for reform regardless of governance mechanism.
- 4.5.25.** The Combined Authority are therefore confident in the presentation of bus priority and congestion within the Strategic Case. These issues are acknowledged and addressed through the drivers for change section and ambition is shown through focusing objectives on BSIP delivery areas, which include bus priority. Changes in governance mechanisms for bus will not necessarily tackle these issues and governance reform needs to be accompanied by complementary measures to address issues around congestion and journey time. It should however be noted that the efficacy of implementation could be impacted through the Proposed Franchising Scheme, relating to the oversight the Combined Authority would have over the network and as discussed in section 10.3 of the Strategic Case.

4.6. Theme 5: approach to customer service and information

- 4.6.1.** Several responses highlighted points around customer service and information relating to the Strategic Case of the Assessment. Within the Assessment, both options looked to improve the option with the case for change for the customer being based in the current consistency of the offering. Whilst there was general support for improvement in these areas, there were a few issues raised which are discussed below.
- 4.6.2.** It was noted by several respondents, including Bus Users UK, that there is variability in customer satisfaction which highlights the need for a *“more standardised and customer centric approach”*.

Quality of existing provision

- 4.6.3. A number of organisations sought clarity or raised concerns on the future of customer service and information, pointing towards issues with the quality of provision. The concerns around current provision raised issues on delivery of the objectives looking to improve the customer offering.
- 4.6.4. Several smaller operators consistently raised the quality of existing provision, suggesting the existing customer offering which is argued to be largely under the control of the Combined Authority, to be inaccurate and out of date. Dales and Bowland CIC highlighted particular issues concerning bus stations and bus stop information which was further supported by Globe and Station Coaches, and J&B Travel. Examples of failing provision were cited and J&B Travel suggested that the “*quality of provision now...isn't a good indicator of service delivery in a franchise*”.
- 4.6.5. Concerns were also raised concerning the current complaints process, with Squarepeg suggesting Metro should be in charge currently but often passengers get passed around. This results in customers left feeling isolated and unheard. Additional suggestions were also given in Squarepeg's response around re-introducing conductors so that customers feel heard.
- 4.6.6. Customer expectations were raised by an operator, suggesting that customers sometimes expect too much of the bus since on demand taxi services have been introduced, making services difficult to deliver.
- 4.6.7. Existing provision of information was reflected in the DJS Research report with comments on provision of information at bus stops, the need for an Oyster Card system, and confusing ticketing arrangements. Whilst all relating to the current provision of customer service and information, some of these relate to services provided by the Combined Authority, and others relate to elements within the control of bus operators.

Safety and inclusivity

- 4.6.8. Several comments were given in response to questions in the Strategic Case highlighting issues on inclusivity for those with protected characteristics. These align to the themes assessed in the EQIA and can be found in this section of the report.
- 4.6.9. These were reflective of several categories identified in the DJS Research codeframe in which feeling unsafe at bus stops or on buses was raised as a concern.

Deliverability via different options

- 4.6.10. There were a few specific comments raised regarding the impact of delivering customer service and information under the options presented in the Assessment showcasing both the potential negatives and positives.
- 4.6.11. Several respondents showed support for either system as long as consistent information is provided. Action for Yorkshire Transport suggested that a condition of either option should be the provision of good quality printed timetables.
- 4.6.12. Transport Focus also supported general improvement, suggesting confusion over customer service and information may be losing potential passengers as they do not understand how to use the bus or are faced with confusing ticket options.

Enhanced Partnership Plus

- 4.6.13. Several operators expressed that the EP+ option would be able to deliver the onboard experience and customer service standards at no cost to the Combined Authority. Positives were also expressed by Bus Users UK who commented on improvements available through the EP+ that would improve the overall experience for customers. Alongside general positive comments from incumbent operators, several also reaffirmed commitments set out in the EP+ including county wide livery.

Proposed Franchising Scheme

- 4.6.14. Several respondents supported the Proposed Franchising Scheme at delivering key objectives relating to customer service and information, highlighting the importance of simplification leading to improved customer satisfaction. In addition, Stagecoach also mentioned that this would allow operators to focus purely on operating buses and issues such as punctuality and reliability. Better

Buses for West Yorkshire added that the simplicity for customers of a single app, only achievable under the Proposed Franchising Scheme, is a unique opportunity. They added that the uncertainty and reliance on councils, the Combined Authority and operators to communicate well to achieve improved customer service under the EP+ will likely mean that the overall level of service is still poor.

- 4.6.15.** TfGM also stressed the opportunities that the Proposed Franchising Scheme brings in delivering significant changes and improvements to customer experience, having an impact on the number of people travelling by bus and creation of a more cohesive network of ticketing and customer information.
- 4.6.16.** A concern over the Proposed Franchising Scheme was flagged by Transdev as decreased contact of passengers with operators may impact antisocial behaviour and the ability to coordinate a response.
- 4.6.17.** The benefits of the Proposed Franchising Scheme focusing on a unified and consistent customer service whilst beneficial, are argued could have been achieved through the current EP by Bus Users UK. Their response also identifies the need for accessibility through the design process, including advocate groups in the design of customer contact services under the Proposed Franchising Scheme.

Additional suggestions

- 4.6.18.** Several potential enhancements to customer service and information were suggested by respondents including the need for accessible timetable information for any enhanced services. Wakefield and District Trade Union Council suggested that timetable information needs to be at bus stops and stations and also online that all users have suitable access.
- 4.6.19.** In addition to the proposals in the Assessment, Campaign for Better Transport suggested that large marketing campaigns promoting improvements would be required to boost passenger numbers, resulting in boosting fare revenue and reducing reliance on public funding. They suggested that this should also be part of a wider part of public transport integration.

The Combined Authority's response

- 4.6.20.** The issues discussed under approach to customer service and information show a range of points relating to how customer service and information should operate in the future. There were particular points raised relating to the quality of existing provision and the Combined Authority notes the need for improvement, which is a cornerstone of the case for bus reform.
- 4.6.21.** The drivers for change recognise that the current customer offer is inconsistent and can be improved. There have been several interventions, such as the customer charter, under the current EP but there is still wider scope for improvement. The benefit that the Proposed Franchising Scheme brings is the ability to coordinate across a single body, in liaison with partner councils, to deliver consistent customer service which removes the need for multiple players to deal with customer complaints and will enable a single app to be introduced instead of multiple competing apps. The benefits of this deliver more certainty to the customer offering as coordinating multiple players across multiple platforms still exists within the EP+. The customer remains the focus on bus policy at the Combined Authority, recognising the need to address customer needs and provide services that are required by customers.
- 4.6.22.** Under the Proposed Franchising Scheme the ability to have a single channel for customer service, including oversight of this, would allow for more consistent messaging for customers as it could overcome issues around multiple messaging that exist at the moment as the Combined Authority and bus operators somewhat compete to publicise products. This could further be overcome through the introduction of a single point of sale and single range of tickets which would be available if the decision is made to introduce the Proposed Franchising Scheme.
- 4.6.23.** Whilst there were fears raised on the Combined Authority's ability to deliver, largely relating to current provision, the Proposed Franchising Scheme enables the Combined Authority to take a holistic view across the network, which is currently complicated through the number of players involved in delivering customer service and information. The simplicity of a single messaging channel, alongside oversight of a singular network and communications plan would present a much consistent approach for customers.
- 4.6.24.** This theme has discussed the perceived advantages and disadvantages of taking different bus reform options. Operators raised concerns on the cost to the Combined Authority of customer

service under the Proposed Franchising Scheme as many interventions are available at no cost to the Combined Authority under the EP+. There are interventions through the EP+ that would allow for improvements to customer service, including the introduction of a single channel for customer complaints. However, the current EP has not overcome all customer concerns relating to confusing information, demonstrated through the Strategic Case which shows that the current offer is “*fragmented across a variety of organisations and channels...with differing information, journey planners and purchase channels*” (Strategic Case, page 11). It should also be noted that some of the interventions within the operator proposed EP+ are reliant on additional funding including displaying best value fares within journey planning apps, introducing unified branding, introduction of customer service processes and information provision and the introduction of passenger forums (see Appendix 1.3 of the Assessment). This shows that many of the customer service interventions would need additional funding from the Combined Authority, so claims of cost saving under the EP+ are not substantiated.

- 4.6.25.** Comments received on the benefits of customer service under the Proposed Franchising Scheme are reflective of the Strategic Case conclusion which shows this bus reform option to have a greater strategic benefit in the area of the customer service and information due to the ability to offer bus customers consistency through oversight from a singular body (see section 11 of the Strategic Case of the Assessment). This also addresses concerns from Transdev as with a singular point of contact for customers, concerns over anti-social behaviour can be easily shared and improve the process currently in place.
- 4.6.26.** Additional suggestions were noted by the Combined Authority as areas for future focus which can be decided on once a bus reform option is agreed upon. Both of these suggestions are agnostic to the governance mechanism and will bring benefits to bus users but are subject to further planning and do not need a particular option to proceed.
- 4.6.27.** There were a number of issues expressed in regard to how different options can deliver improvements in customer service. Whilst these views differed, the common theme was that the current offering needs to be improved. This is also reflected in the preceding section which discusses the quality of existing provision.
- 4.6.28.** An improvement to customer service and information can be realised under either option and the Strategic Case concludes that customer service and information is one of the delivery areas most positively impacted by bus reform options. The conclusion also notes that the Proposed Franchising Scheme allows for further simplification of the customer offer with simplicity and ease not found in the EP+ proposals due to the ability to implement a single channel for communications and complaints.
- 4.6.29.** Whilst there is some disagreement about which option can better deliver outcomes, there are no suggestions that present significant challenge to the conclusions of the Strategic Case and therefore the Combined Authority are confident that the suggested interventions are appropriate. The Combined Authority are therefore assured that the Strategic Case fairly represents the issues around customer service and information, and accounting for balance, concludes that the Proposed Franchising Scheme offers certainty and control that the EP+ option is unable to deliver.

4.7. Theme 6: Environmental Sustainability

- 4.7.1.** Environmental Sustainability of the options and additional points raised are discussed through this theme. A range of comments concerning viability over zero emission buses and zero carbon future, modal shift and delivery via different options are discussed. There were several respondents that supported both options, or were option neutral, recognising that both would bring environmental benefits and have the ability to deliver against broader objectives of the Combined Authority. In particular, Bus Users UK, recognised the merits of both approaches and the environmental benefits that both options could deliver.
- 4.7.2.** There was discussion from a number of respondents in regard to the importance of delivering our environmental ambitions. Several unions highlighted the need to provide “*reliable, good quality, integrated, coordinated, cheap or free to use public transport*” in order to reduce private car usage and to enable the Combined Authority to reach their net zero ambition. In this way, buses were recognised as vital to achieving a sustainable future and a just transition in order to meet the challenge presented by the climate emergency.

- 4.7.3.** Wakefield and District Trade Union made an additional consideration regarding governance mechanisms. The importance of environmental sustainability was mentioned, which required accountability through public consultation in order to better plan reduced car usage.
- 4.7.4.** The TUC raised focused issues on the just transition, protecting the planet and future proofing jobs. They recognise that public transport, and bus, is key to this approach and therefore the need to convert car and van journeys to public transport. They note the potential climate benefit of replacing multiple car journeys with bus journeys is particularly important, quoting Department for Environment, Food and Rural Affairs (DEFRA) statistics to realise this benefit. They state that even without renewing the bus fleet there would be benefits to environmental sustainability if a popular and integrated bus network was introduced. The TUC responded on the opportunity that the Proposed Franchising Scheme brings to improving fleet, citing London as an example of where the governance mechanism has allowed more control over investment in better vehicles through setting their design and fuel type. In this way, the TUC describe the Proposed Franchising Scheme as “*pivotal*” in addressing environmental issues. Better Buses for West Yorkshire also note the opportunity that the Proposed Franchising Scheme provides in delivering better value for money across green vehicles.
- 4.7.5.** Kirklees and Calderdale Councils raised particular concerns on zero emission buses as a way to improve air quality. Calderdale Council noted that their district is particularly topographically challenged, and this presents a potential issue relating to the roll out of green technology, however they remain hopeful that these issues will be addressed longer term.
- 4.7.6.** The TUC raised concerns with continuing in an enhanced partnership model with operators, citing issues of operators not being prepared to transition to greener and more efficient vehicles at the speed required or expected. They cite figures of London which, with a franchised service, have a much higher proportion of hybrid, battery electric and hydrogen fuel cell buses. They point to evidence that outside of London a much higher proportion of buses are diesel, therefore suggesting that bus operators have failed against the climate challenge.
- 4.7.7.** Contrary to this, CPT noted that large operators already have commitments to transitioning their fleets and they provided a prediction that by 2025 over two thirds of all new bus purchases in England will be zero emission. It is noted that this is subject to government funding continued to help with the purchase costs of these buses. J&B Travel also challenged the objectives of a green fleet, showing that operators are already committed to this under the current EP and stating that regardless of governance mechanism additional funding will be required from the government to make the investment financially viable.
- 4.7.8.** Bus Users UK also noted the environmental impact of options, with the need to fully understand this under the Proposed Franchising Scheme. They noted that considerations over fuel efficiency and emissions would need to be addressed against broader sustainability goals. In their response they commented that more reliable and integrated services have the potential to increase passenger numbers helping to reduce emissions and improve health through modal shift. Their response also considered the passenger perspective, with transport poverty forcing individuals to use private transport options adding to poor environmental outcomes. They stress the need for affordable and efficient public transport to improve the environmental sustainability of any bus system.
- 4.7.9.** TLC went further in suggesting that there is a wider political issue when addressing environmental impact regarding the private car. There was a suggestion to take a harder policy approach to petrol and diesel cars which would have a bigger impact than increasing zero emission buses.
- 4.7.10.** Squarepeg noted in their response the opportunity that bus has in reducing emissions, however questioned whether people choose the bus as it presents a more environmentally friendly travel choice. They suggested that many people travelling by bus would not refuse to travel on one that does not have green credentials and that people who are environmentally conscious are already taking these decisions or travelling by active modes. Squarepeg suggested that the green agenda appears to just reflect a way of funding and investment on buses and the real priority is increasing patronage regardless of euro rating.
- 4.7.11.** First West Yorkshire challenged the Combined Authority’s ability to achieve policy targets and objectives regarding fleet. They challenge that evidence in the Commercial Case is inconsistent regarding achieving a zero-emission fleet by 2036, whereas within the EP+ there is a stated commitment from operators. This issue, in particular regarding fleet numbers, is discussed further within the Commercial Case section of this report under section 6.5.
- 4.7.12.** The public responses to the consultation noted several issues of importance in regards to the future environmental sustainability of buses in West Yorkshire. This included ‘the need for a more

environmentally friendly fleet' (70 responses) and the link to the Proposed Franchising Scheme encouraging more people to use the bus and discourage car use (44 responses). A number of responses commented on how the Proposed Franchising Scheme would help meet various environmental goals and other environmentally friendly initiatives.

The Combined Authority's response

- 4.7.13.** Through the range of responses, it is clear that there is a place for Environmental Sustainability within the Strategic Case for Bus Reform with comments demonstrating the importance to wider objectives and daily lives of both travelling and non-travelling public. Further information on fleet purchases and planning is discussed in the Commercial Case of the Assessment which demonstrates the Combined Authority's commitment to a zero emission bus future.
- 4.7.14.** The responses on modal shift continue to demonstrate the importance of environmental sustainability and raised issues that have been consistent across other responses to the Strategic Case. The issue of local authority policy relates to the earlier discussion on bus priority, which is discussed in section 4.5 of this report. The conclusions in this section recognises that future interventions in bus policy will be required and are treated equally under both options, albeit the control and certainty benefits to oversight of the network under the Proposed Franchising Scheme would allow for a more holistic approach to planning bus priority.
- 4.7.15.** A range of data sources were used to compile the Evidence for Reform document and the Strategic Case, these demonstrated that there is variability in fleet standards, and emissions standards, across West Yorkshire with Leeds having the most environmentally friendly fleet. The Proposed Franchising Scheme would allow the Combined Authority to invest in green fleet across the region, rather than relying on operator bids that may target particular depots. The issues on green motivations are being explored by other teams across the Combined Authority and investment decisions and funding for bus priority are not included within the Assessment, however investing in standardised fleet which is zero emission (as set out in the Assessment) will work towards onboard consistency for customers and the zero emission bus target of 2036.
- 4.7.16.** Responding to First West Yorkshire's point on achieving objectives related to environmental sustainability, the Strategic Case recognises that both options would deliver the same outcomes for zero emissions buses (ZEBs) with the benefits of fleet in the Strategic Case stressed to be the consistency in customer offering, not speed of conversion to zero-emission. The Strategic Case does note that investment in ZEBs is contingent on operator commitment to additional funding which is noted by several operators in their responses, thus the certainty of delivery under the EP+ is not secured as commitments are conditional. The Combined Authority's conclusion that there are limitations under the EP+ to achieving environmental objectives are therefore fair due to the stated reliance on match funding and lack of formal commitment indicated across all operators.

4.8. Theme 7: fares and ticketing

- 4.8.1.** There was a variety of responses submitted on the theme of fares and ticketing. Whilst broadly supportive of the ambition around fares and ticketing, some specific issues were raised regarding delivery and additional considerations that were not considered in the Strategic Case.
- 4.8.2.** Fares and ticketing interventions were generally viewed as benefitting the customer, making bus travel affordable and convenient and it was noted that this could attract more people to travel by bus and the success of the current Mayor's Fares scheme was noted as partially achieving and improving the current customer offering in terms of affordability and ease of travel. Specific mentions of additional fare capping, new concessionary schemes, lower fares and use of a single retail channel were noted as improvements that could encourage more people to use the bus and tackle some of the challenges outlined in the Strategic Case. It was noted that ongoing efforts are required to ensure that affordability maintains a focus in the long term.

Simplification

- 4.8.3.** A variety of comments were received in relation to the current and future ambitions of fares simplification, raising some challenges relating to further ambitions and roll out of ticketing schemes.

- 4.8.4.** Transdev suggested that there are challenges with the current Mayor's Fares scheme, recognising the benefits it brings to passengers, but also the challenges it has had on distorting line usage which will have unknown impacts once the scheme ends.
- 4.8.5.** A challenge on the current Mayor's Fares scheme was highlighted in Squarepeg's response suggesting the need to better promote the scheme and using the money in more innovative ways. Suggestions included free ticketing via MCards and alternative advertising methods. This would have promoted the fares to a wider audience and people would be more confident in knowing the fare.
- 4.8.6.** There were issues raised around the Mayor's Fares scheme in that it raised the cost of some shorter journeys. Wakefield and District Trade Union Council raised the issue of operators profiteering on vulnerable bus users who use buses for shorter journeys. Ross Travel Group also raised the issue of simplifying under 19's fares which resulted in smaller operators having to "*withdraw their innovative fares*".
- 4.8.7.** The response from West Yorkshire Ticketing Company Limited (WYTCL) noted that one of the objectives of bus reform is to remove complexity by introducing standardised fares under a single brand. It is noted that operators have supported this by the removal of single operator tickets, in many cases alongside the Mayor's Fares ticketing scheme. Other interventions including the Young Person's Fares Deal (under 19 bus tickets) were mentioned as ways of supporting ticket simplification and standardisation.
- 4.8.8.** A challenge on young people's fares was raised by Ross Travel Group which stated that simplifying child fares have had negative impact on smaller operators who have had to remove their "*innovative fares*" which they claim caused child fares to increase. They add that the current simplification of adult fares "*abstracted traffic from small operators by giving a subsidy to large operators to reduce their high fares to a common level*". They suggest that this has led to an abstraction of passengers by dominant operators from smaller operators.
- 4.8.9.** Bus Users UK suggest that current complexity is a barrier to non bus users, which was also supported by a number of incumbent operators with TLC suggesting the number of MCard options is confusing. The objectives of simplification and reducing complexity were supported but acknowledged that these could be delivered by means other than the Proposed Franchising Scheme.
- 4.8.10.** The DJS Research report highlights how several issues of ticketing complexity are a focus of the public response. Ticketing was raised in response to the Proposed Franchising Scheme in a request for ticket prices and types to be consolidated whilst it was also flagged in the challenges of the current system as being confusing, particularly in relation to fares and validity on certain routes.

Delivery under different options

The EP+

- 4.8.11.** A number of incumbent operators highlighted that simplifying tickets has already been achieved through the current EP and that fares and ticketing are therefore neutral across the two options presented in the Assessment. J&B Travel point towards multi-operator ticketing being delivered in places that do not have franchising schemes in place alongside tap on and tap off technology. They, alongside other operators, argue that this could therefore be delivered without entering the Proposed Franchising Scheme which would come with additional costs.
- 4.8.12.** Some operators did note that additional funding from the Combined Authority would be an ongoing requirement in ticketing initiatives but would be jointly funded under the EP+.
- 4.8.13.** It should be noted that all operators in general supported the aims of joint fares and ticketing, but many thought that the Proposed Franchising Scheme was not the best model to achieve this, including Connexions who suggested "*the plethora of complicated tickets could be more easily overcome than introducing a full franchising scheme*".
- 4.8.14.** The WYTCL response noted that under the EP+ they would continue to be a key partner and would facilitate further ticket standardisation. WYTCL is currently reviewing ticket information and how customer information can be better communicated, offering WYTCL as a central information point if required.

The Proposed Franchising Scheme

- 4.8.15.** The response from the TUC reflected the success seen in the current EP but acknowledged that inclusivity can only be achieved under the Proposed Franchising Scheme adding that the scheme could safeguard against fare rises and pointing to evidence from the National Audit Office that demonstrates that franchising models offer the greatest flexibility in setting ticket prices. There are also advantages of the Proposed Franchising Scheme that it removes the complexity of bus companies who would continue to compete on alternative fare arrangements in order to pursue profits. The TUC added that under the current system there is a complex ticketing arrangement which has resulted in fares increasing faster than the cost of car ownership.
- 4.8.16.** Better Buses for West Yorkshire supported the Proposed Franchising Scheme as being the best way to remove confusing ticketing and competing ticketing structures and would allow easier introduction of time bound tickets, which under the EP+ are open to legal challenges and risk. The removal of risk and ability to set a single set of tickets and introduce time-bound tickets is therefore expressed to be a big advantage of the Proposed Franchising Scheme. They also urged caution that the CMA *“is likely to prevent anything like the level of improvement needed or possible under franchising”* regarding fares and ticketing.
- 4.8.17.** The benefits of fares simplification, supported by tap on tap off technology is cited to be a key advantage of the Proposed Franchising Scheme by Leeds City Council, with their aim being to transition to a fully contactless system in order to speed up delays currently seen with boarding and could minimise dwell time. They believe this, along with interventions such as multi-door operation would greatly benefit passengers in reducing journey time. Multi-door considerations would need to be considered under the Fleet Strategy alongside considerations on suitability of infrastructure and fleet standardisation.
- 4.8.18.** The CMA’s response commented that the Proposed Franchising Scheme allows the Combined Authority to directly impact the cost of bus services, but urged care was taken to ensure passengers benefit from a combination of lower/simpler fares and simplification of ticket types. The response detailed the abilities the Combined Authority would have to set fares and implement network wide ticketing which could lead to simplified and potentially cheaper ticketing.

Neutral views on options

- 4.8.19.** Stagecoach’s response acknowledged that fares and ticketing initiatives can be achieved without a franchising scheme but did note that the Proposed Franchising Scheme is the only model that would be capable of delivering on a fully integrated, multi-modal ticketing offer across the Region.
- 4.8.20.** It is recognised that ticket simplification has been delivered through the current EP, but this is dependent on ongoing operator agreement, on subsidy and the need for the Combined Authority to fund this. This would overcome the issue raised by Transdev and the end of Mayor’s Fares scheme and operators would not be exposed to this risk under the Proposed Franchising Scheme.

Additional measures

- 4.8.21.** Dales and Bowland CIC raised additional considerations on ticketing, suggesting that cross-boundary and regional ticketing schemes should be rapidly developed.
- 4.8.22.** Other suggestions of ticketing schemes were received by Leeds City Council who supported the introduction of a ‘hopper’ or multiple journey fare, so passengers are not penalised by taking more than one bus to complete a journey, whilst opportunities for multi-modal ticketing need to be embraced under the Proposed Franchising Scheme.
- 4.8.23.** Squarepeg supported the introduction of demand based tickets, reducing the price of tickets if the bus is empty and rising the price if buses are full or popular. They also suggested that, regardless of governance mechanism, the pricing of single fares needs to be addressed as opposed to supporting multi-journey tickets.
- 4.8.24.** Transport Focus suggested the need for ongoing special offers on fares and ticketing which supports their research into encouraging more bus users or lapsed users to travel by bus. Their research supports value for money being a strong factor in encouraging greater bus use and future interventions could support this. Transport Focus added advice on payment mechanisms, suggesting that cash should not be removed altogether as smartcard scheme and contactless can disadvantage certain customers and could become a barrier to travel.
- 4.8.25.** A risk was included in the response of Friends of Dales Buses who suggested that multi-modal fares have become complicated with rail fare reforms and expressed concern that further changes

on bus fares could add further complication. They suggested that standardising fares means there are therefore fewer opportunities to market other fares initiatives such as cheap evening fares.

The Combined Authority's response

Simplification

- 4.8.26.** A variety of issues were raised regarding fares and ticketing which highlighted some of the issues of the current customer offer. The responses received on simplification highlight the need for consistency and that fare structure and ticketing can be a barrier to bus use, reflecting the drivers for change set out in the Strategic Case of the Assessment. The ability that the Proposed Franchising Scheme brings in offering a consistent, standardised customer product can only be achieved through this option.
- 4.8.27.** The comments received on fares and ticketing under the EP+ are dominated by operators who have expressed their views on the current common ticketing approach. Comments received largely relate to the introduction of Mayor's Fares and the continuation of this model. It could therefore be the case that under the EP+ there would be a continued reliance on public funding to continue to deliver this benefit. Under the Proposed Franchising Scheme the Combined Authority would have the ability to set fares and would not need to subsidise in the same way as the current scheme and is the only option that delivers fully integrated multi-modal ticketing.
- 4.8.28.** The responses received on fares simplification also highlight the need for a consistent customer product and that over complication of fares may be a barrier to bus user. This supports the drivers for change for fares and ticketing discussed in the Strategic Case of the Assessment (section 6.4) and supports the conclusions on the need for reform on fares and ticketing.
- 4.8.29.** Comments from Squarepeg on better promotion of fares schemes have been noted. There are opportunities under both options to improve customer communications with commitment under the EP+ for improved customer information and a unified brand, albeit this is subject to further funding. Under the Proposed Franchising Scheme full simplification and a single range of fares could be introduced allowing for easier marketing due to a reduction in complexity of fares.
- 4.8.30.** Concerns from operators regarding the impact of current simplification are noted. The Combined Authority recognises that fare simplification can naturally lead to changes in operator products and that there were some small increases in fares for a minority of passengers. This was assessed before the under-19s fares and Mayor's Fares were introduced and it was concluded that the simplification benefits outweighed the disbenefit of increased fares for the minority. Fares simplification is apparent across both bus reform options, and the EP+ operators have shown support for a single West Yorkshire range of tickets. Under the Proposed Franchising Scheme there would be guaranteed income for contracts with operators no longer taking fare revenue creating more financial certainty if a contract is awarded. Under the EP+ operators have signed up to a single West Yorkshire range of tickets.
- 4.8.31.** The Strategic Case concludes that the Proposed Franchising Scheme provides certainty and control, and this would overcome some of the concerns expressed by operators on the issues around the current Mayor's Fares scheme and would remove these as issues for operators to address. The ability to offer a consistent customer product would provide more confidence to travelling customers and it recognised that this is only fully achievable under the Proposed Franchising Scheme, a key difference being the single sales channel through which tickets can be purchased. The ability to introduce a standardised ticketing system would be further enhanced through a consistent communication channel and ticketing app demonstrating the strategic benefits of the Proposed Franchising Scheme in this area.
- 4.8.32.** It is evident that in a deregulated environment, simplifying ticketing needs to be balanced against competition concerns. This is evident in operators not being able to offer tickets they want due to Mayor's Fares, whilst some operators have retained their operator specific single ticket which is confusing for customers.
- 4.8.33.** The Combined Authority acknowledges the impact of the Mayor's Fares scheme, although it should be noted that a full review of the scheme had not been undertaken on publication of the Assessment. The successes of the current EP are noted in section 4.4 above, however there are elements relating to the ticketing offer that remain unresolved which continue to offer an inconsistent service to customers, such as some operators retaining single tickets.

Delivery under different options

- 4.8.34.** The comments received in relation to the Proposed Franchising Scheme largely reflect the benefits set out in the Strategic Case which demonstrates that this option is the only one that

allows for full ticketing simplification and therefore brings greater consistency and benefits to bus customers. There are limitations to ticketing under the EP+ which would not allow for a fully streamlined ticketing range to be introduced.

- 4.8.35.** Additional measures will be considered as part of either governance mechanism and will form part of additional policy interventions.

Concluding remarks

- 4.8.36.** The Strategic Case identifies the customer offer of fares and ticketing as one of the delivery areas that can be most impacted through governance mechanism change and there are opportunities through both options that can improve the customer offer. The Strategic Case conclusion supports that the control and certainty, in part through reducing the number of factors, that the Proposed Franchising Scheme can unlock more benefits for fares and ticketing. The responses received under this theme provide further clarity and support for the need to support fares and ticketing as a priority.

4.9. Theme 8: network

- 4.9.1.** This theme seeks to respond to comments around the network that were received in responses on the Strategic Case, including the network as described under the Proposed Franchising Scheme (see Economic Case for further detail). A great deal of support was seen promoting the benefits of a bus network that works well including Bus Users UK who noted health and wellbeing benefits, education access, community cohesion, positive economic impacts, employment opportunities and quality of life improvements.
- 4.9.2.** Several comments, including one from Arriva, noted that bus will never serve all customers' needs and that modal integration is of great importance to create fully integrated transport journeys.

Network improvements

- 4.9.3.** Several respondents suggested improvements that need to be made to the network in order to better serve bus users. This included requests to support orbital services that avoided city centres and services to link local journeys as priorities for improvement. Links to employment destinations, particularly to support shift workers, were also noted from a number of respondents. This was supported by the public response shown in the DJS Research report which reflected respondents needs for more routes, connecting people to essential services and the need for enhanced frequencies and additional services, such as night buses.
- 4.9.4.** The response submitted on behalf of Globe and Station Coaches criticised the current network of which "*Leeds has become the focal point*" both in terms of network and bus operator functions. Transdev in their response made the comment that "*the network requires to be fully revised when implementing a Franchise.*"
- 4.9.5.** Leeds City Council also noted that there is an important role for park and ride services across the region and a need to ensure these are not overlooked. They cite the potential that these services have to support modal shift. They also emphasised the need to recast the network under the Proposed Franchising Scheme in order to address network issues and introduce modern zero emission buses alongside innovations in ticketing (supported by buses with multiple doors), as well as considering upgrading frequencies, re-instatement of withdrawn services and new or improved orbital routes.
- 4.9.6.** Many local authorities across West Yorkshire were supportive of change, with the current network not serving their communities well with issues expressed around better allocation of resources, improved links to key destinations and creating an attractive and equitable network. Kirklees Council expressed views of working closely with the Combined Authority to further unlock network opportunities to build on integration and multi-modal travel. Kirklees Council highlighted particular issues around rural services and the need to stabilise these.
- 4.9.7.** Future network planning was raised as a potential issue, with respondents urging decisions that would see frequent services to all parts of the district, else it could drive further social and financial isolation. Some respondents highlighted the different types of service required in different localities or districts in West Yorkshire, with Leeds City Council stating that "*due regard should be given to maximising and tailoring bus services to the nature of each district*". TLC also raised the need to properly promote new services, which they feel is currently not being well managed, to encourage more bus users to use services. Caution was also raised in the fact that network changes will be iterative over time and will strongly relate to funding. However, the positive impact

of a reduced operating margin allowing for increased bus services was noted by Bus Users UK, and they stated that in the future increased revenue should be used to provide additional services, recognising that might not happen immediately.

- 4.9.8.** Some of the key discussions under this theme were centred on the need to adopt a system that supports integration between buses and in the wider transport system. This was expressed as a key requirement which could be better realised under the Proposed Franchising Scheme by several respondents, including the West Yorkshire districts and unions. The benefits of this relate back to the Environmental Sustainability theme in the ability to remove cars from the road.

Delivery under different options

The EP+

- 4.9.9.** A range of views on how both bus reform options could support the network were expressed from stakeholders. The benefits of the EP+ were recognised, however a particular challenge of the proposed Network Group to be agile and innovative to adapt to changing operating costs and declining patronage was noted from Leeds City Council.
- 4.9.10.** Other positive comments were received regarding the EP+ with some incumbent operators noting that change to commercial routes would be possible, albeit in negotiation with operators. TLC noted that if decline continued and more services became tendered then the Combined Authority would have much greater control and have more influence. Other respondents noted that the EP+ could deliver many of the benefits for the network, without pursuing the Proposed Franchising Scheme.
- 4.9.11.** Bus Users UK focused on a particular challenge of the Assessment that suggested that the EP+ would have limited impact and have limited interventions. They challenge this stating that in other enhanced partnership areas they have had success in introducing network interventions and suggest that the document does not understand the way enhanced partnerships work. Other respondents note that the challenges set out in the Strategic Case are not fully addressed by the Proposed Franchising Scheme with the response from Globe and Station Coaches stating that *“there are relatively few actions within the proposed franchise to deal with these”*.
- 4.9.12.** A concern was raised by Squarepeg that under the EP+ passengers on popular, busy routes would continue to receive good service, with marginal routes serving more specific needs, being at risk. Several respondents also highlighted potential issues on negotiation with bus operators in where they provide coverage, with profit margins dominating decisions.
- 4.9.13.** Leeds City council raised concerns on the potential of the EP+ to achieve objectives around integration and pointed to potential issues around the future mass transit network. They raised an issue on the need for integration to encourage and complement multi-modal travel rather than competing against it and whether operators would respond to adapting the bus network around mass transit. The Combined Authority notes these comments but also notes the operator’s commitment to support a mass transit model in the future, which the Combined Authority would want to see reflected in legally binding commitments should the EP+ be taken forward.

The Proposed Franchising Scheme

- 4.9.14.** There were a range of positive responses supporting the opportunities for the network that the Proposed Franchising Scheme could bring. Several respondents highlighted the benefits of the Proposed Franchising Scheme in opportunities to design the network so that it better delivers against customer needs whilst offering better value for money. This including TfGM who have already experienced this benefit.
- 4.9.15.** Benefits and opportunities were also stated around further development of services and better integration with other modes, including a future mass transit system. These holistic opportunities were focused on by the TUC, supported by examples of other major cities which have seen success of franchising which has given the confidence for investment in bus priority in order to make the whole network more efficient. Action for Yorkshire Transport noted that timetable integration across bus and train is essential and has the potential to encourage modal shift, expressing that this would not progress under a partnership. All these integration benefits were seen to have a positive impact on congestion due to the potential to remove car journeys and replace with public transport journeys.
- 4.9.16.** This view was supported by Better Buses for West Yorkshire who support the view that the Proposed Franchising Scheme is the only solution to fully rationalising the network allowing

resources to be better allocated across the district allowing the Combined Authority to plan and integrate services across the Region.

- 4.9.17. Counter to this point, Ross Travel Group pointed out that “*the number of corridors where multiple operators compete is quite small, so the gains from rationalisation...must be quite limited*”.
- 4.9.18. Financial benefits including reduced public sector funding and reinvestment terms also featured in responses, noting the possibility of the fare box and revenue being reinvested in the network under the Proposed Franchising Scheme
- 4.9.19. A concern on the impact on peripheral areas was also raised regarding the Proposed Franchising Scheme, with Friends of Dales Buses suggesting it takes incentives away from marketing and improvement which may particularly affect peripheral areas which may have previously had operator support.
- 4.9.20. An additional concern on the network in the Proposed Franchising Scheme was raised by TLC who raised concerns on what the proposed network would look like in a franchised environment. This in turn, questions the spending on taxpayer money with potentially no improvements. Comments regarding spending on network are more fully addressed in the economic case.

Additional suggestions and comments

- 4.9.21. Several responses that were received in relation to the conclusion questions are covered in this section, along with concerns not addressed elsewhere in the document.
- 4.9.22. Additional concerns and questions were raised in relation to cross-boundary travel from a number of operators. They highlighted the need for the network to continue to service cross-boundary links and to have the systems and network in place to support this. Calderdale Council flagged that with other neighbouring LTAs introducing franchising schemes, there may be greater scope for improving cross-boundary travel.
- 4.9.23. South Yorkshire MCA highlighted the issue of cross-boundary services and stated that there were concerns on the detail included in the consultation document. More information on this can be found in the responses to the Commercial Case within section 6.4.
- 4.9.24. Action for Yorkshire Transport were supportive of the Proposed Franchising Scheme and pointed to this being the norm across most cities in Europe, who have better systems than West Yorkshire. However, they were keen to stress that “*franchising, by itself, will not provide the full solution*”. Campaign for Better Transport supported the conclusions of the Strategic Case but stressed that to be successful, the Proposed Franchising Scheme needs to have longevity of funding.
- 4.9.25. Some respondents highlighted that the document itself was difficult to read, with Squarepeg stating that it was “*overcomplicated and wordy*”.
- 4.9.26. Some respondents highlighted political issues, suggesting that the uncertainty may not be removed under the Proposed Franchising Scheme. A concern was expressed on the consistency of approach from Combined Authority officers and elected members, suggesting that the most beneficial decision will be made when faced with options. An example is given on downgrading of bus priority schemes due to local member pressure which has forced a decision that provides less benefit.
- 4.9.27. Several operators noted the conclusion that assumes greater control will deliver greater benefits. Amongst the comments, Transdev noted that it is “*fundamentally incorrect*” with no guarantees that control will maximise benefits, especially if funding is an issue. This raised an issue around risk in failing to deliver and additional financial risk to the Combined Authority.

The Combined Authority’s response and conclusion

Network improvements

- 4.9.28. Respondents gave a range of views on network improvement, both negative and positive which was the expected response of the consultation. The Combined Authority note the network improvements, including some specific suggestions, and refer back to the Economic Case of the Assessment that sets out the planned interventions under both models. Further network changes are not considered within the Assessment, but could be considered following a decision and are subject to funding.
- 4.9.29. The Combined Authority understand the need for the bus network to work for current bus customers and also attract new bus customers. Both the EP+ and the Proposed Franchising

Scheme are modelled on the current network for means of consistency and also to reflect the implementation challenges especially for franchising of moving from a deregulated to a regulated market that suggests an overnight change would not be practicable. There are several network interventions under both options. The EP+ would see enhancements focusing on rationalisation and improved timetable coordination on key corridors, alongside several service frequency uplifts, these are all based on the current network and are subject to successful negotiations with operators. Under the Proposed Franchising Scheme service enhancements include those considered under the EP+, plus further service rationalisation and coordination for an additional number of routes, changes to the network to reduce duplication of services and combining several services which are currently operated as several contracts.

- 4.9.30.** Further changes to the bus network under either option are subject to further consideration and funding, however the Combined Authority would have greater certainty to achieve positive network changes through the ability to oversee the entire network. Whilst network changes under both options would require an element of variation to schemes (either the EP+ or franchising scheme) or operator agreement within the EP+, the Proposed Franchising Scheme allows for more certain network control and changes, bringing the offer of greater consistency to bus customers.

Delivery under different options

- 4.9.31.** In response to concerns raised on the network under the EP+, the Combined Authority has set out in the Economic Case the opportunities under both options for network improvements. There are a range of interventions proposed under the EP+ seeking to improve the network through a range of rationalisation and frequency uplifts. Due to the advantages of the Proposed Franchising Scheme in allowing the Combined Authority greater control in specifying the network, there are additional network interventions listed under the Proposed Franchising Scheme. The strategic benefits that both options can bring are therefore fully explored and supported by the Economic Case.
- 4.9.32.** In response to the concerns raised by Squarepeg, the proposed Network Management Group, part of the operator proposed EP+ would look to alleviate concerns regarding network decisions. It is noted, however, that bus operators would still take commercial decisions which could impact routes in the future if current financial challenges persist.
- 4.9.33.** Comments around the EP+ have been noted and it has been clarified that interventions under the EP+ are fully discussed within the Economic Case. The Strategic Case does not set out to model network interventions, but looks to discuss the strategic benefits that both options can bring. The Strategic Case does note that there are several interventions proposed under the EP+ that allow better delivery on the network objective compared to the EP Reference Case.
- 4.9.34.** A number of positive comments were received in support of the Proposed Franchising Scheme in realising network objectives. This supports the conclusions of the Strategic Case which show that both options could improve the network, albeit with more strategic benefits from the Proposed Franchising Scheme due to the certainty and control it would offer the Combined Authority. Under the Proposed Franchising Scheme, the Combined Authority would take the decisions on services and routes, overcoming concerns on services at the periphery being lost with the Combined Authority committing through the Assessment to facilitate cross-boundary links in West Yorkshire through a service permit regime, that would also be able to facilitate new cross-boundary services in the future.
- 4.9.35.** As discussed above, the network used within the Assessment largely reflects the current network, with a list of interventions under both options. Supporting positive comments, the Combined Authority recognises that the Proposed Franchising Scheme delivers greater control in specifying the network, allowing for opportunity to impact service frequencies and routes. Whilst further network changes and redesign are subject to funding and further development, taking on the farebox would allow reinvestment into the network under the Proposed Franchising Scheme. With a full overview of the network, the Combined Authority would have greater insight into network decisions and could make holistic decisions on the funding of services, such as peripheral services mentioned by Friends of Dales Buses. This would overcome network issues that could occur in the EP+ which has resulted in public funds being used to subsidise routes when operators choose not to operate or cross-subsidise.
- 4.9.36.** Regarding the concern from TLC, the initial network propositions under the Proposed Franchising Scheme are set out in the Economic Case of the Assessment. Whilst there are a number of frequency uplifts, route rationalisation and combining of services, it would largely replicate the

existing network. Any further changes would be subject to funding and further consideration which has not been considered within the Assessment.

- 4.9.37.** In relation to concerns on what the franchised network would look like, the Combined Authority reaffirms that the initial network is modelled in the Assessment and represents the current network alongside a list of initial interventions. This is fully explored within the Economic Case of the Assessment.

Additional suggestions and comments

- 4.9.38.** The Combined Authority consider cross-boundary travel to be strategically important and discussion of this can be found within section 6.4 of the Commercial Case section of this report.
- 4.9.39.** In regards to funding, the Combined Authority evaluate funding models within the Financial Case of the Assessment. The Combined Authority recognise that the Proposed Franchising Scheme will not deliver all the change required and note the need to incorporate additional policy interventions, such as capital bus priority projects, to complement the governance mechanism decided on by the Mayor.
- 4.9.40.** Regarding concerns on the readability of the document, the Combined Authority tried to make the language in the document as easy to read and understand as possible, but realise that some of the information remains complex in nature. Due to the subject of the consultation, the Combined Authority was required to present some information in legally accurate ways.
- 4.9.41.** Concerns regarding political decisions are discussed in section 10.7 of this report. The Combined Authority notes that the decision to make the Proposed Franchising Scheme can only be made by the Mayor and that two options have been compared throughout the Assessment process.
- 4.9.42.** A range of views have been given regarding the need for network improvements, the ability to achieve network improvements under options and additional suggestions and comments. The Combined Authority is clear in the Strategic Case conclusion that the certainty and control offered under the Proposed Franchising Scheme allows for a holistic view and presents opportunities for network review which are not currently available. Whilst there are possible interventions under the EP+, they remain subject to operator agreement.
- 4.9.43.** Several operators noted the conclusion that assumes greater control will deliver greater benefits. Amongst the comments, Transdev noted that it is “*fundamentally incorrect*” with no guarantees that control will maximise benefits, especially if funding is an issue. This raised an issue around risk in failing to deliver and additional financial risk to the Combined Authority.

4.10. Insight from qualitative research on Strategic Case issues

- 4.10.1.** The qualitative research undertaken by DJS Research used focus groups to understand views in relation to bus reform and ran alongside the public consultation. Full details of this can be found in Appendix 3.
- 4.10.2.** There were several themes that emerged from the focus groups which support the themes coming through from the broader consultation in terms of experience of using the bus network and key drivers for change.
- 4.10.3.** In terms of the experience of using the bus network in West Yorkshire, participants noted:
- The current on-board bus experience is inconsistent and could be improved especially in terms of punctuality, reliability, overcrowding and cleanliness.
 - The simplified capped fares (Mayor’s Fares) were noted as a positive for affordability.
 - Improvements were required in providing more punctual and reliable services and potential expansion of the bus network.
- 4.10.4.** These align to the themes coming out of the consultation itself showing a recognition that there are several aspects of the current bus service offering that require improvement and make journeys by bus more attractive to the travelling customer.
- 4.10.5.** Regarding the opinions towards the key drivers for change, the focus groups discussed:
- Network – the majority of participants noted that the network does not meet their travelling needs, with the exception of 16-21 year olds, with many noting that network coverage needing to improve.

- Fares and ticketing – recognition of the Mayor’s Fares scheme making fares simpler and clearer, however confusion on differing fares and ticketing systems across operators along with some comments on bus fares being too expensive.
- Customer service and information – the majority agreed that the customer service experience is difficult in regards to complaints and journey planning.
- Bus priority – some support for additional bus priority, but some feeling there were enough bus lanes and that they do not impact reliability. Inconsistency in bus priority across West Yorkshire districts was noted.
- Greener and better vehicles – respondents agreed that there was an inconsistent onboard offering, however views differed on whether ZEBs should be an investment priority over bus stop safety, punctuality and providing enough buses.

4.10.6. The themes that saw most focus and importance within the qualitative research align to the themes that are seen to experience greatest impact across both bus reform options and further demonstrate that the priorities for bus customers are the network, customer service and information and bus priority. Differing views on these issues were seen across public responses and statutory stakeholders reflecting the different view points across stakeholders.

4.10.7. The discussion around fares and ticketing recognised the success of Mayor’s Fares, as did the consultation responses, noting the improvement this had brought.

4.10.8. There was inconsistency on greener and better vehicles with the consultation which was viewed as more important within questionnaire responses.

4.11. Strategic Case Conclusion

4.11.1. A number of different responses were received on the questions relating to the Strategic Case. The main themes identified across the responses included the challenges facing the bus industry and the case for reform, consideration of objectives, consideration of options, bus priority and highway management, the approach to customer service, fares and ticketing, environmental sustainability, and the network.

Challenges facing the bus industry and evidence for reform

4.11.2. Several operator and passenger groups as well as incumbent operators emphasised external influences and national issues which had impacted bus performance. Issues raised included the Covid-19 pandemic, increasing car ownership, and long term bus patronage decline. The Combined Authority acknowledges these external factors on the bus market and is confident that the issues raised are addressed in the Strategic Case of the Assessment.

4.11.3. Respondents also focussed on the decline in the bus offer and the impact on passengers. Many supported the Combined Authority’s Strategic Case which recognised the variety of causes which had led a worse offering for customers. The Assessment conclusions supported that the Proposed Franchising Scheme would provide the greatest strategic benefit in responding to the challenges facing the bus network, with the Strategic Case outlining that the current scheme is not delivering the benefits required of the bus system.

Consideration of the objectives presented

4.11.4. A number of responses received from the consultation which discussed the objectives presented in the Strategic Case. There was broad support from respondents that the objectives aligned with their ambitions for the bus system in West Yorkshire.

4.11.5. The Combined Authority welcomes the support of organisations in achieving their ambitions and objectives for bus. The close alignment of responses from a number of organisations supports that the Strategic Case includes appropriate objectives, whilst it has demonstrated the alignment with broader transport strategy as noted by several respondents.

4.11.6. Some respondents challenged the objectives with focus around the need for quantified time-bound targets, including a target for patronage growth, and doubts as to whether the Proposed Franchising Scheme would be able to achieve the objectives.

4.11.7. The Combined Authority is confident that the objectives used are measurable, and that specific targets will be set once a monitoring and evaluation plan is in place to support the bus reform

option that is selected. On patronage growth, all of the objectives aim to provide a better bus service that would encourage more people to travel by bus, it is therefore implicit that our strategic aim is to provide a better bus service and encourage patronage growth.

Consideration of the options presented

- 4.11.8.** A number of consultee responses expressed a view on the options presented. Several incumbent operators highlighted the success of the current existing partnership in areas around ZEBs, fleet investment, and Mayor's Fares. Respondents also considered the EP+ option and its ability to deliver similar objectives more quickly and with less financial risk. There were also several respondents, including some operators, that supported the Proposed Franchising scheme to better deliver against the objectives, particularly those around a cohesive network and local decision making.
- 4.11.9.** The Combined Authority recognises the successes of the current enhanced partnership in the Strategic Case but believe that, for a number of reasons, the EP has failed to achieve the passenger benefits it was originally set up to realise.
- 4.11.10.** The Combined Authority is clear in its Strategic Case that the Proposed Franchising Scheme would see more strategic benefits. The EP+ option would demonstrate improvements across objectives but interventions may be limited as some are subject to operator agreement, and additional funding. Taking into account the consultation responses, the Proposed Franchising Scheme is seen to deliver against objectives in a way that provides better control and certainty to bus customers.

Tackling issues with bus priority and highways management

- 4.11.11.** Many respondents highlighted issues around bus priority and highways management. A number of incumbent operators argued that highways management directly impacts the performance and efficiency of services and without infrastructure improvements only limited improvements to bus services can be made. Responses focussed on congestion and journey times.
- 4.11.12.** The Combined Authority acknowledges the importance of complementary bus priority measures and understands the concerns of respondents regarding congestion and journey times. These issues should remain priorities going forward, and this is recognised in the Strategic Case of the Assessment where they are seen as drivers for change and objectives for reform regardless of the option progressed. The Combined Authority therefore remains of the view that these matters are appropriately considered and presented within the Strategic Case.
- 4.11.13.** The Combined Authority acknowledges the importance of complementary bus priority measures and understands the concerns regarding congestion. Both issues will remain priorities going forward, and they are recognised in the Strategic Case of the Assessment as drivers for change and objectives for reform regardless of governance mechanism. The Combined Authority are therefore confident in the presentation of bus priority and congestion within the Strategic Case.

Approach to customer service information

- 4.11.14.** Several responses centred around customer service and information. There were particular points raised relating to the quality of existing provision and a discussion of the best option for improvement.
- 4.11.15.** A common theme across respondents was that the current offer must be improved. The Strategic Case concludes that customer service and information is one of the delivery areas most positively impacted by bus reform options. The Proposed Franchising Scheme allows for further simplification of the customer offer with simplicity and ease not found in the EP+ proposals due to the ability to implement a single channel for communications and complaints.
- 4.11.16.** An improvement to customer service and information can be realised under either option and the Strategic Case concludes that customer service and information is one of the delivery areas most positively impacted by bus reform options. The conclusion also notes that the Proposed Franchising Scheme allows for further simplification of the customer offer with simplicity and ease not found in the EP+ proposals due to the ability to implement a single channel for communications and complaints.
- 4.11.17.** Whilst there is some disagreement about which option can better deliver outcomes, there are no suggestions that present significant challenge to the conclusions of the Strategic Case and therefore the Combined Authority are confident that the suggested interventions are appropriate.

The Combined Authority are therefore assured that the Strategic Case fairly represents the issues around customer service and information, and accounting for balance, concludes that the Proposed Franchising Scheme offers certainty and control that the EP+ option is unable to deliver.

Environmental Sustainability

- 4.11.18.** A variety of responses concerning the viability of zero emission buses, modal shift and delivery across the different options were received. There was general support for the delivery of the Combined Authority's environmental ambitions. A particular area of focus was around fleet and the delivery of the Combined Authority's ability to deliver zero emission buses under the Proposed Franchising Scheme when compared to the Enhanced Partnership plus option.
- 4.11.19.** The Strategic Case notes that investment in zero emission buses under the EP+ is contingent on operator commitment to additional funding and so the certainty of delivery under the EP+ is not secured as commitments are conditional. The Combined Authority's conclusion that there are limitations under the EP+ to achieving environmental objectives are therefore fair due to the stated reliance on match funding and lack of formal commitment indicated across all operators.

Fares and Ticketing

- 4.11.20.** A range of comments were made on the theme of fares and ticketing. There was broad support from respondents on the ambitions set out in the Strategic Case on fares and ticketing especially around fare simplification. Responses highlighted the need for a consistent customer product and that overly complicated fares were a barrier for bus users. Many operators expressed a view of the current common ticketing approach and the impact of the Mayor's Fares scheme.
- 4.11.21.** The comments received in relation to the Proposed Franchising Scheme largely reflect the benefits set out in the Strategic Case which demonstrates that this option is the only one that allows for full ticketing simplification and therefore brings greater consistency and benefits to bus customers. There are limitations to ticketing under the EP+ which would not allow for a fully streamlined ticketing range to be introduced.
- 4.11.22.** The Strategic Case identifies the customer offer of fares and ticketing as one of the delivery areas that can be most impacted through governance mechanism change and there are opportunities through both options that can improve the customer offer. The Strategic Case conclusion supports that the control and certainty, in part through reducing the number of factors, that the Proposed Franchising Scheme can unlock more benefits for fares and ticketing. The responses received under this theme provide further clarity and support for the need to support fares and ticketing as a priority.

Network

- 4.11.23.** Several responses were received around the network and, in particular, on the network as described under the Proposed Franchising Scheme. With some respondents suggesting potential network improvements in order to better serve bus users, including requests to support orbital services that avoid city centres, integration with other modes of transport, more night buses, and the role of park and ride.
- 4.11.24.** Responses also focussed on the ability of the different options to deliver network improvements and there were concerns raised on the ability of the Enhanced Partnership plus option to deliver such improvements. The Strategic Case does note that there are several interventions proposed under the EP+, subject to operator agreement, that allow better delivery on the network objective compared to the EP Reference Case.
- 4.11.25.** There was a broad range of positive comments supporting the opportunities for the network that the Proposed Franchising Scheme could bring due to the certainty and control it would offer the Combined Authority regarding network decisions. The Combined Authority is therefore clear in the Strategic Case conclusion that the certainty and control offered under the Proposed Franchising Scheme allows for a holistic view and presents opportunities for cross-subsidisation and network review which are not currently available.

Overall Conclusion

- 4.11.26.** When considering the responses to the consultation, both in terms of support for and challenges to the Strategic Case the Combined Authority believe the evidence presented in the Strategic

Case responds to the challenges facing the bus industry, which is reflected in the formation of objectives.

4.11.27. There was broad support in the consultation responses concerning the need for reform as well as the assessment of how likely the different options for reform would be in meeting the Combined Authority's objectives for bus. Particular challenges were made in the consultation responses regarding bus priority, fares and ticketing, as well as customer service and information.

4.11.28. Considering the challenges raised in consultation responses, the Combined Authority is satisfied that the Strategic Case addresses the themes appropriately and that the objectives for the bus system and that the Proposed Franchising Scheme represents a better opportunity to achieve the Combined Authority's ambitions for the bus network than the EP+ reaffirming the conclusions of the Strategic Case of the Assessment

5. Economic Case

5.1. Introduction

5.1.1. The Economic Case of the Assessment sets out the findings of an economic appraisal of the impacts of the proposed bus reform options. The benefits and costs of the two bus reform options (the EP+ and Proposed Franchising Scheme) were compared to an EP Reference Case (which represented 'business as usual'), and appraised over a 40-year period.

5.1.2. The Consultation Document included a summary of the Economic Case and the full Economic Case was included in the consultation documentation. A number of questions were asked about the Economic Case in both the short and long response questionnaires.

5.1.3. In the short questionnaire the following question was asked:

Q3. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

5.1.4. A reference to Section 1.2.2 of the Consultation Document was made.

5.1.5. In the long questionnaire the following questions were asked:

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

5.1.6. For each of the questions except Q21 a reference to Section 4.2.2 of the Consultation Document was made. For Q21 a reference to Section 4.2.7 of the Consultation Document was made.

5.1.7. The responses to the consultation are summarised in the DJS Research Bus Reform Consultation Report (DJS Research report) and the part of this report covering the responses to the Economic Case is briefly summarised below.

5.1.8. The DJS Research report includes a summary of the responses to the questions asked in both the short and long questionnaires on the Economic Case. The report demonstrates that bus operators generally preferred the EP+ option over the Proposed Franchising Scheme and were concerned about the impact of this option on SMOs, though there was a suggestion that the larger operators favoured the EP+ option. They were also concerned about the risks associated with the Proposed Franchising Scheme and the possible bureaucratic nature of decision making if the Combined Authority was in control. Some operators felt there was little to choose between the EP+ and Franchising options.

5.1.9. The DJS Research report showed that Local Government and other organisations generally favoured the Franchising option suggesting it had better value for money (VfM) and gave a

greater level of control and planning. Many respondents recognised the risks of the Franchising option, but felt this would lead to a more reliable and coordinated system.

- 5.1.10.** Most of the non-statutory stakeholder organisations favoured the Proposed Franchising Scheme, but some of them favoured the EP+ option. These organisations raised similar concerns to those raised by the statutory stakeholder organisations mentioned above, around issues such as risk and the high up-front costs of the Franchising option but generally had a view that there were stronger opportunities for patronage growth under this option.
- 5.1.11.** The DJS Research report showed that members of the public generally favoured the Proposed Franchising Scheme with significant concerns raised about the current arrangements. For some responses from members of the public, the environment was a concern and they generally felt the Proposed Franchising Scheme might be better in this respect with greater opportunities to improve the bus 'offer'. Like other groups they were concerned about the short-term costs of the Proposed Franchising Scheme but felt the long-term gains might be worth it. They also acknowledged the risks associated with the Proposed Franchising Scheme. Whilst the DJS Research report showed that members of the public generally favoured the Proposed Franchising Scheme, some comments in response to questions on the Economic Case favoured the EP+ option. Some felt that an EP+ scheme would provide better value for money, be more affordable and would reduce congestion.
- 5.1.12.** The rest of this section draws upon the responses made to the questions asked about the Economic Case (as summarised in the DJS Research report) and some of the responses to other questions where these were deemed relevant to the Economic Case. It groups these responses by theme together with further analysis and commentary on a theme-by-theme basis.
- 5.1.13.** The rest of this section is therefore structured across the following six broad themes which cover the issues raised in the majority of responses:
- Assumptions used in the Economic Case
 - Margins
 - Risk in the Economic Case
 - Fares and ticketing simplification benefits
 - Missing benefits
 - Other impacts on operators, passengers and the CA
- 5.1.14.** In addition, there is an 'Other comments' section covering the few comments which could not easily be included under other theme sections.

5.2. Theme 1: assumptions used in the Economic Case

- 5.2.1.** In order to carry out the economic assessment of the bus reform options, it was necessary to make a number of assumptions about exogenous changes (that is changes external to the options being considered), appraisal period (the period over which the benefits and costs were summed) and factors which might affect bus operations over the appraisal period. A number of respondents questioned these assumptions.
- 5.2.2.** A number of aspects of the assumptions made were questioned. These included:
- The assumption that bus patronage would only recover to 80% of its pre-Covid level
 - The continued decline in bus patronage
 - The use of a 40-year period over which to assess the options (the appraisal period)
 - The comparatively modest improvements to service frequencies and new routes proposed as part of the EP+ and Franchising options.

Bus Patronage

- 5.2.3.** The assumption that patronage would only recover to 80% of pre-Covid levels was questioned by a few respondents, including First West Yorkshire, who pointed out that recent figures suggest a greater level of recovery. Arriva noted that operators are currently working with the Combined Authority to help patronage recover.
- 5.2.4.** To some extent the recovery of patronage assumption was addressed in the Economic Case which says that "*In West Yorkshire, recent data has shown weekday patronage has reached 85% in March 2023*" (Economic Case, paragraph 3.8.6). The figure of 80% was selected as a

“reasonable conservative estimate for demand recovery in West Yorkshire in the longer-term” (Economic Case, paragraph 3.8.7), but it was acknowledged that there was a degree of uncertainty around this figure. Sensitivity tests were used to explore this uncertainty with two additional scenarios considered, one where bus demand recovered to only 70% of pre-Covid levels and one where it recovers to 90% of pre-Covid levels. The results of these sensitivity tests in terms of net present value (NPV) are given in the Economic Case (see Tables 27 and 28) and the Consultation Document (see Tables 7 and 8). These tables also show the results of sensitivity testing to explore uncertainty in future funding to support the bus network. The results show that both options deliver greater benefit than cost as shown by the positive NPV for both bus reform options under every scenario.

- 5.2.5.** The assumption that patronage (demand) would continue to decline and that there would be a consequent decline in the bus network was mentioned by a large number of respondents with the Ross Travel Group making the observation that this was “*at odds with the objectives of bus reform*”. Similar comments were made by Leeds City Council, Globe and Station Coaches and First West Yorkshire amongst others.
- 5.2.6.** This is discussed in Section 4.2.3 of the Consultation Document and Section 4.2 of the Economic Case. The aggregate effect of the various exogenous factors such as GDP, population, employment and car ownership is the unconstrained demand forecast shown in Figure 4 of the Economic Case which shows an initial increase in demand as a result of recovery from Covid, then a continuing decline to 2045/46. The permanent reduction in demand due to Covid and the effect of funding constraints (both discussed above) also have an impact on demand.
- 5.2.7.** External or exogenous factors are important ‘drivers’ of bus demand, and these have been reflected in the modelling framework that underpins the Economic Case. Paragraph 4.2.13 onwards in the Economic Case provides detail on the exogenous factors that are included in the modelling framework. However, the results of the modelling and forecasting show that endogenous factors (that is characteristics of the different reform options) also have a material impact on forecast bus demand in West Yorkshire. Figures 6, 7 and 8 of the Economic Case show the demand forecasts for the Reference Case and the two bus reform options.
- 5.2.8.** The decline in patronage shown in the model results is broadly consistent with the historical decline in bus patronage observed over the last few decades in West Yorkshire and nationally (excluding London). This decline in patronage gives the overall picture shown in Figures 6, 7 and 8 of the Economic Case. Note that this does not mean that such a decline is regarded as inevitable or welcome, just that it is a consequence of the exogenous factors used in the Economic Case. Note that the number of journeys made under the Proposed Franchising Scheme (Figure 8) and the EP+ option (Figure 7) is slightly higher than those made in the Reference Case (Figure 6). The modest uplift in patronage under the Franchising option was noted by CPT.

Appraisal period

- 5.2.9.** A monetised appraisal period of 40 years (from financial year 2027/28) was used in the Economic Case and this is discussed in Section 7.2 of the Economic Case of the Assessment. The length of the appraisal period used was questioned by a few respondents including Ross Travel Group and Dales and Bowland CIC given the level of uncertainty over such a period and that this was felt to ‘favour’ options with high up-front costs (such as the Proposed Franchising Scheme).
- 5.2.10.** A 40-year appraisal period is shorter than the typical appraisal period for transport schemes of 60 years and represents an estimate of the possible lifecycle of the zero emission buses and associated charging infrastructure introduced under all options. While a shorter appraisal period would mean that the transition costs associated with the introduction of the Proposed Franchising Scheme would be spread across fewer years, the 40-year appraisal period does give an appropriate indication of the long-term impacts of the bus reform options. It could be that a shorter appraisal period would ‘disfavour’ options with higher upfront costs because those costs would not be spread over the full length of time that they are relevant to. There is inevitably uncertainty about exogenous assumptions over virtually any appraisal period (and this is greater over longer appraisal periods), but there is no reason to suppose this uncertainty would favour one option over another.

Service changes under the EP+ and Franchising

- 5.2.11.** Several respondents noted that the scale of improvements anticipated under Franchising were relatively modest with some frequencies “*no better than those operating pre-Covid*” (Globe and

Station Coaches, Ross Travel Group and Dales and Bowland CIC). The enhancements that would be assumed to be delivered under the EP+ option and the Proposed Franchising Scheme are described in Section 2.2 of the Economic Case. A number of changes to services and frequency uplifts are assumed under the EP+, but these would be subject to negotiation with operators. Under Franchising a further series of service changes and enhancements would become possible due to the Combined Authority's control over the bus network under this option. These were assumed to take place in addition to the changes included in the EP+ option. It is acknowledged (paragraph 2.2.11) that further interventions may be possible under the EP+ and the Proposed Franchising Scheme, but these would be subject to funding and were therefore omitted from the appraisal of the bus reform options.

- 5.2.12.** These interventions, while they may appear to be relatively modest, are in line with what is deliverable under the assumptions made in the Economic Case (see above). To have included more ambitious enhancements to the bus service may have increased the benefits of the bus reform options but might have undermined the assumptions about future funding. The enhancements outlined should therefore be seen as a relatively conservative assumption about what is possible under the bus reform options.
- 5.2.13.** First West Yorkshire commented that the assessment did not mention additional concessionary schemes and assumed these were not included in the assessment. Future concessionary fare schemes are possible under the Reference Case, the EP+ option, and the Proposed Franchising Scheme. Additional schemes such as those targeted at those on low incomes, have not been modelled and appraised as part of the Economic Case as these are neither committed nor included in the definition of either reform option for the purposes of the Assessment. This does not mean that the Combined Authority will not seek to implement additional concessionary schemes in the future, regardless of which bus reform option is taken forwards. In the context of the relative benefits of the two bus reform options, this is a prudent approach in terms of the benefits of the Franchising option, which would somewhat reduce the administrative burden of managing concessionary schemes, potentially making them easier to implement and deliver.

The Combined Authority's response

- 5.2.14.** In the preparation of an Economic Case, assumptions about the future have to be made. None of the assumptions used are felt to be unreasonable and for areas where there is uncertainty, sensitivity tests have been used (and the results shown in the Consultation Document). None of the results of these sensitivity tests affect the conclusions of the Economic Case.

5.3. Theme 2: margins used in the Economic Case

- 5.3.1.** This theme refers to the margin enjoyed by operators, that is, crudely, the difference between operating costs and farebox revenue. As part of the Economic Case the likely variation in operator margins between the Reference Case and the two bus reform options was considered. An assumption was made that the profit margin required for services on which the Combined Authority takes the revenue risk would be lower than the margin which operators take where they retain the revenue risk, that is the commercial services in the EP Reference Case and the EP+. This reduction in operator margin means that a greater level of funding is available for bus services under the Franchising option. See Section 2.2 of the Economic Case for a discussion of this assumption.
- 5.3.2.** A number of operators, including Arriva and Transdev, felt that the Economic Case was overoptimistic about the margins enjoyed by the operators and were sceptical about the opportunity to fund more bus services under Franchising because margins were assumed to be lower on franchised services. Transdev felt that the margin reduction under the Proposed Franchising Scheme compared to the EP+ was "*far from obvious*".
- 5.3.3.** The issue of margins was also raised by First West Yorkshire as part of their response, who with reference to the Oxera Report accompanying their submission state that the modelling undertaken "*Over-estimates margins for commercial services in WY*". This issue is therefore covered in Appendix 5 which gives the full response given to First West Yorkshire. This gives details of the margin calculations carried out as part of the assessment and also provides comments on a sensitivity test that was included within the Assessment which represented the impact of a reduced margin advantage than was included in the Central Case. Under the Higher Margin test, the NPV of the Proposed Franchising Scheme remains strongly positive.

- 5.3.4.** It is important to recognise that current margins enjoyed by operators may not be reflective of the long-term position, especially given the recent turmoil associated with Covid. It might be expected that commercial operators will be looking to rebuild margins as patronage recovers, which is reflected for example in First Group's published medium-term 10% operating margin target for First Bus¹, and that therefore an assumption of operator margins which are larger than recently enjoyed is justified when making a long-term assessment.
- 5.3.5.** Note that the network and level of service delivered under the Proposed Franchising Scheme is not fixed and the forecast reductions in demand and limits to future funding lead to cuts in the network under this bus reform option as well as under the EP+ option and the Enhanced Partnership Reference Case.

The Combined Authority's response

- 5.3.6.** In response to the comments from bus operators about the margins used in the economic case of the assessment, the Combined Authority is confident that these have not been overstated.
- 5.3.7.** The base year margin for commercial services set out in the Assessment⁷ of between 12% and 13% was not an assumption, but was derived from data provided by operators in response to the Franchising Scheme data request sent by the West Yorkshire Combined Authority in June 2022. This number was derived by bringing together bus passenger revenue and operating costs at a service level (separate data was provided for each) for those routes which are operated commercially, with operators taking revenue risk on these services. Care was taken in bringing these separate data sets together, with adjustments needing to be made to ensure consistency and comparability in the data (for example where cost and revenue data reflected different time periods, there being some situations where a service did not operate for the entire year).
- 5.3.8.** Public sector funding for bus services (BSOG, ENCTS, supported services payments and CBSSG) were also considered, given that the base year data represented a year when Covid-19 impacts were still evident, DfT was paying recovery grant, and other funding was being or had been maintained at pre-Covid levels (when e.g. more services were run and more ENCTS trips made).
- 5.3.9.** Consistency checks were made across services and Franchise Zones, to identify services where the margin calculated was outside the usual range, whether high or low. Comparisons were made with depot level accounts data, where this was available. For these services, or groups of services, additional checks were made and adjustments or corrections were made, to ensure that revenue and cost data were compatible (on an annual basis).
- 5.3.10.** A further comparison was made between the base year margin and the forecast year 2 margin, which included a representation of revenue recovery (from 70% to 80% of pre-Covid-19 demand based on DfT/local aggregate demand data, as described in the Assessment⁸, and the withdrawal of specific Covid-19 Support (CBSSG) funding. As explained to First West Yorkshire and its advisors, Oxera⁹, the net result of these changes was a small (less than 1%) increase in the margin returned. This was taken as evidence of reasonableness of the balance in changes in passenger revenue/public sector support made.
- 5.3.11.** The data was taken to represent operations at a depot level; that the level of margin reported within statutory accounts is lower than this is expected, with this including the impact of additional group charges/overheads and accounting treatments.
- 5.3.12.** This response replicates also the response specifically to First West Yorkshire as covered in Appendix 5, which further goes on to respond to the margin analysis performed by Oxera.
- 5.3.13.** The change in operator margins is a key assumption in the modelling and forecasting of the Franchising option. As can be seen in the preceding paragraphs, the calculation of current operator margins is based on data provided by operators. The assumption of lower margins associated with Franchised services is justified on the basis of the lower level of risk that operators enjoy in delivering these services. Additional sensitivity tests have been used to explore different assumptions about operator margin, and none of the results of these sensitivity tests affect the conclusions of the Economic Case.

¹ https://www.firstgroupplc.com/~/_/media/Files/F/Firstgroup-Plc/indexed-pdfs/2023-ARA/04-firstgroup-annual-report-2023-business-review.pdf

5.4. Theme 3: risk in the Economic Case

- 5.4.1. The issue of risk associated with the Franchising option for bus reform was mentioned by a large number of respondents. There is a clear link to the issue of risk raised in the comments about other Cases in the assessment (see for instance the Financial Case and the Management Case).
- 5.4.2. A number of different possible risks were identified and comments made concerning them. These included:
- The transfer of revenue risk from operators to the Combined Authority under Franchising and the comment that therefore the EP+ is lower risk for the Combined Authority
 - The benefits operators experience through risk transfer
 - The risks associated with the acquisition of depots and fleet under the Proposed Franchising Scheme
 - The risk associated with the delivery of services which is partly transferred to the Combined Authority from operators under Franchising
 - The linked political and reputational risk to the Combined Authority under Franchising
- 5.4.3. The issue of risk management was raised by First West Yorkshire in their response and detailed within their response (see Appendix 4). In addition, the specific points made on risks by First West Yorkshire include:
- Flexibility of asset demobilisation
 - Risk reserve
 - Risk assessment based on pessimistic forecasts
 - Risk analysis timing

In response to these concerns and other comments from other stakeholders, the theme of 'Managing Risk' has been considered under the response to the Management Case (see section 8.4), which considers all the risks associated with the Proposed Franchising Scheme and how these have been addressed in the assessment, including the use of scenario and sensitivity analyses. It also expands on the Combined Authority's general corporate approach to risk management, which was set initially set out in Section 6 of the Assessment's Management Case, 'Risk'.

Transfer of revenue risk

- 5.4.4. Most of the comments about risk were general in nature, for example comments from CPT, Transdev, Bus Users UK, Globe and Station Coaches, J&B Travel, and taken to refer, at least in part, to the transfer of revenue risk from operators to the Combined Authority under the Proposed Franchising Scheme. It was suggested by J&B Travel that the risk remained with operators under the EP+. Other comments, for instance from Bus Users UK and Ross Travel Group, refer specifically to the transfer of revenue risk.
- 5.4.5. While it is clear that, under the transition to the Proposed Franchising Scheme, the Combined Authority takes on the revenue risk for services that were formerly operated on a commercial basis, it is also clear that under the EP Reference case and the EP+ option, operators have a choice about whether to offer a commercial service at all. That is, operators can manage their exposure to revenue risk by choosing to terminate a commercial service, at which point the Combined Authority has to make a decision about whether to continue that service by supporting it. In this sense the situation in the EP Reference Case and the EP+ is similar to the Proposed Franchising Scheme – difficult decisions will have to be made if revenue declines and, ultimately, the Combined Authority will have to make a decision about whether to support a service or not.
- 5.4.6. The assumptions made in the Economic Case lead to a decline in patronage which suggests that virtually all services will be supported by the mid-2040s in both the EP Reference Case and in the EP+ option. While a decline in patronage is not regarded as inevitable or welcome it does suggest that, in a situation where the historical decline in bus patronage continues, the risk associated with the Proposed Franchising Scheme is little different from that in the EP Reference case and the EP+, at least beyond the mid-2040s (about halfway through the appraisal period).
- 5.4.7. The point was also made by Better Buses for West Yorkshire that in a situation where services are seen as *"too essential to fail"*, then the public sector is likely to have to step in and support services in some way. This is the case when there is an external 'shock' to bus patronage, such as when the Covid-19 pandemic caused a significant downturn in patronage.
- 5.4.8. Therefore, at least as far as revenue risk is concerned, it is not clear that the EP+ provides less risk to the Combined Authority than the Proposed Franchising Scheme. A couple of respondents,

Transdev and Bus Users UK, mentioned that the Proposed Franchising Scheme could be seen as providing more stability for operators in that they will be entering into long term contracts to deliver bus services which might be beneficial to them in terms of long-term financial planning. The Peak District National Park suggested that they felt that there might be more certainty of passenger benefit under the Franchising option.

Risks associated with the acquisition of fleet and depots

- 5.4.9.** These risks were mentioned by a number of respondents including CPT and J&B Travel, whilst First West Yorkshire specifically mentioned the potential impact of large operators' refusal to sell their depot and fleet assets. These risks are also discussed within the Commercial Case section of this report.
- 5.4.10.** The assessment is underpinned by a robust approach to risk management, backed up by a risk register which sets out the key risks associated with each bus reform option. There are risks associated with the acquisition of depots and fleet and these will be managed through this process.
- 5.4.11.** The risk of large operators refusing to sell their assets has been considered in the development of the Fleet Strategy and Depot Position Paper. Approach 1.2 in the Depot Position Paper describes a possible approach that involves the Combined Authority acquiring a suitable site and developing a new depot as an alternative to acquiring/leasing existing depots from operators. Appendix 3.1 to the Assessment (the Fleet Strategy) describes three different approaches to acquiring fleet: purchased from the manufacturer; leased from the manufacturer; and leased from an intermediary. The Fleet Strategy confirms that the specific acquisition approach that would be used should Franchising be taken forward would be selected on the basis of which option is the most efficient and would take into account market dynamics. For fleet and depots, the transition period to Franchising that has been specified, allows sufficient time to engage early in the process with incumbent operators and, if required, time to go to the open market. The Combined Authority acknowledges the risk of vehicle availability on the open market and if required, franchise contract design could require additional vehicles to be provided by operators, especially in the first contracts to be let under the Franchising option.
- 5.4.12.** Stagecoach mentioned the assumption about the continuation of ZEBRA funding, this (or something similar) is assumed under the Reference Case and both the bus reform options. This assumption was also raised by a number of consultee and is discussed in detail in this report within the Financial Case section 7.3.

Delivery, reputational and political risk

- 5.4.13.** The risks involved in becoming publicly responsible for delivering bus services and the political and reputational risks associated with this were mentioned by a number of respondents such as Bus Users UK and Peak District National Park Authority. This risk is acknowledged and it is recognised that a high profile franchised bus service is a very public commitment to the long term future of bus as a mode of public transport. The decision to take on this specific reputational risk is a political decision, which needs to be considered by politicians in deciding whether to pursue the Franchising bus reform option.

Approach to operator risk

- 5.4.14.** First West Yorkshire queried "*how factors outside of the control of the operators will be managed within the Scheme*" and noted that a comprehensive change mechanism would be required to ensure certain risks don't fall to operators (such as in the case of infrastructure projects impacting punctuality).
- 5.4.15.** As stated above, the Combined Authority's general approach to risk management is considered as part of the of 'Managing Risk' under the response to the Management Case (see section 8.4 of this report).
- 5.4.16.** Furthermore, the Combined Authority acknowledges that a comprehensive change and variation mechanism would be required should the Proposed Franchising Scheme be taken forward, and so the feedback of this concern on consideration of risk allocation is welcome and would be considered as part of that development. This requirement is not unique to the potential West Yorkshire bus franchising option and is inherent across all service contracts of this nature. It is intended that specific change mechanisms would be developed in detail during contract design

and explored further in market engagement should the decision be taken to pursue the Proposed Franchising Scheme and is discussed within the Commercial Case section of this report.

- 5.4.17. The Combined Authority's general approach to risk management is considered as part of the of 'Managing Risk' theme under the response to the Management Case (see section 8.5).

The Combined Authority's response

- 5.4.18. It is acknowledged that there are a number of risks associated with the bus reform options outlined in the Consultation Document. The true magnitude of transfer of revenue risk associated with the Franchising option is likely to be less than it first appears. There are risks associated with the acquisition of depots and the bus fleet and these are being managed through the established risk management process and measures to mitigate the risks have been outlined. To manage the risk of contract variation, change mechanisms would be developed during contract design. Appropriate measures to manage the risks around delivery and the reputational and political risks associated with the Franchising option are acknowledged and consideration of these is an important part of the decision about bus reform.

5.5. Theme 4: fares and ticketing simplification benefits

- 5.5.1. A number of respondents were concerned about the magnitude of the benefits of fares and ticketing improvements assumed under the EP+ option and the Proposed Franchising Scheme. This is covered in Section 4.2 of the Economic Case of the Assessment. Paragraphs 4.2.32 to 4.2.35 deal specifically with the benefits assumed for the fares and ticketing interventions in the bus reform options.
- 5.5.2. This issue was raised in First West Yorkshire's response. In response to these concerns, the Combined Authority have provided additional information in Appendix 5, which discusses the way that fares and ticketing simplification benefits under the EP+ option and the Proposed Franchising Scheme were assessed in the Economic Case. A number of extra sensitivity tests were carried out to explore this area of uncertainty and the results of these tests are included in Appendix 5.
- 5.5.3. Three respondents made similar observations about the sensitivity test that was run at the request of the assessment's independent auditor (Grant Thornton); these were Globe and Station Coaches, Ross Travel Group, and Dales and Bowland CIC. This is described in the Independent Auditor's Observations document where it is says that "*The results of a sensitivity test to halve the uplift in demand resulting from fares simplification broadly halves the NPV surplus of Franchising over the EP+ option but does not by itself alter the conclusion of preference for Franchising*". A detailed discussion of this sensitivity test and further sensitivity tests to explore the relationship between NPV and the assumptions about the benefits of fares and ticketing simplification is in Appendix 5.
- 5.5.4. Another comment received from First West Yorkshire was that these benefits should already be in the EP Reference Case as there is already significant fares simplification associated with the ongoing 'Mayor's Fares' initiative. This reflects discussion within the Strategic Case section of this report (see section 4.8).
- 5.5.5. It is correct to say that the existing EP includes some ticketing simplification and fare capping that will deliver benefits to passengers. This is described in full in paragraph 3.4.16 of the Commercial Case of the Assessment. However, the fares and ticketing interventions described in paragraph 4.2.32 to 4.2.35 in the Economic Case are additional to those already included in the EP Reference Case and would deliver additional passenger benefits. It is appropriate to include them in the modelling and appraisal of both reform options, and to distinguish between those options.
- 5.5.6. TUC made the point that there might be significant and additional benefits associated with consistent pricing and integrated ticketing in the sense that these would give passengers more confidence in the bus network. It is possible that these might be seen as included in the benefits calculated, but there may be additional benefits associated with less tangible effects. It is therefore possible that fully integrated ticketing delivered through a single sales channel could give more benefit than included in the Economic Case under the Proposed Franchising Scheme.

The Combined Authority's response

- 5.5.7. The simplified fares and ticketing proposals under the EP+ go beyond what is currently deliverable under the EP Reference Case and under the Proposed Franchising Scheme they go beyond what is possible under the EP+ (see paragraph 4.2.34 and 4.2.35 of the Economic Case).
- 5.5.8. The Economic Case includes a benefit for fares and ticketing simplification in both the EP+ and the Proposed Franchising Scheme. It is difficult to estimate this benefit exactly, but sensitivity tests suggest that varying the demand response associated with this benefit does not alter the relative position of the two bus reform options in terms of NPV or the overall conclusion of the Economic Case.

5.6. Theme 5: missing benefits

- 5.6.1. There were a number of comments that there could be additional benefits associated with the Proposed Franchising Scheme and that the assessment is too pessimistic. Some of these benefits were associated with improvements to public trust and confidence in the bus system and the development of an integrated network. The way these possible benefits were described suggests they would be difficult to quantify and include in the assessment.
- 5.6.2. A number of respondents such as Campaign for Better Transport and TUC commented that a well implemented franchising scheme could deliver a more integrated bus system which, together with public accountability, could lead to greater levels of passenger confidence. In the comment from TUC it was suggested this should lead to additional benefits which might be currently difficult to quantify. The TUC also commented that the Proposed Franchising Scheme could also involve opportunities for greener and more sustainable delivery and procurement. These issues reflect comments received on the Strategic Case and the benefits to the network and environmental sustainability are discussed in sections 4.9 and 4.7 above respectively.
- 5.6.3. In addition, a few respondents, including TUC, Better Buses for West Yorkshire and Wakefield and District Trades Union Council, noted that there could be wider economic benefits from possible increased ridership on a franchised network.
- 5.6.4. An important part of the Assessment is to only include benefits/impacts over which a reasonable level of certainty can be assumed and which can be valued based on robust evidence. The Assessment adopts a suitably prudent approach on the benefits of both bus reform options to avoid the potential benefits being overstated. Separately to the quantitative assessment, a qualitative assessment of non-monetised impacts was carried out and the impact of these was considered in the VfM statement. Note that the VfM categories of both the EP+ and the Proposed Franchising Scheme were unchanged by the inclusion of non-monetised impacts (see Sections 7.5 and 12.5 of the Economic Case of the Assessment).
- 5.6.5. An estimate of the wider economic benefits of both bus reform options has been carried out and used to provide a 'PVB including WEI' (Present value benefits including wider economic impacts) measure (see Section 8.5 and the results in Table 16 of the Economic Case).
- 5.6.6. There was a comment about the justification for the non-monetised impact categorisations from First West Yorkshire which are discussed in Sections 7.5 and 12.5 of the Economic Case.
- 5.6.7. These assessments are considered to be a prudent representation of the potential impacts of the Proposed Franchising Scheme and the EP+. They suggest only modest benefits of the EP+ and Proposed Franchising Scheme over the EP Reference Case and an even smaller benefit of the Proposed Franchising Scheme over the EP+. Given this limited evidence of non-monetised advantage, the justification is considered proportionately robust.

The Combined Authority's response

- 5.6.8. There are non-monetised benefits associated with the EP+ and Proposed Franchising Scheme. These have been considered and included in the final assessment of VfM. There may be additional benefits that has not been possible to include fully in the assessment which suggests that the Economic Case represents a conservative assessment of the bus reform options.

5.7. Theme 6: other impacts on operators, passengers and the Combined Authority

- 5.7.1. There were a number of comments about the possible impact of bus reform on operators, passengers and the Combined Authority itself. These impacts are summarised in Section 4.2.2 of the Consultation Document and relate to questions 15 – 20 in the long questionnaire.

Operators

- 5.7.2. There were a number of concerns, for example from Arriva and CPT, about the effects on operators as businesses and that business may be taken away from operators. It was felt by First West Yorkshire that more bus operators were likely to retain their businesses under the EP+ than the Proposed Franchising Scheme. Conversely, it was pointed out by Leeds City Council that the impacts of the EP+ option on operators was uncertain with Better Buses for West Yorkshire concerned that operators might continue to enjoy “bigger than average” profits under this option. Operators, including Arriva, generally expressed a preference for the EP+, the justification given for this was usually the lower levels of risk associated with the EP+ when compared with the Proposed Franchising Scheme – see the Risk theme above in section 5.4 of this report. Bus Users UK pointed out the possibilities for route reorganisation under the EP+ option but also mentioned the increased control and alignment with policy objectives possible under the Franchising option.
- 5.7.3. There were particular concerns raised by First West Yorkshire and Connexions about the future of some businesses under the Proposed Franchising Scheme, compared to the EP+, and a comment from Squarepeg was made that the EP+ was what large operators want.
- 5.7.4. It is acknowledged that there is a risk around SMO business retention, but also it is also true that this risk exists under a deregulated system, such as the EP Reference Case, and would exist under the EP+. The approach proposed under the Proposed Franchising Scheme has some potential advantages in mitigating this risk, including specific provisions, such as having smaller (B and C) with a less onerous bidding process being proposed for smaller contracts (B and C lots) that may suit SMOs. Impacts on SMOs are also covered under the Commercial Case section 6.7 of this report.
- 5.7.5. In the Consultation Document it is asserted that the Proposed Franchising Scheme will remove barriers to the market (see Section 4.2.2) but this was questioned by First West Yorkshire, together with a concern about a lack of clarity about handover arrangements for fleet and depot.
- 5.7.6. This part of the Consultation Document refers to “*better competition across operators*” and by this the Combined Authority means that as part of the move from existing on-road competition to franchised contracts it expects a higher number of operators to be competing to operate services. The barriers to the market referred to in this part of the Consultation Document are those discussed in section 5.6 of the Commercial Case. The primary barriers are access to the fleet of buses and depots required to enter the West Yorkshire market. Feedback from operators during Market Engagement identified both fleet and depots as clear barriers to entry for operators seeking to relocate to the Region. Further details on these interventions are as set out in the fleet and depot strategies and are discussed within Section 6.5 of this report.
- 5.7.7. The mechanism by which handover of assets would take place will be defined in detail at a future stage, if the Proposed Franchising Scheme is taken forward and is covered within section 6.5 of this report. It is noted that the precise mechanism for handover of assets will need to be determined by reference to the agreement reached with incumbent operators on specific assets. The potential for the Combined Authority to take over fleets and depots and/or to bring in new depots and fleets will allow the Combined Authority to mitigate this risk for incoming operators. Following engagement with incumbents to determine what assets they were willing to transfer, the Combined Authority will include a full handover mechanism in its franchise, taking into account risks that may arise from handover and how they can be managed effectively. That the Combined Authority would own fleets and depots that would help to reduce the level of risk to operators.
- 5.7.8. First West Yorkshire also expressed a concern that existing expertise and relationships built up under the current arrangements would be lost under the Proposed Franchising Scheme. This is responded to under the Management Case section of this report.

- 5.7.9.** There was also a comment from Calderdale Council that the Proposed Franchising Scheme may benefit operators with a transfer of risk associated with the running of commercial services under the Reference case and the EP+ option and more stability under the Franchising option.

Passengers

- 5.7.10.** Some respondents, for instance Bus Users UK, felt that the impacts of the Proposed Franchising Scheme may be positive for passengers in terms of frequency and connectivity, though Leeds City Council felt this may depend on wider network redesign. There was also a concern about the effects on passengers of the assumed reductions in the network (see 'Assumptions used in the Economic Case' above). A couple of respondents, TLC and J&B Travel, felt that both bus reform options would have a similar impact on passengers.
- 5.7.11.** Passengers are likely to see changes under the Proposed Franchising Scheme and these are discussed in the Consultation Document and comments about them are discussed under the other themes in this section. Some of these changes are likely to be less tangible and therefore difficult to represent in an economic assessment. Note that the assessment did include consideration of non-monetised impacts and this is discussed under 'Missing benefits' above.

Combined Authority

- 5.7.12.** First West Yorkshire suggested that the assessment did not include enough information about the impact on the Combined Authority.
- 5.7.13.** Section 11.2 of the Economic Case covers the requirement in the DfT's 2017 Franchising Scheme Guidance ("*the authority's assessment should clearly explain the impacts of the options on...the authority.*"), with specific commentary given on the impacts on Combined Authority. Table 22 of the Economic Case presents the impact on public accounts of both reform options, with the impacts on the Combined Authority specifically reported separately.
- 5.7.14.** Calderdale Council felt that while the EP+ option gave the Combined Authority greater coordination powers than at the moment, it would "not grow the network in the longer term as much as franchising" and the Peak District National Park Authority felt that the Franchising option would give the Combined Authority "greater certainty of service levels".

The Combined Authority's response

- 5.7.15.** A wide range of different impacts on operators, passengers and the Combined Authority were raised and most of these are covered under other themes in this section. It is recognised that Operators are obviously concerned about the impact of the bus reform proposals on them but none of these were felt to be sufficiently serious to significantly undermine the findings of the Economic Case.

5.8. Theme 7: other comments

- 5.8.1.** A number of additional comments were also raised in relation to the economic case, or questions in the questionnaire which responded to the economic case, which it was not easy to categorise in the other themes.
- 5.8.2.** A number of respondents, for instance Campaign for Better Transport, Globe and Station Coaches, Ross Travel Group and Dales and Bowland CIC, noted that the EP+ actually had a higher benefit to cost ratio (BCR) than the Proposed Franchising Scheme (see Table 6 and Section 4.2.7 of the Consultation Document). It was also commented by Arriva that the EP+ would be quicker to implement and therefore would give benefits to passengers more quickly. Leeds City Council felt that positive relationships with operators existed at the moment and this could be replicated under the EP+ option. Some of these comments are also discussed in the Strategic Case and Commercial Case sections of this report in terms of the delivery of different options and ease of deliverability (sections 4.4 and 6.2).
- 5.8.3.** On the comments raised about the BCR, while the EP+ option has a higher BCR, both bus reform options were felt to represent 'very high' VfM. It is made clear in the Economic Case (see paragraph 1.1.5) that there is no specific threshold requirement or test that the assessment has to pass. The conclusion of the Economic Case is simply that 'both bus reform options were forecast to generate economic benefits considerably and robustly higher than the costs required to

implement each option.’ (Consultation Document Section 4.2.7). In the Economic Case (para 12.1.2) it is suggested that, because of transfer of costs and revenues between the private and public sector, BCR might be a less useful metric of the economic performance of the bus reform options and for this reason the assessment places greater emphasis on NPV.

- 5.8.4.** On the point raised by Arriva on realising EP+ quicker, it is acknowledged that the EP+ option would be quicker to implement and the earlier delivery of benefits with this option are taken into account in the Economic Case.
- 5.8.5.** The Peak District National Park Authority expressed the view that the current system ‘isn’t working’ which could be taken as support for bus reform in general and the view that the way buses are run now needs to change (see Consultation Document Section 1.1.4). There was also general support for the Franchising option, often around the prospects for a more stable, managed bus network and possible increases in services. Views along these lines were expressed by Lancashire County Council, Bradford Metropolitan District Council, Leeds City Council, Bus Users UK, Campaign for Better Transport, Better Buses for West Yorkshire and the Peak District National Park Authority, amongst others.
- 5.8.6.** TfGM made the point that the Proposed Franchising Scheme was an improvement on the piecemeal support of non-commercial services, comparing the decision to that faced by Greater Manchester. The Peak District National Park Authority hoped that the Combined Authority would be able to generate similar benefits to other places where a franchised bus network is operated. These are also discussed within the Strategic Case response in this report (section 4.9).
- 5.8.7.** First West Yorkshire made a comment about the incentives to improve services and it is correct to say that under the EP+ operators are directly incentivised to grow passenger revenues on its commercial services. This issue was also raised in responses to the Strategic Case, section 4.4 of this report, which expressed concern that the change in model would see no incentive for innovation.
- 5.8.8.** Conversely, there was a comment from Bradford Metropolitan District Council that the benefits of the EP+ option depend on the agreement reached with operators. It is acknowledged that the EP+ option and its benefits do involve a degree of uncertainty as it still involves the operation of commercial services and future negotiations with operators.
- 5.8.9.** There was also a comment from First West Yorkshire about the powers over the Key Route Network. Key Route Network powers are included within both the EP+ and Proposed Franchising Scheme (as detailed in the Strategic Case paragraph 9.5.4). Similar powers over the Key Route Network and bus priority are therefore assumed in both the EP+ option and the Proposed Franchising Scheme. Note that these powers are recognised as being subject to further decisions and collaboration with West Yorkshire Local Authorities.
- 5.8.10.** First West Yorkshire also noticed that the Consultation Document does not ask about the VfM of the EP+ option. The Combined Authority note that VfM of the Proposed Franchising Scheme is a specific requirement of the legislation (see section 123B(3)(e)) for inclusion in the assessment. The assessment (see paragraph 12.2.4 of the Economic Case) is clear that both the Proposed Franchising Scheme and the EP+ represent ‘very high’ value for money and that therefore both options are justified.
- 5.8.11.** First West Yorkshire also questioned the setup and operational costs of the Proposed Franchising Scheme and their impacts on VfM. The implementation and ongoing management costs of both reform options are included in the economic appraisal of both options, and hence are part of the VfM conclusions of the Economic Case. The ‘Operating Costs’ row of Table 22 in the Economic Case shows these costs in 2010 present value prices. The ongoing capital expenditure of the Franchising option is also included in the economic appraisal of both options and can also be found in Table 22 of the Economic Case.
- 5.8.12.** First suggested that wider policy options should be taken into account and these might affect the future forecasts which are used in the appraisal. Note that only committed policy interventions can be included in the modelling and appraisal of options. New policy interventions of a significant scale would require specific modelling and Business Cases that are not within the scope of the Bus Reform Assessment. There are potential benefits of policy interventions to encourage use of the bus associated with the Proposed Franchising Scheme compared to both the EP Reference Case and the EP+ option as the Combined Authority would be the beneficiary of any growth in bus patronage and revenue, with this growth being directly re-investable in the network through franchised services.

- 5.8.13.** Arriva and Transdev questioned the cost assumptions associated with the Proposed Franchising Scheme, particularly around driver costs. A few operators, Globe and Station Coaches, and Ross Travel Group, commented more generally on the substantial public sector costs.
- 5.8.14.** The costs of running the bus network are reasonably well understood and the costs in the Assessment are based on historic data. There is a degree of uncertainty around the costs associated with the transition to a franchised network, but these costs are modest compared to the overall costs of operating the system. The costs associated with the transition are described in the Management and Financial Cases and these costs are included in the Economic Case (see Sections 5.5 and 11.2 and Table 22 in the Assessment).
- 5.8.15.** Arriva and CPT made a similar comment about contract indexing appropriately reflecting the inflation experienced in industry costs. This is dealt with in the Commercial Case where paragraph 5.3.17 says that franchise payments will be subject to indexation. Note that the details of the contracting arrangements are subject to further development.
- 5.8.16.** A number of respondents such as Transport Focus and Bus Users UK were non-committal, could not reach a clear decision or were undecided between the options.
- 5.8.17.** There were a few comments which included interesting information which was not completely relevant to the assessment and there were others where it was unclear what point was being made or they seemed to suggest a misunderstanding of the Assessment. Some responses from Leeds City Council, TLC, Bus Users UK, Peak District National Park Authority and Ross Travel Group fell into this category.
- 5.8.18.** Both TLC and Leeds City Council made comments in relation to infrastructure or specifically bus priority measures in response to questions on the economic case. TLC noted that infrastructure improvements result in service disruption and this will be same under franchising and that costs will increase if additional resources are required. Leeds City Council commented that they have a pipeline of further improvements that they are ready to deliver as funding becomes available. These comments relate to discussions in section 4.5 of the strategic case chapter on bus priority, but the Combined Authority can confirm that the Assessment does not propose additional bus priority schemes or costs beyond those already committed, and that this investment is considered neutral across all reform options.
- 5.8.19.** Bus Users UK made a comment that *“The Economic Case emphasises that the economic benefits of both options are robustly higher than the costs involved, although this is not evidenced clearly.”* The Combined Authority disagrees with this point and would point to the outcomes of the independent audit of the Assessment which concluded that the analysis of information in the Assessment is of sufficient quality.
- 5.8.20.** Peak District National Park Authority raised two points linked to the cost of delivering bus reform. Firstly that the general trend is for the Combined Authority to need to increase spend to maintain service levels, whether or not franchising is introduced. The second that there would not be significant financial returns on spend to reinvest elsewhere in the network. On the first point the Combined Authority would agree, and would point to the results in section 6.5 of the Economic Case with regard to the cost of bus reform to the Combined Authority under the different options. On the second on significant financial returns, this is also shown in the decreased levels of services over time under all reform options, but it is worth highlighting that the franchising option would deliver the higher levels of benefits and, the greater number of passenger journeys.
- 5.8.21.** Ross Travel Group also note that *“It is unclear as to why the assumed decline in commerciality of the network over time would not also apply to the franchised network option, leading to service reductions or increased costs to WYCA.”* In response to this it is detailed in the Assessment that service reductions and increasing costs to provide services are part of the forecasted results of the franchising option, driven also by the long term trend of decreasing demand. However in moving from a de-regulated to a regulated market there would be changes in the commercial operation of the network, changing some of the perspectives of commerciality, such as the risk allocation, which has impacts on factors such as the margin required by operators, as discussed in section 5.3.
- 5.8.22.** Connexions response raised concerns that they didn’t believe the figures stated *“I believe that these figures have been massaged to give the required answer”*. In response to this the Combined Authority would point out that the Assessment has been completed in line with the relevant DfT guidance and draw heavily from figures and data provided directly by Operators for the completion of the Assessment. The figures have also been the subject of a statutory independent audit process which did not raise any material concerns with the information relied on or the quality of the analysis.

The Combined Authority's response

- 5.8.23.** A range of different comments were raised and discussed under this theme, and have been responded to above. None of these were felt to be sufficiently serious to significantly undermine the findings of the Economic Case.

5.9. Economic Case Conclusion

- 5.9.1.** A wide range of different responses were received on the questions relating to the Economic Case of the Assessment. Most of these fell into six main themes:

- Assumptions used in the Economic Case
- Margins used in the Economic Case
- Risk in the Economic Case
- Fares and ticketing simplification benefits
- Missing benefits
- Other impacts on operators, passengers and the CA

- 5.9.2.** There were also a few other comments which could not easily be included under the above themes. The following subsections summarise the conclusions under the six themes and for the other comments.

Assumptions used in the Economic Case

- 5.9.3.** In order to prepare the Economic Case for bus reform a number of assumptions had to be made. The main areas of concern raised by respondents were around:

- The assumption that in the Reference Case, patronage would only recover to 80% of its pre-Covid level
- The continued decline in bus patronage
- The use of a 40-year period over which to assess the options (the appraisal period)
- The comparatively modest improvements to service frequencies and new routes proposed as part of the EP+ and Franchising options.

- 5.9.4.** The assumed recovery of bus patronage post Covid was based on recent data from West Yorkshire and was felt to represent a reasonably conservative estimate of demand recovery. This assumption was tested in the Assessment using scenarios which looked at demand recovery both lower and higher than the 80% assumed. A positive NPV for both reform options was evident under both scenarios.

- 5.9.5.** The continued decline in bus patronage shown under the Reference Case and both of the bus reform options is the modelled result of a number of exogenous factors, the assumption made about Covid recovery together with the modelled effect of funding constraints and how these might feed through into bus provision. All of these assumptions are felt to represent prudent assumptions and have been made for the purposes of appraisal. They should not be taken to represent the Combined Authority's aspirations for the future of the bus service in West Yorkshire.

- 5.9.6.** A 40-year appraisal period was used for the Assessment. There is obviously uncertainty about the future, but the appraisal period chosen is shorter than that used for the appraisal of traditional highway interventions (60 years). 40 years was felt to be an appropriate appraisal period given the longevity of some of the physical assets associated with the bus reform options (for instance zero emission buses and charging infrastructure).

5.9.7. The service changes associated with the bus reform options are specified in the Economic Case, they are felt to be achievable and affordable under the assumed budgetary constraints and represent a conservative assumption about what might be possible. This does not mean that additional service enhancements (and concessionary fare schemes) are not possible under the bus reform options.

5.9.8. The assumptions in the Economic Case are therefore felt to be reasonable and prudent.

Margins used in the Economic Case

5.9.9. A number of operator responses stated that the Economic Case was overoptimistic about the margins achieved by operators on current services, or that the Combined Authority had incorrectly calculated the margins used in the assessment. There were also comments sceptical about the opportunity to fund more bus services under Franchising because margins were assumed to be lower on franchised services.

5.9.10. In the Economic Case it is assumed that the profit margin required for services on which the Combined Authority takes the revenue risk is lower than the margin which operators take where they retain the revenue risk. This means that a greater level of funding is available for bus services under the Franchising option. This assumption is justified on the basis that the operators have a lower level of risk operators face in delivering these services. Sensitivity tests have been used to explore uncertainty in this area, but none of these tests suggest that changes should be made to the conclusions of the Economic Case.

5.9.11. This issue was raised in First West Yorkshire's response and additional information is provided in Appendix 5.

Risk in the Economic Case

5.9.12. There are a number of risks associated with both of the bus reform options and these are also discussed in the Financial and Management Cases. These risks include the transfer of revenue risk, risks around the acquisition of depots and fleet in the Franchising option. In general, risks will be managed through the established risk management process and appropriate measures used to mitigate risks. There are acknowledged reputational and political risks associated with the Franchising option and taking these into account will be an important part of the decision making about bus reform.

5.9.13. This issue was raised in First West Yorkshire's response and additional information is provided in Appendix 5.

Fares and ticketing simplification benefits

5.9.14. A number of respondents were concerned about the magnitude of the benefits of fares and ticketing improvements assumed under the EP+ option and the Proposed Franchising Scheme. Some comments were made in suggestion that benefits were already achieved in the reference case because of existing interventions that have been achieved.

5.9.15. The benefits of fares and ticketing simplification are included in both the EP+ and Franchising bus reform options. These fares and ticketing benefits are additional to those in the Reference Case and the Franchising option includes extra benefits because that option allows further improvements such as the introduction of a single sales channel or app. These benefits are difficult to estimate exactly, but sensitivity tests were carried out to explore uncertainty and the results did not make a significant impact on the results of the Economic Case or the overall conclusion.

5.9.16. This issue was raised in First West Yorkshire's response and additional information is provided in Appendix 5.

Missing benefits

5.9.17. Some respondents suggested there might be other additional benefits particularly associated with the Franchising option such as better integration of the bus system and public confidence. Some comments also suggested there could be wider economic benefits from possible increased ridership on a franchised network.

5.9.18. There are benefits of both the EP+ and Franchising options which it is difficult to quantify and these were qualitatively assessed and included in the final assessment of 'adjusted VFM' as 'non-monetised impacts'. Some respondents suggested there might be other additional benefits associated with the Franchising option such as better integration of the bus system and public

confidence. These benefits were not included which suggests that the Economic Case might represent a conservative assessment.

Other impacts on operators, passengers and the Combined Authority

5.9.19. A number of other impacts on operators, passengers and the Combined Authority were mentioned by respondents. Operators were obviously concerned about the impacts of the Franchising option on them and there was particular concern about the impacts on SMOs, though the franchising process has some potential advantages which may suit SMOs. Many of the impacts of the Proposed Franchising Scheme on passengers were felt to be beneficial. There are obvious implications for the Combined Authority and the impact on public accounts is included in the assessment.

Other comments

5.9.20. A wide range of other comments were made, ranging from concerns about how long it would take to implement the Franchising option (compared to the quicker benefits available under the EP+ option) to the continued likely piecemeal support for non-commercial services under Reference Case and the incentives operators have to improve services under the EP+ option. None of these concerns were felt to be sufficiently serious to significantly undermine the findings of the Economic Case.

Overall conclusion

5.9.21. A wide variety of different comments and concerns were raised in connection with the Economic Case of the Assessment. These were considered carefully under a number of different themes and some areas of uncertainty were investigated using additional sensitivity tests. After careful consideration, it is felt that none of the responses to the Consultation raise issues which significantly alter the findings of the Economic Case.

5.9.22. Some of the issues particularly raised in the consultation response by First West Yorkshire, but also by other bus operators, were considered in greater technical detail and the results are discussed in Appendix 5 of the Consultation Response Report.

5.9.23. The Combined Authority are confident that the findings of the Economic Case remain robust. Both bus reform options represent 'very high' VfM because they are forecast to generate benefits considerably higher than the costs required to implement them. The advantages of Franchising include the greater control the Combined Authority would have over the bus network under this option. However, both options are justified interventions and the decision between the two options should be based upon wider considerations set out in the other Cases of the Assessment.

6. Commercial Case

6.1. Introduction

- 6.1.1.** This chapter identifies and responds to key themes arising from the consultation with regards to the Commercial Case.
- 6.1.2.** The Commercial Case of the Assessment assesses the proposed commercial models of the bus reform options against the reference case of the existing enhanced partnership. It sets out the commercial objectives for bus reform (Commercial Success Factors) before discussing the commercial arrangements under each of the bus reform options. This includes a discussion of key contractual principles (size, scope, mechanism, phasing), how involvement of SMOs will be facilitated and how competition will be sought, transition period arrangements, discussion of cross-boundary services, risk allocation and implications, and outlining procurement arrangements and the wider procurement strategy. The Commercial Case also sets out the approach to assets required under the implementation of the Proposed Franchising Scheme including fleet and depots and the Combined Authority's approach to facilitating this.
- 6.1.3.** The questions that were included in relation to the Commercial Case of the Assessment are below, split between the short questionnaire and long questionnaire.
- 6.1.4.** One question was included in the short questionnaire focussed on the Commercial Case: Q4. The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this?
- 6.1.5.** 13 questions were included in the long questionnaire focussed on the Commercial Case:
- Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?
- Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?
- Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?
- Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?
- Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?
- Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?
- Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?
- Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?
- Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?
- Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?
- Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?
- Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?
- Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?
- 6.1.6.** There were several responses received in relation to employment, which are discussed within the Management Case due to alignment of responses and many responses querying specifics on resource. This question is:
- Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

- 6.1.7.** The discussion of the Commercial Case reflects the comments set out in the DJS Research “*Bus Reform Consultation*” report which is referred to throughout this section.
- 6.1.8.** The DJS Research report showed an overall positive response to:
- The length of franchise contracts suggested for the Proposed Franchising Scheme
 - A performance regime that rewards positive operator contributions
 - Lots should be suitable for all sizes of operators
 - A zero emission fleet is important in supporting the region’s 2038 net zero ambition
- 6.1.9.** The DJS Research report showed a mixed response to:
- Agreement that the Proposed Franchising Scheme better delivers the Commercial Success Factors (CSF) and whether they seek to focus on the correct outcomes of the Proposed Franchising Scheme, particularly around customer satisfaction, modal shift and patronage.
 - Cross-boundary services and the continuation of these services
 - TUPE and transfer
 - Duplication of resource between the Combined Authority and operators within the Proposed Franchising Scheme
 - Fleet numbers and costs of zero emission buses
 - Depot strategy and availability for new depot development
 - Resources issues in bidding for contracts, particularly impacting SMOs
 - Impacts of SMOs, including depot and fleet facilities
 - Skills and knowledge loss as a potential disbenefit of the Proposed Franchising Scheme
 - The allocation of risk and responsibilities
- 6.1.10.** Public responses to the Commercial Case showed that a quarter (159) of respondents expressed explicitly support for the Proposed Franchising Scheme, whilst 17 respondents explicitly stated they did not support it. The most common themes raised in the public responses were around bringing fleet into public ownership and control and the hope that the Proposed Franchising Scheme could improve bus services.
- 6.1.11.** Further detail on the points raised in the DJS Research report can be found at Appendix 3.
- 6.1.12.** The structure of this section takes into account the following themes identified through responses to the consultation:
- Theme 1: Evaluation of the Commercial Success Factors presented in the Assessment
 - Theme 2: franchise contracts, procurement and implementation and transition planning
 - Theme 3: consideration of cross-boundary services and the service permit regime
 - Theme 4: Asset strategy
 - Depot strategy
 - Fleet strategy
 - Theme 5: Impact on small and medium sized operators
 - Theme 6: Lotting Strategy
 - Theme 7: Risk allocation

6.2. Theme 1: evaluation of the Commercial Success Factors presented in the Assessment

- 6.2.1.** This theme acknowledges comments made about the CSFs and the Combined Authority’s analysis of how the bus reform options would perform against them.
- 6.2.2.** As well as general comments, the theme includes a number of sub-themes reflecting the individual CSFs, which are:
- Best value
 - Drivers of competition between operators
 - Ease of implementation of options
 - Transport Authority Influence
 - Appropriate risk allocation
- 6.2.3.** Generally, stakeholders suggested the CSFs identified within the assessment were correct, for example Calderdale Council suggested they “*appear to cover all the commercial success factors for franchising*”.

- 6.2.4. Others commented on how assessment against the CSFs should be weighed up against other factors within the Assessment, including suggesting that other factors were more important, for example Globe and Station Coaches suggested *“the Commercial Success Factors should be viewed as secondary to the primary objective of maximising deliverability of the Combined Authority’s Bus Service Improvement Plan by 2030”*.
- 6.2.5. Other comments received related to how CSFs aligned between the two bus reform options, such as Transdev who stated *“We believe that both would support the success factors, but that the statement ‘there is a risk with EP+ that the benefits can only be achieved by negotiation’ overstates the likelihood that operators will be diverging from the objectives set out. The EP+ is simply designed to achieve what franchising would but at lower cost. We therefore disagree that franchising enables the authority to better meet its factors”*.
- 6.2.6. The Leeds Conservative Group felt that as local bus operators have supported the development of the EP+ proposals, it gave confidence in the ability to deliver these plans, whilst acknowledging that operators have the experience to provide services that the Combined Authority currently lacks.
- 6.2.7. Other concerns were raised by Campaign for Better Transport, including the need for sufficient investment, high network demand and at least two strong commercial operators that would drive the success of the Proposed Franchising Scheme.
- 6.2.8. The public response to CSFs showed general support for the Proposed Franchising Scheme, with some disagreement with the EP+ model and how this would achieve the CSFs.

Appropriate risk allocation

- 6.2.9. This sub-theme reflects one of the CSFs within the Assessment. As risk is identified within a different theme of the report, it is discussed elsewhere in this section.

Best value

- 6.2.10. This theme acknowledges specific comments made with regards the assessment of how each bus reform option performs against the ‘best value’ CSF. Respondents expressed differences in opinion about which option offered best value.
- 6.2.11. With regards to the Proposed Franchising Scheme, TfGM suggested that, in line with evidence set out by the Combined Authority, they had spent increasing public money on the bus network to maintain services and fill gaps which led them to introduce a franchising scheme. Their response highlighted that this was *“an inefficient use of public sector funding and a sub-optimal way to plan an effective public transport system”*. Their decision to introduce a franchising scheme responded to the need to balance funding requirements and network need and their response highlighted that under their franchising scheme, they have increased opportunities to deliver a network that is based on customer needs and offers best value for money.
- 6.2.12. The Peak District National Park Authority raised a concern that the EP+ would benefit operators and would continue to concentrate on routes that offer the best commercial outcomes and therefore not offer best value to the Combined Authority. Similarly, Stagecoach suggested *“if delivered effectively, Franchising can ensure the desired balance between price and quality through the competitive bidding process.”*
- 6.2.13. Better Buses for West Yorkshire focused on the additional point that removing excess profit margins will deliver a better value option as will the dynamic reinvestment available through the Proposed Franchising Scheme.
- 6.2.14. Counter to this, several incumbent operators suggested that the EP+ presents the best value option with Connexions suggesting *“The EP+ remains the best value in my view, and certainly the quickest and most reactive one”*. Similarly, J&B Travel highlighted that best value could be achieved through the EP+, as the cost to the taxpayer is vastly reduced, when compared to that of the Proposed Franchising Scheme. Operators also suggested that under the EP+, operators have more incentive to improve as quality of service and performance directly relates to passenger revenue.
- 6.2.15. First West Yorkshire state that Best Value is subjective, questioning what the suitable combination of price and quality are within contracts and what the definition of quality is. They raised queries on how this would be scored and what quality aspects have more weighting. It was also questioned how this would be assessed under the EP+ approach.

- 6.2.16. The response from the public suggested some concerns regarding costs, such as investment, consideration of all financial aspects, the varying levels of funding between the two options and that public funds would be needed to pay for any mistakes.
- Driver of Competition between operators**
- 6.2.17. This theme acknowledges specific responses given with regards to the assessment of how each bus reform option performs against the 'competition' CSF. This includes differences in opinion about how competition would be impacted as well as more fundamental comments about the role of competition in a bus system.
- 6.2.18. Many responses were supportive of the need for competition which brings benefits to customers. Campaign for Better Transport noted the high number of operators within West Yorkshire, which creates opportunity for competition between operators, resulting in better services and better value for money. The public response, discussed in the DJS Research report, indicated support for allowing various sized operators to bid and reducing monopolies were positive outcomes of the Proposed Franchising Scheme.
- 6.2.19. Transdev, whilst agreeing with the logical nature of the CSFs raised a particular point on competition and suggested that periodic tendering exercises with a tightly specified contract, does not facilitate strong competition. They had concerns in the scope for operators to innovate which would affect competition within the procurement exercise. They also raised concerns that individual bidders have the potential to win all lots and the majority of lots within one procurement round having the impact of lessening competition.
- 6.2.20. In addition to the points on concerns raised by Transdev on a majority bidder winning the majority of lots, Go Ahead Group Ltd gave an additional suggestion of giving a maximum of 25% market share per operator allowing for a maximum number of Category A and B lots that an operator can be awarded.
- 6.2.21. A risk in relation to competition was raised by Arriva, highlighting that in Greater Manchester franchising was looking to increase competition, but due to costs of tendering and inclusion of "high-risk clauses" it has the potential to remove operators, particularly smaller ones, from the market. They also note that due to reductions in passenger numbers in West Yorkshire there remains few services which directly compete. Points raised around the number of operators in the market were supported by other operators, who noted concerns over the future on SMOs if unsuccessful in winning contracts under the Proposed Franchising Scheme, with exit of these operators' reducing competition in the market. Connexions noted concerns of replicating what happened in Manchester with the ultimate risk of having no operators left to compete.
- 6.2.22. Leeds City Council recognised that under the Proposed Franchising Scheme there is a greater opportunity for new operators to enter the market, however this may be at the expense of existing operators. Impacts on operators were also noted by Squarepeg with comments noting potential exit for operators "providing a sub standard service", countered with the point that guaranteed income will be attractive to new operators. They suggested that if the Proposed Franchising Scheme is not introduced larger operators will be "emboldened....and they will start to stifle competition and be less customer focused".
- 6.2.23. In addition, it was noted by the CMA that the number and size of contracts will impact the number of bids and therefore relate to the competition within the market, whilst Bus Users UK noted that mixed-size contract bundles facilitate competition and allows SMOs to participate, therefore creating a diverse and competitive market. These views were also reflected from public responses in the DJS Research report, with views expressed that the Proposed Franchising Scheme would allow various sized operators to bid for opportunities and the potential the Proposed Franchising Scheme has in reducing monopolies.
- 6.2.24. CPT noted that competition under the EP+ would be directly between operators with tendered services seeing competition from across operators. This approach is argued to ensure competition across operators of all sizes and would also achieve the CSF of best value.
- 6.2.25. First West Yorkshire noted that the EP+ can achieve the CSF on competition and can drive down prices whilst increasing efficiency and innovation with competition being limited to the bidding period under the Proposed Franchising Scheme. They noted that the driver of competition CSF is not measurable on a continuous basis due to the change in competition under the Proposed Franchising.
- 6.2.26. Stagecoach notes the differences in competition that would occur under the Proposed Franchising Scheme, with competition only being present during the bid phase. Post-award would focus on quality, which is managed through the contractual relationship. Other operators also noted the

change in competition under the Proposed Franchising Scheme which would create competition for the market rather than competition in the market with J&B Travel arguing that the current system is a good driver of competition.

- 6.2.27.** This view was reflected by the CMA that noted the changes under competition that the Proposed Franchising Scheme would see. The CMA advised that the benefits and costs of these approaches should be considered by policy makers along with the potential exit of competitors and assets from the local bus market which could impact passengers. In this way, consideration should be given so that operators should feel encouraged to bid and return if unsuccessful. The CMA noted that franchise design should be in a way that best enables competition due to changes in competition mentioned above. Risks were also raised by the CMA that structuring the Proposed Franchising Scheme in a way that protects the current market structure and incumbent operators may reduce competition and result in a lack of pressure for franchise rounds resulting in a lack of innovation and decreased pressure to deliver high quality services. The CMA's response also highlighted that competition will be affected in operators' access to depots and vehicles and that unsuccessful operators should feel that they will be supported if they choose to bid for contracts in the future. A full discussion on the implications of depot and fleet strategy considered in section 6.5. Specific comments were made by the CMA in regard to the operator market in West Yorkshire, with comments regarding the three largest operators controlling the 13 largest depots which could, in a franchised zone, deter others from competing in the tendering process.
- 6.2.28.** Better Buses for West Yorkshire pointed to evidence from the CMA that indicates that the bus industry is dominated by significant monopoly power and little on street competition. They claim competition will exist for contracts, which will boost service quality. They add that the related commercial strategies on depot and fleet will lower barriers to entry and lead to increased competition under the Proposed Franchising Scheme. In contrast, they are critical of the EP+ option which leaves monopoly power in place with profit being maintained at a higher level to recommendations from the CMA.
- 6.2.29.** Better Bus for West Yorkshire's response rejected the need for the bus service, an essential public service, to be ran as a competitive market. Their response highlighted that many countries operate differently in this respect, recognising the public sector should prioritise public need.

Transport Authority Influence

- 6.2.30.** Several operators responded to the CSFs noting particular comments on transport authority influence. Both Transdev and J&B Travel responded that the options largely deliver the same ability of public control and influence over the network. This relates back to concluding remarks that some operators made in the strategic case, in which it was expressed that greater control may not necessarily lead to greater benefits. Connexions also made the point that the EP+ is almost as commercially successful as the Proposed Franchising Scheme at a much smaller cost.
- 6.2.31.** In addition, First West Yorkshire raised the point that this CSF is not a tangible measure and naturally the EP+ would fair worse due to it not being a fully Combined Authority managed scheme.
- 6.2.32.** Stagecoach understood the benefits of public sector influence and control on the transport network and were supportive of the approach. However, they noted that outcomes will only be delivered through significant enhancements to the network with the need to encourage modal shift. This point links back to issues raised in the Strategic Case around bus priority and the need for additional policy interventions to achieve objectives.
- 6.2.33.** Other comments received were supportive of the approach for the Combined Authority to seek more influence, with several neighbouring LTAs suggesting the opportunities this brings and noting the need to collaborate on network planning, especially concerning cross-boundary routes.

Ease of implementation of option

- 6.2.34.** This theme acknowledges specific comments made with regards the assessment of how each bus reform option performs against the 'ease of delivery' CSF.
- 6.2.35.** CPT, J&B Travel, Ross Travel Group, and Globe and Station Coaches, stated that the Proposed Franchising Scheme is more complex, time-consuming and costly to implement. The EP+ is argued to require less significant resource and finances and would not "*place the huge financial burden associated with franchising on WYCA*". In summary, CPT believed that the EP+ could deliver "*at least as well*" on the CSF associated with ease of implementation when compared to the Proposed Franchising Scheme, adding that "*any network changes could be achieved through*

a collaborative EP or EP+ model". In addition, First West Yorkshire note that the EP+ can be implemented today and no negotiation is needed to harness many of the outcomes of the report.

- 6.2.36.** Bus Users UK point towards the conclusions on the CSFs that consider the EP+ to be more uncertain in the longer-term due to the need for operator negotiation. They dispute this claim, suggesting that evidence from other areas shows this not to be the case and that negotiation has not been hard to carry out, resulting in clear passenger benefits.
- 6.2.37.** First West Yorkshire also note this point, which is also discussed within the Strategic Case (section 4.4), they cite that operators have provided letters of commitment, that commitments would be legally binding and that the Combined Authority would have additional enforcement powers under the EP+ therefore is able to achieve both the CSFs and strategic objectives. Their response adds that it is not clear on the evaluation criteria for each option but note that time and cost of implementation are both measurable.
- 6.2.38.** The scale of change was noted by some respondents. Leeds City Council's response demonstrated that they note the scale of the challenge and that if the Proposed Franchising Scheme was implemented it would not be possible to do everything at once. Calderdale Council also acknowledge that the Proposed Franchising Scheme would take longer to implement, but noted the longer term socio-economic benefits of introducing such a scheme.

A concern was raised by J&B Travel and other SMOs in the timescales for implementation, with action required immediately rather than in two years time. This was mentioned alongside flagging that there is a risk of severe disruption during transition which could impact customers.

Additional remarks

- 6.2.39.** There were several other general comments received regarding the presentation of the CSFs within the Assessment that are covered here.
- 6.2.40.** Several smaller operators suggested that the CSFs should be viewed secondary to the primary objective of deliverability of the Combined Authority's BSIP, highlighting that these should be the primary objective of bus reform. Connexions added that the models used in the Assessment, showing decline, does not demonstrate success. Other operators reaffirmed earlier comments that the EP+ is easier and less costly to implement.
- 6.2.41.** First noted that several of the CSFs are subjective and should be amended to be more objective. They also noted, similar to the above, that there is no measure regarding passenger outcomes. In conclusion questions to the CSFs they presented a mixed response, suggesting that they are unable to comment until the CSFs are amended, but noting specific points that the EP+ can be implemented today, that the Proposed Franchising Scheme is not better placed to deliver the CSFs and that the EP+ has set out mechanisms to achieve all the CSFs.
- 6.2.42.** Another issue raised was the importance of accountability to the public, which was a suggestion from Action for Yorkshire Transport. The Commercial Case demonstrates that the Proposed Franchising Scheme, through transport authority influence, leads to greater decision-making and accountability for the Combined Authority. As a public body, the Combined Authority would continue to take publicly accountable decisions.
- 6.2.43.** The CMA concluded that for the Proposed Franchising Scheme to be present it must adapt to changing passenger travel patterns and demand and respond appropriately to passenger needs. The Combined Authority currently undertake data collection exercises and use data sources to understand passenger demand and barriers to use. We will continue to use such sources regardless of governance mechanism.

The Combined Authority's Response

- 6.2.44.** The Combined Authority welcomes comments on its assessment of the options performance against the CSFs but remains of the view that the Commercial Case of the Assessment considers these appropriately. The focus of the Commercial Case is in whether the different models would lead to a viable commercial model, including considering whether they would attract competition. Consideration of whether the options would deliver different passenger outcomes are assessed in other cases of the Assessment, primarily the Economic and Financial Cases, whilst passenger satisfaction is included within the objectives of the Strategic Case.

Best value

- 6.2.45.** The Combined Authority note the different views that are expressed in relation to delivering best value. The Commercial Case sets out why the Proposed Franchising Scheme delivers a best

value option, compared to the EP+, demonstrating that there is the ability to manage service as a single portfolio and routes can be packaged to deliver best value using effective cross-subsidisation. This contrasts to the EP+ in which the Combined Authority need to negotiate on network interventions with operators, and whilst supported by the Network Management Group and data sharing, the EP+ does not remove the risk that commercial operators will continue to take independent decisions on services.

- 6.2.46.** The Combined Authority note that the CSFs are used within the Assessment as a qualitative assessment of options in the commercial case and are taken together with the quantitative analysis in the Economic and Financial Cases to form a robust and balanced assessment of options.
- 6.2.47.** The Best Value CSF considers the commercial impact of the governance mechanism. The Proposed Franchising Scheme provides the ability to contract in a coordinated way, benefitting from the ability to engage and warm up the market and generate economies of scale from a higher number of services in a single contract. Conversely, the EP+ retains the existing position in which tendering is reactive which provides limited ability for the Combined Authority to leverage buying power in a coordinated manner. This drives the qualitative based higher scoring for Franchising compared with EP / EP+.
- 6.2.48.** In regards to the specific point raised by First West Yorkshire on price and quality. The Combined Authority understand the concerns regarding the procurement process under the Proposed Franchising Scheme and the tender process will be a balance between quality and price in line with procurement processes. The detail behind this will be developed at detailed contract design stage and the balance of these factors within contracts will ensure success will not be based purely on the most competitive bid.

Driver of competition between operators

- 6.2.49.** The change in competition from on street competition to competition between contracts has been discussed through this theme in the context of reducing barriers to new entrants to the market and the ability for the Proposed Franchising Scheme to better deliver against this. We have noted concerns regarding the number of operators and the impact on SMOs and recognise the importance of having a variety of operators of mixed size in any franchising scheme, both in this response report and in our Commercial Case. There is sufficient time within the implementation plan to review the procurement strategy to ensure it is driving competition, and this process will continue through future contract rounds.
- 6.2.50.** Under the EP+ the Assessment shows the possibility to restrict frequencies to rationalise the network, limiting competition on particular routes, and it was concluded that the EP+ could reduce competition. The Proposed Franchising Scheme was seen to shift the competition onto competition for contracts, as explored above. Therefore, it was concluded that competitive bidding would be a greater driver of competition, supported by the fleet and depot strategies which mitigate barriers of entry to the market from new operators.
- 6.2.51.** While we note the point around on-street competition and the benefit this brings, there is limited evidence that the existing EP or an EP+ would drive competition and innovation and there remains limitations and barriers for new entrants to the market. Barriers to entry on competition for contracts where they exist could be more easily overcome under the Proposed Franchising Scheme, particularly through the provision of access to fleet and depots, and could encourage more operators to participate in the bidding process, hence this CSF scores higher when than the EP+ in the Commercial Case.
- 6.2.52.** Responding to comments on the number of operators within the West Yorkshire market, the Combined Authority note that the primary driver of competition within the Proposed Franchising Scheme is allowing a great number and range of operators to bid for contracts, driving competition within the bidding process. Within an enhanced partnership approach, competition is generally limited to existing operators, with significant barriers in the ability to attract new operators to challenge incumbents. The Commercial Case supports this, with complementary depot and fleet strategies part of how this can be achieved. In regard to the potential for SMOs to exit the market, the Combined Authority recognises the importance of SMOs within a healthy bus market and has set out a specific mechanisms for how involvement of SMOs will be facilitated in section 5.5 of the Commercial Case with the lotting strategy for the Proposed Franchising Scheme providing opportunities through smaller lots and a considered approach to contracts for those lots. In regards to concerns on discouraging majority bidding, the Combined Authority will ensure effective market testing will be carried out in the detailed contract design stage alongside a fair

and open competition, mitigating against barriers to entry through ensuring access to depots and fleets.

Transport Authority influence

- 6.2.53.** A few comments were raised in regards to transport authority influence. We acknowledge the range of views, but remain clear that our conclusions in the Commercial Case demonstrate the control and certainty offered under the Proposed Franchising Scheme can better deliver outcomes through allowing better oversight over the network as a whole, interventions, and contracting, resulting in a more consistent service for customers.
- 6.2.54.** The Combined Authority note the points made surrounding control in consultation responses, but confirm that, consistent with the Commercial Case, the ability to control the design of the Proposed Franchising Scheme can help deliver outcomes and target delivery of strategic priorities on the basis that it provides the Authority with control over network, interventions and contracting. The Combined Authority can therefore achieve greater influence, particularly related to the spending of public money, whilst overcoming issues of operator agreement and negotiation which would persist under the EP+. As noted within the Assessment, including section 8 in the Strategic Case, there is additional benefits to Combined Authority Influence in the ability to facilitate easy interchange across other modes including existing walking, cycling and rail infrastructure and the future mass transit network.

Ease of implementation of option

- 6.2.55.** We note the responses received relating to the ease of the implementation of options and recognise in the Commercial Case that the Proposed Franchising Scheme does not come without significant challenges in this area. However, it is equally the case that the EP+ may not be an easy to introduce as suggested with the need for materially greater operator commitments than have been reached to date in implementation of both the previous Bus Alliance partnership agreement and the current Enhanced Partnership, meaning that further legal agreements will need to be reached across the bus operator community in order to fully realise commitments.
- 6.2.56.** In response to points made around the ease of implementation of the EP+, while in theory EP+ could be implemented today (and the Combined Authority, of course, already has an Enhanced Partnership in place), the broader point is that the enhanced elements of EP+ over the existing Enhanced Partnership would require negotiation and agreement with operators. This would take some time and the Authority has limited control and ability to influence the outcome of negotiations. This would impact network changes, that underpin the EP+, and whilst operators have shown support through a Network Management Group and proactive data sharing, the detailed mechanisms required to implement this would still need agreement and would continue to present a material risk to delivery. There would also be a need for agreement to supporting arrangements and actions within such structures, such as on individual Qualifying Agreements or Voluntary Partnership agreements that may be required to support operator commitments or changes to the existing ticketing arrangements with WYTCL .
- 6.2.57.** In regards to specific comments raised around the cost of implementing the Proposed Franchising, the Combined Authority reiterates that the same cost has been used across both options and therefore comments around the financial burden and financial resources argued to impact this option over the EP+ is not valid. Further financial considerations on funding and finance sources are set out in section 7.3.
- 6.2.58.** Responding to claims from operators that dispute the need for negotiation in the EP+, it is noted that letters of support are included for this option, however these are not legally binding and formal negotiation of the EP+ would need to be completed risking some commitments not coming to fruition. The EP+ would therefore not in itself be sufficient to give certainty over the commitments suggested including reallocation of network resources through the Network Management Group and funding being available to invest in ZEBs.
- 6.2.59.** The Combined Authority realise the scale of change required in order to address the challenges across the bus market but remains confident that the significant resource and financial effort required to implement the Proposed Franchising Scheme brings more benefits than the EP+.
- 6.2.60.** It should be noted that 'ease of implementation' is not a binary measure of implementation and rather the Combined Authority's ability to implement an option. We are therefore confident that, whilst the Proposed Franchising Scheme may be challenging to implement and presents a significant resource and financial effort, this is balanced against the wider benefits that it could bring.

Overall conclusion and additional remarks

- 6.2.61.** We note the additional remarks made in regard to CSFs and overall still conclude that the basis for CSFs to be measured is as a consistent basis to measure commercial implications in a qualitative manner. Green Book Guidance has been reviewed and the Combined Authority believes the approach is robust and fit for purpose. Further to this, it is noted that CSFs work alongside quantitative measures in the Economic and Financial Cases and the Strategic Case objectives to ensure a fully informed view is taken on the deliverability of each bus reform option
- 6.2.62.** The Combined Authority note concerns on prioritising CSFs above BSIP objectives. The Combined Authority can confirm that the CSFs were formed to represent the commercial objectives the Proposed Franchising Scheme is seeking to achieve and are intended to provide a consistent qualitative assessment of options in the commercial case and are taken together with the strategic objectives set out for Bus Reform (see section 8 of the Strategic Case) and the quantitative analysis in the Economic and Financial Cases to form a robust and balanced assessment of options.
- 6.2.63.** Regarding comments on measurability and passenger outcomes, the Assessment employs different approaches to comparing options, both quantitative (economic and financial analysis) and qualitative (commercial case analysis). There is no requirement to develop CSFs in HMT Green Book or Franchising Guidance. As a result, the Authority considers the approach employed to be robust, and the CSFs and the assessment of options in the commercial case to be fit for purpose.
- 6.2.64.** In regard to First West Yorkshire's response, and noting the responses to individual comments through this theme, the Combined Authority note the provisions in the EP+ that could improve the partnership mechanism such as the Network Management Group and data sharing, but these still require negotiation with operators and enforcement mechanisms are limited under Enhanced Partnership schemes themselves to the potential cancellation of service registrations for non-compliance. Other sanctions could be introduced through negotiation of other agreements as part of the EP+ structure, but as noted above, these will require negotiation and will then place an additional administrative burden on both operators and the Combined Authority. Under the Proposed Franchising Scheme, influence can be exerted through franchise contracts, including enforcement under the performance regime. On points around competition, the Combined Authority note the point in changing competition, however the Combined Authority's view remains that competition under the EP+ is likely to remain limited with a lack of evidence of new entrants being willing or likely to enter the market and relatively limited current on-road competition. The Combined Authority also note that ease of implementation is not a binary measure and relates to the Combined Authority's ability to implement an option. Both options come with their bespoke challenges and these are reflected in the Commercial Case of the Assessment.
- 6.2.65.** Additional interventions are discussed throughout the Assessment, particularly noting in the Strategic Case the need for additional policy measures to support the governance mechanism to achieve policy goals as neither the EP+ or the Proposed Franchising Scheme can achieve some of the wider goals alone.
- 6.2.66.** Whilst useful to understand different organisation viewpoints, the feedback received from consultation reaffirms the conclusions made about the Proposed Franchising Scheme performance against the CSFs.

6.3. Theme 2: franchise contracts, procurement and implementation and transition planning

- 6.3.1.** This theme looks to address comments received on the approach to procurement and contracting that is set out in the Commercial Case.
- 6.3.2.** Several sub-themes were raised on contract specifics which include:
- Contract length
 - Additional contract specifications to be considered

- Implementation and transition

6.3.3. General comments received were supportive of several of the proposed contract terms set out in the Commercial Case including contract length and the inclusion of a performance regime. Social value in contracts was noted by Bus Users UK, noting the importance of this as part of the contracting strategy.

Contract length

- 6.3.4.** Several responses were received commenting on contract length. These represent a largely positive view of the proposals contained within the Commercial Case. This is also reflected by the public response in the DJS Research report that showed general agreement with the proposed lengths as a common theme.
- 6.3.5.** Several incumbent operators noted that longer length contracts are positive in attracting more investment from operators and delivering better value for you. This could bring positive benefits to service and quality levels. In addition, other comments noted that it provided sufficient time to see impacts on patronage and assess network changes.
- 6.3.6.** Some smaller operators also gave positive comments on the possibility of negotiation on contract length contained within the Commercial Case allowing SMOs to extend B and C lot contracts to 7 years and this will allow greater investment in services. J&B Travel and Connexions flagged that they would like to see consistency in contract length requesting that contracts were 7 years across A, B and C lots. The Go-Ahead Group Ltd., a bus operator not operating currently within West Yorkshire, also encouraged giving the longest possible contracts for B and C Lots to provide stability and to improve competition.
- 6.3.7.** First West Yorkshire noted that short term contracts are more expensive and reduce stability for customers and agreed on the 7-year contract length for Category A lots, with a suggestion of an extension of 3 years to reward performance. Regarding the B and C lots, they recommended 5-year contracts, again with a 3-year extension period.
- 6.3.8.** In addition to First's comments above, Stagecoach raised concerns that the Category A Lots had a relatively short contract term and that these should be considered for a contract extensions rewarding good performance. Their stated example was extending a Category A lot to 10 years. Longer contracts were seen to encourage and enable greater investment.
- 6.3.9.** The CMA noted that contract length is an important consideration, as if franchises are tendered too frequently it would "*blunt an operator's incentive to invest*", whilst also noting that a 7-year contract risks significant structure change between procurement rounds due to the potential for operators to leave the market. They suggested that shorter contracts could mitigate this risk through providing more flexibility and reducing risk for SMOs.
- 6.3.10.** Additional comments on contract length included a caution from Transport UK on "*deviating away*" from the 7-year contracts included within the Proposed Franchising Scheme as this could lead to claims of potential favouritism of incumbent operators, the need for additional fleet in transition and risks to set up for smaller operators.
- 6.3.11.** Leeds City Council suggested that to better facilitate network redesign, some contracts could be initially let for shorter periods of time so that routes could be altered, including suggestion for the need to combine and rework routes.
- 6.3.12.** Better Buses for West Yorkshire also raised contract length and the potential to impact stability in the bus market with shorter contracts potentially causing labour market issues potentially impacting driver availability. The impacts on employment are discussed further within the Management Case section of this document.

Additional contract specifications to be considered

- 6.3.13.** There were a number of responses that discussed additional detail or focused on particular contract specifications raising a number of questions and concerns.

Performance regime

- 6.3.14.** There were several responses that talked to the need for a performance regime that incentivises improvement and passenger growth. The CMA suggested that the Combined Authority needed to oversee the Proposed Franchising Scheme in a way that there would be effective scrutiny of operators to ensure franchise contracts are adhered to and passengers are benefitted. The need

for consistent standards and the capacity to monitor and implement measures and penalties was also raised by the CMA, stating the need to reward investment and innovation that delivers benefits. They added that with the Combined Authority providing a central contact for customers, it will identify poor performance quickly, alongside the ability to respond promptly to customers, therefore holding operators to account.

- 6.3.15.** Transdev noted the need for flexibility in the approach to monitoring routes due to differences in routes operating between urban, interurban and rural areas and the same rules should not apply to all.
- 6.3.16.** Transport Focus noted the inclusion of the performance regime but asked for further details on what would be included in the performance regime, which was a response also suggested by First West Yorkshire.
- 6.3.17.** Additional comments were received from Better Buses for West Yorkshire, suggesting criteria to be included so that the Combined Authority can terminate contracts early due to poor performance.
- 6.3.18.** The inclusion of a performance regime into contracts was seen by CPT to overcome issues in the Proposed Franchising Scheme having little incentive to improve services or grow passengers, along with some small operators. However, it was noted to be a significant change to how operators work currently. J&B Travel largely welcomed the performance regime in delivering improvements, but this had to be complemented by bus priority to tackle issues such as congestion and contracts need to be approach in a fair way. It was noted that the performance regime needs to be simple and reflect what customers want to mitigate.

Change mechanism

- 6.3.19.** Several incumbent operators suggested the need for contracts to include comprehensive change mechanism to mitigate risk. This would ensure that risk does not fall solely to operators who may have no choice but to default on contracts. Respondents urged that a this would allow the Combined Authority and operators to jointly agree changes allowing improvements to the contract and the services to deliver.

Contract content and resource

- 6.3.20.** Several incumbent SMO operators highlighted the need for contracts to consider the content of contracts and performance regime to ensure that SMOs are able to compete in the bidding process. This included specific concern over the permit regime relating to cross-boundary services which is covered elsewhere in this document.
- 6.3.21.** Dales and Bowland CIC raised the issue of contract resource, suggesting that franchising contracts need to be designed in way that meets the objectives and expected outcomes. It was noted from a number of smaller operators that ensuring the tender process was not overly complicated and did not place excessive administrative and regulatory burdens was of great importance.
- 6.3.22.** Stagecoach made comments that were generally supportive of the contract terms supporting the Combined Authority to make decisions on specifying routes, frequency and timing. They requested that the contract element regarding number of buses should reflect trips per hour rather than being an instruction on PVR or fleet size as removing this flexibility in contracts will harm competition and innovation and increase cost. The Combined Authority recognise this comment and will look into this at detailed contract design stage.
- 6.3.23.** First West Yorkshire raised a concern in their response suggesting that whilst supportive of a less onerous contract for smaller lots, the same standards need to apply to all operators and contracts so that SMOs do not have an unfair competitive advantage.

Contract failure

- 6.3.24.** Other comments were received questioning what measures would be included in contracts should operators be unable to meet contract specifications, such as inflation meaning that operators can no longer cover the costs of operation. Several stakeholders raised questions on the ability to write the provision of operator of last resort into contracts to guard against cancellations and service degradation should an operator exit a contract. Better Buses for West Yorkshire supported

this view and stressed the importance of security advantages in having a publicly owned operator of last resort.

- 6.3.25.** If the decision is made to proceed with the Proposed Franchising Scheme then these points will be taken into account in developing the full contracts during their design phase. This will include considering detailed grounds for termination and rectification of franchise contracts on performance failure and breach, and how mitigations can be implemented during the term of franchise contracts to avoid failures occurring.
- 6.3.26.** In terms of an operator of last resort, the current Bus Services Act provisions make establishment of a publicly owned operator of last resort similar to those used by government for rail, difficult, as section 22 Bus Services Act 2017 expressly prohibited the establishment of new municipally owned bus companies. Therefore, it is not possible to expressly replicate the model used to take control by government of poorly performing rail operators. Section 1230 does, however, allow for short-term operation of services on a last resort basis by the Combined Authority itself, on an interim basis, but for a limited period of six months, and the Combined Authority will also include other standard mechanisms within its contract to manage risk of performance failure or termination of contractors, including performance security and step-in rights to mitigate these risks further, and market test those provisions prior to procurement to ensure that such provisions are included on a proportionate basis. This detail is currently not proportionate to the stage of Assessment and detailed provisions would be worked up in detailed contract design stage should the Proposed Franchising Scheme be made.

Additional considerations

- 6.3.27.** Several bespoke comments and queries were raised in relation to procurement and contracts. This included several requests on the ability to submit combined operator bids which would offer best value to the Combined Authority and local customers. This suggestion included single price for multiple depots or routes and allowing operators to combine bids together. This was claimed to enable for efficient operations and deliver more competitive bid pricing.

Implementation and transition

- 6.3.28.** Contract implementation and transition periods were noted by several stakeholders. Several comments were made in terms of speed of delivery of the Proposed Franchising Scheme, with respondents noting the need to deliver change as speed and ensure the resource is in place to deliver this. Stagecoach noted that the potential reorganisation of routes and depots is important to consider alongside implementation costs. However, many respondents were broadly supportive of the planned implementation timescales.
- 6.3.29.** Resource in managing contracts was raised by the Peak District National Park Authority who noted that letting of contracts will be resource intensive and differing timescales across tranches should be considered.
- 6.3.30.** First West Yorkshire responded that they felt the implementation plan to be potentially rushed, with insufficient time to consider lessons learnt.
- 6.3.31.** Calderdale Council also commented that whilst it is important to follow the procurement timescale which delivers the Proposed Franchising Scheme in the shortest time to reduce disruption to passengers, it is important to note challenges in acquiring assets.
- 6.3.32.** Better Buses urged that accelerating the implementation for the Proposed Franchising Scheme is crucial and will address urgent concerns across social, economic and environmental policy.
- 6.3.33.** A particular issue was raised by South Yorkshire MCA who noted that there are similarities between mobilisation and transition phases with their proposals on bus reform. They suggested this has the potential to create a busy market for operators and could create challenges. SYMCA wanted to ensure close working with the Combined Authority to ensure risks and challenges were overcome in this area if both authorities choose to proceed with franchising schemes. It was also noted by some responses that lessons should be learned from the transition periods in Greater Manchester.

The Combined Authority's response

- 6.3.34.** This theme has discussed the issues raised around contracts in stakeholder responses to the consultation. It recognises the largely positive comments received in regard to contract length and

notes the helpful additional comments on contracts which will be considered at detailed design stage. The Combined Authority is therefore confident in the information set out to consultees regarding contracts and is assured of their approach to these under the Proposed Franchising Scheme.

Contract length

- 6.3.35.** The Combined Authority welcomes the positive feedback received on contract length which support the assumptions formed in the Commercial Case. In regard to concerns on contract length, the term of contracts was chosen on the basis of feedback from operators in market engagement. We note the helpful comments on contract length and extension mechanisms and will consider feedback on these during detailed contract design if the Proposed Franchising Scheme is chosen as the preferred option, and would engage again with the market on finalisation of any such decisions. The intended default contract length still remains to be 7 years for Category A Lots, with the detail on Category B and C Lots to be determined on a contract-by-contract basis.
- 6.3.36.** Considering the question of initially letting shorter contracts, it is explained in the Commercial Case that for some lots shorter contracts will be offered to regulate the flow of opportunities to the market after the initial franchising process is completed. It should be noted that larger contracts will have change provisions which will allow for the addition / removal of services within contracts including as demand patterns change over time. Although it was noted by Leeds City Council that shorter contracts could support network redesign, the Combined Authority have done so to regulate the flow of opportunities, and that pre-specifying which services are on shorter contracts will arguably not help with network re-design, as any network re-design will then end up following the ordering of contract terminations that has been pre-planned. We would expect that the contracts will allow some re-design of services "in-contract" and then potentially allow for future contracts to then make provision for future re-design.

Additional contract specifications to be considered

- 6.3.37.** If the decision to proceed with the Proposed Franchising Scheme the Combined Authority agrees that it would be good practice to include a detailed change mechanism allowing contractual change on a basis consistent with the applicable procurement rules, whilst allowing improvements to the contracts and services to be delivered, as would be the case with any service contract. The detail of this drafting would be worked up during the design phase of the franchise contracts .
- 6.3.38.** The Combined Authority note the positive comments received regarding the intention to implement a performance regime within the contracts. The current position on the performance regime is proportionate to the stage of development and the assessment undertaken and would be worked up in further detail should the decision to proceed with the Proposed Franchising Scheme is taken. The Combined Authority would also expect to market test these more detailed principles with operators. Additional contract mechanisms to help regulate performance could be considered during detailed contract design such as provision for "step-in" performance by operators where other operators perform poorly, and/or procuring a standby operator of last resort, who can step-in to use assets if required.
- 6.3.39.** In terms of issues relating to performance regime, the Combined Authority would expect to include this as a standard part of any service contract developed, and would develop the detail of this at contract design stage if the Proposed Franchising Scheme is progressed. The Assessment sets out a number of principles within which any Performance Regime would be developed, however it would not normally be the case that during the business case stage, the Performance Regime would be developed in detail prior to any decision on the option being taken. The Authority would engage with the market to inform its Performance Regime during a detailed contract design stage and this would be the Combined Authority's intention, including market testing the approach to performance.
- 6.3.40.** Contract terms are discussed within the Commercial Case of the Assessment recognising that applying complex requirements to Lots B and C may act as a barrier to entry, particularly regarding SMOs. The Combined Authority have proposed that franchise agreements for smaller lots will adopt a gradual move from the current contracting arrangements for supported services, with initial contracts let on substantially the same basis as current gross cost contracts, with some franchising specific updates required such as performance standards. This would allow for SMOs to gradually move to an overall franchise system allowing for SMOs to compete effectively in the market, whilst considering all contracts across consistent performance standards. It is intended

that the same terms would apply to all bidders for any particular contract, so First West Yorkshire's concerns regarding different standards applying to different operators should not arise. It is, however, sensible and reasonable that smaller contracts may have lighter touch terms than contracts applying for larger franchises – but as this would apply to anyone tendering for those services, this should not create the competition issues that First are concerned about.

- 6.3.41.** It is noted that any decision to proceed with the Proposed Franchising Scheme will necessarily mean a significant change in working for operators. Through the Strategic Case it is noted that the Combined Authority will look to introduce further policy mechanisms, including bus priority, subject to further decisions and funding and that a change in governance mechanism will not fully tackle issues around congestion.
- 6.3.42.** Whilst the Combined Authority can see the benefit of potentially allowing for combined lots to be tendered by operators, there is a risk that this will materially increase the time and cost to the Combined Authority of running the procurement process, due to the extended time that may be required to evaluate and manage the interaction between such tenders. There is also a risk that it could lead to exclusion of smaller operators from the market, as it will allow larger operators to potentially tender on a basis which allows them to win a larger number of Lot B and C tenders, and provide them more opportunity to do so, by submitting multiple grouped tenders. For this reason, why this may allow the CA to achieve lower cost tenders, there is a material risk that it may not achieve best value overall, in particular if it restricts the bidders in the market and adversely impacts SMOs. However, the Combined Authority will keep this under review and engage with potential bidders in pre-market engagement to understand if there are any ways that these benefits could be achieved without the potential adverse impacts identified occurring.
- 6.3.43.** The concerns relating to the ability for operators to participate due to the complexity of contracts have been addressed in the Commercial Case of the Assessment, which proposes simpler arrangements for Lot B and C contracts more consistent with current local service contracts, which will help overcome issues of complexity in particular for SMOs who are familiar with the current contract form, facilitating easier participation for operators in these contract procurements. It should be noted that a less onerous bidding process is not proposed for SMOs (with the same process applying for all bidders within Lot B and C contract rounds), rather a less onerous bidding process is proposed for smaller contracts that may suit SMOs.

Implementation and transition

- 6.3.44.** A variety of views were received in relation to timescales of the implementation plan, including specifically from CPT, Bus Users UK and TLC on the ability to learn lessons between the phases of tendering. The Combined Authority can conclude that the plan takes a phased approach to letting contracts to allow for lessons learned between each procurement and mobilisation phase. It is also designed to allow for Operational learnings from Round 1 to be factored in by the time Round 3 is let. As a result, the Authority is confident that its proposed approach allows for continued learning and improvement.

6.4. Theme 3: consideration of cross-boundary services and the service permit regime

- 6.4.1.** A number of comments were received in regard to the operation of cross-boundary services and the introduction of a permit regime should the Proposed Franchising Scheme be made. Many comments concerned the importance of cross-boundary services, noting that passengers do not travel solely within West Yorkshire and that there should be no artificial barriers to travel, however it was noted that cross-boundary services are out of scope of the scheme and therefore may not necessarily see improvements.
- 6.4.2.** General issues on consistency of services were also discussed, such as potential negative impacts in differences between franchised and permitted services raised by the CMA and the potential impact of services "*looking visually and operationally out of place in or out of West Yorkshire*" (CPT).

Service permits

- 6.4.3. A few respondents noted that a service permit system would seem a sensible solution to handling cross-boundary services.
- 6.4.4. Dales and Bowland CIC, along with a number of other incumbent operators, noted that it was unclear on the proposals on how tendering for cross-boundary services would be managed alongside franchising contracts. They expressed the need to improve cross-boundary services to ensure it is easy for people to travel between West Yorkshire and surrounding areas.
- 6.4.5. In addition, Friends of Dales Buses noted that whilst a separate consultation is required on service permits, it is important to secure cross-boundary services before franchise contracts are introduced along the same routes or within the same franchising zone. It was also important to acknowledge the success of smaller cross-boundary services if the Combined Authority pursues the Proposed Franchising Scheme.
- 6.4.6. SYMCA raised particular concerns about the standards set out within service permits asking that cross-boundary services should be able to continue with existing equipment and schemes, including existing fleet and ticketing systems, or that appropriate financial support is available to operators in order to introduce the required fleet or ticketing standards. This response was also expressed by South Pennine Community Transport who noted that *“special attention must be given to cross-boundary services and ticketing”*.
- 6.4.7. This was echoed in the response provided from the CMA, noting that the Combined Authority needs to continue to facilitate cross-boundary services effectively, to *“minimise negative impacts arising from differences in ticketing, pricing or service levels”*. The CMA also stated in their response that there is scope to extend the use of a permit regime to facilitate innovation. This could include new providers using data to showcase new opportunities for routes to the Combined Authority which could increase patronage. This would mean that new routes could be introduced, subject to an assessment by the Combined Authority.
- 6.4.8. CPT raised an issue with the service permit regime in that it has the potential to impact neighbouring networks which are interlinked. This links to some of the comments and concerns discussed below regarding potential reductions in cross-boundary services.
- 6.4.9. This was noted by TfGM who expressed the need for clarity on the requirement for non-franchised services that cross the Greater Manchester / West Yorkshire boundary being required to operate with a service permit and how this will be applied across the lotting phases. They made particular note of those not covered in the areas that are part of the initial tranche.
- 6.4.10. Resourcing and administrative concerns were flagged by Lancashire County Council asking for permit regimes to not create an unnecessary burden, with the ability for permit regimes to react quickly to emerging service priorities that neighbouring authorities may have. The concerns on the administrative burden were reflected in the response from Bradford Metropolitan District Council who suggested the need for them to be *“light touch in nature and only used where strictly necessary”*.
- 6.4.11. The public response, presented in the DJS Research report, showed a small number of respondents noting the need for a *“fair”* permit system and noted potential issues with ticketing.

Scope of network

- 6.4.12. Several respondents noted that they had concerns around the language around cross-boundary services. This included a range of West Yorkshire districts, operators and neighbouring LTAs who expressed concern that the language was phrased around continuation rather than proactively improving these services. Stagecoach stated that they have assumed that the cross-boundary services do not change in terms of routes and frequencies.
- 6.4.13. Calderdale Council asked for further future dialogue on how cross-boundary services would be managed as they provide important strategic links to neighbouring areas. This was echoed by TfGM, North Yorkshire Council and Lancashire County Council, as well as operators such as Stagecoach. In addition, cross-boundary ticketing was also raised, reflecting discussions in the Strategic Case section of this report with TfGM suggesting the potential for integrated ticketing between the two regions.
- 6.4.14. CBMDC noted concerns on the potential for cross-boundary services to be negatively impacted as *“private operators have an incentive to run services where there is demand irrespective of boundaries, yet WYCA would not have the same incentive”*. They add particular concerns regarding the Skipton Road corridor in Keighley, which could impact services serving Airedale General Hospital, with potential to impact services between Bradford and Harrogate. Their response sought assurance that service levels in these instances will be maintained.

- 6.4.15.** In addition, North Yorkshire Council raised concerns regarding commercial, marketing and service operation functions that are carried out for services that operate in their region and are based out of depots and head offices within West Yorkshire. They noted that there are a number of services (both commercial and tendered) that run from depots in West Yorkshire which operate either wholly or partly within North Yorkshire. There was a request that bus operators needed to continue to provide these functions so that services within North Yorkshire are not impacted and that should the Proposed Franchising Scheme be progressed, that measures are included to ensure these services are not impacted.
- 6.4.16.** Friends of Dales Buses expressed concerns of how cross-boundary services would be facilitated, especially noting the recently formed North Yorkshire Combined Authority. They suggested this may create undue risk on services such as Dalesbus, with passengers at the periphery of the West Yorkshire area seeing a drop in their services. This linked to concerns expressed from a variety of respondents, including neighbouring LTAs, setting out the risk to commercial and tendered cross-boundary services which currently run from depots in West Yorkshire and operate wholly in neighbouring authorities. North Yorkshire Council expressed specific concern on the detrimental impact this could have on passengers if these services were affected.
- 6.4.17.** SYMCA noted that both rounds 1 and 2 border the South Yorkshire region and cross-boundary services operating across these areas require careful consideration to ensure they continue to operate during transition and during the Proposed Franchising Scheme. Further engagement on this was noted as important to this.
- 6.4.18.** Dales and Bowland CIC expressed concerns that cross-boundary services were not adequately addressed, failing to respond to important cross-boundary links which need to be integrated within West Yorkshire's bus network, specifically mentioning links to South Yorkshire and Lancashire. Their concern regarded cross-boundary services being neglected and being considered as secondary to the main West Yorkshire network and raised the issue of funding specifically which they felt was not mentioned through the consultation documents. The response also highlighted specific concerns in relation to depots that operate out of area services and the concern that services could be cut as a result of implementing the Proposed Franchising Scheme. This issue was also raised in response to questions on the Proposed Franchising Scheme as is discussed in Section 3.2 of this report.
- 6.4.19.** First West Yorkshire also noted the importance of considering the Proposed Franchising Scheme's impact on neighbouring LTAs transport policies and the need to consider passenger impact and passenger growth. These were important considerations in terms of viability of the network.
- 6.4.20.** The public response largely reflected these views pointing to the need for collaboration to allow cross-boundary services and the need for the Proposed Franchising Scheme to support objectives of neighbouring LTAs. They also expressed the need for a fair permit system and flagged issues around ticketing.

List of services

- 6.4.21.** Several incumbent operators noted inconsistencies between the consultation document and the provided appendices in terms of which are to be included in the Proposed Franchising Scheme.
- 6.4.22.** There were comments on some cross-boundary services being included in the list of services, but this may relate to the list before it was revised, as the final list did not include any destinations outside of West Yorkshire, in recognition that the scheme cannot apply beyond the Region. A further discussion and explanation of this issue can be found in section 3.4 of this report.

The Combined Authority's response

- 6.4.23.** The Combined Authority notes the concerns raised by respondents in relation to the impact any franchising scheme could have on cross-boundary services. If the Proposed Franchising Scheme is made, it is agreed that an effective approach to managing these cross-boundary services now, and in the future, is important to maintaining important social and economic links. As per the assumptions made by Stagecoach, the Combined Authority see the continuation of current cross-boundary routes and frequencies within the Proposed Franchising Scheme, and that those services would be subject to a service permit regime.

Service permits

- 6.4.24.** The proposed service permit regime, would be introduced following the making of the Proposed Franchising Scheme, if a decision is made to proceed with that scheme, and will be subject to a

further consultation which will include consideration of service standard conditions which several respondents raised as concerns. The Combined Authority remain committed to operating the current network, including the cross-boundary services which provide crucial employment, education and leisure links beyond the West Yorkshire boundary. The vast majority of cross-boundary services are currently operated commercially, and under the Proposed Franchising Scheme, such services could continue to be able to be run under a service permit, assuming they meet the statutory criteria. Those statutory criteria would also mean that, as the CMA have suggested, any innovative services which were to be proposed by operators and which benefit passengers whilst not adversely affecting franchised services would also be able to operate, whether cross-boundary or wholly within West Yorkshire. The details of the service permit regime including any conditions that might apply will be developed following any decision that introduces the Proposed Franchising Scheme, and would become operative on the date that the scheme also comes into operation. In developing the proposed scheme and permit conditions, the Combined Authority will take into account the points raised by consultees.

Scope of network

- 6.4.25.** Regarding issues around the scope of the cross-boundary network, the Combined Authority would look to continue the current network, including cross-boundary services, as set out in the Assessment. As outlined already in this section, in response to the comment from CBMDC, the vast majority of cross-boundary services are currently operated commercially, and under the proposed franchising scheme, such services could continue to be run under a service permit, assuming they meet the criteria. In terms of funding therefore, supporting cross-boundary services is not currently a significant cost to the Combined Authority, as only a small handful of services receive direct funding support from the Combined Authority (less than 0.5% of the supported services budget). Where services are currently funded by neighbouring authorities this would not be impacted by introduction of the scheme. Where services could no longer be run commercially as a result of introducing the scheme, the Combined Authority would give due consideration as to whether a service could be let under other powers and be subject to the service permit regime, subject to available funding. The Combined Authority would look to continue conversations with our neighbouring LTAs following any decision to introduce franchising.
- 6.4.26.** In respect of the operation of services from West Yorkshire depots which either run cross boundary or outside West Yorkshire, this is also discussed in section 3.2 on the Proposed Franchising Scheme, The extent to which this is an issue will depend upon choices made by the operators of those commercial services, including whether they choose to sell their depots to the Combined Authority (if they own those depots), and whether they choose to run their remaining operations from different depot locations (which remains their option in the de-regulated market). In a scenario where they choose not to do this and/or the loss of the West Yorkshire services and/or depot makes delivery of those services uneconomic otherwise and some or all of those services are withdrawn from commercial service by the operator, then the Combined Authority would look to ensure that there was not a loss of passenger benefits as a result. The precise mitigation will depend upon what is done by operators, including whether they dispose of their depots to the Combined Authority and what are the most cost effective approaches to continued provision of those services. Even where the incumbent operator chooses not to continue to run commercial services cross-boundary, the Combined Authority is mindful that other operators may choose to operate those services, if they can be run commercially. If no operator chose to do so, then public sector delivery options would require consideration. This may include securing cross-boundary services under service permits utilising existing powers either from franchised bus operators or under separate contracts. This could also include facilitating letting of services by neighbouring authorities, including through provision of spare depot capacity if this is otherwise found to be a bar on cost effective service provision, noting that care will need to be taken that any contracts let by either the Combined Authority or neighbouring LTAs.
- 6.4.27.** It should be noted on issues raised in service consistency, that a franchising scheme itself can only apply within the West Yorkshire Combined Authority boundaries (unless a scheme is developed jointly with other Local Transport Authorities). The service permit scheme would be subject to another consultation, which would help address some of the concerns raised by respondents to this consultation, especially in regard to the process regarded and the need to address concerns on the resource burden of a permitting regime.

6.5. Theme 4: approach to assets

6.5.1. This theme reflects comments made about the Combined Authority's approach to assets as set out in the Assessment and across the supporting fleet and depot strategies. As well as general comments on the approach to assets this section includes the following specific sub-themes:

6.5.2. Fleet strategy:

- Zero Emission Bus specification
- Maintenance
- Procurement
- Vehicle availability
- Leasing agreement

6.5.3. Depot strategy:

- EV Infrastructure
- Availability
- Cost
- Location
- Lotting and Routes
- SMOs
- Learning from Others

Fleet

6.5.4. The public response to the approach to fleet was generally positive, with support given to the move to an all ZEB fleet, citing that it was important to improve air quality and meet net zero objectives. The public highlighted the large initial cost and requested more information on what will happen to the current fleet.

6.5.5. The cost of acquisition has been detailed in the financial case of the assessment, and although does commit the Combined Authority to significant capital investment, this is assessed as being affordable within the overall budget for bus reform. On what will happen to existing fleet, in some instances these may remain in operation in West Yorkshire at the introduction of franchising if acquired through the Residual Value Mechanism or provided by operators into a contract as required.

Zero Emission Bus Specification

6.5.6. A number of incumbent operators voiced concerns over the specification of the ZEBs that would be procured under a Proposed Franchising Scheme. TransDev highlighted several issues around the end-of-life management of ZEBS, the performance of currently available ZEBS, production capacity of the industry, as well as questioning the current economic viability of ZEBs when compared to diesel busses.

6.5.7. Several operators requested that there be consultation with operators during the development of the specification, so that their knowledge can be utilised, with particular regards to the routes that they will be servicing.

6.5.8. CPT also requested that, for smaller operators, there should not be a mixed fleet, which would result in the operator managing multiple different vehicle types in a small contract. Leeds City Council also sought clarity on this.

6.5.9. Whilst Globe and Station Coaches, as well as Ross Travel Group highlighted that, "*The operation of EVs is dependent on the suitability of existing depots though some form of competitive leasing would be of help.*"

6.5.10. The CMA raised a concern that in subsequent franchising rounds, the assumption that fleets will be a lesser barrier for SMOs is less likely to hold if ZEBs are not rolled out proportionally across franchise types due to depot technology constraints.

6.5.11. In developing the detail of the fleet specification the Combined Authority will engage expert consultants and key stakeholders. They will also carry out market engagement with existing operators, the wider operator market and manufacturers to ensure that the proposed fleet is fit for purpose and available to purchase within the required timescales. This will include developing a long-term plan for management of the whole life cycle of the ZEB fleet, including end of service and disposal.

- 6.5.12.** Early engagement with manufacturers has been sought and the Combined Authority has used this detail to inform its fleet strategy. Based on this engagement, we are confident that we will be able to procure the required fleet in time for franchising, and would engage in more detailed discussions with manufacturers should a decision be taken to introduce the Proposed Franchising Scheme.
- 6.5.13.** The Combined Authority has developed a depot strategy considering the requirement to ensure a fleet of ZEBs can be operated and maintained by all operators. As part of mobilisation activity, the specification of any new ZEBs, and their operational requirements, will be assessed and incorporated into the further enhancement of that depot strategy during implementation. Any additional infrastructure required to support the procured ZEBs will be rolled out on a timeline that aligns with the roll out of the ZEB fleet. Where the Combined Authority has procured vehicles, including ZEBs, then . leasing or similar arrangements will be put in place to provide those vehicles to operators under franchise agreements, which will take an appropriate form to manage risks with the vehicles on a similar basis to other owners of buses and similar vehicles, but taking into account the other obligations under the franchise agreements to avoid unnecessary additional obligations or cost being imposed on operators. These terms will be developed and market tested as part of the pre-procurement preparation for letting franchise contracts..

Maintenance

- 6.5.14.** There were concerns raised about whether operators will properly maintain buses. Squarepeg highlighted previous issues that they had flagged to the Combined Authority over operators not properly maintaining their fleet, highlighting the MyBus and Accessbus fleets. J&B Travel also highlighted the MyBus scheme and stated that the assumed lifespan of a bus had proven unworkable, with vehicles over 7 years old being considered 'aged' from a maintenance point of view. Connexions pointed out that there will be the need to retrain mechanics to maintain vehicles.
- 6.5.15.** The Peak District National Park Authority said, "*the approach seems sensible, but there may be a case of a need for guarantees from operators as to vehicle maintenance / roadworthiness. There may also be a need for recourse if any bus is not returned in an appropriate condition at the end of the franchise contract.*" As well as "*The question may also arise as to financial risk of older buses, at what point is it unreasonable for the operator to cover maintenance costs if a particular vehicle or group of vehicles becomes effectively operationally unsound / obsolete. As the move is made towards EV's or hydrogen, there should be fewer issues, but newer technology can also throw up unexpected teething troubles. Or there may just be a 'Friday afternoon vehicle'.*"
- 6.5.16.** First West Yorkshire queried how the battery replacement has been considered within the cost appraisal.
- 6.5.17.** The move to bus franchising would be a step change in the responsibilities of the Combined Authority and bus operators in how buses are run in the region and therefore the approach to asset management will also be a step-change. As outlined in the Management Case of the Assessment, this will require additional resourcing for asset management in the Combined Authority, and incremental systems development of an expanded asset management system. Firm remedies for breach of requirements will also be included within contracts on a similar basis to that required by other owners such as asset finance companies leasing bus to bus operators to ensure buses are properly maintained by operators during franchise contract terms, and if they are not that the financial risk associated with poor maintenance rests with the operators and not the Combined Authority.
- 6.5.18.** In order to mitigate a particular type of ZEB becoming obsolete, the Combined Authority will remain agile to new approaches as technology advances, ensuring that the most appropriate ZEBs are procured, recognising the feedback received both during market engagement with operators and in response to the consultation on some of the current technology limitations. Should the decision be taken to implement the Proposed Franchising Scheme, the profile for ZEB acquisition will be further developed taking into consideration technology and service factors.
- 6.5.19.** On the specific query from First on battery replacement, paragraph 7.2.3 of the Assessment refers to the lifecycle of a zero-emission bus; a fifteen-year life was adopted (the lower end of the range given in 7.2.3) with battery replacement at the mid-life point. An allowance for the cost of mid-life battery replacement is included within the contracted operating costs (as described in Operator operating costs – see Section 3 of Financial Case and Data Model Databook), along with the other adjustments to account for the transition from diesel to electric vehicles.

Procurement

- 6.5.20.** Several consultees raised points that operators have long standing relationships with manufacturers and therefore have been able to leverage their size to reduce costs when procuring vehicles. However, support for the Combined Authority procuring and owning the fleet was given, with consultees noting that the size of the required fleet would allow the Combined Authority to leverage its size to drive economies of scale. SYMCA suggested that a combined procurement approach between the two combined authorities could be progressed, allowing for efficiencies through economies of scale.
- 6.5.21.** Generally, support was given to the Combined Authority's long term procurement approach, with consultees saying that it would mitigate the risk of large changes taking place in one go. The CMA stated that, "*WYCA's intention to purchase the bus fleet and lease these to franchised operators should help operators compete on a level playing field*" but cautioned that the approach could favour incumbents. Better Buses for West Yorkshire also agreed that a Combined Authority owned fleet was a positive step, but advised, "*operators may use complicated financial mechanisms to move ownership of vehicles around or extract higher values than the authority should have to pay,*" suggesting the Combined Authority learn lessons from other authorities that have gone through the same process.
- 6.5.22.** Consultees voices concern that the Combined Authority has assumed ZEBRA funding will be in place for the full procurement of the ZEB fleets, which cannot be guaranteed.
- 6.5.23.** First West Yorkshire voiced concern that investment in ZEBs could diminish the Combined Authority's ability to invest in bus priority as well as uncertainty over whether the financial arrangements could have any impact on operators, on the last point stating: "*Public sector borrowing assumes reduced borrowing costs. It is unclear how, or if, this impacts operators. For example, the recent First Bus EV battery agreement would deter First Bus from such plans, were there a need for operator involvement*". They requested further details for how the Combined Authority will procure ZEBs in relation to the lots. J&B highlighted that they believe that procurement of ZEBs will be an increased expense when operators are already running Euro VI compliant vehicles.
- 6.5.24.** We understand that the introduction of a franchising scheme would present risks and challenges such as procuring fleet whilst ensuring good value for money. The approach in the fleet strategy outlines that there are a number of different approaches that the Combined Authority can take to acquire fleet, and that the choice of acquisition model will be selected on the basis of whichever option is the most efficient, taking into account WYCA's financial and risk appetite at that point in time, as well as market dynamics (pricing, finance costs, availability). This has also been informed by market engagement with manufacturers, and the experience of the Combined Authority in supporting the ZEBRA scheme with operators, both of which have also informed costings. As outlined in the management case, further mitigation of the risk should a decision be taken to introduce the proposed franchising scheme would also include be early recruitment planning to ensure the Combined Authority has the relevant experienced resource to undertake the procurement of fleet. A procurement strategy will be developed, and expert procurement advice will be taken into consideration to ensure that any novel approaches available in the market that could provide additional value for money are taken into account, and the Combined Authority are working with other partners going through similar bus reform programmes are collaborating to learn lessons. The approach to how ZEBs they will be apportioned within the lots would be developed in detail should a decision be taken to introduce the Proposed Franchising Scheme, in particular in connection to the allocation of routes to depots in line with the Lotting Strategy.
- 6.5.25.** With regards to ZEBRA funding, as is recognised in the Assessment, the current bus fleet is required to be upgraded to ZEBs regardless of reform options, in order to meet the Net Zero commitment, and therefore the cost associated would need to be met under all options. As also outlined in the Financial Case section 7.3, the Combined Authority does not believe the assumption that ZEBRA funding will continue until the point that the cost of vehicles (diesel and ZEV) normalise is unreasonable, on the basis that ZEBRA funding has been available historically to support Government's policy commitments to meet Net Zero, it is therefore the Combined Authority's view that it is reasonable to assume these will continue. In the event that ZEBRA funding did end, this would be likely to apply whichever option was progressed and therefore would result in either operators or the Authority needing to reconsider the approach to ZEV (for example, increasing financial capacity for a higher financing requirement, or to reprofile acquisition profiles). This point is also made in Appendix 5 which also responds to points raised by First West Yorkshire on the fleet assumed under franchising.

- 6.5.26.** The cost of investing in ZEBs is incurred and funded by operational revenue, by operators under the EP+ and the Combined Authority under Franchising. This does not impact on the level of additional capital expenditure for bus priority as capital projects such as this are not covered in the costs for introducing the Proposed Franchising Scheme. More detail on how future bus priority measures are treated is included in the discussion of the Strategic Case of this report.
- 6.5.27.** In response to the point raised by First West Yorkshire on lower public sector borrowing costs, it is not anticipated that this would have any impact on operators. Combined Authority intervention in fleet may impact existing commercial arrangements with operators, however we'd expect that in their normal course of business, operators will consider the level of flexibility that is appropriate in different contracts to amend or end those contracts so that they can respond should operational requirements change and result in them no longer needing those commercial arrangements. If specific operators have chosen to enter into commercial arrangements that do not respond in this way, then they will have the opportunity to flag this with the Combined Authority during market engagement, so that the Combined Authority can consider whether changes to its contractual and procurement model may be appropriate to avoid such impacts.
- 6.5.28.** Paragraph 7.2.3 of the Assessment refers to the lifecycle of a zero-emission bus; a fifteen-year life was adopted (the lower end of the range given in 7.2.3) with battery replacement at the mid-life point. As also covered at 6.5.19, an allowance for the cost of mid-life battery replacement is included within the contracted operating costs (as described in Operator operating costs – see Section 3 of Financial Case and Data Model Databook), along with the other adjustments to account for the transition from diesel to electric vehicles.

Vehicle Availability – timetable and fleet numbers

- 6.5.29.** There were concerns raised over the Assessment's calculation of the fleet required to operate the franchised system, with both First West Yorkshire and CPT suggesting that, on day one of franchise operation, there will be a significant gap between the number of buses available and the number of buses required to properly operate the network. CPT cited that there are currently 1,755 busses in the region and First cited their Oxera report that concluded that the network requires 1,250 busses to operate.
- 6.5.30.** TLC made a slightly different comment, saying that they were, "*Concerned that there will be insufficient buses to enable any network improvements in the short term*".
- 6.5.31.** Arriva made a point about fleet resilience, saying that "*currently large operators can pull on group wide fleet resource in the event of vehicle unavailability, however this may not be possible if a specified vehicle requirement were in place.*" As well as requesting further clarity on the options being assessed and which option is being progressed for fleet strategy.
- 6.5.32.** Leeds City Council requested clarification on the timetable for ZEB adoption, noting that their ambition of a fully ZEB fleet by 2030 does not align with the Assessment, which suggests it will be achieved by 2040. Similarly, Bradford Metropolitan District Council said it was targeting a swift deployment of ZEBs and associated infrastructure. Bus Users UK noted concerns over current difficulties in sourcing new vehicles, which could pose challenges.
- 6.5.33.** In response to the comments on fleet numbers, further explanation of the approach taken by the Assessment is included in Appendix 5 which confirms and explains the validity of the Combined Authority's analysis in the Commercial Case.
- 6.5.34.** The Combined Authority has set the intention of moving to an all-ZEB fleet in response to the climate crisis, and as outlined in the Strategic Case the timeframe assumed is the same for all reform options, in line with the Combined Authority's ambitions under the BSIP. The actual model for acquisition under the Proposed Franchising Scheme will be developed in detail, should the decision to move to franchising be taken. If a business case was made for accelerated adoption, and this could be funded, it would be possible to progress this rollout faster under all options. As outlined in the previous section on ZEBRA grant funding, this assumption is applied to all reform options, and it is recognised that this could also impact on the proposed approach, including where this could be achieved in the future without similar subsidy support if ZEBs became cheaper. This would apply equally to either the Combined Authority purchasing fleet under the proposed franchising scheme or operators purchasing buses under EP+. A finalised acquisition approach would be developed if a Proposed Franchising Scheme was introduced, and this would be required before a decision can be made on how ZEBs are allocated throughout the franchises.

Leasing Agreement

- 6.5.35.** Stagecoach's response noted that, *"we would require a greater understanding of the contractual arrangements for any proposed lease agreement. If WYCA owns the bus fleet, a detailed framework will be required covering all aspects of the fleet ownership and usage, including maintenance, warranty issues and insurance and fundamentally what 'in good condition' (page 78) contractually means."*
- 6.5.36.** The proposal to include a residual value mechanism within the contracts was generally supported by consultees and suggested that it would encourage bidders as it would reduce their financial risk. It was pointed out that the mechanism would need to be robust and strong.
- 6.5.37.** Support for the suggested approach was given by Calderdale Council, who said that it would ensure that ZEBs would stay within West Yorkshire and that standardised fleet would reduce costs over time.
- 6.5.38.** First West Yorkshire queried how vehicle write-offs would be handled.
- 6.5.39.** The Combined Authority agree with Stagecoach that where the Combined Authority own the bus fleet, it will be necessary to put in place detailed arrangements that cover all aspects of fleet ownership and usage, including matters such as maintenance, warranty issues, insurance and condition, to ensure that the fleet is used appropriately and the value of the fleet maintained. Whilst these matters will require detailed drafting, they are common issues to be considered in the maintenance of any leased or similar fleet, and will also need to align with the requirements of the franchise agreements, to ensure that there is consistency in how the vehicles are provided to the operator, and the standards which they are required to be maintained and operated to. There will also be benefit, where appropriate, in aligning this with the terms of supply of vehicles from manufacturers to effectively manage risk. The Combined Authority will therefore consider this as part of the wider development of detailed contract documents in the next stage of the programme should a decision be taken to introduce the proposed franchising scheme, to ensure any lease terms or similar are aligned with the franchise agreements, including engaging with operators and other stakeholders to ensure that the proposed approach is robust and will provide value for money as part of the wider procurement programme.
- 6.5.40.** The Combined Authority would be engaging with legal and commercial services to propose a robust residual value mechanism. This would be subject to a detailed business case to appraise the most appropriate mechanism, including through consultation with existing and new operators, following any decision to make the Proposed Franchising Scheme. The development of this will inform the process for handover of fleet assets between operators, which has yet to be decided.
- 6.5.41.** Regarding vehicles write-offs, we assume that First's comments relates to the write-off of vehicles that are ending their useful economic life. If this is the case, under the scenario where Operators are providing fleet that require demobilisation, there are many ways that this would be dealt with in the design, and process of negotiation for Franchise contracts, and the options for Operators would not be different to current options for excess fleet (second-hand market). As ZEBs will be procured and rolled out over time, and operators will likely have similar numbers at the end of their operational life at each roll out, they will be able to include these vehicles in the write-off. If this is instead a reference to write-off of vehicles where they are damaged, for example in road traffic accidents, then First are correct that the contractual mechanisms will need to take account of this, including who takes responsibility for provision of spare vehicles and associated matters such as insurance and provision of temporary fleet. The Combined Authority would expect to include relevant provisions dealing with these matters in draft franchise agreements, and would include this in the market testing exercise to allow potential bidders to help identify the best value options to manage this risk prior to commencement of procurement., and also identify whether any specific approaches to management of this risk would be of concern to bidders.

Conclusion on fleet

- 6.5.42.** The Combined Authority is committed to responding to the Climate Emergency and Net Zero commitments and is implementing zero emission buses (ZEBs) as part of its response. This is noted with reference to our Climate and Environment Plan in the Strategic Case of the Assessment and is already part of the Bus Service Improvement Plan. Whilst it is recognised that ZEB technology is has limitations, and that there remain technology risks, it is assumed that this will improve over time as ZEBs are more widely adopted, and mitigations will be made including through market engagement with manufacturers, adapting the acquisition model to achieve best value and to enable changes over time, and having alternative options such as continuing to operate diesel buses for a time to allow technology to be advanced on difficult routes.

- 6.5.43.** Bus specification would be developed alongside experts and a supporting depot strategy to ensure that the Combined Authority can meet its zero emission bus target, whilst satisfying operators on issues such as infrastructure.
- 6.5.44.** The Combined Authority would put in place new asset management systems to allow better oversight of maintenance issues and would adopt an agile approach as technology advances. This would ensure that ZEBs are properly maintained efficiently and effectively.
- 6.5.45.** Regarding procurement, options have been set out by the Combined Authority in the fleet strategy, based on engagement with the market from which a detailed procurement strategy would be developed, supported by expert advice and early prioritised resourcing, that would also consider any novel approaches available in the market that could provide additional value for money are taken into account. This is alongside working with local authority and operator partners to understand lessons learnt regarding investment in ZEBs alongside adapting to a new governance mechanism. The Combined Authority recognise that ZEBRA funding was raised by a number of incumbent operators. All options within the Assessment have been treated equally in this regard and believes it is sensible to assume subsidy will continue until a time of cost parity. As highlighted in the Assessment's Financial Case at 7.3.17, If there was no further convergence in prices, and no government funding (such as ZEBRA), the Combined Authority would need to make a choice between achieving the objective of a 100% ZEB fleet, and using its budget to maximise services, with the possibility available also to acquire diesel buses as an interim measure for a period. This would be the same choices faced by operators under an Enhanced Partnership model. In addition, spending on ZEBs will not impact investment on bus priority as capital projects and associated costs are not taken into account within the Proposed Franchising Scheme.
- 6.5.46.** Vehicle availability was an issue raised by some respondents. It is recognised that in the first instance some vehicles would need to be provided by franchisees for the first contracts, as acquisition of a Combined Authority fleet is proposed to be phased over time. In the Fleet Strategy it is outlined that fleet can be acquired through Combined Authority purchase, lease, through the Residual Value Mechanism or through operators providing vehicles, which is considered to offer sufficient flexibilities to meet the needs of contracts, noting comments of operators currently drawing on wider fleet pools.
- 6.5.47.** The Combined Authority would reiterate that the model of acquisition would be developed in detail following a decision but that based on market engagement with manufacturers it is not considered to be a barrier in terms of new vehicle acquisitions.
- 6.5.48.** In regard to leasing agreements and residual value mechanisms, the Combined Authority can confirm that this will be developed in detail following the Mayoral decision on bus reform and would be worked into the full business case should the Proposed Franchising Scheme be taken forward. The residual value mechanism would also create a viable route to accessing vehicles for early rounds of contracts and has received positive comments in the consultation.
- The Combined Authority recognise that introducing the Proposed Franchising Scheme would mean the Combined Authority taking on a significant new role in fleet for the region's bus network, and that in designing the final acquisition models and management mechanisms it will take on board the feedback received during this consultation and continue engagement with both manufacturers and operators to ensure an effective implementation.

Depot strategy

- 6.5.49.** The approach to depots for franchising was set out in the Commercial case. Further information was shared within the depot position paper in Appendix 3.3 of the consultation document. This sets out the current position of the Combined Authority on bus depots, including how the Combined Authority assessed the identified strategic depots in West Yorkshire, and how they were valued by external property consultants.
- 6.5.50.** There were responses from several councils, including those outside West Yorkshire, who expressed a desire to be involved during the mobilisation period. It is the intention of the Combined Authority to include councils for discussions around the mobilisation period, particularly involving depot locations, cross-boundary services and fleet requirements.

EV infrastructure

- 6.5.51.** The main response to this theme was about the impact of electric vehicle charging and zero emission bus infrastructure on SMOs. Many SMOs lease their depots, and this restricts their

ability to “install high voltage charging equipment due to fire risk”. Connexions mentioned that SMO depots “can’t support electric vehicles”.

- 6.5.52.** CMA, Stagecoach and TLC questioned the operator cost for installing zero emission infrastructure within depots owned by SMOs as this has not been set out in the consultation document. CMA further stated “*This may impact how Zero Emission Buses (ZEB) can be rolled out across lot B and C franchises if the depots lack the technology to facilitate such buses*”.
- 6.5.53.** Finally, Ross Travel Group raised that the “*operation of EVs is dependent on the suitability of existing depots*”.
- 6.5.54.** In response to the comments particularly from SMO operators and supporting Zero Emission vehicles, it is important to emphasise that the transition to ZEBs is one that is assumed across all reform options and the reference case, and therefore there will be a need to find solutions to manage this across all options, if SMOs are to transition to Zero Emission vehicles. The current Zero Emissions Bus Regional Area (ZEBRA) funding, that has been accessed by the main three operators in West Yorkshire; Arriva; First; and Transdev,, is one possible part of the solution, as this can be used to add EV infrastructure to depots. It is assumed across all reform options that access to ZEBRA funding continues to be available. Whilst it is not proposed under the Proposed Franchising Scheme for the Combined Authority to take ownership of small depots, this funding could still be supported to access depot infrastructure, but would need to be matched by investment from the depot owner.
- 6.5.55.** The point raised by Connexions appears to be that their leased depots cannot currently support battery electric vehicles, presumably because this is not acceptable to the landlord. If this is a common issue for SMOs, rather than a specific issue for Connexions and their landlord, then this will need to be addressed if ZEBs are to be rolled out across all West Yorkshire services under any of the options, as is considered in the objectives set out in the Strategic Case. Introduction of franchising potentially offers the opportunity to explore solutions regarding provision of infrastructure and vehicles to operators in a way which is less likely to distort competition than where this was provided in the current deregulated market. The staged process of letting and reletting franchise agreements will also allow the Combined Authority to consider when is the best time to seek to roll out ZEBs on Lot B and C contracts, so that this can take into account the extent to which some of these risks become more manageable as technology and its use matures.
- 6.5.56.** Noting that point on leased depots, in response to points raised about operator cost and the impacts on the SMOs, if the decision is taken to proceed with franchising this will form part of the conversations with operators around contract design so the Combined Authority can fully understand the implications to work towards a solution. It is expected that the cost implications of depot upgrades required for depots not provided by the Combined Authority to be met by the owner of that depot (with or without subsidy support), and that some of those costs therefore may be reflected in the price of tender returns. However if depots are currently leased from a landlord then it may be that those costs would not be accepted, and in which case the previous discussion on franchising providing ways to explore solutions could be looked at.
- 6.5.57.** In terms of the strategic depots proposed under the Depot Strategy to be acquired by the Combined Authority, investment in infrastructure for zero emission buses is factored into the capital costs of depots, with an assumed cost of £16,250 per ZEB (see section 7.3.17 of the financial case).
- 6.5.58.** In addition, the Combined Authority will be working with Northern Powergrid to identify the electric capacity of every strategic depot, and to determine the costs to upgrade the capacity where required. Again, this capacity is something that will be required under all reform options. The Combined Authority are also exploring other ZEB technologies that would not require electricity to run.

Availability and mobilisation

- 6.5.59.** Availability and time to acquire depots saw a substantial response within the consultation. The main concerns were around the time it will take to acquire depots, and whether the operators would be willing to sell the depots. It was therefore suggested that engagement with operators as soon as possible is key.
- 6.5.60.** The operators also raised that depot access needs to be made available from day 1 to prevent any mobilisation delays. However, the CMA saw it as positive that the Combined Authority was

providing depots as this is seen as barrier to entry and expansion for “*new entrants into the market without being hampered by the high fixed costs of purchasing infrastructure*”.

- 6.5.61.** Finally, operators raised concerns about the potential cost increases if depot owners decided to sell their land to the highest bidder, which may be for land development and be at a higher amount than the Combined Authority valuations state.
- 6.5.62.** First West Yorkshire raised specific concerns relating to large operators’ refusal to sell their depots. In addition, they raise concerns that time to purchase depots is not explained in detail.
- 6.5.63.** The Combined Authority recognise that the acquisition of depots, or suitable land to build depots, will be a priority if the decision is made to proceed with the Proposed Franchising Scheme. All prospective depots and land will be valued independently and discussions with the landowner will take place from there. It is proposed that the Combined Authority would be using public borrowing to fund the purchase the depots and will need to justify any expenditure. It is known that some of the current depot sites may be attractive to developers who could be able to spend over and above the red book valuations. This may result in current depot sites being unavailable for purchase by the Combined Authority. Therefore, alternative sites are a requirement for each lotting area that can be purchased for the Combined Authority to build a strategic depot. The Combined Authority could also look at Compulsory Purchase Orders where necessary. Approach 1.2 in the Depot Position Paper describes a possible approach that involves the Combined Authority acquiring a suitable site and developing a new depot as an alternative to acquiring/leasing existing depots from operators should an operator be unwilling to sell a depot.
- 6.5.64.** The transition period to the Proposed Franchising Scheme that has been specified allows sufficient time to engage early in the process with incumbent operators and, if required, time to go to the open market. In addition, the Combined Authority would work with the relevant planning authority where planning permission is required, and with experienced and accredited architects and contractors to minimise any delays. The Combined Authority also acknowledges that there may be refurbishment works and/or upgrades to each depot in line with the future requirement for zero-emission buses, which may result in a higher cost than anticipated, however the expected costs for these refurbishment works for future ZEBs are included within the budget identified for depot acquisition in the financial case.

Cost

- 6.5.65.** Several points were raised in relation to the high cost of purchasing depots, and that these costs may be below what the actual cost will be when considering any refurbishment and improvements to the infrastructure for zero emission buses.
- 6.5.66.** First West Yorkshire also raised that the contract costs may be higher if the category B and C lots cannot be operated from the category A depots, as they currently can be. They also raised concerns regarding the optimum contract size noted in their pre-market engagement response. Their response notes that the average PVR across the planned ten zones is 90. They state this negates the pre-market engagement and query whether the costs of an additional depot and EV infrastructure is captured.
- 6.5.67.** Finally, J&B Travel also raised that there was a cost that had been missed from the evaluation as there would need to be a new traffic control centre.
- 6.5.68.** In response the Combined Authority can highlight that the cost estimates were provided by external experts, and that additional costs have been considered in terms of fit out for zero emission buses. It is recognised however that at this stage those costings are only estimates, and that if a decision is made to implement the Proposed Franchising Scheme these could change during acquisition. The Financial Case of the assessment has included sensitivities on depot costs in recognition of this point.
- 6.5.69.** In response to the specific comment from First about operating category B and C lots from category A depots,— Section 5.5.6 of the Commercial Case sets out that this could be considered on a case by case basis, but has been included in recognition that this could give an unfair advantage in bidding for lot B and C contracts if strategic depots can be utilised. Although as referenced in 6.3 the final allocation of routes to depots would take place after a decision to implement the Proposed Franchising Scheme, the initial approach has been to consider services against the existing depot from which they operate, which has included for example suggesting including schools services in the Lot A contracts for Bradford and Keighley. this is helpful feedback to support the Authorities decision making, should Franchising be pursued.
- 6.5.70.** The Depot Strategy sets out options in relation to accessing Depots, which may include acquisition from Operators. The Authority has a range of options at its disposal, including

acquisition from Operators, leasing from Operators, acquiring sites at open market and developing new depots, developed on existing public sector land. In line with wider Government policy on asset / land acquisition, the Authority could not acquire beyond Red Book Value in any case.

- 6.5.71.** It should be noted that the depot costings (acquisition and fit out) have been developed based upon a range of external advice, including valuation by external property consultants and technical transport consultants - as well as precedent Authority acquisitions from across England.
- 6.5.72.** In response to the comment by J&B Travel, the Combined Authority has factored an urban traffic management centre and staffing into the business case for both franchising and EP+, with the Management Case incremental resourcing sections (Tables 3 and 4) setting out what those requirements are. The assumption is that this will be neutral between the two options as they assume the same requirements.

Location

- 6.5.73.** The responses about location included concerns about the location of the proposed third depot in Leeds and where depots would be located that ensure efficiency and minimise dead mileage for buses.
- 6.5.74.** CPT also raised that there are not many possible locations within West Yorkshire to build a depot and that there has been "*hostile opposition from nearby neighbours*" where operators have previously wanted to build depots.
- 6.5.75.** There were points raised about services that run from depots located outside West Yorkshire, and conversely about depots that operated cross-boundary services with neighbouring areas, mirroring comments made in section 6.4 about broader issues of cross-boundary services.
- 6.5.76.** Finally, there were points raised about potential issues when swapping depots between operators and the implications to staff and rotas as it may not be straightforward to TUPE them when the current staff and routes served by each depot may not be the same after franchising.
- 6.5.77.** The Combined Authority acknowledges that it will need to engage with incumbent operators on this issue if the decision is made to proceed with the Proposed Franchising Scheme to look to mitigate the impact of introduction of franchising on staff operating these services, although noting that the intended approach to allocation of services in line with current operations will help mitigate this issue in many cases.
- 6.5.78.** There is no intention for the Combined Authority to acquire any depots outside of West Yorkshire. Any services within West Yorkshire that are not excluded from franchising or subject to the service permit regime would form part of the lotting strategy and would be available as part of the tendering process. Those routes that are part of the lot A routes would need to be run from the strategic depot that is supplied by the Combined Authority.
- 6.5.79.** It is recognised that splitting the Leeds zone into three lots will require sufficient strategic depot capacity. The cost to purchase land for and build a third depot in Leeds has been factored into the costing of the depot strategy, and it is recognised that the optimal solution in respect of depot sites will require consideration of the most efficient location to minimise dead mileage. In provision of services from those depots The Combined Authority would use up to date land availability information to determine available sites for building a third depot in Leeds. and would work closely with Leeds City Council once a preferred site has been identified. Early engagement would also take place with incumbent operators around possible TUPE implications of staff connected to those services. It is however also recognised, as pointed out by some consultees, that even where a strategic depot is currently located in West Yorkshire, that it may be that the Combined Authority would not be able to acquire this from the current owner, and so therefore alternative site provision could be required for all depots. This consideration has informed the length of the transition timetable, and if necessary the Combined Authority could revise the order of contracting under the lotting strategy to enable longer transition where a new depot was being provided, by letting such franchise later.
- 6.5.80.** The intention is that the Combined Authority would set their own standards for each depot that they own, and so there may be some refurbishment required. Any requirements for the maintenance of Combined Authority owned depots by both parties will be set out in the contract with the winning bidder, and all transitional arrangements will be made to minimise disruption. Will be set out in the contract with the winning bidder, and all transitional arrangements will be made to minimise disruption.

Lotting and routes

- 6.5.81.** There were four responses that raised different points around lotting and routes. Stagecoach responded that it was not clear how the core network coverage will be increased through franchising. They pointed out that this *“needs to be delivered through changes in timetables and efficiencies in allocating routes to depots”*. Stagecoach also responded that the Hunslet depot should not be split (two of the proposed Leeds lots are currently run from the Hunslet depot) and that school services should be included in Lot A and therefore be operated from the strategic depots provided by the Combined Authority.
- 6.5.82.** First West Yorkshire disagreed with splitting the Leeds lotting area into three and raised that 3 depots are likely required from day 1 if the incumbent is not successful. This point is also discussed within comments raised in the Proposed Franchising Scheme chapter.
- 6.5.83.** The potential for disruption from splitting Leeds across three rounds was considered in developing the proposed lotting order and strategy, however it was concluded that the advantages of the approach set out outweighed this. These include better balancing PVR and present commercial performance, and allowing additional time for the zone which largely relates to the present Hunslet depot and is shown as being split across two zones. Further discussion of this comment is included in section 3.3 in the Proposed Franchising Scheme chapter .
- 6.5.84.** In terms of school services and Lot A depots this is discussed in section 3.4. The approach to lotting considered adding school services to Lot A contracts where that aligns with existing practice, for example in Bradford and Keighley. However, as discussed in the strategy, it is not proposed to link all school services to Lot A depots, as this would not align with current approaches, and would undermine some of the opportunities that could be achieved particularly for SMO operators to potentially grow their market share. The Combined Authority would look to keep this under review as part of implementation of a franchising scheme, as set out in the lotting strategy, to ensure that the approach achieves the balance of outcomes considered in the lotting strategy, e.g. that it does not exclude smaller operators and allows for those opportunities to be maintained, but continues efficiencies that exist for provision from larger depots where appropriate and there is capacity
- 6.5.85.** There is also no intention for the Combined Authority to amend the network or the level and number of services there currently are. Any changes to the existing network would take place after the full mobilisation of all three lots and in consultation with key stakeholders including bus users.

SMOs

- 6.5.86.** There were several responses from incumbent SMOs that indicated potential implications for the depot strategy on SMOs.
- 6.5.87.** The responses were mainly around ensuring that the SMOs were not financially disadvantaged through the Proposed Franchising Scheme. This could be through the loss of use of their depots, where they were not successful in winning a lot B or lot C contract as the depots or land they were on would be unlikely to be purchased. However, J&B Travel suggested that many of the SMOs do not own their depots, but instead rent them.
- 6.5.88.** CMA suggested several operators could share a strategic depot to run lot B and lot C contracts as this could encourage more operators to bid. However, they also stated they understand *“the exclusion of the strategically owned depots for lot B and C contracts is intended to make it easier for depot owning SMOs currently operating in WY to compete against larger operators for these contracts”*. This could result in the exclusion of bidders for lot B and lot C contracts due to the absence of a depot in West Yorkshire.
- 6.5.89.** The Combined Authority response notes it is the intention of the Combined Authority to provide the depots for any operator who is successful in winning a Lot A contract. These strategic depots are provided because they have to be large enough to contain the minimum number of buses required to deliver the routes that are part of Lot A, and otherwise it would be difficult for any other operator to source and build a depot to be able to bid on the tender. This therefore overcomes a barrier to entry for operators and lots to increase competition within the market. Lot B and C contracts were judged to not face the same levels of barriers to entry as a result of depot provision, recognising the smaller site requirements for these depots and the more agile approach particularly of small operators currently to access sites for running tendered services. Consultation responses suggesting that many SMOs rent their sites also supports this view, with a lesser risk of stranded assets.
- 6.5.90.** As set out in section 5.5.6, if necessary to ensure that SMOs are not restricted or excluded from the market, the Combined Authority may choose to require that Lot B and Lot C contracts cannot

be operated from a Lot A depot. This would mean that while larger operators could bid for these smaller lots, they would not be allowed to use a large depot provided by the Combined Authority as this would give them an advantage in tendering. It could also cause performance issues if they were to lose the large franchise, depot access and therefore ability to continue to provide services. The Combined Authority will determine if such restrictions are required on a case-by-case basis, but the approach would allow smaller operators to bid on a level playing field basis with larger operators.

- 6.5.91.** SMOs should not be disadvantaged as part of franchising, nor should the absence of a depot prevent them for bidding for the lot B and lot C contracts as many SMOs lease their premises demonstrating an availability of depots to the SMO market. More detail on the impact on SMOs is included within the following theme which considers further responses.
- 6.5.92.** It should also be noted that in market engagement undertaken to inform the Assessment, operators stated that they would not support the sharing of depots.

Learning from others

- 6.5.93.** The only response within this sub-theme was from the Peak District National Park Authority, who expressed that *“it might be useful to gain feedback from TfGM as to how this approach has worked under their franchising programme.”*
- 6.5.94.** The response from the Combined Authority is that they have been in contact with GMCA to understand how they approached their franchising programme and understand lessons learned on the implementation of their depot strategy in acquiring strategic depots.

Conclusion on depots

- 6.5.95.** The Combined Authority note the comments received in relation to depot strategy recognising the variety of issues raised in response to the consultation.
- 6.5.96.** The Combined Authority recognise the scale of change that a fully zero emission fleet would cause in relation to depots and realise that early engagement is required with experts regardless of the decision. The Combined Authority remain committed to transitioning to a zero emission fleet, with this objective consistent throughout both of the bus reform options. Whilst there may be difficulties regarding particular depot sites, this is a longstanding objective set out in our BSIP and would occur irrespective of the decision taken on bus reform. We would look to seek expert advice on how best to transition depots and engage with operators on how to pursue this regarding Lot B and C depots, as depot owners would be required to undertake this investment.
- 6.5.97.** The Combined Authority recognise that availability and mobilisation concerning depots is a key factor should the Proposed Franchising Scheme be taken forward. The Combined Authority maintain that the transition period to the Proposed Franchising Scheme allows sufficient time to engage early in the process with incumbent operators, and go to the open market, if required.
- 6.5.98.** Consideration on responses regarding cost have been explored, noting that a range of external advice has been undertaken to understand the implications regarding depots. This has included independent valuations and technical transport consultants as well as learning from other authorities who have acquired depots across England. The risk of these valuations being low has been tested through sensitivity testing in the Financial Case.
- 6.5.99.** Location of depots has also been explored through this response noting that land availability for a third Leeds depot was raised as a concern by a number of respondents. Should decision be taken to introduce the Proposed Franchising Scheme, the Combined Authority will build upon work done for the assessment to evaluate the options for a third depot in Leeds as an immediate priority, ensuring sufficient time before the last Leeds lot commences operations in October 2028.
- 6.5.100.** Questions and responses on lotting and routes were received by a few respondents. The Combined Authority notes that the interaction of lots is set out in the Lotting Strategy. Should the Proposed Franchising Scheme be progressed, the specific issue on requiring an additional depot in Leeds will be considered, as outlined in the paragraph above. Specific concerns on disruption in splitting Leeds has been considered in developing the lotting order, and the Combined Authority remain confident that the advantages of this approach outweigh the risk. Engagement on the issue of TUPE based on existing services will also be considered early as part of implementation, recognising some of this information will not be available significantly in advance of mobilisation.
- 6.5.101.** Some responses highlighted the specific risks to SMOs regarding depots. As set out in section 6.6 and above, SMOs should not be disadvantaged as part of franchising, and the approach to depots for smaller lots includes provisions to not allow these to be run from Lot A strategic depots. More

detail on the impact on SMOs is included within the following theme which considers further responses.

6.5.102. The Combined Authority maintain that their approach in the Commercial Case is fully ratified and conducted in an appropriate manner for the stage of development regarding the Proposed Franchising Scheme. As is outlined in the conclusions of the Assessment, depot acquisition is considered a key risk of successful implementation of a Proposed Franchising Scheme, and will need to be managed effectively. The Combined Authority's approach to risk management is set out in section 8.5. Further learning from other authorities will also continue be sought throughout any process to introduce the Proposed Franchising Scheme.

The Combined Authority's response

- 6.5.103.** The Combined Authority has considered the comments and queries raised regarding the fleet and depot strategies and has set out how it would approach any issues and challenges that are posed by bus reform.
- 6.5.104.** The "*intention*" to purchase vehicles and depots from Operators is an option available to the Authority and is an integral part of both the Depot and Fleet Strategy.
- 6.5.105.** The Fleet Strategy set out the Authority's intention of procuring a zero-emission bus fleet and the associated financial considerations and assumptions. The final model for procurement and leasing will be assessed in detail in the business case.
- 6.5.106.** The Depot Strategy sets out the Authority's ambition to access a strategically located depot for each lot A area, which could be implemented through a range of different options (one of which is acquisition of existing depots). Given that the Assessment is based upon assumed costs, proportionate to the stage of development and for the purposes of comparing regulatory options, detailed analysis and final costs would be appraised in detail in a business case. This business case would appraise the most appropriate mechanism, including through consultation with existing and new operators, following any decision to pursue Franchising.
- 6.5.107.** We recognise that any decision to implement the Proposed Franchising Scheme is a step change in the bus market and should this decision be made, there are additional considerations to work through. This includes securing EV infrastructure to ensure that ZEBs can be properly supported throughout West Yorkshire. However this is also a requirement that is common to all reform options, and will need to be delivered in any case.
- 6.5.108.** The need for depots to be accessed immediately, discussed under availability shows the Combined Authority have properly considered these options in the Commercial Case, noting additional work will be required on some of the detail.
- 6.5.109.** The Combined Authority sought expert advice in regard to the cost of depots and this is presented within the Commercial Case. The Combined Authority maintains their confidence in these figures, whilst recognising costs may change and has run sensitivities to test the impact of these.
- 6.5.110.** The Combined Authority have noted the concerns regarding location of depots and land availability. These issues will be addressed following any decision to pursue the Proposed Franchising Scheme including in finalising the allocation of routes to depots.
- 6.5.111.** The Combined Authority recognise the importance of the participation of operators of all sizes within a successful bus market and does not want to cause disadvantage. The lotting and depot strategy look to support competition in the market through reducing barriers and creating opportunities for operators to compete in the market. The next section discusses risks and additional considerations specifically regarding the impact on SMOs.
- 6.5.112.** The public consultation responses were generally in agreement of the approach to fleet and depots, however they noted the initial large cost and wanted more information on what would happen to the current fleet. The cost of acquisition has been detailed in the financial case of the assessment, and although does commit the Combined Authority to significant capital investment, this is assessed as being affordable within the overall budget for bus. On what will happen to existing fleet, in some instances these may remain in operation in West Yorkshire at the introduction of franchising if acquired through the Residual Value Mechanism or provided by operators into a contract as required. Alternatively, the options for Operators on redeploying or disposing of current vehicles would not be different to current options for excess fleet (second-hand market).
- 6.5.113.** The Combined Authority recognise that further detail will be required in developing the implementation approach to realising the fleet and depot strategies set out in the Assessment

should a decision be made to introduce the Proposed Franchising Scheme. The fleet and depot strategy included within the Assessment were developed to a level of detail commensurate with the stage of an outline business case and will be refined and developed in the next stage of delivery. Many of the comments and queries received would be helpful for the Combined Authority in carrying this out this next stage should a decision be taken to introduce the Proposed Franchising Scheme.

6.6. Theme 5: Consideration of the impact on small and medium sized operators

- 6.6.1.** This theme looks at the specific issues raised around small and medium sized operators (SMOs) including concerns for business and potential opportunities for the SMO market. As well as more general comments, summarised below, this theme covers risks to SMOs and additional considerations raised by respondents.
- 6.6.2.** General comments on the impact on SMOs included the importance of smaller operators within the market which give the current EP diversity. It was noted that if the Proposed Franchising Scheme was pursued, it would be important to fully ensure appropriate market opportunities for SMOs and community transport. Calderdale noted the positives of involving SMOs in the process and the increased competition and lower costs this could bring, whilst Leeds City Council asked for clarification on the prospects for SMOs.
- 6.6.3.** Several respondents noted that the Proposed Franchising Scheme presents flexibility to operators and would be beneficial to competition, particularly for new operators or SMOs. It was noted that SMO participation helps to moderate competition through the bidding process. In addition, several responses noted that opportunities for SMOs were included in the letting strategy which is discussed elsewhere in this section.
- 6.6.4.** Other responses, including from TLC and J&B Travel, noted that it is a fair assumption that smaller operators would be more likely impacted by the Proposed Franchising Scheme as larger groups may lose some revenue and assets, but the effect on SMOs would be the complete exit from the market and loss of business without compensation.
- 6.6.5.** Further to this there were several requests for further clarity on the impacts on SMOs to better understand how they may be impacted.
- 6.6.6.** The public response showed some support for the proposed approach but acknowledged the importance of SMOs and a need to encourage SMOs and local operators in the letting of contracts.

Risks to SMOs

- 6.6.7.** Several risks were identified through the responses to the consultation that were felt to particularly affect SMOs. This have been categorised and discussed under the following headings:
- Operator community
 - Barriers for bidding
 - Current SMO context

Operator community

- 6.6.8.** One of the frequently mentioned comments was regarding the significant impact on the operator community. The example of Manchester was cited on several responses, showing the near complete exit of SMOs in the market in the procurements carried out so far, with CPT responding *“In March 2019 there were 41 SME operators active in the Greater Manchester commercial and supported bus market, accounting for around 7% of all mileage. To date in tranche 1 and 2 awards Vision is the sole SME represented in existing awards so far in Greater Manchester winning six home-to-school franchise contracts from the first round of reregulation”* The response submitted on behalf of Globe and Station Coaches suggested some SMOs will choose to leave the bus industry due to the excessive burden.
- 6.6.9.** TLC noted that there are very few small operators within West Yorkshire and the Proposed Franchising Scheme may reduce this further, impacting competition and leading to increased contract prices. Other smaller operators expressed this concern, noting the uncertainty this may

cause to SMOs. South Pennine Community Transport responded that “*most would agree that losing SME operators would be a change for the worse and would amplify the problems that larger operators have in delivering smaller and more bespoke projects*”. This links back to discussion of competition discussed under the CSF theme. However, it was also noted opportunities for SMOs in smaller lots and welcomed engagement from the Combined Authority.

- 6.6.10.** Several neighbouring LTAs raised concerns on the continuation of SMOs that operate within their own area and West Yorkshire. North Yorkshire Council expressed concerns that particular operators were concerned about their long-term future, citing the experience from Manchester to be a worry. They encouraged the Combined Authority to revisit this should the Proposed Franchising Scheme be made. Other neighbouring authorities echoed this concern, noting the importance that the financial viability of smaller operators is safeguarded to ensure service continuation in neighbouring LTAs.

Barriers for bidding

- 6.6.11.** Specific concerns on the ability of operators, but particularly SMOs, to compete were raised by several incumbent operators, citing particular concerns on the barrier of the scale and process of bidding. J&B raised a concern that further larger operators may enter the market, with the loss of SMOs.
- 6.6.12.** Several SMOs raised particular concerns around their ability to manage particular working practices and negotiations with unions and bus groups. TUPE issues are discussed in the Management Case response, but it should be noted that this was raised as a particular concern from SMOs. The issue on recruitment could also limit SMOs ability to improve the network without significant additional resources.
- 6.6.13.** The CMA noted that if smaller operators are unable to compete for enough lots there is a risk that SMOs might exit the market. This has impacts on the competition within the market and could alter the market significantly. They suggested the need for the Combined Authority to reduce barriers to entry and expansion which would help SMOs enter the market and that lotting design needs to continue to consider this.

Current SMO context

- 6.6.14.** Connexions noted that some SMOs may not want the opportunities to expand discussed in the Commercial Case and they may be content with their current standing, which needs to be taken into consideration. J&B Travel supported this view, stating that many SMOs rent premises or do not have facilities or inclination to increase fleet numbers. Other SMOs mirrored this feedback, with expansion not an option due to the “*cost and capital which is considerably beyond their financial means or business objectives*”.
- 6.6.15.** In addition, Connexions noted a few concerns regarding SMO participation in the market, including the likelihood of SMO investment due to uncertainty, alongside frustrations that bus reform is damaging previously good relationships with SMOs. A suggestion from Connexions was to guarantee SMOs continuation in the first period of the Proposed Franchising Scheme.
- 6.6.16.** The response on behalf of Globe and Station Coaches, along with Ross Travel Group stated that currently SMOs can cross-subsidise their businesses by combining tendered school services alongside school trips and holiday tours. It is argued that this works well and financially benefits the Combined Authority as it spreads the cost as well as balancing income for SMO owners.

Additional considerations

- 6.6.17.** Additional points were made in relation to the performance and operation of SMO services. TLC pointed towards SMO performance exceeding Combined Authority and industry targets and stressed that SMOs have the ability to react and deliver changes quickly and effectively in the event of major disruption. TLC hoped that these strengths would be recognised and that contracts were not just awarded on price. In addition they noted that some SMOs may find it difficult to manage extensive working practice and negotiations with unions without significant additional resource.
- 6.6.18.** The response on behalf of Globe and Station Coaches, and Ross Travel Group highlighted that “*initial PR put out to small operators is that they have much to gain from franchising and that their situation was fully understood. This certainly was not evident in the data collecting process as the documentation assumed that similar corporate practice applied to all operators*”.

- 6.6.19.** First West Yorkshire's responses suggested that special dispensation cannot be granted based on the size of an operator as this could create an unfair competitive advantage. If SMOs were favoured, this could be challenged under procurement law.

The Combined Authority's response

- 6.6.20.** This theme has looked at some of the concerns raised on the continuation of SMOs within the West Yorkshire market. The Combined Authority has set out how it will mitigate this impact through its approach to lotting and contracts which would be further developed if the Proposed Franchising Scheme is made and is confident that the Commercial Case reflects this.
- 6.6.21.** Several risks have been discussed, particularly relating to the impact of a potentially reduced operator community, perceived barriers for bidding for SMOs and consideration of the current SMO context. The Combined Authority has reflected on these comments and is comfortable that the approach taken within our Commercial Case provides mitigations against these risks, as will continued engagement with all operators, including SMOs, as a detailed contract and procurement approach is developed, if a decision is made to proceed with the Proposed Franchising Scheme.
- 6.6.22.** The Combined Authority recognise that any change in governance mechanism has the potential to impact operators within the market. The lotting strategy (discussed elsewhere in this section) has been designed to facilitate and encourage any size of operator to participate, with the creation of smaller lots designed to potentially attract bids from SMOs, as well as opportunities for smaller lots to increase over time to offer growth opportunities. In addition, issues raised in regard to contracts will be addressed at the detailed contract design stage, but the Combined Authority sets out in the Commercial Case that its approach to Lot B and C contracts would be to only adopt a gradual move from the current contracting arrangements for supported services, contracting arrangements that SMOs in the region are already familiar with and successful in bidding for. This should therefore mitigate some of the issues that SMOs are concerned about with being able to compete for smaller franchises against larger operators, as the bidding process and contractual terms should be closely aligned to what they are used to, allowing them to bid as effectively as they do today for secured services. The Combined Authority recognises the benefits of competition delivered through the Proposed Franchising Scheme and which the lotting strategy complements, looking to attract a wide range of operators, of all sizes, to submit bids for franchise contracts.
- 6.6.23.** The challenges associated with a change in governance mechanism are noted by the Combined Authority. The inclusion of section 6.6 sets out the commercial levers that will be used to help facilitate and continue SMO participation in the market including how contracts and lotting will be managed. As noted in the previous paragraph, lots B and C, which may attract interest from SMOs look to take a different approach to contracts, which overcomes some of the concerns raised in the potential issues of resource and barriers to the market within this theme. It is not the intention that the Combined Authority guarantee SMOs access to contracts as suggested by Connexions, as this would not be consistent with obtaining the most advantageous tenders for services, , but the Combined Authority would look to engage with SMO operators to make sure they were involved in market engagement and fully prepared to be able to bid for contracts.
- 6.6.24.** The Combined Authority understands that the procurement of franchise contracts in Manchester has caused considerable concern to the SMO market. It is important to note that we are looking at lessons learnt which can be incorporated into contract and procurement design if the decision to proceed with the Proposed Franchising Scheme is made, including taking on board comments received during this consultation. SMOs would be encouraged to engage with market engagement exercises on both the contracts and procurement approach to ensure that the Combined Authority was successful in achieving an improved approach to tendering for SMOs compared to that encountered in Greater Manchester
- 6.6.25.** Several additional points were raised by correspondents with concerns on the Combined Authority's approach to the Assessment and the potential that particular sized operators might receive positive bias. The Combined Authority would like to reiterate that the Commercial Case focuses on successful deliver of the CSFs which would look to encourage more operators to the market, to create competition, and potentially create new opportunities for bidders who may not previously have won tenders due to a lack of depot and/or fleet facilities.
- 6.6.26.** The Combined Authority recognises the importance of SMOs in providing variety and competition in the current market. We have attempted to engage with the SMO market through various means

throughout the Assessment period and used all feedback received in their formation of options to mitigate impacts on this part of the market. The Commercial Case also notes that the Proposed Franchising Scheme may overcome some issues currently faced in the market and contract lengths in many cases would provide greater stability than existing supported service tenders.

- 6.6.27.** In response to the point raised by Globe and Station Coaches and Ross Travel Group, it is not clear which practices are assumed in the documentation to be the same for all operators, and the Combined Authority recognises that practices vary. This has been accounted for in the approach to the different proposed franchised lots, but it is also recognised that consistency of service and provision has been a significant issue raised around the current bus network in West Yorkshire and therefore that introducing a franchising scheme would need to balance these elements.
- 6.6.28.** Noting First West Yorkshire's concerns, we can confirm that that no special dispensation will be granted to any operator. The Guidance requires the Combined Authority to consider SMOs which is why a bespoke section on impact on SMOs was included. The Combined Authority has created smaller size lots to provide an opportunity for all sizes of operator to bid for and may attract SMOs as these contracts may better meet their scale and capacity. It should be noted that it is not within the Combined Authority's approach for the Proposed Franchising Scheme to preclude operators from bidding for any contracts.

6.7. Theme 6: Lotting Strategy

- 6.7.1.** There were a variety of responses on the approach to the lotting strategy set out in consultation. There were several positive comments made towards the Combined Authority's approach to lotting structure and size regarding the opportunity for a variety of size of operators to participate in bidding for franchise contracts. Incumbent operators also noted some helpful considerations, which will be considered during franchise contract design.
- 6.7.2.** The discussion of this theme can be broken into the following into the following areas
- Lotting structure and size
 - Consultation and engagement with operators
 - Additional considerations

Lotting structure and size

- 6.7.3.** Comments were received on the structure of lots with both positive and negative comments received in relation to this. It was thought, as mentioned in theme 5, that structuring lots with the inclusion of lots more suitable for SMOs (B and C lots) it could encourage new entrants and provide opportunities for existing SMOs and the commitment to the Proposed Franchising Scheme operating across the whole of West Yorkshire was welcomed. It was noted in the CMA's response that the Lot A contracts are considerably larger and may therefore impact appetite for bidding. They supported the view that tendering a higher number of smaller packages of lots gives more flexibility and stronger competition in the market.
- 6.7.4.** The CMA added that they encourage policymakers to avoid structuring the Proposed Franchising Scheme in a way that would bias the market towards incumbent operators as it may impact the level of competition. This could result in a "*lack of pressure*" in future franchising rounds and in driving operator innovation. They did note that the Combined Authority's Proposed Franchising Scheme did mitigate against this risk.
- 6.7.5.** The response from the CMA also highlighted the need to look beyond the initial round, paying attention to the shape of future franchise awards to ensure that they can adapt to changing passenger needs and changing communities. This would ensure that this would smooth the transition to a franchised market structure.
- 6.7.6.** J&B Travel highlighted that allowing lot C contracts to be let to small SMOs would help provide them with longer term certainty of the future of their business leases. They noted the potential "*race to the bottom*" if "*large operators are unsuccessful in bid A, they will then look to block bid on option C, meaning smaller operators will not compete, with margins of profit required to be higher with SMEs*". This impacts SMOs differently to larger operators who can move their assets around more easily. This view was reflected by other, non-statutory, stakeholders including Transport UK who suggested that category B and C lots could be protected with smaller operators.
- 6.7.7.** Specific comments were received from Connexions suggesting that lots need to be truly suitable for all size businesses – taking into account issues affecting SMOs such as reduced working weeks / alternative working patterns. In the responses from Globe and Station Coaches, and

Ross, points were also made about SMOs having particular criteria against which they bid, and so therefore the content of each lot would be a key deciding factor within decision making. Whilst other SMOs noted the opportunities for SMOs within B and C lots.

- 6.7.8. Dales and Bowland CIC reiterated that a successful market that encourages high standards and good value for money is *“dependent on the participation of small and medium sized operators, so we welcome the inclusion of smaller lots within the lotting strategy”*.
- 6.7.9. Comments received from the public showed the need for lots to be suitable for all sizes of operators, however noting the potential that lots could either increase or decrease competition.
- 6.7.10. The size of lots and how this will impact bids and competition within the market is discussed within the ‘driver of competition between operators’ section of this report.

Clarity of inclusion of services

- 6.7.11. Several respondents noted the lack of information on the services included within lots, including TLC that suggested additional clarity and detail to understand how this is included in the Proposed Franchising Scheme. Lancashire County Council also flagged that the list of services under each procurement round would be useful information. Further information on this is included within the discussion on the Proposed Franchising Scheme in section 3.4.

Approach to lotting within Leeds

- 6.7.12. A particular query noted was the approach to lotting with Leeds ranging from requests for further information to suggestions on how better to structure the approach.
- 6.7.13. Stagecoach queried the splitting of Leeds into three lots, suggesting this will cause confusion amongst passengers. They made a counter suggestion of leaving Leeds to be in the procurement round and franchising the entire city at once.
- 6.7.14. First’s response suggested that their market feedback was not taken into account, reflecting in the PVR at the Leeds lots. First say this is a material consideration regarding the costs of operating the Proposed Franchising Scheme, including the need for electrifying a third depot within Leeds.

Consultation and engagement with operators

- 6.7.15. It was noted by the CMA that the Combined Authority engaged with operators when designing the lotting strategy and that future ongoing market engagement, with operators of all sizes, is important to understand how franchise design will impact competition now and in the future.
- 6.7.16. The CMA also noted the importance of ongoing monitoring and evaluation in determining the impact and effectiveness of the Proposed Franchising Scheme. They pointed to the use of passenger data as a way to assess the current network and hold operators to account. They also noted the need to collate feedback from operators if the Proposed Franchising Scheme was introduced. This was reflected in the response from the Peak District Peak Authority, noting the opportunity to learn from previous procurements and to improve as the Proposed Franchising Scheme progresses.
- 6.7.17. Several respondents also noted the ability to learn from earlier tranches in the Proposed Franchising Scheme as the phasing of rounds allows for this feedback to occur.

Additional considerations

- 6.7.18. Better Buses for West Yorkshire commented on alternative mechanisms used across Europe, noting that many devolved areas have a single operator to deliver all services which reduces the complexity around commissioning. They suggested *“by running the procurement for Category A Lots 10 times, for the 10 zones, it will increase the time and cost needed to deliver all these services”*.

The Combined Authority’s response

- 6.7.19. The comments made in relation to the lotting strategy were largely supportive of the approach taken by the Combined Authority, with many noting the opportunities that the variety of sizes of lots can bring in competition for franchise contracts. Some respondents, largely smaller operators, noted that there are additional considerations such as precluding operators from smaller lots that could protect the market from SMOs.

- 6.7.20.** The Combined Authority have considered these responses and recognise the fact that a range of operators contribute to a healthy bus market that encourages competition and therefore an improved customer offer. The Combined Authority notes the comments received on lotting sizes and how these can facilitate competition in the market. The Combined Authority can confirm that no special dispensation will be granted to any operator. The Combined Authority has proposed to size smaller contracts to provide an opportunity for SMOs to bid for contracts that better meet their scale and capacity and encourage greater competition from operators of different sizes. It should be noted that no operator would be precluded from bidding.
- 6.7.21.** Considering comments on lotting within Leeds raised by First West Yorkshire, the Combined Authority set out the interaction of Lots (including order, size and scope) within the Lotting Strategy, published as Appendix 3.1 in the Bus Reform Consultation. Further detail on the approach to lotting and particularly the split of lots within the Leeds zone is considered within section 3.3 and section 6.5 of this report. The additional costs related to splitting of Leeds lots and an additional depot and charging infrastructure have been factored in to costings.
- 6.7.22.** The Combined Authority is committed to ongoing engagement and monitoring, as demonstrated in our current EP and is essential to understanding whether the Proposed Franchising Scheme meets the set objectives.. Further discussion on the issue of operator engagement can be found in the section on Consultation in the Proposed Franchising Scheme chapter and in the Management Case section.
- 6.7.23.** The comments from Better Buses for West Yorkshire are noted, however one of the commercial aims for the Proposed Franchising Scheme is to create competition through bidding for contracts. This cannot favour operators and it is noted that with a wider range of operators better competition can be created through the bid stage as operators strive to improve service offering. Neither during market engagement or through this consultation have we seen support for this approach suggested by Better Buses for West Yorkshire from operators who would be the potential franchisees.

6.8. Theme 7: Risk allocation

- 6.8.1.** Several responses highlighted risks in relation to the Commercial Case. These are considered under the following headings:
- Risk Strategy
 - Revenue Risk
 - Timetabling Risk
 - Commercial Success Factors
 - Risks associated with operators
 - Risks associated with the Proposed Franchising Scheme
- 6.8.2.** Operators, Local Councils, the Confederation of Passenger Transport (CPT) and the Peak District National Park all identified potential risk increases in a Franchised scenario in their Consultation Responses..

Risk Strategy

- 6.8.3.** The consultation responses received from most bus operators identified that there would be an increased risk for the Combined Authority in the Proposed Franchising Scheme compared to under the EP+. Transdev state that Proposed Franchising Scheme brings substantial risk and they believe that the use of the control is not done in the best interest of the bus users, although they understand the desire for change. Calderdale Council suggest that although there is a complex set of risks the long-term benefits of the Proposed Franchising Scheme should outweigh the short-term risks.
- 6.8.4.** Another aspect within the risk strategy that had been highlighted in the consultation responses is risk associated with the number of resources within the Combined Authority. CPT state that there will need to be significant additional capability in house to manage the additional ongoing risks as part of the Proposed Franchising Scheme.

Risk Allocation with regards to Revenue Risk

- 6.8.5.** The main area of risk that has been identified as part of the consultation responses is the risk relating to revenue risk. This is dealt with in further detail as part of the financial case section, but was also raised in connection to the commercial case and so is covered here.
- 6.8.6.** Many incumbent operators, CPT and Leeds City Council have identified that the transfer of revenue risk to the CA represents a significant risk, and Transdev state this is particularly the case given the financial climate of the public sector currently. Several operators further state that the risk allocation under the Proposed Franchising Scheme will also be much larger because of the capital responsibility for depots and ZEBs.
- 6.8.7.** Countering this, there were responses from the members of the public during the consultation that support the Proposed Franchising Scheme and state that subsidy is already provided to bus companies without the necessary control that the Proposed Franchising Scheme would give.
- 6.8.8.** Other responses noted that there is no mention that local authority borrowing could be restricted in the future. Respondents suggested that this could possibly stop or halt the Proposed Franchising Scheme and it may not achieve what it sets out to.
- 6.8.9.** The Combined Authority is aware that we would assume revenue risk under the Proposed Franchising Scheme and are therefore at risk for decreases in revenue and will have the responsibility to fund any resulting shortfalls. To test the potential impact of changes to revenue under the Proposed Franchising Scheme, scenario analysis in relation to potential reductions in revenue were carried out in the Economic and Financial Cases of the Assessment.
- 6.8.10.** Several incumbent operators noted that it was not clear whether loss of passenger revenue to mass transit is accounted for within the Assessment. Mass Transit is currently in development and therefore the Combined Authority cannot robustly predict the impact in future years to draw an assessment on the impact on the Proposed Franchising Scheme or other regulatory options. It is challenging to undertake Sensitivity Analysis on a future mass transit scenario, when neither has the impact of a likely Mass Transit option been established nor the likely bus service response. This assumption remains consistent across regulatory options, however it is known that the Combined Authority's bus network response to the introduction of Mass Transit could be more easily integrated under the Proposed Franchising Scheme than under a de-regulated system, where Mass Transit could affect the balance of services which remain commercial. In this way, the Combined Authority could better manage revenue risk across modes on an integrated basis.

Risk Allocation with regards to Timetabling

- 6.8.11.** As part of the Proposed Franchising Scheme the Combined Authority would be taking on some of the responsibility of the timetabling and the associated activities in order to set these out as part of franchise contracts. Several operators have identified this risk, in particular the requirement for a very high standard of timetable compilation, given we would have ultimate responsibility.
- 6.8.12.** Additionally, they also state that the Combined Authority targets for growth will not be achieved if the timetables and routes are flawed. Several operators have identified that separating the compilation of the service timetabling from the duty requirement will duplicate work and cause inefficiencies and increase resource requirements and costs.
- 6.8.13.** The Combined Authority acknowledges in the Assessment's Commercial Case that currently operators manage the timetabling of routes whilst under the Proposed Franchising scheme the Combined Authority would be able to specify the frequency, timing, and number of buses for each service, determining the appropriate level of detail in each tender to ensure appropriate timetable provision, but also to be able to ask bidders to apply their expertise in timetabling and resource managing bus services in their bids. This balance of responsibilities mitigates some of the risks highlighted in responses as it would continue to utilise the expertise of bus operators in detailing the more granular level of timetabling and scheduling. The Management Case of the Assessment has identified the requirement for additional systems and increased capacity and capability within the Combined Authority to reduce the risk of timetabling under the proposed franchising scenario.

Risk Allocation with regards to Commercial Success Factors

- 6.8.14.** There are risks surrounding franchising which may affect the Commercial Success Factors of the Proposed Franchising Scheme. CPT state that the passenger benefits that have been identified in the Assessment could be delivered at least equally through an EP or the EP+ model and for which change could be implemented at a faster pace. This relates back to comments received on options appraisal in the Strategic Case within section 4.4 of this report.
- 6.8.15.** The Peak District National Park Authority add that the EP+ scheme has the potential to support the Commercial Success Factors identified, although they identify that this is based on effective negotiation with operators.
- 6.8.16.** The Combined Authority recognises that there are a range of views on the EP+ and was encouraged to see engagement on this topic. In relation to risks in delivery of the Commercial Success Factors, we refer to our conclusions in the Strategic Case that the strategic objectives of bus reform can be better delivered under the Proposed Franchising Scheme as it offers the control and certainty to the Combined Authority and does not rely on operator negotiation, as some of the EP+ interventions require. It is noted within the Strategic Case that the EP+ does perform better than the current EP and does acknowledge where there have been successes through partnership.

Risks Associated with the Operators

- 6.8.17.** Several responses identified risks associated with the operators, either posed to them by the Proposed Franchising Scheme or posed to the Proposed Franchising Scheme by operators.
- 6.8.18.** Several incumbent operators acknowledge the risk of reduced service delivery standards by the operators, stating that this will need to be mitigated by a strict contract management regime and potential financial incentives. Transport Focus also shares these concerns regarding further network deterioration although focuses the concern on the transitional period and how this can be used as an opportunity to support service provision and modal shift towards an attractive network that promotes growth.
- 6.8.19.** Countering this, some members of the public raised a concern on the EP+ and the fact the risks associated with this to the operators would be passed on to the public through increased prices or decreased service quality.
- 6.8.20.** As stated in the Commercial Case of the Assessment operators will be contractually bound to provide services once they have entered into a franchising agreement and will have less flexibility to drop services which are no longer viable as decisions on the viability of services will rest with the Combined Authority. The performance regime of the contracts will be calibrated to reflect the specific performance requirements of the different contracts and is discussed in section 6.3, and there would be change mechanisms in place also to allow in contract changes to delivery should external influences impact contracts in a way that make them undeliverable.
- 6.8.21.** In addition, there are several ways to manage the risk of operators de-registering services before franchising comes into operationn:
- The Combined Authority may choose to publish a 'transitional notice' at the same time as making and publishing the franchising scheme, to extend the cancellation and variation notice period that Operators need to comply with in respect of services, from the current 42 days (and 28 day pre-notification to the local transport authority) to a maximum of 112 days: and
 - certain services may be registered at short notice, where the Combined Authority enters into an agreement with an operator for the provision of a service during the transitional period – the 42 day notice period need not apply, and such service could instead be provided from a point from when the Traffic Commissioner accepts the registration application.
- 6.8.22.** TransDev also state that the operators have the experience of running a bus network also echoed by Stagecoach's response stating that fleet procurement is complex and the operators are the ones who have the experience and the close relationships with suppliers and manufacturers. First West Yorkshire commented that existing operator knowledge and experience would be lost under franchising.
- 6.8.23.** The Combined Authority are aware of the knowledge and experience currently sitting with the operators and have identified the need to recruit staff with the required capability as part of the Proposed Franchising Scheme which is discussed in further detail in the Management Case in sections 8.2 and 8.3.

- 6.8.24.** In response particularly to the point from First West Yorkshire on loss of knowledge and experience, the Franchising model as defined for the purposes of the Assessment mean that the majority of operational staff are expected to be retained within West Yorkshire's bus services and network. Expertise in areas such as route planning will be covered by this, with some of these skills moving to within the Combined Authority. Table 4 in the Management Case sets out the incremental resource requirements for Franchising, including which roles have been assumed to be subject to transferring under Franchising. With regards to relationships at risk under Franchising, the Combined Authority acknowledge the potential risk that First West Yorkshire raise but view the likely outcome to be a change in the nature of the relationship and responsibilities as between operators and the Combined Authority, rather than a complete loss. Franchising could also result in new relationships and expertise being introduced to West Yorkshire's network and services with different operators competing for franchised services, as in bidding, operators would be evaluated on their proposals including their existing expertise which they would bring to franchise contracts won, and employees of incumbent operators may also TUPE transfer to successful bidders, retaining knowledge and experience
- 6.8.25.** TfGM agree with the conclusions of the affordability and financial risk of the EP+ and Proposed Franchising Scheme but note that the achievement of a successful EP+ is unpredictable as it would require all parties, including bus operators, to agree and continue to agree changes into the future.
- 6.8.26.** The Combined Authority also acknowledges that the interactions with the operators and the production of the correct incentives would be vital under either the Proposed Franchising Scheme or the EP+. One of the biggest risks the EP+ identified in the Commercial Case in the Assessment is that the Combined Authority cannot make changes if sufficient operators object. Commercially, all the risks that apply to the current EP also apply to the EP+ but with additional risks related to negotiating and enforcing network changes seen through the introduction of additional policy levers.

Risk in relation to Franchising Contracts

- 6.8.27.** The consultation responses also identified risks associated with franchise contracts as part of the Proposed Franchising Scheme. Several operators stated that if similar standards are expected from the operators as part of the tendering process then there will be little variation in the costs submitted by the bidders as the difference in capital and variable costs between operators will be almost entirely removed.
- 6.8.28.** J&B Travel stated that the procurement for the Proposed Franchising Scheme will be based on the most competitive bid and does not incentivise operators to enhance routes.
- 6.8.29.** The Peak District National Park made the point that careful contracting and project planning is required to ensure fair approach to SMOs and large operators.
- 6.8.30.** The Combined Authority understand the concerns regarding the procurement process under the Proposed Franchising Scheme but have identified ways to reduce these risks, as identified in the Commercial Case of the Assessment. For instance, the tender process will be a balance between quality and price and so success will not be based purely on the most competitive bid.
- 6.8.31.** Feedback gained from market engagement exercises was fed into the Assessment but further, additional, Preliminary Market Engagement will be undertaken following any decision to make a franchising scheme. This will allow for engagement on the draft procurement documentation, drafting of contract documents and testing of commercial principles in the context of:
- the franchising scheme as made;
 - the current state of the bus market;
 - the proposed contractual mechanisms;
 - and other key elements of this commercial case as they will be presented to the market (for example the approach to depot and fleet).
- 6.8.32.** For SMOs, the Commercial Case of the Assessment identifies areas where the Combined Authority could help them consolidate their market position and have opportunity to grow including; route packaging, marketing and ticketing systems and contract terms, which has also been considered in section 6.6 of this report.

The Combined Authority's response

- 6.8.33.** Many issues relating to the risks raised within this theme have been discussed throughout the Assessment's Commercial Case, giving confidence that the approach taken by the Combined Authority sufficiently covers the areas raised.
- 6.8.34.** Regarding the risk strategy, the Combined Authority are aware of the scale of change that the decision to introduce a franchising scheme would bring and the changes this has on risks. This is recognised within the Commercial Case under the risks and responsibilities (section 4.3.2) of the Commercial Case. Conclusions to risk strategy and resourcing are also discussed within the Management Case of this report under section 8.5.
- 6.8.35.** The Combined Authority is aware that revenue risk would be taken on by the Combined Authority under the Proposed Franchising Scheme and the resulting responsibility for the risk for decreases in revenue and fund any resulting shortfalls. This was tested under scenario and sensitivity analysis under the Financial Case of the Assessment and the Combined Authority is confident this has been tested robustly as a result. Regarding mass transit impacts, it is considered unknown as to what extent loss of passenger revenue will have due to this scheme only being under development meaning the Combined Authority cannot robustly predict the impact of this, but would suggest that this impact could be easier to manage under a Proposed Franchising Scheme than under a de-regulated bus market environment.
- 6.8.36.** The Combined Authority recognises that operators currently have the skills and knowledge required for effectively managing timetabling, and for that reason the Commercial Case sets out that a level of this detail would be with the franchisee operator to decide. Issues regarding risks to skills and training are covered within section 8.5 of the Management Case section of this report.
- 6.8.37.** The Combined Authority recognises that there are a range of views on delivery of options against the CSFs and retain our conclusions set out in the Strategic Case that the Proposed Franchising Scheme offers the control and certainty that is not achievable under the EP+ due to the reliance on operator negotiation. There is therefore less certainty in delivering the EP+, as it requires formal negotiation to be completed with operators remaining sufficiently aligned on the detail of proposals for them to be implemented, with the risk that some commitments may not come to fruition.
- 6.8.38.** In response to operator risks, there are additional contract mechanisms within the Proposed Franchising Scheme that make operators contractually bound to provide services once they have entered into a franchising agreement. This will be supported by the development of an effective performance regime, which will be developed during detailed contract design stage. During transition the Combined Authority has also given consideration of how it would manage disruption, including the ability to let services if required.
- 6.8.39.** Concluding on procurement risks, the Combined Authority have identified ways to reduce these risks, as identified in the Commercial Case of the Assessment. This includes market engagement exercises to maximise the potential for the procurement in terms of the Combined Authority and for those tendering.
- 6.8.40.** This theme demonstrates that mitigations and management of risk is effectively dealt with within the Commercial Case and that additional provisions are set out in other cases of the Assessment. The Combined Authority are aware of the additional considerations that are required during the next stages of development should the Proposed Franchising Scheme be made and are prepared to manage them effectively, with further detail of the Combined Authority's approach set out in section 8.5 of this report.

6.9. Commercial Case Conclusion

- 6.9.1.** Following consideration of the comments raised in response to its consultation on the Commercial Case the Combined Authority can reaffirm its conclusion that the commercial approach to the EP+ and the Proposed Franchising Scheme provide sufficient detail and provisions for the introduction of either option.

Evaluation of the Commercial Success Factors

- 6.9.2.** This theme sought to understand comments made in response to the Commercial Success Factors set out in the Assessment. There was general agreement that the CSFs were correct, but some concerns about how they were treated across bus reform options. There were differing

views on which option presented best value with various conclusions reached. The competition CSF noted the change in competition that would occur if the Proposed Franchising Scheme was made with responses considering challenges to SMOs, the size of the market and the ability to innovate raised as key concerns. Several comments on Transport Authority Influence suggested that greater influence does not necessarily lead to better outcomes, whilst some raised that it naturally biased the Proposed Franchising Scheme. The scale of change and the requirements needed to introduce the Proposed Franchising Scheme were the main discussion within the discussions on the Ease of Implementation CSF. A number of additional remarks were also given.

- 6.9.3.** Following consideration of the responses, the Combined Authority reaffirms that the CSFs consider elements of commercial success effectively. The focus of the CSFs in the Assessment are to ensure whether different models would create a commercially viable deal which is evaluated within sections 4 and 5 of the Commercial Case. The change in competition from 'on street' competition towards competition for contracts is noted and the Combined Authority maintain their conclusion that the Proposed Franchising Scheme allows for better delivery of the CSFs largely in part to reducing barriers for new entrants and allowing for greater competition for contracts. In regards to scale of change, the CSFs show that either option is deliverable and this conclusion is further supported by the conclusions drawn in the Management Case of the Assessment.

Franchise contracts, procurement, and implementation and transition planning

- 6.9.4.** There were a variety of responses on contracts, with supportive and helpful comments received in terms of contract length and additional contract specifications. Generally there was support of several contract mechanisms including contract length with responses demonstrating the link between contract length and performance and innovation. Several points were made in addition asking for specific interventions to lengthen contracts or add in additional contract extensions. Specific questions and suggestions were received on a number of contract mechanism including the performance regime, change mechanism, contract content and resource and contract failure.
- 6.9.5.** It is noted that the introduction of a Proposed Franchising Scheme would see significant change and that the contracting process would be proportional to the contracts procured. The Combined Authority is confident, if this option is pursued, that the phased approach allows time to understand lessons learned and continued learning and improvement. Additional contract specifications will be considered during detailed contract design stage and will be subject to market engagement.

Consideration of cross-boundary services and the service permit regime

- 6.9.6.** Responses received in this theme focused largely on service permits and the scope of the network. Other considerations were given on the list of services which is discussed in the Proposed Franchising Scheme sections 3.4 and 3.5.
- 6.9.7.** Responses on service permits generally noted that it was unclear on how permits would be managed alongside franchising contracts and made comments on the phasing and standards applied to them. Several comments were received expressing concern for the continuation of cross-boundary services and the potential impact of a permit regime on this. Questions were raised regarding cross-boundary services and whether they were adequately addressed within the Commercial Case.
- 6.9.8.** Through our response, the Combined Authority has reaffirmed commitment to cross-boundary services, noting the concerns raised by respondents on the impact introducing the Proposed Franchising Scheme could have on this. If the Proposed Franchising Scheme is made, an effective approach to managing cross-boundary service would be adopted to ensure the social and economic links between districts are maintained. In addition, the service permit regime would be subject to another consultation, whilst the Combined Authority would seek to continue discussions with neighbouring LTAs.

Approach to assets

- 6.9.9.** Comments made on assets have been discussed in terms of the approach to fleet and the approach to depots reflecting the main elements of discussion in responses. Responses on fleet raised questions regarding bus specification and management of assets. It also considered

responses relating to procurement of fleet and the impact of vehicle availability on the outcomes of the Proposed Franchising Scheme. Additional comments were received in regards to leasing agreements and residual value mechanisms requesting further clarification on these.

- 6.9.10.** Responses received on depots covered a range of topics highlighting potential issues with connecting existing depots to EV infrastructure, land availability and location for the development of new depots, the interactions depots has with the lotting strategy and the cost of depots.
- 6.9.11.** The Combined Authority notes the comments received in relation to the approach to assets. A successful fleet and depot strategy are important should a decision be made to introduce the Proposed Franchising Scheme and strategies would be further developed for implementation in the next stage of delivery. The risks in relation to asset purchasing have also been considered, and mitigations have been proposed in how the Combined Authority can seek different routes to acquiring assets, and sensitivities performed on the possibility for variance on costs.

Consideration of the impact on SMOs

- 6.9.12.** The majority of responses within this theme raised issues on the risks to SMOs seen if the Proposed Franchising Scheme is introduced. This includes impacts on a reduced operator community and potential barriers to bidding if contracts are to onerous to bid for. In addition, some SMOs thought the current SMO context including working arrangements and ambition had not been fully considered within the Commercial Case.
- 6.9.13.** The Combined Authority has set out in the Commercial Case how the approach to lotting and contracts would help facilitate competition across operators of all sizes under the Proposed Franchising Scheme. Whilst risks to SMOs have been discussed, the Combined Authority feels that the commercial arrangements within the Assessment set out how SMOs could effectively compete within a franchised environment. The Combined Authority would like to reiterate that the Commercial Case focuses on successful delivery of the CSFs which would look to encourage more operators to the market, to create competition, and potentially create new opportunities for bidders who may not previously have won tenders due to a lack of depot and/or fleet facilities and does not look to favour SMOs or incumbent operators.

Lotting Strategy

- 6.9.14.** A variety of comments were received regarding the lotting strategy including several that welcomed the opportunity of smaller lots which may be more suitable for SMOs. Some comments were made that highlighting the need for the Lotting Strategy to be structured in a way that did not bias incumbent operators and the need to review the approach through the lotting rounds. Some specific comments were made regarding the safeguarding of smaller lots and the impact on SMOs. Other comments received within this theme have been looked at through the Proposed Franchising Scheme section 3.4 which provides clarity on the inclusion of services, whilst section 3.3 considers comments relating to the approach of lotting within Leeds.
- 6.9.15.** The Combined Authority maintains confidence in its approach to lotting presented in the Commercial Case due to the large number of supportive comments received, with respondents supportive of varying sizes of lot to facilitate competition. The Combined Authority does not intend to give special dispensation to any operator. The Combined Authority has sized smaller contracts to provide an opportunity for SMOs to bid for contracts that better meet their scale and capacity and encourage greater competition from operators of different sizes.

Risk Allocation

- 6.9.16.** A variety of risks were identified through responses, largely reflecting issues discussed elsewhere in this section or reflective of comments in other cases of the Assessment. Responses noted that risk to the Combined Authority would increase and questioned whether this would provide the best outcomes for bus customers. The changes to revenue risk were also raised alongside risks with timetabling and the loss of expertise, again relating back to the responsibility of risks changing between bus reform options. Risks to the CSFs were also discussed briefly, reflecting comments relating to ease of implementation (section 6.2) and evaluation of bus reform options (section 4.4).

Risks to operators were also identified, including risk to operation of services during transition and risk of losing operator knowledge.

- 6.9.17.** Following consideration of the comments raised in response to its consultation on the risk the Combined Authority can reaffirm its conclusion that the commercial approach to the EP+ and the Proposed Franchising Scheme provide sufficient detail and provisions assessing and mitigating against risk. This is further discussed in section 8.5.

Overall conclusion

- 6.9.18.** The conclusion on the Commercial Case highlights that there are queries, concerns and risks perceived in the assessment of the commercial propositions for the bus reform options, but also that there is support for elements of the proposed approach of the Combined Authority.
- 6.9.19.** The Combined Authority maintain that the purpose of the Commercial Case is to consider whether options present a commercially viable delivery approach to the bus reform option. The scale of the change, particularly in delivery of the Proposed Franchising Scheme is recognised across the Assessment and is reflected in the Commercial Case, which outlines a range of the approaches the Combined Authority would look to take on contracts, assets, implementation and employment considerations that are all intended to drive a competitive market for franchised contracts,
- 6.9.20.** Whilst the Combined Authority remains confident following the consultation feedback that from a commercial perspective, either bus reform option is deliverable, it maintains that the CSFs can be better reached with the Proposed Franchising Scheme due to the control and certainty it provides over outcomes across the bus network. However, specific comments provided in relation to the details of contracting, the approach to asset acquisition, the approach to cross boundary services, to facilitating SMO participation and the final allocation of routes through the lotting strategy will be taken on board in refining these approaches should a decision be taken to introduce the proposed franchising scheme. The Combined Authority recognises that further market engagement on all of these matters would also be essential to mitigating risks during implementation.

7. Financial Case

7.1. Introduction

- 7.1.1.** This section looks to set out the responses received through the Bus Reform consultation on the Financial Case of the Assessment across the short and long questionnaire and the conclusion of the Assessment.
- 7.1.2.** The Financial Case of the Assessment looks at the financial implications of the two options for bus reform (the Proposed Franchising Scheme and the EP+) and compares them to the current EP Reference Case to understand whether the Combined Authority would be able to afford the transition to and the ongoing operation of the two bus reform options.
- 7.1.3.** The Financial Case considers what level of bus service provision can be provided under each option for the same amount of funding available, consistent with existing budgets – including farebox revenue. It also considers any capital investment (costs for buses and depots), transition costs (including management and consultancy resources) and any additional operating costs.
- 7.1.4.** All options also assume a continued decline in passenger numbers and increasing operating costs resulting in decreasing commercial viability and therefore a reduction in the size of the bus network provided.
- 7.1.5.** The Financial Case also sets out a range of funding and finance sources that are available to the Combined Authority to fund services under the reform options – including existing and additional sources which could be considered. The use of any of these sources will be subject to further discussion and agreement, following a decision to implement either of the options.
- 7.1.6.** This section looks to respond to key themes that were raised across the responses received.
- 7.1.7.** Within the short questionnaire this section looks to reply to responses on the following questions:
Q5. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this?
- 7.1.8.** Within the long questionnaire the following questions were asked on the Financial Case:
Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?
Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?
Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?
Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?
- 7.1.9.** This section discusses issues raised in response to these questions through submissions to the Bus Reform consultation across emails, letters and the online questionnaire. The structure of this section reflects the key themes identified across these responses.
- 7.1.10.** This section also looks to consider the wider public responses to the consultation which are quantified and analysed in the DJS Research report.
- 7.1.11.** The DJS Research report found that around a third of public respondents that commented on the conclusions of the financial case that risks were necessary sometimes and the benefits may outweigh the costs. Other public responses focussed on different areas of concern with regard to the financial impact of the introduction of the Proposed Franchising Scheme. Further information on those comments can be found in the DJS Research report, but key concerns are also highlighted within the following section.
- 7.1.12.** The section is structured as follows:
- Assessment assumptions and modelling
 - Funding and finance sources
 - Costs of implementing franchising
 - Cost of implementing the EP Reference Case or the EP+

- Financial and cost risks to West Yorkshire Combined Authority
- Financial cost / risk to local authorities
- Financial Benefits of franchising
- Value for Money / use of public money
- Conclusions on the feedback received on the financial case

7.2. Theme 1: Assessment assumptions and modelling

7.2.1. A number of consultees provided responses on assumption and modelling points used within the Financial Case.

7.2.2. The responses within this theme will be discussed under the following headings:

- Assumption of passenger decline
- Modelling of the impact of a pandemic type event
- Margin assumption
- That extra budget is needed in some years
- That figure 9 of the Consultation Document has missing labels
- That table 11 of Section 4.4.6 of the Consultation Document is incorrect
- Inflation assumption
- Assumption on farebox revenue

Assumption of passenger decline

7.2.3. In particular, a number of comments referred to the assumption on demand and the assumption that there would be ongoing passenger decline. In some cases, such as in the response by Action for Yorkshire Transport, this was suggested to be contrary to objectives, with some statutory stakeholders referring particularly to transport policy targets and climate goals.

7.2.4. In some responses this related particularly to the Proposed Franchising Scheme. CPT in their response made a point that “*franchising would only deliver 3.8% more passengers over 15 years compared to an EP+ model (with both models suggesting an overall fall in passengers)*” and that cost/benefit analysis should be considered by the Combined Authority. First West Yorkshire make a similar point: “*This indicates the negligible improvement made under franchising vs. EP+, and therefore a disproportionate amount of risk to be borne by the CA to achieve this outcome*”.

7.2.5. Arriva and Transdev both made responses to this assumption in relation to the conclusion of the financial case on the EP+. Arriva suggested that the conclusion on the EP+ was contradictory: “*The conclusion appears contradictory to itself as it states that there would need to be a reduction in service, which will lead to a reduction in passengers carried. However it also acknowledges that the number of passengers carried is greater under the EP+*”.

7.2.6. Transdev on the other hand did not agree with the logic of the statement that “*if the bus service is to remain affordable, there would need to be a reduction in services, which will lead to a reduction in passengers carried*”, and stated that there would be scope under the EP+ to use resources more effectively to carry more customers than currently and any network design approach under franchising is equally deliverable under the EP+.

7.2.7. Transport Focus in their response raise a concern that there is a risk that fares would need to be increased to pay for improvements or services will need to be cut if patronage declines. They also state that improving services will cost money and that therefore predicting patronage decline presents a challenge.

7.2.8. The Combined Authority have made clear in their Assessment that it is assumed that passenger numbers continue to follow the long-term trend, consistent with national trends, one that has seen a decline in journeys. This long-term trend is considered in the strategic case and has then been modelled as part of the economic and financial cases. This assumption has been applied consistently to support the comparison of regulatory options for bus reform, but that does not mean that it is the Combined Authority’s long-term ambition to see passenger numbers continue to decline. The strategic case section 4.3 of this report picks up particularly the response to the Combined Authority’s objectives and the issue of patronage decline vs patronage growth. That

section also considers objectives related to climate. The Combined Authority therefore believes that this is a valid assumption and is in line with wider strategic objectives, and therefore that its treatment in the financial case has been applied in line with requirements of the legislation and is appropriate.

- 7.2.9.** In response to the specific point raised by CPT that recognises franchising is forecast to realise 3.8% more journeys than EP+ (this is on average across the appraisal period as described in 7.4.5 in the financial case) and that states cost benefit analysis should be conducted, the economic case does consider the cost benefits of the options, and that these cost benefits are high for franchising. In respect of the similar point from First West Yorkshire, that the Combined Authority would take on a disproportionate amount of risk in achieving such a result, as is referenced in the further section 7.6 on financial risk to the Combined Authority, it is recognised that a further level of risk does come to the Combined Authority, but that level of risk is not disproportionate taking into consideration the results achieved from this option and the increasing level of risk taken under all options by the Combined Authority due to the network being forecast to decrease. The Combined Authority has carried out scenario and sensitivity analysis to test the impact on ranking of options should identified risks occur (funding, demand, asset, implementation, margin). The results (found in Sections 8 and 9 of the Assessment's Financial Case) have demonstrated that should these risks occur; Franchising remains the most favourable option regarding the number of passenger journeys achieved.
- 7.2.10.** In response to the point made by Arriva about the conclusion on the EP+ in financial case being contradictory, this appears to be a misinterpretation, as the case demonstrates how forecasting shows reduced journeys under the EP+, but that they carry a higher number of journeys relative to the do nothing option. This point is made clearly in the consultation document in the section that considers the financial case conclusion on the EP+ that states: *"as with the EP Reference Case, if the bus service is to remain affordable, there would need to be a reduction in services, which will lead to a reduction in passengers carried. However, compared with the EP Reference Case, the level of service provided and the number of passengers carried is greater under the EP+".*
- 7.2.11.** On the point raised by Transdev of services not necessarily declining under EP+, the Combined Authority's view is that despite interventions that would maintain a higher level of journeys than the reference case for EP+, as is the case for franchising, there would still be a decline in line with the long-term trend (applied consistently to all options). As outlined in section 5.4.8 of the Financial Case this is due to both the forecast drop in demand and the increasing bus operating costs. The impact of changes to this trend are then tested through scenario analysis to consider the impact of increases / further reductions to demand over time. On Transdev's suggestion that resources could be used more efficiently under EP+, the Combined Authority has looked to model this in the Assessment, such as through the delivery of network enhancements. These enhancements have a positive impact but are not sufficient to deliver more total journeys over the course of the appraisal period. And on the point about network design being achievable equally under all options, this is considered in greater detail in the sections on Strategic and Commercial cases in sections 4.9 and 6.8.
- 7.2.12.** In response to the points from Transport Focus, as made clear in the Assessment, over time services would need to be cut under all reform options to remain within the available budget, and therefore the Combined Authority agrees that if patronage declines then there could need to be those cuts under all options. On fare increases, the Management case sets out that it is not intended under Franchising to make wholesale change in fares from other options – but this would need to be considered as it would under any delivery model weighing up the relative benefits of changes. In regard to improving services, there are a number of different ways in which services can be improved, and some of the costs associated with reform options, including the investment and specification of vehicles, rationalisations of services, improved customer information, network coordination and simplifying ticketing, would realise these. However, it is recognised in the financial case that there is only a finite budget available to deliver bus and therefore the Combined Authority accepts that passenger decline could impact on the ability of any option to be able to deliver improved services.

Modelling of the impact of a pandemic type event

- 7.2.13.** Both Leeds City Council and Kirklees Council have referred to the possibility of a further pandemic or other such event that would see patronage decline further than the forecasts in the assessment, and questioned what the impact would be on services or on budgets.

This particular point was considered during the Assessment audit process, and in particular, the responses to the observations of Grant Thornton which can be found in the document “Combined Authority response to the observations of the independent auditor”². In the section of that document on downside sensitivities (found on page 10), and the section entitled ‘*Additional note relating to the response to the observation on Flexibility of service provision*’ (found from page 13) the Combined Authority has considered this issue and what the possible impacts would be of, in particular, a short-term shock. As outlined in the Combined Authority’s response to Grant Thornton, reductions in budget would need to be balanced with complying with duties around concessionary travel and socially necessary services. It is recognised that there is a risk of such an occurrence happening, and that this would have impacts on all reform options, and it is proposed therefore that the Combined Authority would regularly review mitigations to ensure the Combined Authority would be able to manage such issues across all options, which may include the need to cut services further than forecasted, or to provide a particular reserve for such an event.

Margin assumption

- 7.2.14.** In similar points to the economic case, CPT have raised the operator margin assumption in the assessment: “*the affordability is based on a current operator margin of 12-13%, we would be interested to see how that assumption has been calculated as latest published accounts of operators show the levels are 6%-8%.*”
- 7.2.15.** The assumption on margins is discussed in more detail in the economic case section of this report, and the Combined Authority is comfortable for the reasons given in the economic case that the affordability conclusion of the financial case holds.

That extra budget is needed in some years

- 7.2.16.** Arriva make a comment that: “*The consultation document notes that in some years, specifically 2028/29, more budget is forecast to be required than is available. It states that it’s options to address this shortfall include for service levels to be adjusted which seems contrary to the objectives of Bus Reform. The affordability of the scheme makes many assumptions about the ability to draw down on additional funding and the public purse.*”
- 7.2.17.** As is detailed in the financial case, the forecasting model is set up to work within the budget, and in the case of Franchising it is modelled overall to be affordable with an average budget required compared to budget available of 97.5% over the appraisal period. It is recognised in 7.4.3 of the financial case, as pointed out by Arriva and CPT, that in some years, specifically 2028/29, more budget is forecast to be required than is available, by £1,340,494. The same paragraph of the financial case outlines how the Combined Authority could deal with such a scenario “*In reality, other revenue sources could be drawn or service levels adjusted to counteract this impact.*” The point being made is that, as opposed to what is happening in general in the modelling, where services are adjusted to remain within the budget available, when the difference is considered to be small and therefore cutting an entire service for the year could be disproportionate, it could be possible for the Combined Authority to utilise another revenue source. The financial case does not suggest that this would necessarily happen, and the point is made that service levels could instead be adjusted, which could include trimming actions that it was not practical to model in the assessment, such as only reducing some frequencies or service days, rather than t cutting whole services.
- 7.2.18.** It is not the Combined Authority’s view that service levels being adjusted is contrary to the objectives of Bus Reform (see also the previous section on Assumption of Passenger Decline), particularly because one of the objectives against which Bus Reform is being tested is whether it is affordable. The Combined Authority also do not agree with the statement that “*The affordability of the scheme makes many assumptions about the ability to draw down on additional funding*”,

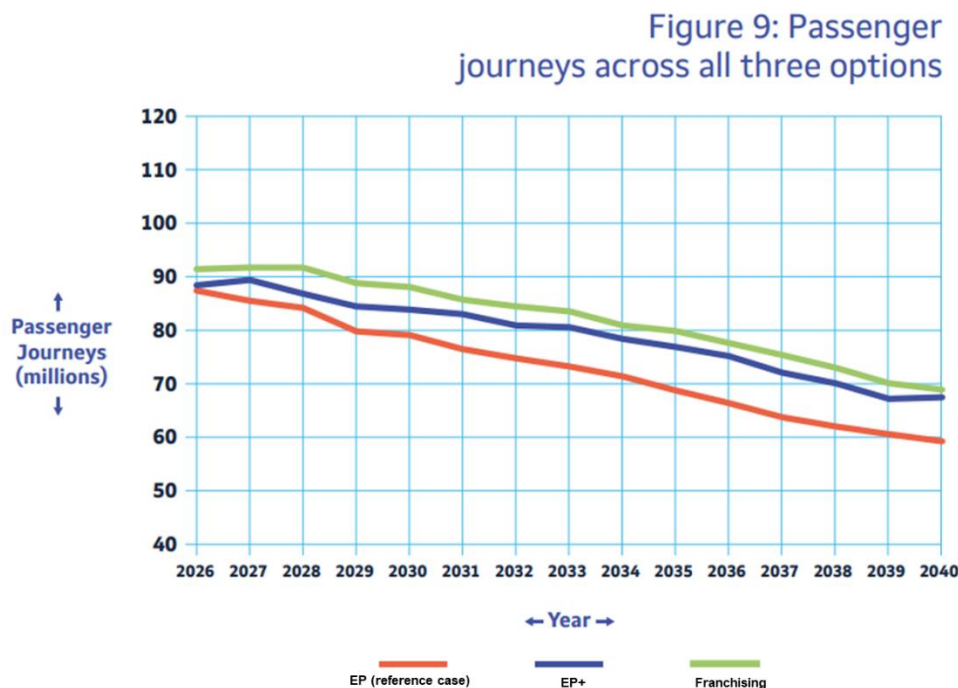
² The Combined Authority’s response to the observation of the independent auditor was published with the materials for the consultation, available: https://ehq-production-europe.s3.eu-west-1.amazonaws.com/ea096f872b3120be165178dd6b3caaf884e5d2a2/original/1696932353/e47342061b8c583b2683c39e980b6897_Combined_Authority_response_to_the_Observations_of_the_Independent_Auditor.pdf?X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIA4KKNQAKICO37GBEP%2F20240301%2Ffeu-west-1%2Fs3%2Faws4_request&X-Amz-Date=20240301T105441Z&X-Amz-Expires=300&X-Amz-SignedHeaders=host&X-Amz-Signature=bc2c65a0ac5817623084696631a0f505a8f3361106d66933de9033997be93eef

although the Combined Authority does not disagree with the point that the scheme would draw down on the public purse (presuming this to mean public funding to support bus services – which the funding streams used in the Assessment are clearly detailed in section 3 of the financial case for each reform option). On the point about additional funding, section 3 is clear to outline which funding sources are proposed to be drawn on for each reform option, none of which are additional to funding sources already drawn on to deliver bus services in West Yorkshire currently. A number of additional funding sources are referenced in paragraphs 3.3.8 and 3.3.9 of the financial case, that could be considered by the Combined Authority, but none of these are modelled in the assessment.

That Figure 9 of the Consultation Document has missing labels

- 7.2.19. First West Yorkshire & Peak District National Park Authority highlighted in their response that Figure 9 of the consultation document was missing labels to the colours in the key and so therefore was not adequately labelled.
- 7.2.20. The Combined Authority acknowledges that the labels were missing. The Combined Authority notes , that the Peak District National Park Authority in their response correctly identified what the labels should have been “Figure 9 does not include labels for the three lines, but it is assumed that red =EP, blue = EP+ and green = franchise”. Stagecoach also make reference to this figure in their response, using the figure to state that “under the current proposals patronage is still forecast to decrease significantly over the length of the franchises (Consultation Document, Page 98, Figure 9)”. The consultation document also does refer the reader to section 8 of the Financial Case which contains a further version of this figure (Figure 19) which has the correct labels. The Combined Authority is therefore satisfied that whilst the labels were missing consultees were able to understand the figure, and the relevant information was made available to all consultees through Figure 19. . A corrected table with the missing labels is reproduced below:

Figure 7.1 Correct version of Figure 9



That Table 11 of Section 4.4.6 of the Consultation Document is incorrect

- 7.2.21. First West Yorkshire also state “Table 11 of Section 4.4.6 of the Consultation Document is incorrect, with High Demand and Upside Funding resulting in less comparative journeys than High Demand and Downside Funding.” Table 11 is replicated below as it appears in the Consultation Document.

Table 11 – Comparative Journeys: Percentage of EP Reference Case Journeys provided by Franchising under All Funding and Demand Scenarios

Scenario	Low Demand	Central Demand	High Demand
Downside Funding	9.87%	13.03%	16.02%
Base Funding	10.26%	13.03%	15.63%
Upside Funding	10.85%	13.72%	15.33%

7.2.22. In response to this point, in considering these numbers it should be remembered that the demand and funding scenarios apply to the EP Reference Case as well as to the Franchising Option. The result presented (15.33%) for the High Demand and Upside Funding is a percentage increase on a higher number of Reference Case journeys than that for the High Demand and Downside funding (16.02%) which is therefore showing an increase from a lower number of Reference Case journeys. Table 11 is therefore not incorrect. Table 9 of the Economic Case shows that the bus demand in 2041/42 under Franchising for the High Demand and Upside funding scenario is 85 million, which is higher than the 74 million under the High Demand and Downside funding shown in the same table. The key purpose of Table 11 is to show that the Franchising option is forecast to carry more passengers than the Reference Case across the funding and demand recovery scenarios.

Inflation assumption

7.2.23. Connexions made the following point in relation to inflation in response to Q36: *“Based on the current forecasts this may be the case, but the way interest rates are currently increasing, and the pressure on wages we are currently seeing, would this be sustainable if this continues? A forecast made 2 years ago would never had assumed wages would increase by nearly 25% over this period”*

7.2.24. The Combined Authority recognise that high inflation is currently forecast, and that a smoothing approach has been taken, as detailed in the financial case. At paragraph 4.8.5 of the financial case this is explained as *“Because of the volatility of indices in the short term, the Combined Authority has chosen to ‘smooth’ the impact of inflation in the early years, to avoid significant volatility in the budgets available for bus services”*. This has been done to recognise that not all of the inflation impact is felt immediately, and that, as has been the case over the recent period of increased inflation, there has been an element of costs that have been absorbed rather than directly increasing the cost of services or fares to customers. It is recognised that this is an assumption, and that if inflation was to be greatly different, this would impact across all reform options, and would require decisions to be taken to stay within budget. Some of this is tested through sensitivities in section 9 of the financial case, and also in the responses to the observations of Grant Thornton (referenced in the earlier section on *Modelling of the impact of a pandemic type event*, with less budget available (which could mirror the impact of higher than anticipated inflation).

7.2.25. The Combined Authority therefore recognises that there are risks associated with the possible future impact of inflation, but that these risks are common to all reform options, and that there may be some benefits in the Combined Authority being able to take decisions across the whole West Yorkshire network rather than through tendered services for example in dealing with inflation more effectively across a suite of similarly procured contracts with operators, managing across the whole of franchise agreements, rather than for individual single service contracts

Assumption on farebox revenue

7.2.26. J&B Travel make the following point about the assumption that the Combined Authority will have access to farebox revenue. *“Advising in 4.4.4 that through farebox you will have higher funding source through farebox is incorrect if passenger numbers decline so does farebox revenue”*. The point made in the section of the financial case is that under franchising the Combined Authority would receive the farebox revenue across franchised services, which would be an increased

funding source compared to under the current EP where the Combined Authority only receives a small amount of farebox revenue through tendered contracts. It is correct that a decline in passenger numbers over time would likely result in the amount of farebox revenue also declining, and this is modelled in the assessment, however the statement made on the Combined Authority having access to farebox revenue as an additional funding source is still correct compared to the reference case.

- 7.2.27.** Transport Focus also make a point on farebox revenue, that franchising could cope better with a drop in revenue, and offer more stability to passengers. Whilst it is clear from the assessment that franchising alone does not prevent forecasting of reduced passenger journeys over time, it is considered in the Strategic Case (section 4.9 of this report) that one of the benefits of franchising is an increased level of control and certainty which could be beneficial in delivering a more stable network.

Combined Authority response

- 7.2.28.** The Combined Authority has considered comments in relation to a number of assumptions and modelling in Assessment Financial Case and is satisfied that the approach undertaken has been done compliantly with the requirements of guidance, providing further responses to individual comments made to explain how this has been done. It is recognised that a number of comments were made about the assumption of ongoing passenger decline under all options, and that the Combined Authority shares the view of many that this is not its ambition for the network. However, in order to provide a consistent basis to compare regulatory options, this assumption has been used as it concurs with the long term trends.

7.3. Theme 2: funding and finance sources

- 7.3.1.** A number of consultees made comments with regard to the funding and finance sources available to the Combined Authority. Some consultees raised points about the uncertainty over the availability of Government funding in general terms, whilst others raised points about specific sources.
- 7.3.2.** On general comments, a number of consultees, including Bus Users UK and Campaign for Better Transport raised points about whether funding would be available under the current Government or a future Government, and that this funding would be required to give long term confidence in the scheme.
- 7.3.3.** The conclusions of the financial case are that the franchising scheme is affordable to the Combined Authority, and the scenarios and sensitivities used provide assurance that this remains the case even with a reduced budget. Notwithstanding that, it is recognised that long term funding certainty, and further investment from Government in bus services, are developments that the Combined Authority would wish to see happen, and as modelling demonstrates an increase in budget available would allow more passenger journeys in particular to be realised under each reform option. What the assessment has looked to do is to compare the options without assuming further budgets or funding schemes are available than are currently, given they are uncertain and potentially hard to predict, and that this approach is sufficiently cautious to provide confidence to decision makers in taking a decision. This recognises that over time the number of journeys is expected to continue to decrease under all reform options, without further interventions being made. Bus Users UK make a particular point in their comments about all franchised services, as opposed to under an EP+ model, being reliant on public financial support. This particular comment is responded to in section 7.5 of this report.
- 7.3.4.** TLC make a point that “*General public canvassing should ask if an increase in council and other taxes would be tolerated to bring buses back under public control with improved services.*” And J&B Travel “*the franchise system doesn’t work if it did the biggest franchise TFL continues to go cap in hand to central government and that our capital city.*”
- 7.3.5.** On the point made by TLC the assessment assumptions are for the calls on council and other taxes to be the same under all reform options, or in the reference case. It is not proposed that additional increases or taxes are made to deliver franchising. Likewise on the point made by J&B Travel, the assessment has been modelled on the basis of the budget available for bus being largely the same and consistent for all reform options, and therefore the affordability of the franchising scheme is not based on further central government funding.

Specific sources

- 7.3.6.** The Transport Levy was one such source, with comments made that the levy has not increased in recent years despite increased costs to services. The responses on behalf of Globe and Station Coaches, and the responses from Ross Travel Group and Dales and Bowland CIC all raise the same point *“A further challenge is that there has been insufficient financial investment in supporting the operation of non-commercial bus services, with the Transport Levy having been held at the same level despite large increases in the cost of providing services. The proposed franchise option offers little to change this.”* Arriva on the other hand, state that: *“The Transport Levy is made up of contributions from the Local Authorities and therefore comes directly from residents of West Yorkshire, any increase in the levy would likely need to be realised by an increase in local taxes. The Transport Levy has been held at its current level for a number of years during which unprecedented levels of inflation have been seen, resulting in a real term cut in the Levy. Additionally, as a number of Local Authorities are facing critical budget challenges, it seems unrealistic for this levy to be maintained in line with inflation in future years.”*
- 7.3.7.** First West Yorkshire also made reference to the drawing on reserves and the Single Investment Fund but suggest that no details are provided.
- 7.3.8.** Bus Service Operator Grant (BSOG) was also referenced, with CPT stating that *“The Assessment suggests that BSOG would remain with operators, so makes no difference in terms of delivery model.”* Arriva make a point that *“BSOG and Government Funding are also expenditure from the public purse, and similarly any increase in these funds would need to come from there”*. And First West Yorkshire *“BSOG is assumed to continue for the franchised period. BSOG funding is to be reformed subject to a consultation expected in 2024, such that this assumption is flawed.”*
- 7.3.9.** ZEBRA (Zero Emission Bus Regional Areas) was also raised by both CPT and First – with CPT suggesting that: *“The Assessment suggests that WYCA may be eligible and/or have the ability to apply for Government funding in the form of grants, subsidies or funds. Following a franchising decision, the Assessment suggests that there may be the ability for WYCA to apply for Government funding initiatives which will be available at that time, including ZEBRA funding. None of the above has any certainty attached to it, and therefore should not be taken into account.”* First West Yorkshire, through the Oxera report suggest that the Combined Authority’s assumptions regarding future ZEBRA funding are too optimistic.
- 7.3.10.** First West Yorkshire’s response also makes reference to a decision in November 2023 on HS2, and suggest that as a result *“the low and central estimates can be considered to be unduly pessimistic”*.
- 7.3.11.** On points regarding the Transport Levy, it is recognised that the levy has been held constant in recent years, and the Assessment also makes an assumption, in line with medium term financial plans of the West Yorkshire five local authorities that the levy will be held constant until 2025/26 (see section 4.8 of the financial case on indexation). It is therefore not contested that this does pose a challenge currently to investing in non-commercial bus services, nor that introducing a franchising scheme would alter the available levy (which is modelled at the same amount for all options). However it is contested that introducing a franchising scheme would have no impact on delivery of services, as the forecasting clearly indicates that more passenger journeys would be delivered than under the reference case.
- 7.3.12.** In response to the point from Arriva that it is unrealistic that the levy is maintained with inflation, the Combined Authority would also agree, and therefore have taken an assumption that post-2025/26 the levy would rise at 2% per year (below the smoothed inflation assumption for the period to 2030. The downside scenario used in the assessment tests what the impact could be if the bus budget was reduced further than that, and as discussed earlier in this chapter, in response to the Audit undertaken by Grant Thornton further testing of this downside scenario was carried out. It is not contested that a rise in the Transport Levy of any kind would be sourced from an increase in local taxes, as this is the mechanism through which local authorities raise their budgets.
- 7.3.13.** On the point made by First West Yorkshire on the drawing on reserves and the Single Investment Fund, the financial case provides a reference to the West Yorkshire Single Investment Fund in footnote 11. As outlined in the West Yorkshire Investment Strategy, the Single Investment Fund *“has been designed to ensure it supports delivery of the Combined Authority’s strategic objectives and provides an opportunity to create a ‘single pot’ which brings together the Combined Authority’s funding, including legacy and new funding streams secured as part of the devolution*

agreement. The aim is to give greater local freedom and flexibility over how to prioritise investments to fully realise the region's ambitions."

- 7.3.14.** Section 3.5 of the Financial Case of the Assessment outlines that the Single Investment Fund would be utilised as the source for funding the Transition Costs for delivering either the EP+ or the Proposed Franchising Scheme. The Combined Authority has confirmed that there are sufficient funds available within the Single Investment Fund to meet these costs. As outlined in that section, transition costs include:
- Consultancy and management costs;
 - Early mobilisation of procurement resources and additional management;
 - IT system costs; and
 - Provision for risk.
- 7.3.15.** The financial case also suggests that reserves could be used to fund capital investment (see paragraph 3.5.1 of the Financial Case). However as is outlined in the financial case it is not assumed that reserves are used for this purpose, with the proposal that capital investment under the Proposed Franchising Scheme would be funded by prudential borrowing.
- 7.3.16.** On the points raised on BSOG funding, the point made by CPT is recognised as reflecting the position in the assessment, stated in paragraph 3.3.7 of the financial case, although it is also referenced in that paragraph that BSOG could be devolved to the Combined Authority. It is not believed that this devolution would have a significant impact between reform options. It is not contested that increases in BSOG is public expenditure, as it has been up to this point. The suggestion made by First that the assumption that BSOG continues for the franchising period is flawed is contested. Whilst it is recognised that no Government funding source is certain in the future, it is prudent and reasonable to base the financial case on assumptions of the funding that is currently known to be in place, rather than attempting to hypothecate what decisions may or may not be taken as part of future reviews. It is also worth highlighting that The Bus Services Act 2017 franchising scheme guidance specifically asks those undertaking an assessment of a franchising scheme to consider "how devolved BSOG would be used", and so therefore it is considered a relevant assumption. First West Yorkshire also do not offer any explanation of how any replacement for BSOG funding would differentiate between EP+ and franchising in a way that altered the current funding balance, so it is difficult to assume that there would be a different impact across the reform options of future change.
- 7.3.17.** On the suggestions regarding the assumption on ZEBRA, this assumption applies equally to all reform options, and therefore if the suggestion from CPT was followed, these would have to be disregarded for all options (noting that CPT make the point that they would be equally available under EP or EP+). The Combined Authority does not believe the assumption that ZEBRA funding will continue until the point that the cost of vehicles (diesel and ZEV) normalise is unreasonable, on the basis that ZEBRA funding has been available historically to support Government's policy commitments to meet Net Zero, it is therefore the Combined Authority's view that it is reasonable to assume these will continue. In the event that ZEBRA funding did end, this would apply to all options and result in either operators or the Authority needing to reconsider the approach to ZEV (for example, increasing financial capacity for a higher financing requirement, or to reprofile acquisition profiles). This point is also included as part of the further detail in response to the consultation response from First West Yorkshire in Appendix 5.
- 7.3.18.** On the point raised about recent HS2 announcements, this is something that has taken place since the assessment was completed and published for consultation, however it remains the case that the Combined Authority has not gained any certainty on long term sources of funding that could be utilised for supporting the revenue costs of delivering bus services on a long term basis, given also that funding for HS2 is capital funding and not the revenue funding that would be required to support bus services.

Alternative Sources of Funding

- 7.3.19.** The Campaign for Better Transport submission referred to a number of proposed alternative sources of funding which consideration should be given to: a mayoral precept, a workplace parking levy or additional parking charges, road tolling. Better buses for West Yorkshire also made supportive comments on a mayoral precept and on Community Municipal Investments.

- 7.3.20.** Leeds City Council also made the following statement: *“We would note that with regards Local Authority contributions, LCC would be prepared to consider investigating methods to further support bus services, and how they may contribute to paying for better services in Leeds.”*
- 7.3.21.** First West Yorkshire suggest that additional council tax charges may not be acceptable, suggesting that the EP+ option does not require additional support.
- 7.3.22.** In response to these comments on alternative sources, the financial case of the assessment outlines that other mechanisms could be considered by the Combined Authority or by local authorities to support bus services, but recognises that these would be subject to further decisions and so have not included these as part of the assessment model. In response particularly to the comment raised by First West Yorkshire, additional new Council Tax charges have not been suggested, but as discussed in response to comments regarding the Transport Levy at paragraphs 7.3.11 and 7.3.12 this contribution is forecast to rise at a rate of 2% per year after 2025/26, across all reform models, representing a less than inflation increase on the current contributions. . It is worth clarifying that this forecast is proposed to be the same across all reform options and the reference case, and so therefore would apply equally to the EP+ option as the Proposed Franchising Scheme.

That a lack of financial stability poses a risk to network sustainability

- 7.3.23.** Bus Users UK state that *“The potential risk of declining services and bus mileage due to a lack of long-term financial stability poses a threat to the overall network's sustainability”*.
- 7.3.24.** The Combined Authority recognises that this is a potential source of risk for all reform options, and this is recognised in the modelled forecasts for passenger journeys. In the assessment of options it is the Proposed Franchising Scheme that carries the most passenger journeys over the appraisal period, but as referenced in the conclusion of the financial case this comes with additional financial risk to the Combined Authority. We will pick up financial risk to the Combined Authority in section 7.6 of this report.

The Combined Authority's response

- 7.3.25.** The assessment has been approached to compare the options for reform without assuming further budgets or funding schemes are available than are currently. This approach is deemed sufficiently cautious to provide confidence to decision makers in taking a decision. This does recognise that over time the number of journeys would continue to decrease under all reform options, without further interventions being made, which was highlighted in a number of comments about ongoing funding stability. It is also understood that there is uncertainty of these sources, and that any decision to explore alternative sources would need to go through separate decision making. Contrary to comments provided by some consultees, it is not the Combined Authority's view that existing grant programmes like BSOG and ZEBRA should be excluded, given they have been in place for significant time and align with key policies such as on Net Zero. These are treated consistently to all options and the risk of their withdrawal would also apply to all options.
- 7.3.26.** Uncertainty effects all of the reform options, but it is still felt to be a prudent assumption to base the financial case on assumptions of the funding that is currently in place. The Combined Authority will need to actively manage these financial risks under all options, as part of the usual requirements for strategic financial management across all the organisation's activities.

7.4. Theme 3: costs of implementing the Proposed Franchising Scheme

- 7.4.1.** Consultees provided comments on the proposed costs of implementing franchising, in some cases referring in general to “costs” and in other cases referring to particular types of costs.
- 7.4.2.** On general comments, Bus Users UK make the following comment *“The costs of a franchising scheme are also far higher to the public purse and services would be at risk of being cut if local authority budgets come under pressure, so this seems like a higher-risk option which offers more jeopardy to passengers, an issue not addressed in the document.”*
- 7.4.3.** J&B travel also make a comment that *“the outgoing cost brought by franchise means WYCA will be no better off”*.

- 7.4.4.** Lancashire County Council said “*The development of a franchised model will require significant funding and resources to deliver.*”
- 7.4.5.** On specific comments, a number of respondents made reference to the Transition Costs required to deliver the Proposed Franchising Scheme. In criticism of those costs points were made about the costs being high, not asked for by the public, not delivering services and being avoidable under EP+. First West Yorkshire suggest that the Transition Costs should be reassessed, based on a comparison with Greater Manchester where the transition costs are higher.
- 7.4.6.** Some comments also specifically split out capital costs of the Proposed Franchising Scheme, in some cases linking these to transition costs and in other cases as a separate point. Points made in criticism of these costs focussed on similar themes to the transition costs, in being high and avoidable under the EP+ model, and South Pennine Community Transport suggest that the public has not asked the Combined Authority to make this investment. Arriva also specifically suggest that the assessment has not accounted for some costs: “*The estimated £252m for fleet and £85.5m for depots is a significant expenditure for the public purse and does not appear to account for additional investments such as infrastructure to develop depots to be suitable for zero emission vehicles, or for the acquisition of other assets such as bus stations not already owned by the CA.*”
- 7.4.7.** Other comments pick up the ongoing costs of franchising, for maintaining and developing and the ongoing management costs of delivering the scheme. These were predominantly made by Bus operators, who in some cases also made the point that such costs are avoidable under the EP+ option. In the DJS Research report comments from members of the public are identified to have raised points about the management and set up costs of the scheme and the concern that these would be passed on to the public or passengers.
- 7.4.8.** A specific point is also made in relation to the cost of delivering cross-boundary services, with TfGM asking for “*clarity on the potential funding of services that cross the boundary between TfGM and WYCA*”.

The Combined Authority’s response

- 7.4.9.** The Combined Authority recognises that there are costs in implementing the Proposed Franchising Scheme and that these have been detailed in the financial case. It is not disputed that there are higher costs to the Combined Authority in delivering franchising than the EP+, in particular for transition, capital investments and ongoing management costs. However, the Assessment concludes both that these costs are affordable to the Combined Authority, with the sources of funding identified, that the benefits resulting from that investment are high, as outlined in the Economic Case in particular, and that the ongoing management costs are required based on the additional responsibilities that the Combined Authority would be taking on, as detailed in the Management Case.
- 7.4.10.** In response to the particular point made by Bus Users UK that services would be at risk of being cut under franchising if local authority budgets came under pressure, this is a risk to all cases. Over time, as modelled in the assessment, the Combined Authority would be required to support a greater proportion of the network under both the reference case and the EP+, and so pressure on the available budget for supported services in particular would create risk of service cuts. As identified in the Strategic Case (see section 4.9 of this report) the ability of the Combined Authority to manage these risks across the whole network under franchising rather than reacting to decisions to reduce services by operators, would allow for a more coordinated approach to mitigating such risks than in the alternative options.
- 7.4.11.** On the point raised about transition costs being lower than identified for Greater Manchester, the Combined Authority’s Financial Case includes a level of transitional costs which is based on a bottom up assessment of the requirements for West Yorkshire, drawing on advice from external advisers as well as the relevant similar requirements of other Authorities. A comparison to Greater Manchester, is not suitable given the significant differences in geographical area, scale of network / operations and the underlying requirements of the respective Authorities / Operators (e.g. technology requirements), including for example:
- Size of network / PVR
 - Size of proposed Authority management / functions (total FTEs)
- 7.4.12.** In the Greater Manchester Franchising Assessment for example, it was assumed that a high amount of IT related costs would be required. This took the form of £14.9m of Electronic Ticket

Machines & AVL, £7.7m of on-bus equipment and a further £19.6m of Information systems cost. The Combined Authority do not anticipate requiring this amount of cost to be spent on IT related systems, based on a bottom up assessment of systems. For all of these reasons, therefore, a direct comparison between Greater Manchester Combined Authority and West Yorkshire Combined Authority is not appropriate.

- 7.4.13.** It is worth noting that Liverpool City Region's recent Franchising Assessment had transition costs which were more broadly similar at £27.4m, and although again there are significant differences that mean that use of a bottom up assessment is still considered to give a more appropriate value for the purposes of the West Yorkshire bus reform assessment, rather than comparison with other authorities' assessments.
- 7.4.14.** On capital investment, it is recognised that the Combined Authority would be making investments under the Proposed Franchising Scheme, and that this has been considered an important part of ensuring competition for franchising contracts, as outlined in the commercial case of the assessment. On the points raised about whether this has been asked for by the public, it can be noted that the majority of public responses to the bus reform consultation have been supportive of introducing the Proposed Franchising Scheme as outlined in the assessment, which includes the Combined Authority undertaking this investment. It is also worth to reinforce that the financial case considers that those investments are affordable within the available budget, and that the franchising scheme delivers higher numbers of passenger journeys as a result.
- 7.4.15.** In response to the points raised by Arriva, on accounting for infrastructure to develop depots for Zero Emission Buses investment in infrastructure for zero emission buses is factored into the capital costs of depots, with an assumed cost of £16,250 per ZEB (see section 7.3.17 of the financial case). On the point about acquisition of assets such as bus stations, it is not clear what other assets are intended beyond bus stations, but in the specific case of stations it is correct that this is not factored into the core costs of any of the reform options. A number of bus stations in West Yorkshire are not owned by the Combined Authority, and as would be the case under all options, should the owner of those assets determine that they do not wish to utilise those assets, then the Combined Authority would need to consider what alternative arrangements to put in place.
- 7.4.16.** On the point raised about the cost of delivering cross-boundary services, these would not be subject to franchise contracts as outlined in section 3.4, and therefore any funding decision would be subject to current arrangements for supported services. However supporting cross-boundary services is not currently a significant cost to the Combined Authority, as only a small handful of services receive direct funding support from the Combined Authority (less than 0.5% of the supported services budget). The Combined Authority would look to work with neighbouring authorities on appropriate solutions for services, and are happy to pick this up with neighbouring authorities.

7.5. Theme 4: cost of implementing the EP reference case or the EP+

- 7.5.1.** Similarly to the Proposed Franchising Scheme, a number of consultees made comments on the cost of implementing either the EP or the EP+. In some cases it isn't clear whether respondents make a distinction between the EP Reference Case or the EP+.
- 7.5.2.** As highlighted in the DJS Research report, members of the public who commented on this theme had split views, with some suggesting that the EP+ would provide better value for money or be worth the investment, whilst others suggested it represent poor value for money or was not as beneficial as franchising.
- 7.5.3.** Bus Users UK made reference to the requirement for long term funding for the EP+ model to support and sustain the network, but that the risk is higher for franchising. They also make a separate point that: *"The Economic Case indicates that the EP+ may lead to an increase in services operated on a "supported service" basis. This implies that, over time, more services may require financial support from WYCA to remain operational. The implications of this shift, including budgetary considerations and the ability to allocate resources effectively, need careful examination. However, under a franchising model, ALL services would be reliant on financial support from WYCA."*

- 7.5.4.** Squarepeg take a different perspective on the point on supported services, highlighting the position that the Combined Authority would be in around future supported services: *“EP risks the public purse being held to ransom when an operator withdraws a service and the WYCA are obliged to plug the gap at short notice.”*
- 7.5.5.** Calderdale Council make the point that the EP+ model is cheaper than franchising and delivers benefits above the EP case. Leeds City Council recognise that the EP+ is affordable and lower risk. However both then go on to say that that EP+ is not their preferred option and does not match their ambitions for the bus network. Calderdale specifically make the point that *“if EP+ results in further contraction of the bus network as stated, the additional short-term funding for franchising should be well worthwhile in the longer term”*. Leeds City Council also state that they require more detail on the proposed profit share mechanism under the EP+.
- 7.5.6.** In indicating their support for the Proposed Franchising Scheme, Better Buses for West Yorkshire raise a concern over the ongoing costs of an EP model: *“Introducing public oversight through the Proposed Franchising Scheme appears to be a prudent financial choice, yielding nearly £1 billion in broader economic advantages for the region while enhancing control and accountability. However, we have reservations regarding the ongoing expenses incurred by the public due to inadequate services within the Enhanced Partnership framework. The current Financial Case overlooks these costs, alongside the escalating need for increased public funding, which, if factored in, would significantly bolster the financial argument for public oversight”*.
- 7.5.7.** Connexions make a point that under the EP+ model, operators would look to maintain services commercially where possible, but that tenders for non-viable services may increase *“there will have to be tenders for non-viable services, and this may increase, but all efforts will be made by the operators to ensure those services remain commercially viable that can be”*.
- 7.5.8.** First West Yorkshire made a comment that the cost of implementation and ongoing expenditure for the EP+ were not discussed with operators, and asked for a list of the “additional transition costs” and “Capital Maintenance Costs”. They also suggested they could perhaps support the Combined Authority with mitigating additional management costs.
- 7.5.9.** First West Yorkshire also made a comment seeking assurance on common costs between options having been fully accounted for. They further suggest that: *“No regard is given to how the costs of franchising could be ‘repivoted’ within the EP+ scenario, either as a cost-saving to the CA or to enhancing further the EP+ offering for customers of WY, within the budget available.”*

The Combined Authority’s response

- 7.5.10.** The Combined Authority recognises the point made by Bus Users UK on long term funding, and would point to the assessment Financial Case results and figure 14, that illustrates the forecasts that more services would require financial support over time. The Financial Case does consider the budgetary impact of these, and the Economic Case considers how to allocate resources efficiently within the constraints of a de-regulated network model. The Combined Authority however does not concur that Franchising means all services would be reliant on public support, as although the intention is that the budget would be considered for the network as a whole, and whilst all contracts will pay operators to operate those services, regardless of the revenue generated by specific services, some of the services within the franchised network would continue to generate greater revenue than their cost of operation, and therefore would only require financial support because the revenue risk does not rest with the operator under the proposed model.
- 7.5.11.** On the point raised by Squarepeg on supported services, it is recognised in the financial case that there is forecast to be a substantial rise in supported services and that this could have an effect on operations. Section 9.2 considers through a sensitivity test what would happen if operators requested higher margins for supported services in the future as one possible outcome. As also detailed in response to the observation of Grant Thornton during the statutory audit of the assessment, the Combined Authority has a duty to provide those secured bus services it considers appropriate to meet public transport requirements within its area under section 9A(3) Transport Act 1968, which may provide a further challenge to the budget.
- 7.5.12.** The perspectives of Calderdale Council and Leeds City Council on the EP+ model are noted, and it is recognised by the assessment that both the EP+ and proposed franchising scheme are affordable to the Combined Authority, and both deliver benefits above the reference case. However the Combined Authority would agree that strategically the franchising model offers better control and certainty for the Combined Authority in meeting its overarching strategic policies and bus reform objectives and that over the longer term, as evidenced in the economic case, it would deliver significant benefits.

- 7.5.13.** On the specific point raised by Leeds City Council on a profit share mechanism under the EP+, this is a proposal that has been made by a single operator, First West Yorkshire in their submission on the EP+. Appendix 1.3 to the Assessment contains all of the information that is available at this time from First West Yorkshire on this proposal: *“First West Yorkshire also commits, beyond the scope of the EP+, to the split of First West Yorkshire annual profits beyond 10% EBIT, on a 50/ 50 share basis for a minimum 5-year period beyond the EP+ implementation, between First West Yorkshire and WYCA. The NMG will jointly decide the best use of the 50% share received by WYCA.”* Section 9.4 of the financial case considers a sensitivity of a profit share mechanism if applied to all West Yorkshire operators, and the analysis suggests that this would not mean that the EP+ would carry more passengers than Franchising.
- 7.5.14.** The reference made by Better Buses for West Yorkshire to the benefits of the franchise scheme relate to the conclusions of the economic and financial case of the assessment. Better Buses for West Yorkshire’s response suggests that there are additional financial costs accrued by passengers and members of the public under the existing EP that are not captured in the Assessment. The incremental user benefits of both reform options compared to the existing EP are part of the Economic Case, with these user benefits showing how generalised travel costs change between the existing EP and the reform options at a network level. The results of the Economic Case show that both options are forecast to deliver significant user travel time/cost benefits over the existing EP. These generalised costs capture changes in both travel time and costs of between the existing EP and EP+/Franchising. The financial case of the assessment looks specifically at the capital and revenue requirements of the options, not to consider wider costs (beyond those to support services) of delivering the existing EP.
- 7.5.15.** On the point raised by Connexions, the Combined Authority welcomes this statement of commitment by an operator to maintain commercial services, and recognises the work currently done by operators. However, as also accepted in the comment, the modelling work suggests the need for greater support and that would increase pressure on supported services budget, which as outlined in the commercial case is not guaranteed to be done on a planned basis as the Combined Authority is required to react to decisions from commercial operators on service withdrawals.
- 7.5.16.** In response to the comments from First West Yorkshire, the transitional, management and capital maintenance costs have been assumed at a level which is based on a bottom up assessment of the specific needs of the Authority of the Enhanced Partnership Plus option, including based on comparable precedents and input from the Authority’s external advisers. The Financial Case, Management Case and Economic Case detail the specific assumptions underpinning the costs. For example, the additional management costs during transition can be seen in Table 6 of the Management Case document, section 3.2. These are costs that the Combined Authority have considered to be necessary to deliver elements of the EP+ from the Authority’s perspective, and therefore that it was for the Combined Authority to determine these. The Combined Authority would of course explore whether costs across all options could be reduced, but in doing so also needs to be mindful of ensuring that where appropriate the Combined Authority remains independent from individual operators in the market which means for many roles sharing of resource with individual operators may be more difficult.
- 7.5.17.** Common costs as they relate to the Combined Authority, including capital maintenance of Combined Authority owned bus stations and travel centres, staffing, administration and marketing are fully accounted for in all scenarios.
- 7.5.18.** On the point of repivoting, as set out in the financial case, the bus budget for operational services is constant across all options (this includes repayment of borrowing for assets). The only one off costs of introducing franchising which are not included in the bus budget relate to implementation (such as preparing for and undertaking procurements, mobilisation, contract design, network design) are incurred over a short period in the context of a 30 year assessment (transition period is four years), and therefore would have little impact if “repivoted” into additional the EP+ services over this period.
- 7.5.19.** Overall the Combined Authority is content that it has considered the costs to the Combined Authority associated with implementing an EP+ option, recognising there are uncertainties over the costs of some interventions which are subject to further detail.

7.6. Theme 5: Financial and Cost risks to the Combined Authority

- 7.6.1.** The consultation responses contain comments on the financial and cost risks to the Combined Authority of introducing the Proposed Franchising Scheme. As with other areas, in some cases these are referred to in general terms, with a focus particularly on the increased financial risk to the Combined Authority, whilst other responses focussed on specific risks faced by the Authority as a result of introducing the scheme.
- 7.6.2.** Of concerns raised by members of the public on the financial case, as detailed in the DJS Research report, the financial risk of introducing the scheme was particularly highlighted, with some suggesting there should be zero financial. Conversely however, a recognition of risk was also highlighted by members of the public who were supportive of the Proposed Franchising Scheme, who made suggests around risks being necessary. Some comments urged the Combined Authority to limit risks through the approach to contracts.
- 7.6.3.** A number of consultees, including Peak District National Park Authority, Bradford Metropolitan District Council and Calderdale Council accept that the Combined Authority would be taking on additional financial risk, but that these would be justified if the benefits outlined can be realised. Peak District National Park Authority caveat that this is assuming the modelling is accurate, and Calderdale Council assert that the risks must be managed.
- 7.6.4.** Better Buses UK recognise that taking on the revenue risk can bring a predictable and stable revenue stream, but that it will require priority in annual budgets.
- 7.6.5.** Conversely a number of bus operators point to the general financial risk transfer from operators to the Combined Authority, and that this is not justified for the benefits that are predicted from the franchising scheme. Specific reference is made to the revenue risk transfer under franchising, which they say would remove some of the incentives of operators and mean they were operating in a low risk environment. A number of operators also point to the EP+ and suggest that the majority of benefits can be achieved with the EP+ without the transfer of risk.
- 7.6.6.** TLC and Connexions both make points that the ultimate risk of the franchising scheme is to the taxpayer and not to the Combined Authority. Connexions state: *"The CA isn't taking the risk- the risk is wholly being taken by the taxpayer as the taxpayer effectively funds the CA"*. There was also a comment from Connexions on the pressure this can put on other spending of the Combined Authority, especially if costs have been underestimated.
- 7.6.7.** Action for Yorkshire Transport make a different point on risk, pointing to risks already sitting with the Combined Authority in the current model: *"It is also relevant that the public are already substantially investing in bus services through public subsidies – which is a 'financial risk'. Under the current system there are many examples of bus companies cutting a bus service that they decide isn't profitable and then WYCA must subsidise it. It can therefore be argued that the Combined Authority does not have the control, BUT ends up with some of the 'financial risk.' An Enhanced Partnership would not change this."*
- 7.6.8.** CPT and Connexions also reference specifically the risk of borrowing that would sit with the Combined Authority in the Proposed Franchising Scheme. CPT state *"Borrowing, even with low interest rates, is costly and a huge burden for WYCA to take on."*
- 7.6.9.** Stagecoach suggest that increasing service levels is required in response to the financial risk of the franchising scheme *"Under Franchising the risk and decision on funding will sit with WYCA. We believe that delivering a step change in service levels to drive modal shift and increase passenger numbers, beyond what is currently forecast, would be the best approach to meeting the funding requirements."*
- 7.6.10.** Not explicitly only concerning financial risk, First West Yorkshire in their Oxera report state that in their view *'WYCA is likely to have underestimated the implementation risks of Franchising.'* In addition to this, as referenced in the DJS Research report, First West Yorkshire reference a number of risks that they assert have not been addressed, such as a lack of specificity regarding how Franchises would deliver the required outcome, the potential to incorrectly evaluate tenders and the potential lack of bids if lot competitions are staged incorrectly.
- 7.6.11.** And CPT also suggest that there are future risks due to cost uncertainty: *"Future risks and costs are of course uncertain and can have significant influence on cost i.e. energy and fuel; further the full life cost of Zero Emission buses also is not fully known at this stage."*

The Combined Authority's response

- 7.6.12.** The Combined Authority recognises the significant risk involved in delivery of the Proposed Franchising Scheme. To this end, the Combined Authority detailed its approach to risk management, as well as identification of risks and associated mitigations under both options, within Section 6 of the Management Case 'Risk'. This included a summary of its Corporate Risk Management Strategy (2020) which was also provided in full as Appendix 5.4 to the Assessment. Key risks identified in delivery were:
- Budget risk and responsibility for farebox revenue.
 - Management of market transition and procurement of services.
 - Fleet purchase and depot acquisition.
 - New skills and resources required for delivery.
- 7.6.13.** In addition, as described in more detail in Section 8.5 of this report, the Assessment is also underpinned by a robust approach to risk analysis which assesses the impact of key risks on the ranking of regulatory options, including scenario and sensitivity analysis carried out in the financial case (and also the economic case).
- 7.6.14.** In addition to this robust analysis of risk in the assessment, the Combined Authority has already developed a detailed programme risk register which sets out the key implementation and operational risks associated with the both the Proposed Franchising Scheme and the EP+, which it will use as a tool to manage risks associated with the selected Bus Reform option.
- 7.6.15.** On points raised with regarding revenue risk, the Combined Authority will take on revenue risk under franchising and this has been detailed in the financial case and sensitivities performed. As is detailed in the response to Grant Thornton's observation on revenue risk, it is acknowledged by Grant Thornton that this has been explained to decision makers as a key risk of a franchising scheme. As is highlighted however in the comment by Action for Yorkshire Transport, and also detailed in the financial case of the assessment, under the EP+, as the number of supported services increases the Combined Authority also is increasingly exposed to revenue risks, without the same level of control. This is also relevant to the comments from TLC and Connexions, recognising that taxpayers already support bus services and therefore there are risks under all options that an increasing requirement to support buses impacts on the Combined Authority's ability to fund other priorities, It is therefore the view of the Combined Authority that comments made by operators that there is no transfer of risk under the EP+ model is not correct, albeit it is acknowledged that the Combined Authority takes greater risk responsibility under franchising, and this would need to be managed.
- 7.6.16.** The Combined Authority recognises the point that the Combined Authority will take on increased borrowing risk under franchising, and that this risk is considered in Section 9 of the financial case. As pointed out in the financial case, risk on borrowing under other options falls to the private sector, who would face risks similar to the Combined Authority in terms of increasing costs of borrowing. As outlined in the commercial case, the provision of assets is considered an important factor in driving competition for franchising contracts, and so therefore is considered a necessary risk for the Combined Authority to take on.
- 7.6.17.** On the point raised by Stagecoach about delivering a step change in service levels, the Combined Authority share the view on wanting to drive modal shift and deliver increased passenger numbers. However, in order to compare the regulatory options and to consider the affordability of delivering these, it has been assumed that the same sources of funding are available as are currently.
- 7.6.18.** On the suggestion by First that the Combined Authority has underestimated implementation risk, and the specific risks that they raise as not having been considered, these are dealt with in detail in Appendix 5.
- 7.6.19.** The point raised by CPT on uncertain future costs is not disputed. However these uncertain future risks and costs are common to all options, albeit that they might sit with different parties. and would clearly need to be managed within ongoing risk management approach.
- 7.6.20.** The Combined Authority is therefore comfortable that it has assessed and understood the financial cost risks to the Combined Authority of introducing a franchising scheme, and highlighted this increase level of financial risk responsibility through its assessment.

7.7. Theme 6: Financial and cost risks to Local Authorities

- 7.7.1. In addition to points raised under the previous theme around the financial and cost risk being a risk on local taxpayers, a number of specific points were raised with regards to the financial and cost risks to the Local Authorities in West Yorkshire.
- 7.7.2. As detailed in the DJS Research report, some members of the public made comments on whether local authorities could afford to fund the scheme.
- 7.7.3. J&B Travel make reference to the austerity faced by local authorities as a reason that EP+ should be tried instead of franchising. Bus Users UK instead point out that under a franchising scheme *“services would be at risk of being cut if local authority budgets come under pressure”*
- 7.7.4. Kirklees Council focus on additional financial risks and state that they *“are unable to underwrite any additional financial risk as part of a franchise or Enhanced Partnership+ scheme.”*
- 7.7.5. Bradford Metropolitan District Council look differently to raise a point about seeking to diversify the sources of funding *“WYCA should aim to diversify the sources of investment for the proposed Franchising scheme, and avoid relying on Local Authority rate contributions, especially when there is an opportunity cost to using these for that purpose.”*

The Combined Authority’s response

- 7.7.6. It is worth reminding that the general approach to the financial case looks at affordability of all reform options against the available budget – without suggesting further sources be provided by local authorities beyond the levy. This leads to a conclusion for the proposed franchising scheme and EP+, that they are affordable to the Combined Authority. In response particularly to the point on underwriting by Kirklees Council – this has not been asked for by the Combined Authority as part of the assessment.
- 7.7.7. Nonetheless the points raised on the financial constraints of local authorities are noted, and that therefore it is important that any future bus reform model can manage the risks associated with it and have appropriate governance in place to ensure decisions can be taken. The previous section on the approach taken to financial risk in the assessment provides confidence that this has been considered thoroughly in response to the possible introduction of a proposed franchising scheme.
- 7.7.8. In response particularly to the suggestion that EP+ be tried instead of franchising, this is not a conclusion shared by the Combined Authority. Whilst the financial case accepts a higher level of risk in introducing the proposed franchising scheme, it is considered to be affordable and offers clear strategic benefits and greater opportunity to achieve the Combined Authority’s objectives and ambitions for West Yorkshire compared to the EP Reference Case and the EP+.
- 7.7.9. On the point from Bus Users UK that services would be at risk if local authority budget comes under pressure, this would be the case for all options and arguably a franchising scheme gives better mechanisms to manage this challenge by considering the network as a whole, rather than only its budget for support services (which as highlighted in the last section, are forecast to grow in number over time).
- 7.7.10. In response to the point from Bradford Metropolitan District Council on diversification of funding, the Combined Authority is open to looking at possible options going forward, providing that they can provide the certainty required to deliver the scheme. For the purpose of the assessment therefore only sources currently available to fund bus have been considered, as alternative sources would potentially be subject to further decisions. This does mean that under all options it may be possible to identify further funding sources over time, which will provide the Combined Authority with more opportunities.

7.8. Theme 7: financial benefits of the Proposed Franchising Scheme

- 7.8.1. Some consultees have provided comments suggesting that there would be financial benefits of franchising, and in some cases suggested that these have been understated in the assessment.

- 7.8.2.** A number of comments from Leeds City Council, Wakefield and District Trade Union Council, Campaign for Better Transport and TUC made reference to the ability under franchising to reinvest in the network, either in improving the network or in cross-subsidising between services. Wakefield and District Trade Union Council make particular reference to profits of private operators: *“The point must be made that even with the current poor services hampering the lives of people of all ages across West Yorkshire- there have still been extensive profits made by the bus companies . These private profits are not reinvested into West Yorkshire’s transport system, but instead are the profits for foreign owned companies taking the money out of our local economy.”*
- 7.8.3.** Leeds City Council raised a particular question: *“With respect particularly to local contributions, we would welcome clarity on geographically hypothecating local revenue contributions and re-invested profits, whilst noting we recognise the challenges across the 5 districts.”*
- 7.8.4.** Squarepeg make a comment that *“once established, the stability and growth of franchising should allow better financial outcomes for the public sector with more revenue from passenger tickets.”*
- 7.8.5.** This is countered by a comment by Ross Travel Group who state, *“The assumption is that if the Combined Authority has greater control over the way buses are run this will result in greater benefits – this has not yet been proved, and there is a financial risk if this fails to materialise.”*
- 7.8.6.** First West Yorkshire have also raised a point about how the assessment as a whole considers the benefits that can be achieved under the proposed franchising scheme as a result of control and certainty. *“Significant parts of the Assessment focus on the benefit of the CA having ‘full control’ and ‘certainty’ over all aspects of the bus network under Franchising (including investment, fleet specification, routes, fares, timetables, customer engagement and so on). However, little detail is provided on how the CA will utilise the additional control to deliver better outcomes for passengers and achieve its objectives.”*

The Combined Authority’s response

- 7.8.7.** The Combined Authority agrees with the principle that under a franchising scheme reinvesting in services would be something that would be considered across the whole network, and the financial case demonstrates in the forecasting that franchising delivers more passenger journeys than the EP Reference Case or the EP+ (which agrees with the suggestion from Squarepeg on more revenue from passenger tickets).
- 7.8.8.** It is important to note however that this does not mean that all desired network improvements can be achieved, as the scheme will need to work within the budget available. Decision making on the network will therefore be critical and will need to balance a range of factors.
- 7.8.9.** It is also important to be clear that a franchising scheme does not remove operator margins, and the anticipated operator margins and sensitivities on these are discussed in the financial case.
- 7.8.10.** On the ask for clarity on cross-subsidy from Leeds City Council, no such defined approach has been for implementing future decisions, but that the modelling has worked on the basis of considering investment in the network as a whole. Any approach to develop approaches to cross-subsidisation would need to consider how it contributes to the objectives for the bus network in West Yorkshire.
- 7.8.11.** On the point raised by Ross, it is accepted that a de-regulated system has been in operation in West Yorkshire for a significant time and that therefore the assumed benefits of the assessment have not been proven in a West Yorkshire context. However it is worth highlighting that franchising is in place in many other parts of the world and has delivered effective bus services. The financial risk of franchising have been picked up in the previous section.
- 7.8.12.** In response to the point from First on control and certainty benefits, this cuts across also paras 4.3.15 and 4.3.16 of the Strategic Case of this report as it is not only about the financial benefits of the scheme. The advantages to the Combined Authority of having control and certainty in part relate to its ability to specify bus services and fares on a ‘whole-network’ basis, as opposed to being required to react to changes in operators’ service patterns with limited response options, for example procuring supported services to fill network gaps (where funding allows). In terms of how this translates into better outcomes for passengers, in addition to the higher level of service which is forecast for the Franchising option, this control will enable proactive decisions to be made which prioritise connectivity, allowing service planning under a single controlling function, rather than operator control of commercial services and at times reactive Combined Authority influence through supported service procurement. There is potential for efficiencies to be found in network delivery, with savings invested in further service-level increases. Control of bus service networks,

also improves the (future) potential and efficiency for the Combined Authority to make service changes to complement wider policy initiatives and/or to take advantage of additional funding availability. There could therefore be further benefits financially of the proposed franchising scheme if additional funding became available, but as highlighted elsewhere these have not been assumed for the purposes of the assessment.

- 7.8.13.** The Combined Authority is therefore content that it has understood and accounted for the financial benefits that could be realised through a proposed franchising scheme. Further development in delivery of a scheme will need to manage benefit realisation and the control and certainty of a franchising scheme would give the Combined Authority the levers to do this.

7.9. Theme 8: Value for Money / use of public money

- 7.9.1.** A small set of comments received on the financial case cover issues closely related to the economic case in terms of achieving value for money or the use of public money more generally.
- 7.9.2.** In particular, Arriva state *“We do not agree that the transition to, and ongoing expense of maintaining, a franchised bus market given the current and longer-term trends across the sector, will offer value for money to the public sector. It will expose the CA to revenue risk and there is no comparable evidence in the English regions which supports the assumption that a franchised bus network will deliver an increase in patronage demand and recovery.”*
- 7.9.3.** J&B Travel make a comment that *“the reason franchise wins lower tenders with less vehicles means higher passenger per head so lower monies given from WYCA to operator and a good spin on mode”*
- 7.9.4.** In the response attributed to Globe and Station Coaches and the response from Ross Travel Group the following comment is made on the success of joint management ventures: *“Most previous joint management ventures in PTE areas have resulted in worse outcomes at greater expense. One has only to look at TfL to prove the point.”*

The Combined Authority’s response

- 7.9.5.** In response to the comment from Arriva, it is the conclusion of the economic case that the proposed franchising scheme does deliver value for money as assessed. It is not disputed that it will expose the Combined Authority to revenue risk, which would be above its current exposure in funding supported services, but that mitigations can be put in place to manage these risks in realising the potential benefits of the scheme. Although it is not claimed by the assessment, as discussed earlier in this chapter, that the proposed franchising scheme would achieve an increase in passenger demand over time, the conclusion of the financial case is that it could deliver a greater level of passenger journeys than under the alternatives
- 7.9.6.** In response to the J&B comment, it is supposed that by lower tenders it is intended to mean the margins under franchising. Section 4.7 of the financial case clearly sets out the assumptions that have been used for margins, and more detail on the Combined Authority’s response to different comments on margins is covered in the economic case section. References to less vehicles is not clear, but an explanation of the assumption on vehicles is provided in response to the points raised by First West Yorkshire through the Oxera report as part of Appendix 5. In considering both of these points, the Combined Authority does not agree that this is the subject of “spin”, and that the results of the Proposed Franchising Scheme in the assessment are a reflection of the differences that can be achieved through introducing bus reform. These results have been the subject of the independent audit completed on the assessment.
- 7.9.7.** It isn’t clear from the comments from Globe and Station Coaches, and Ross Travel Group, but is assumed that franchising is being assumed as a joint management venture. This isn’t the management approach proposed for the Proposed Franchising Scheme, with further detail of the management approach through the existing corporate structure of the Combined Authority set out in section 2.4 of the management case. That noted, it is also important to re-emphasise that the financial case of the assessment suggests that a franchising scheme is affordable and would deliver higher levels of benefits in terms of passenger journeys.

7.10. Financial Case Conclusion

7.10.1. The financial case section has considered the main themes of responses received by the Combined Authority through the consultation, with a strong focus on the costs of the reform options and the financial risks that are associated. The majority of these have concentrated on the Proposed Franchising Scheme, but some specific comments were also made on the cost and risks of implementing an Enhanced Partnership Plus.

Assessment assumptions and modelling

7.10.2. A number of consultees raised comments on the assessment assumptions and the modelling work in relation to the financial case. The assumption that passenger numbers would continue to decline along long term trends under all options was especially highlighted. It is the Combined Authority's view that the assumption has been applied consistently to support in comparing regulatory options for bus reform, which does not mean that it is the Combined Authority's long term ambition to see passenger numbers continue to decline, but that is valid to do for the purposes of the assessment as it is line with what has happened to the bus market over an extended period. On the point raised as to whether the level of benefits achieved justify the cost of introducing specifically the Proposed Franchising Scheme, the benefits of the scheme are adjudged to be high according to the economic case, and therefore do justify those costs.

7.10.3. Other comments in this section focussed on particular assumptions and modelling work, which the Combined Authority has explained how these have been dealt with in the assessment, including on margins, indexation and dealing with a pandemic type event. There was also a clarification on figure 9 of the Consultation Document which had some missing labels, although from comments from a number of stakeholders it is not suggested that these missing labels caused a barrier to responses.

Funding and finance sources

7.10.4. Consultees raised comments about the funding and finance sources available to the Combined Authority to fund buses, with some comments more general to the availability of sufficient funding, whilst others were focussed on individual sources of funding. In summary terms, most comments were concerned with whether sufficient funding sources would be available to the Combined Authority. Specific sources that were queried included: Transport Levy, Single Investment Fund, Bus Service Operator Grant, ZEBRA (Zero Emission Bus Regional Areas) and funding in relation to the cancellation of HS2. Some comments discussed alternative funding sources that could also be drawn upon.

7.10.5. In response to these points it was reaffirmed that what the assessment has looked to do is to compare the options for reform without assuming further budgets or funding schemes are available than are currently, and that this approach is sufficiently cautious to provide confidence to decision makers in taking a decision. This does recognise that over time the number of journeys would continue to decrease under all reform options, without further interventions being made, which was highlighted in a number of comments about ongoing funding stability. It is also understood that there is uncertainty of these sources, and that any decision to explore alternative sources would need to go through separate decision making.

7.10.6. Nonetheless, as in the majority of cases this uncertainty affects all of the reform options, it is still felt to be a prudent assumption to base the financial case on assumptions of the funding that is currently in place. The Combined Authority will need to actively manage these financial risks under all options, as part of the usual requirements for strategic financial management across all the organisation's activities.

Costs of implementing franchising

7.10.7. The theme of the costs of implementing franchising brought up points that the franchising case contained higher costs than the alternatives, with some focus particularly given to the transition costs, the capital costs and the ongoing management costs of the scheme.

7.10.8. In response to these comments it was highlighted that the financial case demonstrates that these costs are affordable to the Combined Authority within the sources of funding and finance available. Higher costs to deliver franchising are recognised, such as capital as these are required commercially to deliver competition for contracts, and management, as the Combined Authority

takes on additional responsibilities. These costs are considered necessary to deliver the benefits resulting from that investment, which as identified in the economic case are high.

Cost of implementing the EP Reference Case or the EP+

- 7.10.9.** A number of comments were also received on the costs of implementing an Enhanced Partnership model, with some comments specific to the Enhanced Partnership Plus alternative option in the assessment, with others more general to costs of Enhanced Partnership schemes.
- 7.10.10.** Some comments focussed on the need for long term funding under an Enhanced Partnership. There were comments that the Enhanced Partnership Plus model would be affordable, with some stating that it was at less cost to the Combined Authority with comparable benefits, whereas others stated that it was less cost but didn't match their ambitions. There were also some specific elements of the costs assumed for the Enhanced Partnership Plus model, and on the suggestion from one operator of a profit share mechanism.
- 7.10.11.** In response to the comments, it was referenced that the assessment has modelled that more services would be supported under either the EP reference case or Enhanced Partnership Plus over the long term, but that it has been considered affordable. The Combined Authority concurred on points raised that although affordable the Proposed Franchising Scheme delivers better against the strategic objectives than the Enhanced Partnership Plus. Responses were also given on the specific costs for the EP+, which were developed from a bottom up assessment of the specific needs of the Authority, and how the profit share was modelled as a sensitivity in the financial case.

Financial and cost risks to the Combined Authority

- 7.10.12.** The issue of risk was a common theme, with increased financial risk for the Combined Authority of increased borrowing and revenue risks highlighted particularly. In some cases there were comments suggesting the risks are justified for the benefits, but there were also opposing views that they were not justified, and issues of concern about the level of risk, and also that some risks had not been considered.
- 7.10.13.** In response, it was referenced that the Combined Authority would be taking on an increased level of financial risk if a franchising scheme was introduced, but also that the risk on revenue impacts the Combined Authority in delivering supported services under other options. The approach to considering and testing risk in the assessment was explained and also the Combined Authority's approach to managing risk. In testing the impact of risks occurring, robust scenario and sensitivity analysis has been used to test the impact on the relativity of options in instances where risks occur. The Combined Authority conclude as a result that it has considered these risks in an appropriate way, and that these risks are understood and can be weighed against the benefits of the different reform options.

Financial cost / risk to local authorities

- 7.10.14.** Similarly to the section on financial and cost risks to the Combined Authority, some comments also considered the impact on local authorities. The main focus of comments were on the possibility for increased charges to taxpayers and the current financial austerity of local authorities.
- 7.10.15.** In response, it was highlighted that the financial case has looked at affordability of all reform options against the available budget – without suggesting further sources be provided by local authorities beyond those already drawn upon. It is also suggested in response to future pressure that introducing a franchising scheme could give greater levers to manage this challenge by considering the network as a whole, rather than only its budget for support services (which are forecast to grow in number over time)

Financial Benefits of franchising

- 7.10.16.** There was a theme of comments suggesting that there would be financial benefits of franchising, and in some cases suggested that benefits have been understated in the assessment, such as by reinvesting in the network, increased stability or retaining profit not going to private profit.
- 7.10.17.** The Combined Authority agrees with the principle that under a franchising scheme reinvesting in services would be something that would be considered across the whole network, and the financial case demonstrates in the forecasting that franchising delivers more passenger journeys

than the EP Reference Case or the EP+. However the response also cautioned on the ability for the franchising scheme to realise all improvements, and pointed to the need to work within the budget available. It was also clarified that a commercial margin will continue to exist under a franchising scheme

Value for Money / use of public money

- 7.10.18.** A final set of comments, that closely link to the economic case, focussed on the issue of value for money, with comments suggesting that the financial case does not demonstrate good use of public money.
- 7.10.19.** In response to this it is highlighted that the Combined Authority has conducted affordability and value for money analysis, based upon advice from the Authorities external financial advisers. Both the Value for Money and Affordability analysis has been audited by a separate set of external consultants. As a result, the Authority is confident that the analysis is robust and fit for purpose. The results of that have suggested that both the Enhanced Partnership Plus and Proposed Franchising Scheme do deliver value for money as assessed.

Overall conclusion

- 7.10.20.** Responses on the financial case of the assessment have highlighted that there are concerns among stakeholders about the overall costs of delivering the Proposed Franchising Scheme and the risks that are associated with delivery. In relation to the costs, this chapter has considered specific points raised and can conclude that having considered these this has not altered the view that options remains affordable within the budget available and under different scenarios, with the Combined Authority having means by which future funding requirements can be managed. On the risks, specifically financial risk, the comments have reinforced the conclusion of the assessment that the Combined Authority would be carrying increased cost and revenue risks and more asset risk under the franchising model. However, the Combined Authority is of the view that such risks can be managed in line with its approach to risk management (outlined in the Management Case section 8.5), and as highlighted in public responses in the DJS Research report, that risks are recognised as being necessary to deliver the benefits of bus reform, which the assessment suggests franchising is forecast to provide greater passenger journeys than the alternative options.

8. Management Case

8.1. Introduction

- 8.1.1.** This chapter identifies and responds to key themes arising from the consultation with regards to the Management Case.
- 8.1.2.** The Management Case of the Assessment considers how the Combined Authority would make and operate the Proposed Franchising Scheme, alongside plans setting out the management of the EP+. The Management Case sets out how it would deliver and manage the bus reform options, setting out arrangements, risks and mitigations, management of the transition process and contingency plans.
- 8.1.3.** In the short questionnaire the following question was asked:
Q6: The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this?
- 8.1.4.** Four questions were included in the long questionnaire focussed on the Management Case:
Q39: The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?
Q40: Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?
Q41: Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?
Q42: The Management Case concludes that with the additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?
- 8.1.5.** This section discusses issues raised in response to these questions through submissions to the Bus Reform consultation across emails, letters and the online questionnaire. The structure of this section reflects the key themes identified across these responses.
- 8.1.6.** This section also looks to consider the wider public responses to the consultation which are quantified and analysed in the DJS Research report. Section 10 of the DJS Research report includes a summary of responses provided to these questions specifically, however the following section also includes analysis of points raised in response to other questions (or in freeform text) that the Combined Authority considers pertinent to the content of Management Case.
- 8.1.7.** The DJS Research report showed that statutory stakeholders provided a range of comments and expressed varying views about how the Combined Authority would manage the Proposed Franchising Scheme, as set out in the Management Case, with a particular concentration of results from employee representatives (trade unions), bus operators and local district councils.
- 8.1.8.** As per DJS Research's report, a total of 695 members of the public made comments on the Management Case. Around a quarter of these comments (166) expressed support for the Proposed Franchising Scheme and how it would be managed by the Combined Authority. Some of these comments went on to mention they hoped that bus reform will in fact lead to services improving as a whole (30), whilst other comments stated they preferred the Proposed Franchising Scheme option instead of an EP+ option (19).
- 8.1.9.** A total of 39 comments were received about the need for the Combined Authority to work collaboratively and in partnership with West Yorkshire local authorities, as well as the public and local businesses, when it comes to route decisions to ensure everyone's needs are met. There was particular agreement with the need to employ additional staff to transition to and manage the Proposed Franchising Scheme (39), and this was seen as essential to effectively manage the service. Linked to this, some responses emphasised the importance of ensuring that these employees are skilled and experience in how to strategically and operationally run bus services (33).
- 8.1.10.** There were a number of other comments which struck a note of caution with regards to the Management Case as set out in the Consultation Document, such as:
- The need to cover more routes (10);

- The prohibitive cost to introduce the additional staffing required through the Proposed Franchising Scheme (8), that it would be a waste of money which would be better spent elsewhere (5), and that it would put too much pressure on the public purse (4);
- The hope that service complaints will actually be heard and effectively dealt with (6);
- A franchising scheme is unnecessary (5);
- Overall disagreement with the Proposed Franchising Scheme (7) and a preference for an EP+ Scheme (4);
- Concerns over additional, 'top heavy' bureaucracy (5); and
- The need to consider cross-boundary services (5).

8.1.11. A smaller number of participants (70-85) chose to answer questions in the long questionnaire. These questions went into more detail and asked about the transition and implementation periods of the Proposed Franchising Scheme, management of the EP+ option and the conclusion that the Combined Authority could manage the Proposed Franchising Scheme through its existing organisational structure.

8.1.12. All comments received with regards to the Management Case are reflected in the key overarching themes that follow. The rest of this section is structured over the following overarching themes:

- Theme 1: Organisational ability to manage.
- Theme 2: Recruitment
- Theme 3: Management costs
- Theme 4: Managing risks
- Theme 5: Role of district councils and partnership working
- Theme 6: Future organisational change
- Theme 7: Consultation and engagement requirements
- Theme 8: the EP+ and alternative management proposals
- Theme 9: Employment

8.2. Theme 1: organisational ability to manage

8.2.1. A key theme emerging from consultation was comments on the Combined Authority's ability to manage the preferred option, the Proposed Franchising Scheme, as well as the EP+. This was in response to the Management Case's fundamental conclusion that the Combined Authority, with additional competencies and resources, would be able to manage the Proposed Franchising Scheme through its existing organisational structure.

8.2.2. These responses can be distilled further into seven subthemes:

- General comments
- Resource requirements
- Competencies, roles and responsibilities
- Skills and training
- Organisation / team structures
- Duplication of effort
- Transition
- Process and decision making
- IT and system requirements

General comments

8.2.3. There was general support from some stakeholders to the approach. For example, the National Parks Authority suggested 'the Management Case appears to be robust', Leeds City Council said it had 'confidence in the CA approach to management', and Action for Yorkshire Transport said 'we support the management of the bus network by the Combined Authority as put forward in the Management Case'. Furthermore, Transport for Greater Management said it "believes that the proposals to manage the Proposed Franchising Scheme look comprehensive and accurate to the requirements of managing such a scheme." Conversely some stakeholders expressed general concern with Squarepeg suggesting that 'there is work to do at WYCA to be ready for this role'.

8.2.4. As per the DJS Research report, from members of the public, there was particular agreement with the need to employ additional staff to transition to and manage the Proposed Franchising Scheme (39), and this was seen as essential to effectively manage the service. Linked to this, some

responses emphasised the importance of ensuring that these employees are skilled and experience in how to strategically and operationally run bus services (33).

- 8.2.5.** The Combined Authority recognises that its organisational ability to manage the Proposed Franchising Scheme is key to its recommendation to proceed with its implementation. It acknowledges consultees who provided general comments endorsing that the Management Case adequately sets out how it would enable this, as well as those who queried and expressed concerns about the detail provided.
- 8.2.6.** Other stakeholders questioned the current responsibilities of the Combined Authority, as set out in the Management Case, for example First West Yorkshire asked 'Reference is made in section 4.5.2 of the Consultation Document to the responsibilities of the CA currently including 'Metro' - what is meant by this? Reference is also made to 'provision of frontline services', 'service development,' 'managing [...] depots and fleets.' FWY does not understand these to be current responsibilities of the CA and requests further details.'
- 8.2.7.** The Proposed Franchising Scheme would undoubtedly mean an extension of its current responsibilities supporting the existing bus system, as set out in Section 2 of the Management Case. To clarify, 'Metro' is the customer facing brand used by the Combined Authority to represent the services it currently provides as the Local Transport Authority, as set out in the 'How buses are run now section' of the Consultation Document including:
- Spending about £21m every year paying for socially necessary services which would otherwise not be provided by bus operators – about 15% of all bus journeys
 - Being responsible for managing the free bus pass scheme for older and disabled people (concessionary fares), as part of the English National Concessionary Travel Scheme
 - Managing most of West Yorkshire's bus stations and maintaining the region's 14,000 stops, shelters and timetable displays
 - Providing up-to-date travel information online and in print for all public transport services.
- 8.2.8.** With regards to specific existing service areas raised by consultees, as set out in Table 1 of the Management Case:
- Provision of frontline services – refers to the over 50 Full-Time-Equivalent (FTE) staff operating the Metro Customer Contact Centre and Travel Centres, as well as its offices in Leeds.
 - Service development – covers two sub-teams and 5.25 FTE staff focussed on 'Transport Accessibility' and 'Systems and Supplier coordination'.
 - Managing facilities and assets – refers to the 15.5 FTE staff responsible for management and development of the physical management of buildings - mainly but not exclusively bus-related - across the whole Combined Authority estate. Over 40 additional FTE staff are responsible for the operational management of bus stations. Section 4.5.2 of the Management Case mistakenly stated 'as well as depots and fleets'. The Combined Authority currently does not have any responsibility for managing depots and fleets (responsibility for the management of the Combined Authority owned Accessbus vehicle sits with the contracted operator), but this is the service area where that resource would fit within the team structures under the Proposed Franchising Scheme.

Resource requirements

- 8.2.9.** This sub-theme acknowledges all comments regarding the proposed increase resource required to manage both the Proposed Franchising Scheme and the EP+, including specific comments on numbers, the difference between options and the general increase in resource compared to what is there now. For example, Calderdale Council suggested the additional staff required to operate the franchising system will be 'worthwhile for the long-term future of public transport in West Yorkshire, providing an efficient method of working is developed'. Conversely, CPT suggested that under the Proposed Franchising Scheme 'there is an estimated significantly increased staffing requirement to in essence operate a system which currently runs, with no direct tangible outcomes for passengers created by this additional level of resource'. TLC suggested that the administrative burden of managing more operators 'should not be underestimated'. Squarepeg suggested that it 'welcomes more staff but questioned 'where will they all work from?'. With regards to the presentation of specific figures, J&B Travel questioned the use of decimal place and non-round figures – 'why would the authority require an extra 68.5 people (never seen half a person) but clearly this report is done by a colleague with an accounts background or they would have put 69 and an increase in cost from the EP+ of £1.8 million'.

- 8.2.10.** The Combined Authority acknowledges the Proposed Franchising Scheme requires additional resources but remains satisfied that the number identified (68.5 FTE posts) will support it to provide the required capacity and capabilities, and that this resource (including associated costs) has been considered fairly within the overall assessment of options. The inclusion of 0.5 FTE roles acknowledges the requirements for part-time resource
- 8.2.11.** Furthermore, as with the delivery of any service or project, the Combined Authority will keep resourcing requirements under review. Should the Combined Authority at any point determine that additional resource could offer further benefits to the delivery or operation of the Proposed Franchising Scheme it will consider this, including by assessing any impact on the assumptions underpinning the Management Case. The Combined Authority would also follow its usual corporate processes to consider how to meet that requirement, including determining funding sources, roles and responsibilities and benefits against business objectives).
- 8.2.12.** In the first instance, it is assumed additional resource would be based at its existing offices, Wellington House, and offered flexible working options including the ability to work from home. The capacity of Wellington House to accommodate the increased staff will be considered as part of business-as-usual activity reviewing the suitability of our facilities for our business requirements. This will also be considered in line with other potential future organisational changes, such as the development of the Mass Transit programme, as recognised under theme six.

Competencies, roles and responsibilities

- 8.2.13.** This sub-theme acknowledges comments regarding what the additional resource would be doing, their ability to competently perform in role and the contributions this would make to the management of either option. It was recognised there is a need to increase competencies to successfully manage the Proposed Franchising Scheme, for example, Bus Users UK suggested the Combined Authority 'needs to develop or enhance its operational competence to effectively manage and coordinate the bus network'. CPT suggested that that "*an EP or EP+ model utilises the experience, competencies and knowledge that is already present with opportunity to develop this further*". Respondents expressed concerns around whether these roles could be filled, for example Globe and Station Coaches suggested "*the employment of additional staff to key positions is not achievable and they will not have the required standard of knowledge to engender the desired level of competence.*" TLC expressed concerns that these roles can be "*adequately filled with required knowledge and experience*". Supporting this, Connexions suggested "*This is saying that the CA doesn't currently have the competency required? It doesn't say how and where these staff would be recruited. Franchising is new, so the numbers of people with existing knowledge are few and far between. People from the commercial bus world are needed to provide this competency*". Some respondents pointed to other competencies, roles and responsibilities the Combined Authority should consider. For example, Stagecoach suggested that as well as a focus on operator management and accountability there should also be "*an equally strong focus on areas which can directly impact service provision and the customer such as operational, engineering and customer service employees*".
- 8.2.14.** The Combined Authority understands that as well as additional resource, it is crucial that this resource has the right experience and competencies and are deployed in the right roles with appropriate responsibilities to successfully manage the Proposed Franchising Scheme, and that it is clear that it does not currently have all this in place. It remains of the view that within the Management Case it has understood this adequately – including identifying where it needs to add to existing organisation competencies, as well as where it would need to acquire new ones to successfully manage the Proposed Franchising Scheme. As stated above, competencies and role requirements will be kept under review, should it be determined that additional competencies/roles would add further benefit, this will be considered, including by assessing it against the assumptions underpinning the Management Case. Further consideration about how it would successfully recruit resource with these competencies, and alternative options if it unable to do this is considered under theme two, 'Recruitment'.

Skills and training

- 8.2.15.** This sub-theme acknowledges comments about the skills and training requirements of the required resource. For example, CPT suggested "*recruitment of new posts does bring a risk of new people requiring a significant learning and development programme with existing knowledge already in the industry not always being utilised*". Similarly, the Competitions and Markets

Authority stated it “*would encourage WYCA to consider what skills and monitoring it needs in place to collect and analyse such data to aid long-term franchise improvements*”.

- 8.2.16.** The Combined Authority recognises it may need to upskill and provide training opportunities for new and existing resource to competently perform in their roles. Within the Management Case, ‘newly recruited staff do not have the skills required to implement Franchising’ is acknowledged as part of its implementation resourcing risks. As such, as part of its aim to ensure that all resources are ready to implement Franchising, there is a commitment to develop a Resourcing Plan, which will include “*a training plan, based on a skills audit mapped against the requirements of the new operating model to establish the level and nature of training required*”.
- 8.2.17.** The Combined Authority is current developing its workforce planning capabilities to ensure staff skills and experience is best utilised across the organisation, and this would be an important consideration as part of implementing the Proposed Franchising Scheme - including identifying where the skills of existing staff could be utilised in the new roles, and their existing positions then backfilled.
- 8.2.18.** Furthermore, as an organisation, the Combined Authority is already committed to offering a range of learning and development opportunities for its staff to ensure they are effective and feel confident in their role, and to support them in meeting their career aspirations, managed primarily through an annual performance cycle between employees and their managers. Building on this practice will support the organisation to ensure its staff have the right skills and training to manage Proposed Franchising Scheme.

Organisation / team structure

- 8.2.19.** This sub-theme acknowledges comments about how the resource would be structured into teams and the central conclusion that the resource would be added to the existing organisational structure. For example, Bradford Metropolitan District Council agrees that the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing operational structure. Conversely, others questioned this such as CPT which asked how the existing structure can remain the same with the addition of 68.5 new posts.
- 8.2.20.** As per the DJS Research report summary, main comments emerging relating to this were:
- One in five agreed that the Combined Authority could indeed manage the Scheme within its existing organisational structure (16);
 - The Combined Authority would have to update its management structure (3);
 - Private bus operator expertise will be required (3);
 - Concerns that it will not work (4); and
 - The need for a proper assessment of the organisational structure (2).
- 8.2.21.** Following consideration of feedback, the Combined Authority would reaffirm its proposal to organise the additional resource required to manage the Proposed Franchising Scheme within its existing organisational / team structures, specifically the Transport Operations and Passenger Experience directorate, overseen by the Executive Director of Transport, with support from the Bus Reform team and other Directorates as required (as set out in Chapter 2 of the Management Case).
- 8.2.22.** Should in the future it believe a change to the organisation or structure of the teams would deliver further benefit, the Combined Authority will consider this against the assumptions made within the Management Case and determine whether it negatively or positively impacts the original recommendation to implement the Proposed Franchising Scheme before it proceeds.
- 8.2.23.** The Combined Authority is experienced at significantly increasing organisational resource as business needs require, such as to deliver the £475m Transform Cities Fund programme (as detailed in Section 7.2 of the Management Case). Similarly, the signing of the West Yorkshire Devolution Deal in March 2020 required significant work (including workforce management and development of new organisational processes) to ensure the organisation was ready for delivery under the Mayoral model. Furthermore, its operational model has also evolved in recent years from a process-driven to outcome-focussed structure, providing greater clarity regarding senior responsibility for outcomes and enabling greater scrutiny. The Combined Authority therefore believes this structure provides an adequate basis for the management of the Proposed Franchising Scheme.

- 8.2.24.** Others stakeholder sought more specific points of detail, such as Leeds City Council which suggested it would “*welcome clarification on the proposed structure e.g., will each of the 10 zones (3 for Leeds) have a Director / principal person for districts to liaise*”.
- 8.2.25.** The Combined Authority already has range of forums and mechanisms for its staff to engage with key stakeholders across different teams and hierarchical levels of the corporate structure. In the first instance, where appropriate, these would continue to be utilised.
- 8.2.26.** As implementation plans develop in more specific detail, the terms of references for these meetings could be evolved or, where required, new engagement mechanisms and forums created to facilitate liaison specific to the Franchising scheme. However, this would not constitute a change to the Combined Authority’s own internal structure. Partnership working is explore in more detail under theme 5, see section 9.6.

Duplication of effort

- 8.2.27.** The sub-theme acknowledges comments made about there potentially being duplication of effort between the new resource and existing resource within both the Combined Authority and bus operating companies under the management of both options. For example, with regards to the Proposed Franchising Scheme, Arriva said “*the additional resource in the CA would duplicate resources in operators and therefore in their nature will be less efficient than the alternative options*”, and with regards to the Assessment’s suggestion that duplication of effort would be greater under the EP+ it suggested that “*this is unlikely*” and “*from experience in other franchise markets, we believe there is a greater risk of this through franchising*”. Conversely, Better Buses for West Yorkshire suggested “*this approach appears to optimise the use of public and household funds, eliminating potential duplication of roles between the Combined Authority and private bus operators under the EP+ model*” and Action for Yorkshire Transport said the Proposed Franchising Scheme “*provides a more efficient way to run the network by enabling a coherent structure and by removing repetition of functions and will make the bus services more accountable and less complicated for bus users.*’ First West Yorkshire requested further information about the resource requirements to support its assessment of duplication of effort under the EP+ stating ‘*FWY requests a full list of the assumed 25.5 employees associated with the EP+ management, which operators could perhaps support the CA with mitigating, once this detail is understood*’.
- 8.2.28.** The Combined Authority considers seriously suggestions that either option could unnecessarily add to the duplication of effort between resource involved in the management of the bus system, particularly where this is at cost to the public purse. Nevertheless, it believes the overall efficiency gains (and improved outcomes more widely) of managing a centralised bus system under the Proposed Franchising Scheme will outweigh the inefficiencies of a small number of duplicated roles, and be better than duplication of effort under the EP+ and the current system (the EP reference case). In response to stakeholders that requested further details about the roles to understand where efficiencies could be made, these can be found within the Management Case of the Assessment, which was made available alongside the Consultation Document. As part of implementation of the Proposed Franchising Scheme the Combined Authority would be open to engaging with operators to understand where resource efficiencies could be made to avoid unnecessary duplication of effort, however, this would not change its overall assessment of options as any reduction in roles would only positively contribute to the case for the Proposed Franchising Scheme. The Combined Authority would also be open to engaging with operators on roles under EP+ to see where duplication of effort could be reduced, but does not necessarily see that as resulting in a reduction in proposed roles as it believes itself best placed to understand its own resourcing requirements. Specific EP+ roles highlighted by respondents as either unnecessary or a duplication of effort have been considered in more detail under theme 8 ‘The EP+ and alternative management proposals’ (see section 5.9).

Transition

- 8.2.29.** This sub-theme acknowledges comments about the proposed incremental deployment of the additional resource during the transition periods to either the EP+ or the Proposed Franchising Scheme, as well as more general comments on the management of the transition period – including the transfer of employees between operators.
- 8.2.30.** Some stakeholders offered support for a phased approach to implementing the new resource throughout transition. For example, Campaign for Better Transport suggested “*due to some difficulties in recruiting suitably qualified staff, there is merit in additional staff being introduced gradually over a four-year transition period allowing the Combined Authority to incrementally take*

on its new and greater responsibilities” – noting recruitment specifically is covered as part of a following theme. However, others expressed concerns about the point when the new resource would be in post. For example, J&B Travel suggested *“the initial start point is when staff are required to assist with transition, seems you will not be employing these till half way through, a large mistake”*.

- 8.2.31.** More generally, Leeds City Council said ‘we anticipate the Transition being a very challenging period. However, we support what is outlined for the Transition and (again) but would welcome more clarity and detail on the transition.’ Similarly, Connexions suggested *“the transition needs managing carefully taking into account the factors I have already stated - the supply chain and the transition from one company to the other”*. To this point, Dales and Bowland noted the risk of *“the loss of key personnel from the industry as the result of changes of operator at particular locations”*. To support smooth transition, Stagecoach suggested *“winning bidders will need access to employees during mobilisation, for briefings, engagement and training. This is critical to delivering a seamless transition and successful Day 1 operation and should be compulsory for incumbents”*.
- 8.2.32.** This sub theme also reflects, as per the DJS Research report, that from the general public there were several comments made in specific response to the transition period, and responses *‘urged the importance of a smooth transition from the current set up to the Proposed Franchising Scheme (27).’*
- 8.2.33.** A small number of participants (80) responded to the question in the longer version of the questionnaire, which asked about the approach to the transition and implementation of the Proposed Franchising Scheme as set out in the Management Case. The main comments raised in the responses were:
- Agreement/support for the approach to transition and implementation (10);
 - The perceived inefficiency in the transition and implementation process and the need to make it faster (4);
 - Ensure there is sufficient routes coverage during this period (3);
 - Other comments around the need to hire staff sooner and to learn lessons from areas such as Greater Manchester.
- 8.2.34.** The Combined Authority recognises the challenges of the transition period and the importance of being able to manage this to the overall success of the Proposed Franchising Scheme. Section 3 of the Management Case explores transition to both options in detail, including setting out the dedicated Transition team (and associated costs and contingency) which would be required to manage the transition to the Proposed Franchising Scheme. Specific risks – including ‘poor management of the Transition process’ – and mitigations were also set out. It recognises further details of the transition period to the Proposed Franchising Scheme still need to be developed and these will need sharing with stakeholders, including operators and districts councils at appropriate times, but that the level of detail available to date is appropriate for this stage in the decision / implementation process. The impact on matters of employment during transition (e.g. employment terms and conditions, pensions and the application of TUPE) is considered under section 8.10. Therefore, taking into account consultation responses, the Combined Authority believes it has sufficiently considered transition as part of its management proposals to an extent that this does not alter its recommendations.

Process and decision-making

- 8.2.35.** This sub-theme acknowledges comments about the potential additional Combined Authority process and layers of decision making that may be added to the delivery of the local bus system under the management of either option, including concerns that it could become increasingly bureaucratic with little discernible benefit for customers. For example, CPT said *“the Combined Authority are better judged to make decisions on their structure and how they manage their own workforce and competencies, we do have concern at the level of increased bureaucracy the franchise scheme will require”*. Similarly, Stagecoach warned *“there is always a danger that a constant checking and reporting system is put into place that requires large volumes of employees both from WYCA and from the operators yet delivers no discernible impact for customers”*. Taking this further, TLC negatively compared the Proposed Franchising Scheme to the way the bus system runs now, suggesting *“the CA suggests quicker interventions under a franchised environment, but this must be strongly disputed. As a CA, the decision-making process is very bureaucratic and there seems to be little ability for decision making at local level. Private operators have the ability to make decisions quickly within regulatory boundaries and stand or fall by those decisions”*.

- 8.2.36.** As noted in the DJS Research report concerns over additional, ‘top heavy’ bureaucracy (5) emerged as negative sentiment against the Proposed Franchising Scheme in the general public responses. Conversely, a core theme expressed in response to other questions in the consultation, and which was made by some in response to the Management Case, was the support for the Combined Authority having more control over management of the bus fleet, with a particular emphasis on the centralised/‘one stop shop’ decision making function (27).
- 8.2.37.** Other stakeholders advocated for additional, or more detail about the processes they would like to see completed as part of managing the Proposed Franchising Scheme. For example, Transport Focus requested more detail about how the Combined Authority would manage the takeover of the complaints handling function from operators, as suggested in the Assessment.
- 8.2.38.** The Combined Authority recognises concerns about public sector process and decision making. It also understands some elements of managing the bus system under the Proposed Franchising Scheme would require different ways of working to ensure operations run effectively. Nevertheless, it also sees benefits in robust, transparent and accountable governance and decision-making to successfully managing a bus system that meets the needs of its diverse communities and offer value for money. The Combined Authority already effectively operates a range of customer-facing services, such as Metroline and Metro bus stations across West Yorkshire. Recognising further details need to be developed, a similar approach to management and governance would be taken as it extends its responsibilities as part of delivering the Proposed Franchising Scheme, including handling of customer complaints (which is explored in more detail within the Combined Authority’s response to the Strategic Case, under the ‘Customer Service and Information’ theme, see section 4.6).

IT and system requirements

- 8.2.39.** This sub-theme acknowledges comments about the additional IT and other systems that would be required by the Combined Authority to manage the Proposed Franchising Scheme – including concerns about how this would integrate with bus operators IT and scale of challenge of transferring to new systems. For example, Stagecoach suggested it is ‘experienced in the transfer from a commercial operator owned hardware and software system to a new authority owned technology system, however it must not be underestimated the amount of work and time involved in doing so, and this must be considered’. Similarly, Arriva suggested ‘the consultation document references ensuring the procurement and implementation of required system enhancements but does not talk about a transition away from or integration of existing systems used by operators. There may be additional costs or delays associated with this activity as operators currently use a variety of systems across their businesses.’
- 8.2.40.** The Combined Authority recognises IT and other systems are a crucial part of its overall capacity to manage the Proposed Franchising Scheme. Within section 2.5 of the Management Case, it sets out IT requirements and how it has considered whether its existing IT systems will be fit for purpose to enable the scaling up needed for Franchising and concludes that recent and current digital transformation activities are future proofing many of its systems so that they are appropriate. This includes a focus on implantation of ‘open-data’ systems to improve third party access to Combined Authority systems and information.
- 8.2.41.** Informed by discussions with Combined Authority’s IT Services team, £200,000 has been factored into the Authority’s costings to cover additional systems needed. As set out within the Management Case, the additional systems this will fund are:
- Contract management system, possibly linking to finance systems for payment of operators.
 - Ticket sales data from ticketing platform to enable fare revenue monitoring.
 - Scheduling system to devise bus timetables / driver resource – aids the commissioning and specification of the services.
 - Additional systems / reporting to monitor and control revenue collection, and registration of routes.
- 8.2.42.** With respect to operators capacity to transfer IT systems, it acknowledges the potential challenges of this and recognises these may be reflected in the implementation proposals and costs of operators bids to run franchised service contracts.

Combined Authority response and conclusion

- 8.2.43.** The discussion on this theme has demonstrated that there were a range of comments provided that spoke either positively, negatively or with mixed opinions on the Combined Authority's overall ability, with additional resource and competencies, to manage the Proposed Franchising Scheme within its existing organisational structure.
- 8.2.44.** In relation to general comments, the Combined Authority recognises that organisational ability to manage the Proposed Franchising Scheme is key to successful implementation. The Combined Authority recognises the scale of change and following consideration of the sub-themes and specific points of detail raised remains of the view that appropriate resource and competencies are accounted for within the Management Case of the Assessment.
- 8.2.45.** The Combined Authority recognises that additional resource is required to deliver the Proposed Franchising Scheme and remains satisfied that the number and types of competencies/roles identified will provide the Combined Authority with the required capacity and capabilities.
- 8.2.46.** Furthermore, as with the delivery of any service or project, the Combined Authority will keep resourcing requirements under review. Should the Combined Authority at any point determine that additional resource could offer further benefits to the delivery or operation of the Proposed Franchising Scheme it will consider this, including by assessing any impact on the assumptions underpinning the Management Case. The Combined Authority would also follow its usual corporate processes to consider how to meet that requirement, including determining funding sources, roles and responsibilities and benefits against business objectives).
- 8.2.47.** The Combined Authority realises the importance of upskilling and providing training opportunities for both new roles and existing resource to ensure that jobs can be undertaken efficiently. Should the Proposed Franchising Scheme be implemented, the Combined Authority will develop a Resourcing Plan which will incorporate a training plan and a skills audit.
- 8.2.48.** Regarding, organisation and team structure, the Combined Authority does not intend to amend the proposal outlined in the Management Case, believing that both options can be delivered under current organisational structure.
- 8.2.49.** In terms of the potential duplication of effort under Franchising identified in some responses, the Combined Authority is open to working with operators to look for opportunities to reduce this, however this would not impact its overall assessment of options as any reduction to roles under Franchising would only strengthen the case for the scheme.
- 8.2.50.** The Combined Authority remains satisfied that whilst the transition period presents challenges, it is explored in sufficient detail within Section 3 of the Management Case and appropriate risks and mitigations are set out.
- 8.2.51.** The Combined Authority understands that new ways of working will be required as part of the delivery of the Proposed Franchising Scheme, however it remains of the view that there is robust, transparent and accountable governance and decision-making provide benefits and will support successfully managing a bus system that meets the needs of its diverse communities and offer value for money.
- 8.2.52.** The Combined Authority recognises that IT and other systems will be crucial to the success of bus reform, in particular the Proposed Franchising Scheme. It set these out within Section 2.5 of the Management Case and remains satisfied with its assessment of its requirements, including budget for additional systems. It also acknowledged the impact of IT integration on the costs it will pay operators to run franchised services
- 8.2.53.** The overall conclusion of this theme is that following the consideration of consultation feedback, the Combined Authority is satisfied its management proposals will provide it sufficient ability as an organisation to successfully manage the Proposed Franchising Scheme.

8.3. Theme 2: recruitment

- 8.3.1.** A key theme emerging from consultation on the Management Case is recruitment, and how this could be achieved / impacted under either option. This theme encompasses three sub-themes:
- The recruitment of Combined Authority staff
 - The transfer-in of bus operator staff to the Combined Authority
 - The recruitment of bus drivers and other operator staff

The recruitment of Combined Authority staff

- 8.3.2.** Arriva suggested recruitment in the bus sector can be challenging with a limited number of people with bespoke expertise, and that with several authorities exploring bus reform, there is a risk to

the recruitment of those with the additional competencies. The EP+ option provides a solution that utilises the existing expertise within the industry.’ Similarly, with regards to the additional staff required for the Proposed Franchising Scheme specifically, Lancashire County Council suggested that “*in the current climate this may pose a challenge to recruit and train appropriate staff, therefore early recruitment processes will be needed in order to meet the forthcoming challenges*”.

The transfer-in of bus operator staff to the Combined Authority

- 8.3.3.** Some consultees suggested the proposed mechanism of transferring in operator staff to work within the Combined Authority under the Proposed Franchising Scheme may be challenging, for example Arriva suggested ‘*the document also assumes that some employees will transfer into the CA which is unlikely given that operators will be required to maintain their resource to support both bidding and operating in West Yorkshire, along with wider group support responsibilities*’. It pointed specifically to resource in its contact centre and facilities and asset management teams as examples of where they are shared with other areas beyond West Yorkshire. Similarly, Ross Travel Group suggested ‘*as operators will still require technical staff to administer their own systems there will be few surplus staff to be employed from within the industry*’. First West Yorkshire suggested this was key risk saying ‘*the risk regards not securing the additional 68.5 FTE required under franchising is not adequately considered, especially as this is partially based on the assumption that ‘this would involve some transfer in of existing bus operator staff’ (who may need to or choose to remain with operators that continue to operate contracted or B2B work in the region).*’

The recruitment of bus drivers and other operator staff

- 8.3.4.** Looking wider than the Combined Authority’s own recruitment requirement, some consultees provided comment on operator’s ability to recruit staff. For example, Arriva suggested the Proposed Franchising Scheme ‘*deliverability will be heavily reliant on the ability of operators to recruit and train PCV drivers to achieve the numbers required for the enhanced network*’.
- 8.3.5.** Globe and Station Coaches suggested current company staff would need to make a choice about who to work for and some would leave. Other stakeholders noted existing challenges facing the recruitment and retention of bus drives, for example the TUC suggested “*years of profit-seeking by these operating companies has led to a decline in drivers’ real pay and conditions, sparking a retention crisis and affecting service delivery*”. From an operator’s perspectives, Connexions suggested ‘*Staffing issues will not change under franchising*’.

The Combined Authority’s response

- 8.3.6.** In section 3.4.6 of the Management Case, the Combined Authority committed to develop a resourcing plan, which will include ‘a recruitment / transfer plan’ setting out how the Authority will:
- Transfer staff in from operators.
 - Recruit staff who cannot be transferred in.
 - A training plan, based on a skills audit mapped against the requirements of the new operating model to establish the level and nature of training required.
 - An organisational change plan which will enable the TOPE Directorate and the wider Combined Authority to transition smoothly to Franchising.
- 8.3.7.** As is standard Combined Authority practice with the implementation of any programme, further, more specific detail beyond this about how it will recruit the resource required will be developed at a later stage in delivery, following a decision on the preferred option. Nevertheless, within the table ‘Management Risks under Franchising’ (table 10), resourcing risks are identified including that the ‘Combined Authority is unable to recruit an adequate number of additional people to manage implementation’ which could lead to a delay to implementation and additional costs. Suggested mitigations are that the resourcing plan will be developed well in advance of the resource being required - including consideration of workforce management and opportunities for existing staff to be redeployed/upskilled with their roles then backfilled - and a contingency budget for external consultants or contracts being available in case the resource is not made available with the Combined Authority. These mitigations and the understanding of the different recruitment points that will need to be addressed within the finalised Resourcing Plan provide the Combined Authority satisfaction that it can recommend the Proposed Franchising Scheme.
- 8.3.8.** With respect to the transfer-in of operator staff specifically, the Combined Authority recognises it has made a number of assumptions about roles where this is applicable and notes comments by

operators which suggest this may not be possible. It would welcome further discussion with operators about the details of this should a decision be taken to implement the proposed franchising scheme, including but not limited to contact centre staff, but ultimately the outcome of failing to do this would be the same as failure to recruit more generally, with the same risk mitigations described above still applicable in this situation. Further considerations about the 'Transfer of Undertakings (Protections of Employment) Regulations (TUPE) 2006', including under what circumstances they would apply, are set out under theme nine 'Employment', see section 5.10 below.

- 8.3.9.** With respect to the recruitment of bus drivers and other bus operator staff specifically, the Combined Authority's acknowledges this is a key challenge for the industry regardless of the option it chooses to implement. It is therefore committed to working with operators to understand what support it can provide to the industry, building on previous work such as the bus driver training programme which received funding support in 2022 from the Combined Authority's Adult Education Budget and as of January 2024 has helped over 100 people to progress into employment with transport organisations across the region, including Arriva and First. Wider implications for the recruitment and employment of bus operator staff – including pay, pensions and terms and conditions - are considered under theme nine 'Employment'.

8.4. Theme 3: management costs

- 8.4.1.** This theme acknowledges comments made specifically regarding the cost of managing the options and how these have been costed and analysed within the Assessment. Some respondents provided general acknowledgement that extended responsibilities incurred additional management costs, for example with reference to the contract management regime under the Proposed Franchising Scheme, Globe and Station Coaches said *"this is likely to substantially increase administration costs at both WYCA and the service operator"*.
- 8.4.2.** The DJS Research summary report highlights that a number of members of the general public commented on 'the prohibitive cost to introduce the additional staffing required through the Proposed Franchising Scheme (8), that it would be a waste of money which would be better spent elsewhere (5), and that it would put too much pressure on the public purse (4). Other deemed that the investment required to increase staffing was acceptable when proportionally compared to current levels of employment (5) whilst others agreed it was 'worth the investment' (4).
- 8.4.3.** Some respondents questioned specific costs, for example First West Yorkshire noted *"with the requirement for leadership/ management roles under franchising, whilst these are not referenced under EP+, clarity is required as to why the average role under EP+ costs £1k higher than a role under franchising"*. First also sought reassurance *"costs common to each scenario (such as 'upgrades to the RTI reporting system', 'IT resource' and 'the route registration function') are fully accounted for within all scenarios."*
- 8.4.4.** Other responses pointed to specific costs that they felt had not been adequately considered within the Management Case. For example, Arriva said *"additional training modules for drivers would incur additional cost both in terms of payment to attend training, and additional establishment levels required to cover their duties whilst training is undertaken. This does not appear to have been considered"*. Similarly Transport for Greater Manchester shared that *"TfGM have experienced significant cost and resource requirements in maintaining the current bus network whilst franchising is being implemented across the region. TfGM believe that the transition and implementation should include high-level detail about how this will be managed by the WYCA Bus Services team during the transition period."*

The Combined Authority's response

- 8.4.5.** The Combined Authority recognises the management of the Proposed Franchising Scheme will incur additional costs beyond the existing management costs it incurs supporting the current bus system. However, it believes these costs are affordable to the Combined Authority and that the benefits and risks associated with these costs have been considered fully within the Assessment, particularly within the wider analysis of the Financial and Economic Case.
- 8.4.6.** Furthermore, the Combined Authority thanks respondents who provided detail about management costs they do not think have been adequately recognised within the Assessment. As a general response to this, within the Management Case, it was identified that there is overarching risk to the Proposed Franchising Scheme that the Combined Authority's resource costs are higher than anticipated, incurring additional and unforeseen costs. To mitigate against this contingency was

included within the Assessment's cost forecasts. More specifically, with regards to comments raised by TFGM, that Combined Authority thanks them for sharing their comments on costs and the Combined Authority will ensure this is covered in its Transition and Implementation plans as they further develop. The Combined Authority will seek to engage further with TfGM on their recent experience.

- 8.4.7.** The difference in average cost per role between the Proposed Franchising Scheme and the EP, noted by First, is because comparison between the options is not like-for-like and a different mix of roles and responsibilities. Under the EP+, the balance of Combined Authority roles would be relatively more management focused, whereas under the Proposed Franchising Scheme more operational focused staff would be required which drives a difference in the average role cost. Therefore, it is not appropriate to compare the options by simply dividing total costs by the number of roles.
- 8.4.8.** The Combined Authority can confirm that common costs for upgrades to the RTI reporting system, IT resource and route registration are fully accounted for in each option and are assumed to sit with the Combined Authority, as the takeover of Traffic Commissioner powers (and thus the route registration function) by the Combined Authority are assumed under both scenarios.
- 8.4.9.** Specifically on route registration, following assumption of Traffic Commissioner powers by the Authority, under the EP+, the Combined Authority will charge operators to recover relevant management costs it incurs in relation to a registration application. This would not be applicable under the Proposed Franchising Scheme as franchised services would not need to be registered. In the financial model route registration costs under EP+ are included as a Combined Authority cost until 2028, after which the cost is assumed to be net-nil on the authority given it will then charge a levy to operators following implementation. Furthermore, it is noted that route registration fees may be higher than those charged by the Traffic Commissioner currently, potentially incurring additional costs for operators. Under the Proposed Franchising Scheme, although there are no registration costs for the Combined Authority or operators, the Combined Authority will charge operators to cover the management costs of permit applications. This is assumed as a net-nil cost to the Combined Authority throughout.

8.5. Theme 4: managing risks

- 8.5.1.** As noted under other themes, comments were raised regarding the risks involved in managing the bus reform options, particularly the Proposed Franchising Scheme, as well as the Combined Authority's approach to managing risks, and how thoroughly risk had been considered within the Assessment more generally.
- 8.5.2.** For example, Wakefield Council stated, "*the introduction of a franchising scheme would place higher levels of political and reputational risk on WYCA and its district council partners than is the case at present.*"
- 8.5.3.** Similarly, J&B Travel suggested the Proposed Franchising Scheme "*introduces a range of additional ongoing risks for WYCA to manage, needing significant additional capability in-house to deliver.*"
- 8.5.4.** First West Yorkshire noted that "*experience from other Franchising schemes evidences the significant risks to WYCA involved with the implementation and management of Franchising that may not have been sufficiently considered.*"
- 8.5.5.** As per DJS Research's report, greater detail concerning the risks, including how much they might cost, was also highlighted as one of the Management Case elements respondents would like greater details about.

The Combined Authority's response

- 8.5.6.** The Combined Authority recognises - as highlighted by consultees across comments relating to all five cases of the Assessment - the significant risk involved in delivery of the Proposed Franchising Scheme. To this end, the Combined Authority detailed its approach to risk management, as well as identification of risks and associated mitigations under both options, within Section 6 of the Management Case, 'Risk'. This included a summary of its Corporate Risk Management Strategy (2020) which was also provided in full as Appendix 5.4 to the Assessment

- 8.5.7.** Further emphasising the Combined Authority's consideration and awareness of risk, key risks were specifically highlighted in the Assessment Conclusion, alongside the recommendation to proceed with the Proposed Franchising Scheme. These were:
- Budget risk and responsibility for farebox revenue.
 - Management of market transition and procurement of services.
 - Fleet purchase and depot acquisition.
 - New skills and resources required for delivery.
- 8.5.8.** The Combined Authority recognises that any approach to risk management cannot fully mitigate all risks, and that different organisations may follow different approaches to risk management. The Assessment is underpinned by a robust approach to risk analysis which assesses the impact of key risks on the ranking of regulatory options, including scenario and sensitivity analysis.
- 8.5.9.** Scenario analysis is used in the Economic and Financial Cases to test the impact of changes to the external environment on the relativity of options - including risks relating to the level of demand and level of funding available to the Authority for bus
- 8.5.10.** Sensitivity analysis has been undertaken in the Economic and Financial cases to stress test the impact of the Authority's key identified risks occurring and assess the impact on the relativity of options. These risks include the cost risk associated with the acquisition of fleet, cost risk associated with the acquisition of depots, impact of increased operational costs and impacts on the changes to the margin charged / earned by Operators.
- 8.5.11.** In addition to this robust analysis of risk in the assessment, the Combined Authority has already developed a detailed programme risk register which sets out the key implementation and operational risks associated with the both the Proposed Franchising Scheme and the EP+, which it will use as a tool to manage risks associated with the selected Bus Reform option.
- 8.5.12.** The risk register RAG rates each identified risk and appoints a nominated individual who is responsible for managing each risk. For each risk the register identifies the nature of the risk, its causes and consequences, probability of occurrence and potential impact and then identifies any consequential actions and mitigations required. This risk register then supports active management and mitigation of risk within the Bus Reform project with the ability to escalate risks to the Bus Reform and Internal Leadership boards as well as the Transport Committee and the Combined Authority, in line with the programme's agreed governance arrangements. These Boards and Committees are responsible for deciding whether risks have been sufficiently mitigated that the Combined Authority can manage them within the Bus Reform programme or whether further or alternative courses of action are required. Bus Reform Board reviews and will review the risks monthly, with the other boards and committees viewing them as escalated by the Bus Reform Board.
- 8.5.13.** The Combined Authority believes the level of detail associated with each risk in the programme risk register has been thoroughly developed to an extent that is appropriate to the level of risk and current stage of the programme (i.e. business case development) and in line with HMT Green Book Guidance.
- 8.5.14.** The programme has also approached developing the detail and quantification of risks in a way that is appropriate to the context of assessing a binary decision on whether to implement the Proposed Franchising Scheme which it is acknowledged would disrupt a market that provides a socially necessary service through a course of action that cannot easily be revoked.
- 8.5.15.** The risk registers for both the Proposed Franchising Scheme and EP+ have been updated on a regular basis during the Assessment – including following consideration of the consultation feedback - and would continue to be updated for the preferred option throughout the implementation and operational periods of the Preferred Option to ensure that the Authority's overarching approach to risk management (as set out the Corporate Risk Management Strategy) is employed.
- 8.5.16.** Following a decision on Bus Reform the programme's risk register (which will reflect the risk register for the preferred option) and review of this by Bus Reform Board would remain its primary mechanism to manage associated risks. Section 7 of the Management Case recognises that programme management and governance structures will 'necessarily evolve through Transition and into steady state of either option, however, the same base principles will apply' – this includes their central role in managing risks.

- 8.5.17.** At a corporate level, the Chief Executive and Directors retain management and oversight of the Authority's strategic risks captured in the Authority's corporate risk register, in accordance with the Authority's Risk Management Strategy.
- 8.5.18.** In addition, the Governance and Audit Committee of the Combined Authority which has an independent chair, reviews the corporate risk register at each committee meeting and is able to scrutinise any element of the register and seek further information as required to satisfy itself as to the risk management measures in place. A snapshot of the corporate risk register is published on the Combined Authority's website and updated on a quarterly basis.
- 8.5.19.** Bus reform has been included as a programme-level risk within the Combined Authority's corporate risk register, with the risk identified relating specifically to the potential lack of resource to make the case for and implement bus reform. The mitigations identified, and which have been put in place, include additional resource, the appointment of external experts to work alongside the internal team and development of a transition plan to enable the Authority to implement either an Enhanced Partnership Plus or the Proposed Franchising Scheme. Following a decision, the risk in the corporate risk register will be updated to be specific to the implementation of the preferred option.
- 8.5.20.** Overall, the Combined Authority considers that it has appropriately considered the identification and management of risks as part of its overall Assessment and recommendation on the preferred way forward - including those associated with management of the scheme, as well other financial, commercial, and strategic risks. Risk has also been appropriately considered and included as part of the economic and financial modelling. Furthermore, the Assessment has set out the Combined Authority's approach to risk management – at both a programme and corporate level - which will provide a robust way to implement and manage risks within the selected option going forward.

8.6. Theme 5: role of district councils and partnership working

- 8.6.1.** This theme recognises comments and queries provided about the role of district councils in the management of the bus reform options and implications for wider partnership working with other stakeholders, such as operators.
- 8.6.2.** For example, Leeds City Council said, *"we would note that districts could have an invaluable role to play, as we have the local intelligence and skills to play a role in the management"*.
- 8.6.3.** Similarly, Calderdale Council stated, *"it is hoped that district partners would still have a significant role to play in the process through the West Yorkshire Bus Alliance and be kept informed of developments affecting their districts"* and that *"good partnership working across West Yorkshire is vital to the success of bus franchising"*.
- 8.6.4.** With respect to operators, Stagecoach said *"delivery of franchised services will only be successful with collaborative working between the operators and WYCA, and appropriate resource levels on both sides"*.
- 8.6.5.** Similarly, public feedback referred to 'the need for the Combined Authority to seek advice and guidance from the bus operators, which have the track record and experience of operating routes in West Yorkshire (6)' and recommended that the Combined Authority 'considers how franchising has been implemented in other regions of the country (e.g. Manchester and London) and understand best practice to ensure a smooth transition in West Yorkshire (17).'
- 8.6.6.** A key element of feedback that emerged under this theme was regarding highways management.
- 8.6.7.** Calderdale Council commented that it wanted *"to have a greater understanding of the proposed structure and the role of the Local Highway Authorities"*.
- 8.6.8.** Furthermore, Leeds City Council specifically raised a request for clarification on the Department for Transport's proposed review of Key Route Network powers, and *"welcome and necessary"* engagement on how the Combined Authority plans to use these powers.
- 8.6.9.** Linking to this theme, and specifically relating to the EP+, First West Yorkshire suggested *"additional resource is mentioned in the remit of 'highways network management'. This resource should be common to all scenarios."*

The Combined Authority's response

- 8.6.10.** As a Mayoral Combined Authority, working in partnership to develop and deliver policies, programmes and services which directly benefit the people of West Yorkshire is our mission as an organisation. Under either bus reform option, bringing together the local authorities of Bradford, Calderdale, Kirklees, Leeds and Wakefield to provide strategic leadership on local transport, including operation of the bus system would remain fundamental to our ways of working and organisational constitution. This extends to other stakeholders, such as bus operators, neighbouring transport authority, other mayoral combined authority areas and the Department for Transport. As such, this theme does not alter the management case conclusion that the Proposed Franchising Scheme as currently proposed is deliverable by the Combined Authority.
- 8.6.11.** With regards to the West Yorkshire Bus Alliance specifically, if a franchising scheme was implemented, the Combined Authority's ambition is for the Bus Alliance this to continue through transition in order to manage ongoing delivery of services to customers. However this would no longer be underpinned by the Enhanced Partnership once a decision to implement the Proposed Franchising Scheme has been made would be dependent on the voluntary participation of districts, operators and other stakeholders. A proposal for how this evolves under steady-state franchising will need to be developed during transition (see theme one and seven for further comment on this), including consideration of how it aligns with contract management of bus operators providing franchised services.
- 8.6.12.** With regards to highways management and Key Route Network powers, the Combined Authority recognises strong highways management is key to a successful bus system and that it will need to work closely with district councils on this as part of the Proposed Franchising Scheme, as highways management powers will remain with them. As set out in the Strategic Case, this will need to be a key consideration of its new Local Transport Plan (expected to be adopted in 2025). Adoption of Key Route Network Powers by the Combined Authority is a further policy decision it will consider in the future, following further discussion with the DfT and district councils and would apply to both the Proposed Franchising Scheme and the EP+.
- 8.6.13.** As part of the co-development of a new statutory Local Transport Plan, the Combined Authority and district partner councils will develop in more detail the approach to working in partnership on management of the highways network and Key Route Network. Following discussions between the Mayor and West Yorkshire Local Authority Leaders, and approval from the Combined Authority's Finance Resources and Corporate Committee on 18 January 2024 to proceed, an initial application has been submitted to Government, seeking access to all of the opportunities available through a Level 4 Devolution Framework. Consideration and ratification of the initial application will also be carried out by each Constituent Council, and the Secretary of State will make a decision as to whether to proceed.
- 8.6.14.** If the Secretary of State decides to proceed with a Level 4 Devolution Framework for West Yorkshire, the Combined Authority will work with its district council partners and the Department for Transport, to develop details of any powers relating to the Key Route Network, which would be subject to further approvals by the Combined Authority and constituent council.
- 8.6.15.** With regards to Combined Authority resource to support highways management, as set out in the Management Case, 1 FTE 'Highways Network Manager' has been assumed under the EP+ to deal with the additional responsibilities the Combined Authority would take on under this scenario – primarily through the proposed 'Oversight Group'. Under the Proposed Franchising Scheme, with respect to the authority's Highways Network function, the Assessment notes 'this team will have an expanded role in coordination between local authorities and Operators and the role will also evolve from information provision to operators to instruction'. However, no incremental FTEs have been added, although it is likely that some increase in seniority may be required. This is because within a Franchise environment, more of the function could be absorbed as part of wider contract management, monitoring and compliance responsibilities, and the by additional wider resource to be brought within the 'Bus Services' team (36 additional FTE roles, compared to 18 under the EP+). This includes the Bus Control Centre – or Urban Traffic Management Control Room – proposed under both the Proposed Franchising Scheme and the EP+ which would also support improved highways management and partnership working between all parties. Further resource requirements to manage the KRN specifically would be considered as part of the separate decision on whether the Combined Authority should adopt those powers.

8.7. Theme 6: future organisational change

- 8.7.1. This theme acknowledges comments made about future organisational change that could happen to the Combined Authority and how this could affect the management of the bus reform options, such as the delivery of a Mass Transit system.
- 8.7.2. In response to the questions on the Management Case, First West Yorkshire noted “*Section 4.5.2 of the Consultation Document contains one of few references across the consultation materials to ‘Mass Transit’. This project has recently (in October 2023) been subject to a major funding announcement by the Department for Transport with £2.5bn available for its development. FWY considers Mass Transit to be a major intervention in the public transport market in WY, which potentially changes the backdrop to the assessment of franchising and therefore needs appropriate consideration.*”
- 8.7.3. This aligns to several comments received in the Strategic Case and Commercial Case which felt that future developments, and integration of these, was not fully taken into account. Specifically, the risk around mass transit revenue is discussed.

The Combined Authority’s response

- 8.7.4. As stated in Section 2.4.1 of the Management Case, the Combined Authority is prepared to consider whether delivery through other structures would deliver better results and efficiencies, some of which are dependent on the development of other Combined Authority projects such as Mass Transit. However, fundamentally, delivery of Mass Transit (and other projects) cannot yet be assumed, and therefore the Authority cannot accurately predict the impact in future to draw an assessment of the impact on Franchising or other regulatory options. This also makes it challenging to undertake Sensitivity Analysis on a future ‘mass transit’ scenario. This assumption remains consistent across regulatory options.
- 8.7.5. Furthermore, if successful, mass transit is currently planned to enter operation in the early 2030s, and any new bus model will have been established for a number of years prior to this. It is therefore sensible for Bus Reform to proceed with a standalone operational model for the delivery / early stages of operation of the Proposed Franchising Scheme. However, close working between the programmes will continue and include consideration of all potential options for operation, including the investigation of joint operational activities in the future should this be seen to offer further benefits and efficiencies.

8.8. Theme 7: consultation and engagement requirements

- 8.8.1. This theme acknowledges comments made about the consultation and engagement requirements of managing the bus reform options, including endorsement of this as an important function the Combined Authority must fulfil.
- 8.8.2. For example, Bus Users UK said “*The franchising model, impacting the entire bus network, necessitates thorough public consultation and engagement. The Combined Authority needs to ensure that the community is well-informed, and feedback is fully considered in decision-making processes.*” Similarly, Action for Yorkshire Transport suggest “*it is essential that under the franchising, community involvement is frequent and structured. It is the bus passengers and bus drivers who best know and understand the issues and challenges on their bus services*”.
- 8.8.3. Similarly, the TUC Creative and Leisure Industry Committee suggest “*bus franchising must be implemented in such a way that meaningful democratic control over the future of West Yorkshire’s bus services is established*” which needs to include “*effective representation from disability groups, bus workers, and bus users*”.
- 8.8.4. Transport Focus recognised the information provided about proposed consultation and engagement activity within the Assessment – “*we welcome the proposal that this would include consultation during transition, and implementation, as well as during ongoing operation and in the event of any proposed changes to the scheme*” - but suggested that “*it is clear that plans are still at a very early stage*” and that they would “*welcome an opportunity to work with the Combined Authority as more detailed plans are developed*” - in particular, they would like “*more explicit confirmation about how passengers and their representatives can have a say in the standards set out in contracts*”.

- 8.8.5.** Furthermore, Better Buses for West Yorkshire suggested the proposed “*system of management does not provide enough power or voice for the wider public*” and that it is “*essential*” that a “*participatory board*” (similar to Manchester’s Bee Network Committee) oversees the system.
- 8.8.6.** As per the DJS Research report, this theme came through strongly in responses from the general public with a total of 39 comments were received about the need for the Combined Authority to work collaboratively and in partnership with West Yorkshire local authorities, as well as the public and local businesses, when it comes to route decisions to ensure everyone’s needs are met. Some went further and advocated for an advisory transport board, whilst others advocated this type of arrangements includes drivers and other bus service experts as well. However, others didn’t go as far and simply advocated for regular engagement with service users. Some participants emphasised the importance of effective communication with the public during the transition to the Proposed Franchising Scheme (11) and others asked for further ‘explanation as to what mechanism would be used to provide feedback (3).

The Combined Authority’s response

- 8.8.7.** The Combined Authority concurs with the suggestion from consultees that ongoing consultation and engagement with stakeholders, including the general public, is an important aspect of implementation and ‘steady-state’ of either bus reform option, particularly the Proposed Franchising Scheme.
- 8.8.8.** Section 5 of the Management Case set out the Combined Authority’s overarching approach to consultation, with section 5.3 providing more specific proposals about consultation under Franchising – including a commitment to ‘undertake regular, in depth, consultations’ through the lifetime of the Proposed Franchising Scheme, both during Transition and once all franchise agreements have been awarded, in line with requirements of the Transport Act 2000. This activity will utilise the organisation’s existing consultation and engagement function, and be supported by at least one FTE role during the transition period.
- 8.8.9.** The Combined Authority acknowledges, as suggested by Transport Focus, that its consultation and engagement proposals need to be developed in more detail at an appropriate time in the development and delivery of the scheme. The Combined Authority cannot at this stage provide further detail or specific commitments about how it will ensure public input to the governance to the system. The Combined Authority is cognisant that implementing the Proposed Franchising Scheme offers the opportunity to provide the public with greater control and say over the management of the bus system, but that it also needs to balance this with commercial, financial and other management considerations. Its final governance and decision-making arrangements will need to reflect this, building on its existing organisational practices (as set out in its response to Theme One: Organisational ability to manage - process and decision making). It will also need to incorporate partnership working with district councils, and other organisations such as operators, as considered under Theme Five: Role of District Councils and Partnership Working.
- 8.8.10.** Nevertheless, the Combined Authority will consider appropriate formal engagement mechanisms, both digital and in-person, and welcomes the offer from stakeholders and the public to work with it to develop these proposals and plans in more detail at appropriate times throughout the transition period and into steady-state.

8.9. Theme 8: the EP+ and alternative management proposals

- 8.9.1.** This theme acknowledges comments made about alternative management proposals, including managing the EP+. With respect to managing the EP+, consultees provided general comments on the positive and negatives of managing this model, for example J&B Travel suggested “*from the bus operator point, alteration will be minimal, from WYCA point it would also be minimal and rather more cost effective to the West Yorkshire taxpayer, with less additional staff required*”.
- 8.9.2.** Connexions suggested the “*EP+ uses the knowledge of those in the industry, actually operating buses, and planning routes and changes needs on the floor coalface knowledge, not public servants in their offices looking at spreadsheets. The EP+ has these experts already and through proper effective partnership will deliver the results quicker, less bureaucratically and cheaper than the Franchise.*” They further stated that “*The EP+ will have far less demand on the CA in terms of*

staffing and funding. The CA will not need to find individuals with commercial knowledge to work in their team.”

- 8.9.3.** Conversely Peak District National Park suggested the *“the approach appears to be a more complex approach, because of the number of parties involved in managing the various strands of the EP+.”*
- 8.9.4.** Some suggested that the EP+ was less of a management challenge but, on consideration of other factors, still preferred the Proposed Franchising Scheme. For example, Calderdale Council suggested *“in the short term the management of EP+ is simpler and less costly than franchising as would be expected, however this option provides fewer long-term benefits than franchising.”* Similarly, Leeds City Council suggested *“we note the comments made with regard to the Management Case the EP+ is more like an extension of the Reference Case (Enhanced Partnership). We acknowledge the significant improvements an EP+ would bring but believe autonomy over the network, is paramount”.*
- 8.9.5.** First West Yorkshire raised specific queries about resources/roles proposed under the EP+ including those required for ‘service development’ related to a ‘commercial, price-capping environment’, a ‘Bus Control Centre’, and additional resource in the remit of ‘highways network management.’ It suggested that it did not recognise the requirements for some roles, as per the operator led EP+ proposals, and that some should be common to both the EP+ and the Proposed Franchising Scheme. First West Yorkshire therefore also requested a full list of *“the assumed 25.5 employees associated with the EP+ management, which operators could perhaps support the CA with mitigating, once this detail is understood”.*
- 8.9.6.** The theme also includes requests for more details regarding an exit strategy from the Proposed Franchising Scheme, should this implemented and not be as successful as the Assessment suggests. For example, Bus Users UK suggested *“while this is built into an EP model, there does not seem to be anything on this topic in the Franchising model.”*
- 8.9.7.** Similarly, a number of members of the public asked for more information about ‘the process if an operator withdraws from the Scheme because it can no longer cover certain routes or deliver sufficient customer service (3)’.
- 8.9.8.** As per DJS Research consultation summary report, a small number of participants (75) responded to the question in the longer version of the questionnaire, which asked about approach to managing the EP+. The main comments raised in the responses were:
- An overall preference for the Proposed Franchising Scheme (5);
 - The bus fleet should not be in public control and be managed privately (2);
 - The EP+ proposal will require more staff (2);
 - The limits to the possibilities of improving the network (2);
 - The perceived track record of poor management of the bus network (2); and
 - Management of an EP+ would be less efficient (2).
- 8.9.9.** Conversely, as highlighted by DJS Research, when asked about management of Franchising some respondents compared it negatively against the EP+, including suggesting that there would be less concern about political interference with this Scheme (2) and that EP+ was more affordable than the Proposed Franchising Scheme (1).

The Combined Authority’s response

- 8.9.10.** The Combined Authority stands by its conclusion of the Assessment’s Management Case that it would be able to manage the EP+, and that this would be with fewer resource and at a lower cost than that required to manage the Proposed Franchising Scheme. Furthermore, as the wider Assessment makes clear, this would deliver benefits above and beyond the Enhanced Partnership Reference Case. However, the Assessment considers management alongside other cases and acknowledges the EP+ is ‘ultimately still dependent on being able to agree its delivery with local bus operators – reducing the level of certainty and control.’ Therefore, positive comments on the management of the EP+ are welcomed but do not change the recommendations concerning the management of the Proposed Franchising Scheme.
- 8.9.11.** With regards to requests for clarity around specific roles proposed under the EP+, the Combined Authority made reasonable assumptions about what resource it would require under this option, based on the EP+ proposals from operators as well as its understanding of its own management requirements. The roles are based on the Authority’s bottom up assessment of requirements

under the EP+ and are underpinned by external advice and the precedent set by other Franchising Scheme assessments. These have also been audited by an external Auditor, as part of the statutory audit process, providing confidence that the level and type of additional management cost is suitable for the purposes of assessment. As per HMT Green Book Guidance and Franchising Guidance these were published in full within Section 2.3 of the Management Case 'Extending the Combined Authority's responsibilities to deliver the EP+'.

- 8.9.12.** With regards to the Bus Control Centre – or Urban Traffic Management Control room - the Combined Authority has determined this as a reasonable intervention that it believes would enhance the existing partnership (supporting the movement of buses across the region's highways and helping manage any disruption events) and has confidence it could be implemented under the terms of the EP legislation. To support a Bus Control Centre, 1 Control Room Manager, 2 Assistant Control Room Managers and 10 Control Room Officers have been provided for within Combined Authority resource under both the EP+ and the Proposed Franchising Scheme options. The Combined Authority notes that under the EP+, this would be supported by operators' commitment (as per their proposals) to provide their own additional resource in the Bus Control Centre/Urban Traffic Control Teams in all five districts. This is assumed to be in addition to the 13 roles outlined above.
- 8.9.13.** Similarly, multi-operator, commercial fare capping has been included as an intervention under the EP+ option and the Combined Authority has determined that it would require 2 incremental Systems & Supply Coordinators to support this, by gathering / aggregating taps and payment data from different operators as part of the payment and reallocation of fares revenue under the ticketing scheme. The Combined Authority notes that only one 1 incremental Systems & Supply Coordinator has been included under the Proposed Franchising Scheme because the Combined Authority would have overall control of fares and ticketing which would require less reallocation of fares revenue between multiple operators, therefore creating efficiencies.
- 8.9.14.** With regards to an exit strategy from the Proposed Franchising Scheme, this would be developed should monitoring and evaluation of the scheme's performance during operation lead to a directive for a review of alternative bus reform options to take place. The Combined Authority however recognises that a decision to proceed with the Proposed Franchising Scheme now is significant and would impact the market irrevocably, and therefore could not be easily exited from, especially in comparison to the EP+. This has been considered as part of its assessment of the Proposed Franchising Scheme as the preferred option. Nevertheless, although Franchising is intended to be a long-term model, legislation provides an appropriate route to exit franchising if this was deemed appropriate. To do this, the Transport Act 2000 sets out that a scheme can be revoked if the authority is satisfied that:
- local services in the area to which the scheme relates are likely to be better if the scheme did not apply;
 - the continued operation of the scheme is likely to cause financial difficulties for the authority;
 - or
 - the burdens of continuing with the scheme are likely to outweigh the benefits of doing so.
- 8.9.15.** Revocation follows the same procedure as the making of a scheme (except there is no requirement for the response to consultation to set out how SMO involvement will be facilitated as required by Section 123G(3), and the scheme cannot be revoked until at least 6 months after the authority publishes a notice setting out the decision. As a Mayoral Combined Authority, the Mayor would be required to take the decision to revoke the scheme.

8.10. Theme 9: employment

- 8.10.1.** A key theme emerging from consultation, primarily with regards to both the Commercial Case and Management Case, is employment. This theme acknowledges the employment of both Combined Authority and bus operator staff, includes a recognition of both employment opportunities and challenges presented by the Proposed Franchising Scheme, and encompasses five distinct but connected sub-themes:
- TUPE and staff transfer
 - Staff wages and pay
 - Terms and conditions
 - Pensions
 - Trade Unions and collective bargaining

- 8.10.2.** The Combined Authority recognises that employment is a key matter, fundamental to the successful implementation of the Proposed Franchising Scheme and one that must be considered seriously. For clarity, the Combined Authority would only employ staff working internally within the organisation, as identified within the Management Case. Bus operators would continue to employ bus drivers, depot and vehicle maintenance staff, and other staff needed to provide bus services, as required by the Franchising contracts.

TUPE and staff transfer

- 8.10.3.** This sub-theme acknowledges comments made about the proposed transfer of staff between employers that could happen under the Proposed Franchising Scheme and the application of the Transfer of Undertaking (Protection of Employment) Regulations (TUPE).
- 8.10.4.** For example, CPT suggested that the Combined Authority should communicate its expectations regarding staff transfers clearly – including “*being clear to employees that they will be transferred across to a new operator under the TUPE regulations*” to ensure staff have confidence to remain in employment and in the sector if the operating model changes to a franchised regime.
- 8.10.5.** Some stakeholders provided comments on the potential challenges of staff transfers and the willingness of staff to transfer, such as Globe and Station Coaches suggested the “*forced transfer of labour conditions will lead to conflict*” and Unite referenced “*numerous TUPE transfer*” as one of its concerns with the Franchising model (in addition to terms and conditions, pensions and collective bargaining).
- 8.10.6.** Other respondents identified elements key to managing staff transfer successfully, for example Stagecoach suggested “*accurate Employee Liability Information data is key to successful transfer*”.
- 8.10.7.** Some stakeholders asked for more information about the application of TUPE, for example Leeds City Council wanted “*clarification over how drivers would be TUPE transferred between operators and what job security and employment rights they would have*”, and others set out their understanding such as Stagecoach which suggested its expectation “*is that employees principally connected to a route, depot or service will transfer from the outgoing operator to the incoming operator*”.
- 8.10.8.** Other respondents asked for further thinking on the management of transfer beyond TUPE such as Better Buses for West Yorkshire who suggested that “*TUPE is a start but does not provide the reassurance drivers deserve*”. More specific comments around employment terms and conditions, pay and pensions, and how these may be impacted for employees transferring under TUPE regulations, are considered under later themes.

The Combined Authority’s response

- 8.10.9.** The Management Case identifies internal roles where employees could transfer into the Combined Authority from bus operating companies. It also clearly acknowledges that under the Proposed Franchising Scheme bus operator employees, such as drivers and vehicles maintenance staff, could transfer between operators as franchise service contracts are awarded.
- 8.10.10.** TUPE will apply by virtue of section 123X of the Transport Act 2000 and The Franchising Schemes and Enhanced Partnership Schemes (Application of TUPE) (England) Regulations 2017, where an incumbent operator ceases to provide services at the time that a new operator starts to provide services under a franchise agreement. These Regulations also provide a framework for the provision of employee information by existing operators, and how employees will be assigned to particular franchise agreements for the purposes of TUPE.
- 8.10.11.** To this end, the Combined Authority’s Lotting Strategy (Appendix 3.1 to the Assessment) broadly maps to existing depots and/or groups of services which are currently provided by existing incumbent operators. This assists in ensuring that TUPE should apply to allow for drivers and other employees who are principally connected to services falling within a franchise contract to transfer under TUPE from their previous employer to the relevant new operator.
- 8.10.12.** Transfer from one employer to another will happen automatically for employees of existing operators who are in scope to transfer under TUPE, but ultimately any individual employee can elect not to transfer and object. Nevertheless, the Combined Authority acknowledges the job insecurity that may arise in the situation where an incumbent operator is not awarded the franchise contracts regardless of whether the employee wishes to stay in employment with that

company or not. Protections provided by TUPE in terms of employment terms and conditions, pay and pensions are considered in responses to other themes.

- 8.10.13.** The Combined Authority recognises the transfer of staff between employers will need to be carefully managed and form a significant part of transition to the Proposed Franchising Scheme as well as during steady-state. A more detailed plan for the application of TUPE will need to be developed in due course, including a communication and engagement strategy with employers and employees throughout the procurement and mobilisation of franchised contracts.

Staff wages and pay

- 8.10.14.** This sub-theme acknowledges comments made about the impact bus reform could have specifically on the wages and pay of both Combined Authority and bus operator employees.
- 8.10.15.** Operators expressed concerns about the impact of staff wages on operating costs, the links to bid pricing assumptions and the need for protection against the commercial challenges this presents.
- 8.10.16.** Trade Unions expressed concerns that there is currently disparity in pay across the region which needs to be addressed, and generally the low level of pay for bus drivers.
- 8.10.17.** Leeds City Council requested that under the Proposed Franchising Scheme drivers are paid *“the living wage and above”*.
- 8.10.18.** Unite requested that the terms of franchising include standardised pay (alongside terms and conditions and pensions) and that these terms are done to the *“highest standard currently and not the lower”*.
- 8.10.19.** TUC suggested that *“only franchising provides West Yorkshire with the levers to achieve the highest standards of working conditions and decent pay for workers”*.
- 8.10.20.** Furthermore, Better Buses for West Yorkshire suggested they *“firmly insist that the Proposed Franchising Scheme commits to standardising pay, conditions, and pensions at a level that mirrors or surpasses the best standards existing under the current deregulated system. Depot variations should be eliminated, and precise pay structures and conditions must be explicitly outlined in the franchise contracts to prevent any erosion of employment rights.”*

The Combined Authority’s response

- 8.10.21.** The Combined Authority recognises staff wages and pay, both internal and external, is an important consideration and key to creating an industry within which suitably qualified people want to work, and thus key to successful management of the Proposed Franchising Scheme.
- 8.10.22.** Internally, the Combined Authority is currently compliant with the Living Wage Foundation’s criteria and in January 2024 submitted an application for the relevant accreditation. Living Wage requirements have been considered as part of the establishment of pay-scales (and planned uplifts) and will be applied to any staff the Combined Authority directly employs under the Proposed Franchising Scheme. It is of course noted that only certain employees may be in scope to transfer to the Combined Authority (see above).
- 8.10.23.** With respect to operator staff, under the Proposed Franchising Scheme the Combined Authority would not legally be able to specify staff wages and pay, beyond a requirement to comply with the Real Living Wage as a minimum. It would however be able to consider the operators’ management of their staff as part of the quality assessment of their tender returns.
- 8.10.24.** It is acknowledged that competition between operators may enable new entrants to bid competitively on price, which from the Combined Authority’s perspective can help to increase value for money but may also indirectly impact operator employee wages. We would note that TUPE transfer of staff will reduce the ability of incoming operators to ‘undercut’ the wage rates of incumbents. Transferring employees’ existing salaries would be protected under TUPE. Furthermore, incumbent operators may benefit from market knowledge and experience given their position and we would expect an incumbent operator’s cost base to be different in a regulated environment (and given the Authority’s depot and fleet strategy). Bidders will also have to be mindful of the risk of loss of drivers to other franchises if they seek to suppress wage rates below the industry position. Therefore, the Combined Authority believes that operator staff wages are more likely to equalise upwards and it expects assumptions relating to staff costs to be reflected in the prices which are bid by operators tendering for franchise contracts

Terms and conditions

- 8.10.25.** This sub-theme acknowledges comments made about the impact bus reform could have on employment terms and conditions, both of Combined Authority employees and operator employees.
- 8.10.26.** CPT acknowledged the existing difference in employment terms and conditions between operators, with operators suggesting staff would seek this to be addressed under the Proposed Franchising Scheme.
- 8.10.27.** Unite requested standardised terms and conditions as part of the Proposed Franchising Scheme, and that it would like further input and discussion on this if the option is implemented.
- 8.10.28.** TUC suggested the procurement of franchised services risked a *“race to the bottom”* and that trade unions need to be involved to ensure *“procurement does not diminish service standards or workers’ pay, terms or conditions”*.
- 8.10.29.** Better Buses for West Yorkshire stated it believes this is a *“massive area of concern”* and suggested that *“in London, when contracts change hands drivers have often seen their pay, seniority, and conditions decrease”*. To counteract this, it suggested *“as a minimum strong minimum conditions and pay are written into the contracts to level up all drivers to the best set of pay and conditions currently found in the region”*.
- 8.10.30.** The Wakefield and District Trade Unions and Council suggested that it is *“essential that bus drivers must have their terms and conditions increased and protected in any negotiations and changes to mode of delivery of services. Enhancement of services must come, with enhancements of terms and conditions not decreases”*.
- 8.10.31.** The TUC Creative and Leisure Industry Committed referenced the Combined Authority’s Fair Work Charter alongside its statement that *“bus franchising must not be implemented in such a way as to perpetuate the bad employment practices currently endured by far too many bus workers”*. Better Buses suggested they *“oppose any proposal linking procurement of franchise contracts to the Fair Work Charter, as this could potentially enable operators to diminish pay and conditions for workers.”*

The Combined Authority’s response

- 8.10.32.** As with staff wages and pay, the Combined Authority recognises employment terms and conditions more broadly is an important consideration and key to creating an industry within which suitably qualified people want to work, and thus key to successful management of the Proposed Franchising Scheme.
- 8.10.33.** With respect to its own employees, updated Terms and Conditions of Employment were agreed in 2023 and have been effective as of January 2024, which introduced new benefits such as agile and remote working, and revised pay scales.
- 8.10.34.** More broadly, the Combined Authority works to encourage fair terms and conditions of employment for workers across the Region. Mission 1 of the Combined Authority’s West Yorkshire Plan sets out the region’s ambition for ‘a prosperous West Yorkshire – an inclusive economy with well paid jobs’. As set out in a 2024 [report](#) to the Combined Authority’s Business, Economy and Innovation Committee, the Fair Work Charter (formally launched in November 2023) is an important part of achieving this mission by ensuring a fair and just economy that works for everyone. The Charter aims to ensure that everyone employed in West Yorkshire receives the greatest possible employment security, best working conditions, as well as promoting greater employee wellbeing, workforce diversity and social mobility, and so accelerate [Inclusive Growth](#). It has five core themes:
- Opportunity
 - Security
 - Wellbeing
 - Employee Voice
 - Fulfilment
- 8.10.35.** All businesses that engage with the Combined Authority will be strongly encouraged to adopt the Charter, including bus operators.

- 8.10.36.** With respect to operator staff, under the Proposed Franchising Scheme the Combined Authority would not legally be able to specify employment terms and conditions within franchise contracts, beyond a requirement to comply with the Real Living Wage as a minimum. It will however consider an operator's management of their staff – including their alignment with the principles of the Fair Work Charter - as part of the quality assessment of tender returns.
- 8.10.37.** To reiterate, it would be for operators to manage their relevant employees, however the Combined Authority would be able to specify what it would expect to see from operators regarding staff management, and would be able to place weight on operators that provide high standards in relation to the working conditions of their staff. Indeed, the Combined Authority currently intends to include alignment with the Fair Work Charter as part of its quality assessment of franchise contracts bids and rejects the suggestion that this would enable operators impose less favourable terms and conditions.
- 8.10.38.** Furthermore, any staff that transfer due to the applications of TUPE will transfer to a new operator on their existing Terms and Conditions, which could mean that staff transferring to a new operator may be on different Terms and Conditions to that operator's existing staff. Where there are differences, it is more likely that Terms and Conditions of employees will equalise upwards. The Combined Authority will have a right to request more detailed information on the employment rights of transferring employees if a franchising scheme is made. The Combined Authority will take this into account in designing the tendering process to ensure that appropriate risks sit with the successful tenderers.

Pensions

- 8.10.39.** This sub-theme acknowledges comments made about the impact bus reform could have on both Combined Authority and operator staff pensions, although the majority of such responses focused on the latter.
- 8.10.40.** Trade Unions made clear they think staff pensions need to be protected and / or improved (alongside pay, and wider terms and conditions of employment), for example the TUC suggested that pension protections for bus workers, which are not protected under law, "*is a conversation which must be addressed whatever decision is made as a result of the consultation*".
- 8.10.41.** From an employer's perspective, CPT highlighted pension liabilities as an operator concern and that the Assessment's stated staff pension protection "*will require close working with operators*".
- 8.10.42.** Similarly, Stagecoach suggested the concept of transferred staff receiving "*broadly comparable or better pensions*" is acceptable in most circumstances but that "*any members of Local Government Pension Schemes may need special arrangement to protect operators from long-service LGPS pension liabilities*".
- 8.10.43.** TLC suggested pension protections could be a barrier to small operators participating in competition for franchise contracts.
- 8.10.44.** Some comments welcomed the Combined Authority's proposals about managing staff pensions, for example, Calderdale Council said they have been reassured that "*the relevant processes will be followed on employment and pensions.*"
- 8.10.45.** Others requested more specific points of details relevant to them, such as Leeds City Council who requested further information regarding "*the small number of drivers who still received LCC pensions*".

The Combined Authority's response

- 8.10.46.** The Combined Authority recognises that the pensions of both its employees and operator employees is an important point of consideration. It is necessary to make clear that it will only be directly responsible for the pensions of Combined Authority staff, not operator staff (such as drivers) – although as the franchising authority it will have the responsibility to ensure contracts are made on the basis that bidders commit to providing broadly comparable pension schemes.
- 8.10.47.** Section 123X of the Transport Act 2000 (as amended by the Bus Services Act) protects the pension rights of staff who TUPE transfer between employers under a Franchising arrangement by requiring the new employer to provide such staff with pension benefits post transfer which are

the same or 'broadly comparable' to the pension benefits they are entitled to pre-transfer. Within the Management Case, the Combined Authority recognised risks relating to this, including:

- that the Authority is unable to meet the statutory requirement to provide a 'broadly comparable' pensions scheme for transferees into the Authority from operators.
- Operators may not be able to meet this requirement and / or will incur significant cost to provide it.

- 8.10.48.** A review of pensions data provided by operators was undertaken as part of the assessment, which found that the Combined Authority's pensions (and terms and conditions more generally) are more generous than operators which mitigates the risk of pensions issues relating to staff transfer into the authority by offering them a comparable or better pension. Furthermore, if a decision is made to progress with the Proposed Franchising Scheme, the Combined Authority will be entitled to request more detailed information in respect of the employment and pension rights of potential transferring employees and plan accordingly.
- 8.10.49.** With regards to operator staff, pension protections (and other requirements of TUPE) will be a contractual requirement on the incoming operators and would be provided for under the franchise agreements, as per paragraph 1.113 of the Department for Transport's statutory Franchising Scheme Guidance, which states:
- 8.10.50.** "All affected employees who transfer when franchising is introduced should be provided with access to a broadly comparable pension scheme. The Regulations set out the requirement placed on the new employer of transferred employees to obtain a pension statement. The statement is to be provided in writing from a Fellow of the Institute and Faculty of Actuaries who is to certify that the new employer's pension scheme offers the transferred employees, rights to the same or broadly comparable pension benefits as they had with the former employer. It is the responsibility of the franchising authority to ensure contracts are made on the basis that bidders commit to providing broadly comparable pension schemes".³
- 8.10.51.** As highlighted by operators, going forward it is acknowledged the costs associated with staff pensions will be reflected in the pricing of bids for franchise contracts (as they would already have been reflected in cost-of-service provision pre-franchising).
- 8.10.52.** For the majority of transferring employees, the winning bidder's obligation will be to provide a Defined Contribution Pension Plan. The employee and employer pension contributions to that plan must be at least equal to those enjoyed by the employee whilst employed by the previous operator. For example, where that operator offers matching contributions of 6% of basic pay, the winning bidder must offer the same or better. The winning bidder can choose the pension plan provider for this benefit, though, which could be the plan they already have in place for their existing employees.
- 8.10.53.** As flagged in a number of consultation responses, the Combined Authority understands there to be around 130 employees in the region who are active/contributing members of the defined benefit Local Government Pension Scheme (LGPS). A winning bidder will have an obligation to continue the LGPS membership of these employees and to enter into an Admission Agreement to participate in the relevant LGPS Fund. The Combined Authority is aware of the uncertainty and risks around pension costs which can arise as a result of having employees in the LGPS, for example where ongoing employer contributions increase or an exit payment is triggered for reasons beyond the bidder's control. The Combined Authority is considering appropriate risk sharing measures for bidders around certain increases in defined benefit pension costs.
- 8.10.54.** A winning bidder will not inherit any defined benefit pension liabilities relating to former employees of an incumbent operator, nor will the Combined Authority have any responsibility for those historic liabilities. They will remain the responsibility of the incumbent operator.
- 8.10.55.** Based on consultation feedback, the Combined Authority recognises that it will need to further develop in detail its policy on pension protections and relevant requirements under franchise service contracts but that this does not change its overall position on management of the Proposed Franchising Scheme.

³ The Bus Services Act 2017 - Franchising Scheme Guidance, The Department for Transport (2017) <https://assets.publishing.service.gov.uk/media/5f632a3d8fa8f5106d156415/bus-services-act-2017-franchising-scheme-guidance.pdf>

Trades Unions and collective bargaining

- 8.10.56.** This sub-theme acknowledges comments made about the role of trades unions in bus reform and specific proposals put forward to manage employment related issues.
- 8.10.57.** For example, the TUC suggested that “*the impact on workforce welfare cannot be overstated*” and that “*Franchising would help facilitate fair pay and conditions for bus workers through collective bargaining*”.
- 8.10.58.** Unite suggested that a Direct Labour Organisation that employs all drivers would be beneficial to the Proposed Franchising Scheme to “*guarantee equality across the whole franchised system*” and “*pension security for staff*”.
- 8.10.59.** Similarly, Better Buses for West Yorkshire stated “*we advocate for all workers to be municipally employed, ensuring a single employer to safeguard against risks to their employment status during transitions in franchise contracts.*”

The Combined Authority’s response

- 8.10.60.** With regards to its own employees, as per its employee handbook, the Combined Authority recognises two Trades Unions, Unison and Unite, for collective bargaining purposes. GMB is recognised only for employees within the Policing and Crime team who transferred into the Combined Authority as part of the May 2021 TUPE Transfer. It is entirely optional and a personal choice for employees as to whether they join a trade union or not.
- 8.10.61.** The Proposed Franchising Scheme does not envisage a publicly owned Direct Labour Organisation, or other form of central employment, and this has not been modelled by the Combined Authority. Under the Proposed Franchising Scheme, it will be for individual operators to manage their relevant employees, and any matters arising with Trades Unions.
- 8.10.62.** For any employees who transfer to new operators under TUPE, any collective bargaining arrangements with Trade Unions should also transfer automatically to a new operator. Where no such arrangements are in place, employees may of course utilise the statutory union recognition process if they wish to seek recognition from their new employer.

8.11. Management Case Conclusion

- 8.11.1.** This section has considered the responses received to the Bus Reform Consultation in regards to the Management Case. It has discussed and presented the Combined Authority’s response to questions and queries raised through nine main themes identified which are organisational ability to manage; recruitment; management costs; managing risks; role of district councils and partnership working; future organisational change; consultation and engagement requirements; the EP+ and alternative management proposals; and employment.

Organisational ability to manage.

- 8.11.2.** There were a range of comments provided that spoke either positively, negatively or with mixed opinions on the Combined Authority’s overall ability, with additional resource and competencies, to manage the Proposed Franchising Scheme within its existing organisational structure. This was further divided into subthemes including general comments; resource requirements; competencies, roles and responsibilities; skills and training; organisation / team structures; duplication of effort; transition; process and decision making; and IT and system requirements.
- 8.11.3.** In response to this, the Combined Authority recognises the importance of many of these issues to the successful delivery of the scheme. The Combined Authority acknowledges that, as set out in the Assessment, it will need to develop a detailed resourcing plan. Furthermore, it will need to carefully manage the implementation of this as a priority to ensure it is able to secure the additional resources, with appropriate skills and experiences, throughout transition ready for steady state. As well as providing clarity and expanding on detail with regards to certain points raised, the Combined Authority remains satisfied with its overall assessment of its own resourcing requirements. Furthermore, as with the delivery of any service or project, the Combined Authority will keep resourcing requirements under review. Should it at any point determine that additional resource could offer further benefits to the delivery or operation of the Proposed Franchising Scheme it will consider this, including by assessing any impact on the assumptions underpinning the Management Case. The Combined Authority would also follow its usual corporate processes

to consider how to meet that requirement, including determining funding sources, roles and responsibilities and benefits against business objectives). The overall conclusion of this theme is that following the consideration of consultation feedback, the Combined Authority is satisfied its management proposals will provide it sufficient ability as an organisation to successfully manage the Proposed Franchising Scheme.

Recruitment

- 8.11.4.** There were a range of comments that acknowledge different aspect of the recruitment of the required resource, including Combined Authority staff, the transfer-in of bus operator staff to the Combined Authority and the recruitment of bus drivers and other operator staff.
- 8.11.5.** In response to this, the Combined Authority makes clear it will need to develop a detailed resourcing plan and consider recruitment and the application of TUPE as part of this, as set out in the Assessment. Nevertheless, within the Assessment resourcing risks are identified including that the 'Combined Authority is unable to recruit an adequate number of additional people to manage implementation' which could lead to a delay to implementation and additional costs. Suggested mitigations are that the resourcing plan will be developed well in advance of the resource being required - including consideration of workforce management and opportunities for existing staff to be redeployed/upskilled with their roles then backfilled - and a contingency budget for external consultants or contracts being available in case the resource is not made available with the Combined Authority.

Management costs

- 8.11.6.** A number of responses raised specific queries about costs associated with the management of the Proposed Franchising Scheme, as well as the EP+.
- 8.11.7.** Through consideration of the responses received regarding management costs, the Combined Authority believes these costs are affordable to the Combined Authority and that the benefits and risks associated with these costs have been considered fully within the Assessment, particularly within the wider analysis of the Financial and Economic Case.

Managing risk

- 8.11.8.** This theme reflects comments raised regarding the risks involved in managing the bus reform options, particularly the Proposed Franchising Scheme, as well as the Combined Authority's approach to managing risks, and how thoroughly risk had been considered within the Assessment more generally.
- 8.11.9.** The response sets out that the Combined Authority recognises - as highlighted by consultees across comments relating to all five cases of the Assessment - the significant risk involved in delivery of the Proposed Franchising Scheme. Furthermore, the Combined Authority considers it has adequately considered risks as part of its overall Assessment and recommendation of the preferred way forward - including those associated with management of the scheme, as well other financial, commercial, and strategic risks. Risk has also been included as part of the economic and financial modelling. Furthermore, the Assessment has also set out the Combined Authority's approach to risk management – at both a programme and corporate level - which provides a robust way to implement and manage risks within the selected option going forward.

Role of district councils and partnership working

- 8.11.10.** A range of comments were received about the role of district councils under the Proposed Franchising Scheme, wider partnership working and specifically about highways management and the adoption of Key Route Network.
- 8.11.11.** The response sets out that Combined Authority is committed to working in partnership to deliver policies, programmes and services and partnership work with West Yorkshire Local Authorities would continue under either bus reform option. Ongoing partnership working with other stakeholders, including bus operators, neighbouring LTAs, Mayoral Combined Authority areas and the Department of Transport would also continue to be key.
- 8.11.12.** Whilst significant change to governance would be required, should the Proposed Franchising Scheme be progressed, the Combined Authority would wish to support the continuation of the West Yorkshire Bus Alliance through transition to manage ongoing delivery of services to customers.

8.11.13. The Combined Authority have also noted responses regarding highways management and KRN powers and recognises the role these policy mechanisms can have in delivering a successful bus system, working closely with Local Authority partners to deliver these. Although assumed under both options, it remains a separate policy decision to be made alongside development of the new Local Transport Plan.

Future organisational change

8.11.14. This theme reflected queries around how the Combined Authority has considered future organisational change within its management proposals.

8.11.15. It concludes that the Combined Authority note responses regarding potential future organisational changes, such as the introduction of a Mass Transit system. As this programme is currently in development the Combined Authority cannot accurately predict the impact of the scheme.

8.11.16. Due to timelines associated with the introduction of such a scheme, it is likely that the benefits of bus reform would be realised before then, making it a sensible approach to proceed with bus reform on a standalone operational model which can then be adapted as a mass transit system is introduced.

Consultation and engagement requirements

8.11.17. This theme reflected that many comments were raised about the need for the Combined Authority to conduct consultation and engagement with stakeholders and the general public throughout implementation and 'steady-state' operation of the Proposed Franchising Schemes.

8.11.18. The response acknowledges that the Combined Authority agrees this is very important. This activity will utilise the organisation's existing consultation and engagement function, and new resources. It also acknowledges that its consultation and engagement proposals as set out in the Assessment, need to be developed in more detail at an appropriate time in the development and delivery of the scheme. Nevertheless, the Combined Authority will consider appropriate formal engagement mechanisms, both digital and in-person, and welcomes the offer from stakeholders and the public to work with it to develop these proposals and plans in more detail at appropriate times throughout the transition period and into steady-state.

The EP+ and alternative management arrangements

8.11.19. This theme encompassed the range of comments made about management proposals relating to the EP+ - including general positive and negative comments as well as queries about specific resource requirements identified,

8.11.20. The Combined Authority has considered responses under this theme and stands by the conclusion of the Assessment's Management Case that it would be able to manage the EP+, and that this would be with fewer resource and at a lower cost than that required to manage the Proposed Franchising Scheme.

8.11.21. The Combined Authority notes that the EP+ is still ultimately dependent on operator agreement, including development of a legally binding set of arrangements building on the existing enhanced partnership, which creates some uncertainty on benefit realisation under this option.

8.11.22. Furthermore the theme considered the legal provisions for exiting a franchising scheme, should that be required in the future.

Employment

8.11.23. This key theme reflects comments emerging from consultation across the management and commercial case regarding employment. It acknowledges potential impacts on the employment of both Combined Authority and bus operator staff, includes a recognition of both employment opportunities and challenges presented by the Proposed Franchising Scheme, and encompasses five distinct but connected sub-themes, TUPE and staff transfer; staff wages and pay; terms and conditions; pensions; and trade unions and collective bargaining.

8.11.24. Responding to each sub-theme, the Combined Authority recognises the importance of employment issues and the legal requirements involved, as well the Combined Authority's existing and future ambitions to support the working conditions and opportunities of its staff and workers across the region more broadly.

- 8.11.25.** This includes a commitment to consider the working conditions of bus operator employees – including alignment with the Combined Authority's Fair Work Charter - as part of the quality assessment of bus operator bids for franchised service contracts.
- 8.11.26.** Furthermore, a more detailed plan for the application of TUPE will need to be developed in due course, including a communication and engagement strategy with employers and employees throughout the procurement and mobilisation of franchised contracts.
- 8.11.27.** With regards to its own employees, the Combined Authority will also continue to engage closely trade unions, including for the purpose of collective bargaining.

Overall Conclusion

- 8.11.28.** Following consideration of the comments raised in response to the Management Case, the Combined Authority remains of the conclusion that, with additional competencies and resources, it can manage the Proposed Franchising Scheme through its existing organisational structures – including management of associated risks.
- 8.11.29.** Recognising the comments and advice shared by consultees, the Combined Authority believes itself best placed to understand its own resourcing requirements to manage the issues identified. Nevertheless, as with the delivery of any service or project, the Combined Authority will keep resourcing requirements under review. Should it at any point determine that additional resource could offer further benefits to the delivery or operation of the Proposed Franchising Scheme it will consider this, including by assessing any impact on the assumptions underpinning the Management Case. The Combined Authority would also follow its usual corporate processes to consider how to meet that requirement, including determining funding sources, roles and responsibilities and benefits against business objectives).
- 8.11.30.** Furthermore, it will remain open to exploring alternative operating models in the future to create efficiencies as and when other major transport projects, such as Mass Transit, develop to a point of greater certainty but the Combined Authority is confident that its existing structures provide a mechanism to deliver the scheme.

9. Equality Impact Assessment

9.1. Introduction

- 9.1.1.** Under the Equality Act 2010 the Combined Authority is required in the exercise of its functions to have due regard to the need to:
- Eliminate unlawful discrimination, harassment, and victimisation.
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - Foster good relations between those who have a relevant protected characteristic and those who do not.
- 9.1.2.** The Combined Authority uses an Equality Impact Assessment (EQIA) exercise to consider the equality impacts of any new project or service and assess any disproportionate impacts on persons with protected characteristics.
- 9.1.3.** Relevant protected characteristics on the Proposed Franchising Scheme are age; disability; gender reassignment; pregnancy and maternity; race; sex; and sexual orientation.
- 9.1.4.** The draft Equality Impact Assessment concluded that the Proposed Franchising Scheme would have a positive impact on protected characteristics of age, (especially younger and older people), disability (people with physical and sensory impairments), gender reassignment, race, sex, sexual orientation, and pregnancy and maternity.
- 9.1.5.** No impact, or neutral impact was seen across the protected characteristics of religion or belief, marriage, and civil partnership.
- 9.1.6.** In the consultation document Question 7 of the short questionnaire and Question 47 of the long questionnaire asked consultees for their comments on the potential impacts identified in the draft EQIA of the Proposed Franchising Scheme on persons with protected characteristics. Additionally, there were some responses to the strategic case which apply to the EQIA and are considered below.
- 9.1.7.** Overall, there were 733 participants who provided comments in response to the potential impacts of the Proposed Franchising Scheme on persons with protected characteristics. The DJS Research report shows that 689 members of the public commented on the draft EQIA with broad support as 139 suggested that the Proposed Franchising Scheme would improve accessibility for protected groups while a further 132 agreed with the EQIA.
- 9.1.8.** The DJS Research report captures some other general points made from members of the public including that 66 participants hoped that the Proposed Franchising Scheme would improve bus service quality. 34 respondents commented that the Scheme was encouraging diverse views and consultation from the public, although a smaller proportion, 14 people, commented that further consultation would be beneficial.
- 9.1.9.** Non-Statutory consultees similarly recognised the importance of ensuring that equitable outcomes were at the heart of the Proposed Franchising Scheme. Ilkley Town Council felt that franchising could improve the services provided for those with protected characteristics as their needs could be catered to. Bramhope & Carlton Parish Council, Bradford-Shipley Travel Alliance, and Crossgates and District Good Neighbours all emphasised the importance of continuing engagement with persons with a protected characteristic.
- 9.1.10.** There was broad consensus amongst statutory consultees that equality, diversity, and inclusion considerations were vitally important. Bus Users UK said, “*addressing issues that impact people with a protected characteristic will be a positive step towards creating a more inclusive transport system.*” While Wakefield and District Trade Union Council felt that “*Equality implications for bus*

transport are particularly important as bus transport is the only means of travel for some of the most disadvantaged members of the community.”

- 9.1.11.** There were also generally positive comments from the statutory consultees on the findings of EQIA and the conclusion that the Proposed Franchising Scheme would have a positive impact on people with a protected characteristic. Action for Yorkshire Transport responded, “*We support the Proposed Franchising Scheme’s provision of an Equality Impact Assessment*” whilst Better Buses for West Yorkshire stated that “*we are reassured by the Equality Impact Assessment indicating a positive impact resulting from bus franchising.*” A common theme across consultees was an emphasis upon the importance of accessibility, safety, and inclusivity in the bus network and the opportunities afforded by the Proposed Franchising Scheme to go further in this regard.
- 9.1.12.** A few participants raised the point that an EQIA had not been included for the EP+ with many respondents feeling unsure if EP+ could offer the same level of opportunities to people with protected characteristics as the Proposed Franchising Scheme.
- 9.1.13.** One respondent questioned whether the EQIA was necessary given that the bus industry did not intentionally discriminate against persons with protected characteristics. The evidence base for the EQIA sets out the inequity in how persons with protected characteristics currently experience the bus network and demonstrates the need for, and importance of, a close consideration of the impacts of the Proposed Franchising Scheme on the bus system.
- 9.1.14.** Other comments from respondents to the consultation relating to the EQIA have been grouped into themes and will be considered in turn.
- 9.1.15.** This section is structured over the following themes:
- Benefits not included in the EQIA
 - Format of the EQIA
 - Further involvement of protected characteristics groups
 - Vehicle specification
 - Importance of personal safety

9.2. Theme 1 – Benefits not included in the EQIA

- 9.2.1.** A number of statutory consultee responses identified potential benefits of the Proposed Franchising Scheme which had not been included in the EQIA. For example, Leeds City Council referenced the way in which the Proposed Franchising Scheme could specifically benefit older women which had not been explicitly drawn out in the EQIA.
- 9.2.2.** The EQIA is a proforma document to capture the process undertaken to embed equality, diversity, and inclusion considerations in the Combined Authority’s activities. While the EQIA is not an exhaustive treatment of all potential benefits of the Proposed Franchising Scheme it is important to note that no additions raised by respondents would impact the conclusions of the EQIA.
- 9.2.3.** The EQIA is a live document and so further understanding will be fed in and if the Proposed Franchising Scheme is made, the EQIA will be reviewed after 12 months of implementation.
- 9.2.4.** In regards to the specific comments raised by Leeds City Council highlighting the data and benefits to older women, additional sources have been used to update the Stage 1 EqIA since initial publication. This references the *Age UK – the future of transport in an ageing society* report and demonstrates that older women tend to use public transport more than older men. The potential impacts are also discussed within Stage 2 of the updated EQIA.

9.3. Theme 2 – Format of the EQIA

- 9.3.1.** Leeds City Council found that the format of the EQIA was an impediment to understanding it clearly, particularly with regard to cumulative impacts across multiple protected characteristics.

- 9.3.2. As discussed in Theme 1 the West Yorkshire Combined Authority uses a pro-forma document to record what has been considered and what evidence was used in completing the EQIA. The proforma has been adopted across the organisation and it is part of the Combined Authority's corporate processes, so it is not possible to alter the format of the document.
- 9.3.3. On cumulative impacts specifically, the EQIA considers each protected characteristic in turn, but it is recognised that people may belong to more than one protected characteristic and this intersectionality means that multiple factors identified in the EQIA may be relevant.

9.4. Theme 3 – Further Involvement of Protected Characteristic Groups

- 9.4.1. Several consultees discussed the importance of continual consideration of the needs of people with protected characteristics and involving them in the development of bus reform through a variety of means, suggestions from respondents included ongoing consultations as well as inclusion in a future participatory board.
- 9.4.2. Transport Focus's response recognised the need for continual engagement and acknowledged that the Proposed Franchising Scheme would give the Combined Authority more control over the bus network but felt that the way this influence would be used to address accessibility and inclusion was undetermined.
- 9.4.3. The purpose of the EQIA is not to explicitly set out interventions under a Proposed Franchising Scheme but rather to assess the likely impact on persons with protected characteristics. The EQIA identifies the potential benefits available under the Proposed Franchising Scheme around improvements and consistency in customer information, onboard bus standards and accessibility, safety before and during travel, and the pricing of tickets.
- 9.4.4. The EQIA highlights the desire to further understand the needs of customers through considering future opportunities to collect passenger feedback.
- 9.4.5. In line with the comments under this theme, several updates have been made to the EQIA document to reflect the need to further involve and engage. This is noted within the 'what are your next steps' sections in Stage 2 of the EQIA. The EQIA will be made available to the Combined Authority and Mayor as part of the decision-making process.
- 9.4.6. The EQIA itself is a live document and so further understanding will be fed in and if the Proposed Franchising Scheme is made, the EQIA will be reviewed after 12 months of implementation.

9.5. Theme 4 – Vehicle Specification

- 9.5.1. Some consultees commented on the specification for vehicles under a franchised model and emphasised the importance of providing more spaces for wheelchairs as well as the use of audio and visual announcements to make bus services more accessible.
- 9.5.2. The EQIA identifies the opportunity that the Proposed Franchising Scheme would provide in this regard as it would allow the Combined Authority control over the accessibility of the bus fleet and ability to provide a constant onboard offer with adequate space for wheelchairs, as well as audio and visual technology. Vehicle specification would be considered in the specification of contracts should the Proposed Franchising Scheme be made.
- 9.5.3. This is discussed in the 'what can you do' section under disability within Stage 2 of the EQIA. Additional wording has been added which stresses the opportunity for the Proposed Franchising Scheme to introduce a standardised fleet which would offer a consistent customer offer.

9.6. Theme 5 – The Importance of Personal Safety

- 9.6.1. Bus Users UK and the TUC both discussed the importance of safety and security on bus journeys.

- 9.6.2.** The EQIA identifies the evidence base for how people with protected characteristics might feel unsafe when using the bus. It also sets out that in 2022 the Combined Authority piloted a bus safety feedback tool that allowed passengers to report what types of things were making them feel unsafe and where and when that was happening. Further analysis of this data will be explored, and actions planned appropriately.
- 9.6.3.** The control the Proposed Franchising Scheme offers over the network (such as the setting of service frequencies and routes) could also help resolve some of the issues such as safety and difficult interchange which were identified in the EQIA.
- 9.6.4.** No specific updates have been made in regards to this theme, but emerging data on safety will be used to update the EQIA.

9.7. Conclusion

- 9.7.1.** The importance of inclusivity and accessibility in the bus network was emphasised in many responses with core issues identified around vehicle specification, safety and security, and ongoing dialogue with persons with protected characteristics.
- 9.7.2.** Several helpful points were raised in the consultation which provided additional insight into the experiences and concerns of passengers.
- 9.7.3.** These points have been be considered and an updated EQIA has been provided alongside this report (Appendix 6). It is noted that the EQIA is a live document and that further data and insight will be used in the future. If the Proposed Franchising Scheme is made, the EQIA will be reviewed after 12 months of implementation.
- 9.7.4.** No comments were raised by consultees relating to the EQIA on the Proposed Franchising Scheme which would result in any material changes at this time.

10. Assessment Conclusion

10.1. Introduction

- 10.1.1. The chapter identifies and responds to key themes arising from the consultation with regards to the Assessment conclusion / summary, which set out that the Proposed Franchising Scheme was the preferred way forward, subject to outcomes of the Audit and Consultation.
- 10.1.2. Three questions were included in the short questionnaire focussed on the Assessment conclusion:
 Q8. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?
 Q9. Are there any changes that you think would improve the Proposed Franchising Scheme?
 Q10. Do you have any further comments?
- 10.1.3. Four questions were included in the long questionnaire focussed on the Assessment Conclusion.
 Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?
 Q44. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme
 Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?
 Q46. Do you have any further comments?

Summary of stakeholder and general public responses

- 10.1.4. As per the DJS Research summary report, a total of 1,167 participants in the consultation provided a response to this question asking to what extent the support or oppose the introduction the Proposed Franchising Scheme (question 8/44).

Table 9.1: Support/opposition to the Proposed Franchising Scheme

Q. To what extent do you support or oppose the introduction of the Proposed Franchising Scheme



Support: 82%

Oppose: 10%

■ Support ■ Support in part ■ Neither support nor oppose ■ Oppose in part ■ Oppose ■ Don't know

- 10.1.5. Overall, nearly three-quarters supported the introduction of the Proposed Franchising Scheme. A further one in ten participants (113) supported it 'in part', whilst 62 participants took a neutral position and neither supported nor opposed its introduction.
- 10.1.6. Around one in ten participants (121) opposed the introduction of the Proposed Franchising Scheme. Of those, the majority (91) opposed it whilst only 30 opposed it 'in part'.
- 10.1.7. Responses from organisations tended to be more muted towards the introduction of the Proposed Franchising Scheme compared to members of the public. Of the 44 organisations which responded to this question (i.e. via one of the questionnaires), two-thirds (29) supported it whereas one in five organisations (9) opposed it (compared to only one in ten – 112 – members of the public).
- 10.1.8. After responding to the closed question, participants were asked to explain why they supported or opposed the Proposed Franchising Scheme, why they neither supported nor opposed it or did not

know. A total of 957 participants supported the Proposed Franchising Scheme and a total of 122 participants opposed it.

- 10.1.9.** All participants were also asked if they would propose any changes to improve the Proposed Franchising Scheme. A total of 697 participants provided a response to this question.
- 10.1.10.** Repondees also took the opportunity to provide other comments relating to the Assessment conclusion that did not directly relate to why they support / oppose the proposed franchising scheme or how it could be improved
- 10.1.11.** Responses to these questions, as summarised in section 4 of the DJS Research report 'Overall opinion of the Proposed Franchising Scheme', provided a large volume of substantive content, the majority of which has been considered under the thematic analysis relating back to individual cases, particularly the Strategic and Commercial cases
- 10.1.12.** The key additional themes emerging from the consultation on the Assessment Conclusion, that could not be related back to case-specific themes, are:
- Theme 1: Support and other comments on the preferred option
 - Theme 2: Support for the process
 - Theme 3: Operators support for the West Yorkshire bus market
 - Theme 4: Putting passengers first
 - Theme 5: Impacts on SMOs
 - Theme 6: Comments on political / Mayoral ambitions
 - Theme 7: Commitments to work with the Combined Authority
 - Theme 8: Further work to be done

10.2. Theme 1: Support and other comments on the preferred option

- 10.2.1.** This theme acknowledges comments made specifically supporting the conclusion of the Assessment – that on balanced consideration franchising is the preferred option for implementing bus reform.
- 10.2.2.** For example, Stagecoach said “*we agree with the conclusion and look forward to being a supportive partner with WYCA in transforming travel in West Yorkshire*”. TUC said “*we support the conclusion that franchising is the better option for bus services in West Yorkshire – for the environment, for passengers, and for working people*”. Calderdale Council stated “*it fully supports the implementation of Bus Franchising in West Yorkshire, as the Assessment has concluded this is the best long-term option for public transport in the region*”.
- 10.2.3.** However, as well as support for the preferred option, consultees provided a wide range of comments on Franchising, as well as the Enhanced Partnership+. Therefore, this theme encompasses comments that can be sorted into the following categories:
- Benefits of Franchising
 - Negatives of Franchising
 - Neutral on the preferred option
 - Alternative options
 - Benefits of EP+
 - Negatives of EP+
- 10.2.4.** The benefits and negative of franchising, as well as alternative models of EP+, have been considered in detail within the Assessment itself and across other themes within the Consultation Response, including primarily Strategic Case Theme 3 'Bus Reform Options' (see section 4.4), and are therefore not responded to in detail here.
- 10.2.5.** The Combined Authority acknowledges the support amongst some consultees for the preferred option, the Proposed Franchising Scheme, at put forward by the Assessment. It also recognises other consultees expressed concerns or disagreement with this and has considered this equally. The recommendation on a preferred way forward has not been based simply on the percentage of respondents in favour against either option. Nevertheless, the Combined Authority notes a majority of consultees are in support of progressing with the preferred option as set out within the Assessment, the implementation of the Proposed Franchising Scheme.

10.3. Theme 2: Support for the process

- 10.3.1.** This theme acknowledges comments made supporting the process undertaken by the Combined Authority in conducting the Assessment and seeking stakeholder views via the consultation. For example, South Pennine Community Transport said *“Lastly, we thank the Mayor for undertaking this process of consultation and providing a suitable length of time and opportunity to respond”*. Similarly, Leeds City Council suggested they *“believe the Consultation to be very thorough, and we have expressed all our opinions”* and Kirklees Council suggested *“we thank the Mayor for undertaking this process of consultation and providing a suitable length of time and opportunity to respond.”*
- 10.3.2.** The Combined Authority thanks consultees who provided support for the process of assessing the bus reform options. The Combined Authority has sought to act in strict accordance with the requirements of the Transport Act 2000 and with the best interest of the West Yorkshire based communities that it serves.

10.4. Theme 3: Operators support for the West Yorkshire Bus Market

- 10.4.1.** This theme acknowledges comments made by bus operators in support of buses in West Yorkshire. For example, CPT stated that *“CPT and bus operators are ready to work with WYCA to implement the delivery model taken forward, and hope to collaborate in partnership to achieve joint aims and the best outputs for the local passengers in the West Yorkshire Region”*.
- 10.4.2.** The Combined Authority welcomes operators who expressed their intentions to support the West Yorkshire bus market. The Combined Authority recognises that under all options considered by the Assessment it is reliant on operators to ultimately deliver bus services and that a vibrant competitive market, with operators who are commitment to shared strategic goals, will deliver best results for the Region.

10.5. Theme four: Putting passengers first

- 10.5.1.** This theme acknowledges comments made about put the needs of local bus customers first in consideration of bus reform. For example, Bus Users UK suggested *“as an advocate for the passenger, we have no strong preference as to which model is best, just that it delivers the best service possible for passengers as swiftly as possible and that it has a long-term, ring fenced pledge of sufficient funding to maintain a good level of service”*. Similarly, Transport Focus advised that *“the acid test for the proposal will be what benefits it will bring to passengers and how it will improve the delivery of services”*.
- 10.5.2.** The Combined Authority concurs that putting the interest of passengers is paramount to its assessment of bus reform, and this is embedded in the objective of an ‘Improved experience for customers’ and the associated sub-objectives drawn from the West Yorkshire BSIP delivery areas which would address customer challenges with the current bus system. On the basis of the Assessment, the Combined Authority believe the Proposed Franchising Scheme offers the greatest potential to achieve the intended outcomes, including an improved and more attractive bus service for local bus customers, and this informs the recommendation of it as the preferred way forward.

10.6. Theme 5: Impact on SMOs

- 10.6.1.** Common to other cases, this theme acknowledges concluding comments made about the impact of bus reform on small and medium sized bus operators and their position in the market. For example, Globe and Station Coaches said *“the introduction of a ‘one size fits all’ franchise scheme disproportionately disrupts the small operators business model which for many will no longer be viable.”* Similarly, Ross Travel said *“smaller operators should not be put in a position of losing their business just because bigger operators and politicians have made such a mess”*. Furthermore, Connexions suggested *“SME’s need protecting fully with guarantees of continuation, or failing that, a re-imburement for the confiscated services and intellectual property”*. This theme also emerged strongly from consultation feedback received with regards to the Commercial Case.
- 10.6.2.** The Combined Authority has considered seriously comments raised with regards the impact of bus reform on small-to-medium sized bus operators, particularly how the Combined Authority

facilitates their involvement in the Proposed Franchising Scheme as per its legal requirements under the Act. The Commercial Case theme 5 'Consideration of impact on small and medium sized operators' responds to this in further detail, including explaining how the Combined Authority has set out how it will mitigate negative impacts through its approach to lotting and contracts which would be further developed if the Proposed Franchising Scheme is made. It remains of the view that the Commercial Case reflects this, and that the measures in place respond to concerns.

- 10.6.3.** However in response to the point raised by Connexions on guarantees of continuation, It is not the intention that the Combined Authority guarantee SMOs access to contracts, as this would not be consistent with obtaining the most advantageous tenders for services. The Combined Authority would look to engage with SMO operators to make sure they were involved in market engagement and they were involved in market engagement and had the opportunity to be fully prepared to be able to bid for contracts.
- 10.6.4.** It is also not the Combined Authority's position that it should re-imburse operators for loss of services by introduction of the scheme. In particular, the legislation does not contain any provision for the compensation of any person adversely affected by the introduction of a franchising scheme. The Combined Authority does however need to consider whether the benefits of franchising are in the public interest, compared to the alternatives are justified.
- 10.6.5.** The Combined Authority notes that Connexions concern is about the loss of their intellectual property in routes. It is noted that whilst Connexions may have built up some goodwill in respect of services that they provide in West Yorkshire which may become subject to the Proposed Franchising Scheme, under the current deregulated environment it remains open for any other operator to register competing services on those routes and compete with them, and there is not an ability for Connexions, or other operators, to restrict other operators from competing on this basis under the current de-regulated environment. The same applies under EP+ where if route restrictions did lead to such a restriction on competition, the route would become subject to a right for the Combined Authority to run a procurement, in order to maintain competition, which could again lead to Connexions or other operators losing those routes. Therefore whilst the unavailability of compensation is a relevant factor for the Combined Authority to consider in considering the impacts of the scheme on Connexions, the level of loss suffered in respect of rights in routes seems limited given that Connexions do not have any exclusive rights to any of their registered routes.

10.7. Theme 6: Comments on political / Mayoral ambitions

- 10.7.1.** This theme acknowledges comments made suggesting politics has had a negative influence on the bus reform assessment. For example, Ross Travel Group, Globe and Station Coaches, said *"Sadly this proposal continues the trend of using public transport at a political football and seeks to introduce a structure that would be very difficult to reverse if it fails. The current track record of similar attempts is not good and many changes have been introduced with an eye on immediate electoral success of politicians rather than long term solutions"*. Similarly, J&B travel advised they feel the conclusion *"is a rather biased view based on the fact our mayor had already advised her requirement to move to franchising"*. Connexions suggested *"figures can be massaged to say what they want -I'd like to see a truly independent assessment of the two schemes"*.
- 10.7.2.** Under its constitution, the Combined Authority takes direction from the democratically elected Mayor of West Yorkshire and the councillors from our West Yorkshire partner councils of Bradford, Calderdale, Kirklees, Leeds and Wakefield, and a non-voting member representing the City of York Council. The Combined Authority is committed to upholding the highest standards of governance and conducting its activities with the principles of openness and transparency. To facilitate transparency, the Combined Authority and its committees all take decisions at meetings held in public, all of which can be attended in person, watched online, with reports and minutes also published online.
- 10.7.3.** Furthermore, under law, the decision on whether to implement the Proposed Franchising Scheme sits with the Mayor specifically. To enable consideration of this decision, the Combined Authority has been required to follow the process set out under the Act. This has included preparation of the evidence-based Assessment, external audit and consultation before it can provide a final recommendation to the Mayor.

10.8. Theme 7: Commitments to work with the Combined Authority

- 10.8.1.** This theme acknowledges comments made by stakeholders providing their commitment to work with the Combined Authority to deliver bus reform. For example, CPT said *“we reiterate that bus operators support the outcomes that WYCA want to achieve and want to work in partnership with WYCA to deliver these outcomes regardless of the delivery model taken forward.”* Similarly, Transport Focus said, *“we will be pleased to discuss the points raised in our submission in greater detail and to work with WYCA to support and underpin passengers’ interests.”* Similar commitments were made by other local councils and transport authorities, such as Transport for Greater Manchester which suggested *“we are happy to share any lessons learnt or best practice which develops from our experience in these areas as we continue to franchise the bus network in GM”.*
- 10.8.2.** The Combined Authority thanks stakeholders who provided their commitment to work with us to implement the bus reforms options and achieve the desired outcomes for passengers and the Region. As recognised in analysis of responses with regards the management case both partnership working and consultation and engagement will be crucial to successful implementation of the Proposed Franchising Scheme.

10.9. Theme 8: Further work to be done

- 10.9.1.** This theme acknowledges comments made about there needing to be further work beyond the bus reform assessment to both successfully implement the preferred option and achieve wide transport aims and objectives. For example, Leeds City Council said *“we suggest there are issues particularly to Leeds that may not have been appropriate to cover in detail within the WY wide assessment. We believe these can be explored by the Combined Authority to improve the offer for the public in Leeds”.* More broadly, Campaign for Better Transport said *“the Proposed Bus Franchising Scheme is a critical policy, but it must be combined with other policies to encourage bus use and the delivery of modal shift”.*
- 10.9.2.** The Combined Authority recognises further work is needed to be done to develop in detail the plans for implementation of the Proposed Franchising Scheme in order to ensure it is a success, and many of these have been acknowledged within the Consultation Response, the Assessment and the BSIP. Nevertheless, with regards to a decision on whether to implement the Proposed Franchising Scheme, it is confident that the work done to date is thorough and sufficient for the stage in the process the Combined Authority is at and to inform a recommendation to the Mayor.

10.10. Conclusion

- 10.10.1.** The Combined Authority acknowledges and thanks consultees for all comments provided with regards to its Assessment conclusion. It is clear there is difference of opinion across stakeholders, with some in support and other against implementation of the Proposed Franchising Scheme, and that within these views there are important, specific points for consideration.
- 10.10.2.** The Combined Authority has followed the statutory process set by the Act to assess the options for bus reform, and provided opportunity for participation in the consultation both by statutory consultees, and other stakeholders and the general public.
- 10.10.3.** The Combined Authority recognises, as expressed by many consultees, that it will need to continue working closely with stakeholders, in particular bus operators, to successfully implement the Proposed Franchising Scheme – and thanks respondees who have offered their commitment to doing so.
- 10.10.4.** It also shares the view that the interest of local bus customers need to be put at the forefront of the assessment of bus reform, which is why it embedded these in the objectives of the Assessment and the approach to consultation.
- 10.10.5.** The Combined Authority also stands by the value of democratically elected politicians’ open and transparent involvement in delivery of the local bus system – including the decision on whether to implement the Proposed Franchising Scheme.
- 10.10.6.** Finally, the Combined Authority acknowledges further detailed work need to be done in order to successfully implement the scheme, and realise its full ambitions for buses in West Yorkshire.
- 10.10.7.** The following section, the Consultation Response conclusion, sets out on a case-by-case basis whether the Assessment conclusions are still valid.

11. Consultation Response conclusion – final recommendation to the Mayor

11.1. Introduction

- 11.1.1. This chapter provides a conclusion to the Combined Authority's Consultation Response, building on its response to the Assessment Conclusion and individual Cases, to provide a final post-consultation recommendation of the preferred way forward for Bus Reform.
- 11.1.2. As set out in its conclusion, the Assessment of the options for Bus Reform in West Yorkshire was completed by the Combined Authority in accordance with the Transport Act 2000 (as amended by the Bus Services Act 2017) which sets out the statutory process authorities must follow in order to decide whether to implement a franchising scheme.
- 11.1.3. An Enhanced Partnership 'Plus' and Franchising option were assessed in detail against the Enhanced Partnership 'as is' (reference case), with the aim of identifying which option best achieves the Combined Authority's strategic ambitions for bus and wider transport, as well as responding to other social, economic and environmental challenges which all form part of the reason as to why bus reform is necessary in West Yorkshire. Importantly, the assessment also tested that the options offered Value for Money, were affordable and deliverable.
- 11.1.4. In accordance with the requirements of the Act, the Assessment externally audited and then consulted on. The analysis of the feedback received through that statutory consultation has been set out in this Consultation Response report.
- 11.1.5. The following narrative sets out the Response's conclusion on each case, in respect to the consultation's impact on the Assessment's original conclusion – that Franchising is the preferred option for the Combined Authority to progress with Bus Reform in West Yorkshire – and sets out a final recommendation to the Mayor.

11.2. Strategic Case

- 11.2.1. On the Strategic Case, the Assessment concluded that it had established the Combined Authority's strategic ambitions for bus and the current challenges facing the existing system – particularly, declining bus patronage and financial instability which has resulted in network decline and greater reliance on public sector funding support to maintain service levels. It detailed the development of suitable bus reform objectives to reflect both customer and operator market challenges alongside the development of outcomes that would contribute to the local policy objectives set out in the West Yorkshire Transport Strategy (2040) and Bus Service Improvement Plan.
- 11.2.2. The options considered across the case included the EP+ which built on the initial work of the Combined Authority and additional interventions that came out the proposals submitted by West Yorkshire Bus Operators. This was considered alongside the Proposed Franchising Scheme. The case identified that both could deliver interventions and improvements above and beyond the EP Reference Case – especially contributing to better outcomes across network, fares and ticketing, and customer service and information delivery areas.
- 11.2.3. Despite the benefits of the EP+, uncertainty remained across interventions that required further operator agreement and negotiation, and in some cases 3 additional public sector funding. The Strategic Case concluded that the Proposed Franchising Scheme would offer better control and certainty for the Combined Authority in meeting its overarching strategic policies and bus reform objectives and therefore delivering better outcomes for the citizens of West Yorkshire.
- 11.2.4. As per section 4.11, this Consultation Response concludes, both in terms of support for and challenges to the Strategic Case the Combined Authority are confident in the evidence presented in the Strategic Assessment and the conclusions it came to.
- 11.2.5. There was broad support in the consultation responses concerning the need for reform as well as the assessment of how likely the different options for reform would be in meeting the Combined Authority's objectives for bus. Particular challenges were made in the consultation responses regarding bus priority, fares and ticketing, as well as customer service and information.
- 11.2.6. The Combined Authority is satisfied that the Strategic Case addresses the themes appropriately and that the objectives for the bus system and that the Proposed Franchising Scheme represents a better opportunity to achieve the Combined Authority's ambitions for the bus network than the

enhanced partnership plus option due to the control and certainty it would provide over delivery of strategic benefits.

11.3. Economic Case

- 11.3.1.** The purpose of the Economic Case within the Assessment was to demonstrate the Value for Money of the two alternative Bus Reform options with reference to HM Treasury's Green Book Guidance and Department for Transport's Franchising Guidance. The options were assessed against the reference case, which is the currently expected future bus network and services that would be operated without any further Bus Reform or significant intervention from the public sector.
- 11.3.2.** The results of the forecasting and Economic Appraisal are presented, in terms of the benefits, revenues, and costs of each option appraised. Where possible, the distribution of these impacts across different groups in society (including passengers, the Combined Authority, other authorities, bus operators and wider society) has been presented.
- 11.3.3.** The Economic Case concludes by presenting the NPV of monetised impacts and a Value for Money Assessment, in line with the DfT's Franchising guidance. Both reform options represent 'very high' Value for Money to the public based on the results of the Economic Appraisal. Compared to the EP Reference Case, both options are forecast to generate benefits higher than the costs required to implement either option. The 'very high' Value for Money Assessment can be interpreted as both options being justified interventions for the Combined Authority to make, with the decision between the two options to be based on wider considerations set out across the other cases of the Assessment.
- 11.3.4.** As per section 5.9, this Consultation Response concludes that the Combined Authority remains confident that the findings of the Economic Case are robust. A range of comments were considered, and in some cases additional sensitivity tests conducted but none of the responses raised issues which significantly affect the case outcomes.
- 11.3.5.** Both bus reform options represent 'very high' Value for Money because they are forecast to generate benefits considerably higher than the costs required to implement them. The advantages of Franchising include the greater control the Combined Authority would have over the bus network under this option. However, both options are justified interventions and the decision between the two options should be based upon wider considerations set out in the other Cases of the Assessment.

11.4. Commercial Case

- 11.4.1.** The Commercial Case within the Assessment explored the commercial impact of each option on the bus operator market and assessed them against Commercial Success Factors set out by the Combined Authority, including Transport Authority Influence, Best Value, Driver of Competition, Appropriate Risk Allocation and Ease of Implementation. This concluded that Franchising maximises the potential to meet these factors, allowing the Combined Authority better control for the delivery of bus services overall, however, it also notes this presents significant implementation, operation and financial risk that will need to be managed.
- 11.4.2.** As per section 6.9 of this report, this Consultation Response has demonstrated a wide variety of comments on the Commercial Case. The Combined Authority maintains that the purpose of the Commercial Case is to consider whether options present a commercially viable delivery approach to the bus reform option. The scale of the change, particularly in delivery of the Proposed Franchising Scheme is recognised across the Assessment and is reflected in the Commercial Case, which outlines a range of the approaches the Combined Authority would look to take on contracts, assets, implementation and employment considerations that are all intended to drive a competitive market for franchised contracts.
- 11.4.3.** Whilst the Combined Authority remains confident following the consultation feedback that from a commercial perspective, either bus reform option is deliverable, it maintains that the CSFs can be better met with the Proposed Franchising Scheme due to the control and certainty it provides over outcomes across the bus network. However, specific comments provided in relation to the details of contracting, the approach to asset acquisition, the approach to cross boundary services, to facilitating SMO participation and the final allocation of routes through the lotting strategy will be taken on board in refining these approaches should a decision be taken to introduce the proposed

franchising scheme. The Combined Authority recognises that further market engagement on all of these matters would also be essential to mitigating risks during implementation.

11.5. Financial Case

- 11.5.1.** The Financial Case within the Assessment explored whether each option was affordable to the Combined Authority within the budget available and under different scenarios. Its analysis concluded that both Enhanced Partnership Plus and Franchising offer substantial benefits over the reference case in terms of passenger journeys delivered for the same budget. Franchising is forecasted to provide greater benefit in this regard, but requires the Combined Authority to carry more risk, both in terms of carrying cost and revenue risks and more asset risk, in order to reduce barriers to entry for new operators, and increase competition for contracts. Both options are concluded to be affordable to the Combined Authority.
- 11.5.2.** It is recognised that a number of consultees raised concerns over future sources of funding and finance, with there being a level of uncertainty with regards to funding sources identified in the Financial Case. Whilst the Combined Authority has considered that this uncertainty does exist, they are still believed to be a valid assumption on which to compare the regulatory options, and in most cases the impact of those funding sources reducing or not being available in the future would impact equally across all reform options. Long term funding certainty, and further investment from Government in bus services, are developments that the Combined Authority would wish to see happen under either reform option to support the delivery of services in the future.
- 11.5.3.** As per section 7.9, this Consultation Response concludes that responses on the financial case of the assessment have highlighted that there are concerns among stakeholders about the overall costs of delivering the Proposed Franchising Scheme and the risks that are associated with delivery. In relation to the costs, this chapter has considered specific points raised and can conclude that having considered these this has not altered the view that options remains affordable within the budget available and under different scenarios, with the Combined Authority having means by which future funding requirements can be managed. On the risks, specifically financial risk, the comments have reinforced the conclusion of the assessment that the Combined Authority would be carrying increased cost and revenue risks and more asset risk under the franchising model. However, the Combined Authority is of the view that such risks can be managed in line with its approach to risk management (outlined under the management case theme 4 'Managing Risk', see section 8.5) and as highlighted in public responses in the DJS Research report, that risks are recognised as being necessary to deliver the benefits of bus reform, which the assessment suggests franchising is forecast to provide greater passenger journeys than the alternative options.

11.6. Management Case

- 11.6.1.** The Management Case within the Assessment explored whether each option was deliverable by the Combined Authority and how it would manage and mitigate risk. Franchising would entail an expansion of responsibilities and require incremental resources and competencies, but the case sets out how this can be achieved through the existing corporate structure. The changes required to deliver EP+ would be more limited in comparison, but it is likely that there would be some duplication of roles between the Authority and operators under this option. Both options are concluded to be deliverable.
- 11.6.2.** As per section 8.11, this Consultation Response has demonstrated there are queries and concerns among stakeholders about management proposals associated with delivering the Proposed Franchising Scheme and the risks that come with this. Greater detail is included in sections 8.2 to 8.9 of the Consultation Response with regards to the specific comments raised.
- 11.6.3.** Following consideration of all the comments raised, the Combined Authority remains of the view that, with additional competencies and resources, it can manage the Proposed Franchising Scheme through its existing organisational structures – including management of associated risks. Nevertheless, the Combined Authority acknowledges that, as set out in the Assessment, it will need to develop a detailed resourcing plan. Furthermore, it will need to carefully manage the implementation of this as a priority to ensure it is able to recruit the additional resources, with appropriate skills and experiences, throughout transition ready for steady state.
- 11.6.4.** It will also need to set out a more detailed plan for the application of TUPE will need to be developed in due course, including a communication and engagement strategy with employers and employees throughout the procurement and mobilisation of franchised contracts. It also

acknowledges that its consultation and engagement proposals as set out in the Assessment, need to be developed in more detail at an appropriate time in the development and delivery of the scheme.

- 11.6.5.** Recognising the comments and advice shared by consultees, the Combined Authority believes itself best placed to understand its own resourcing requirements to manage the issues identified. Nevertheless, as with the delivery of any service or project, the Combined Authority will keep resourcing requirements under review. Should it at any point determine that additional resource could offer further benefits to the delivery or operation of the Proposed Franchising Scheme it will consider this, including by assessing any impact on the assumptions underpinning the Management Case. The Combined Authority would also follow its usual corporate processes to consider how to meet that requirement, including determining funding sources, roles and responsibilities and benefits against business objectives).
- 11.6.6.** Furthermore, it will remain open to exploring alternative operating models in the future to create efficiencies as and when other major transport projects, such as Mass Transit, develop to a point of greater certainty but the Combined Authority is confident that its existing structures provide a mechanism to deliver the scheme.

11.7. Equality Impact Assessment

- 11.7.1.** An Equality Impact Assessment has been developed and consulted on to support the Proposed Franchising Scheme. The Equality Impact Assessment concluded that the Proposed Franchising Scheme would have a positive impact on protected characteristics of age, (especially younger and older people), disability (people with physical and sensory impairments), gender reassignment, race, sex, sexual orientation, and pregnancy and maternity. No impact, or neutral impact was seen across the protected characteristics of religion or belief, marriage, and civil partnership.
- 11.7.2.** The main issues raised in the consultation were around vehicle specification, the importance of personal safety, and the ongoing involvement of persons with protected characteristics. Minor amendments have been made to the EqIA to reflect some of the points made in the consultation relating to these themes. An updated Equality Impact Assessment has been provided at Appendix 6 to this report.
- 11.7.3.** With these additions the Combined Authority is confident in the updated Equality Impact Assessment. It should be noted that The Equality Impact Assessment is a live document and further data and insight will be used in the future. If the Proposed Franchising Scheme is made the Equality Impact Assessment will be reviewed after 12 months of implementation.

11.8. The Proposed Franchising Scheme – legal and other considerations

- 11.8.1.** The Proposed Franchising Scheme is the draft of the legal scheme which is required to be made in accordance with the Act in order to implement franchising across buses in West Yorkshire. The details within the Proposed Franchising Scheme included:
- The date on which the franchising scheme is to be made, this was expected to be 14 March 2024
 - The date the franchising scheme would come into operation, this was expected to be 28 June 2026
 - Details on franchise contracts including the minimum mobilisation period (the time between a contract start date and buses being on the road) which was specified as nine months
 - Information on the routes included in the franchising scheme and services which will not be included (see Annex 1, 2 and 3 of the Proposed Franchising Scheme document published as part of the Bus Reform Consultation)
 - Details on plans for consultation on the operation of the scheme (see paragraph 8)
 - The variation and revocation of the existing enhanced partnership plan and schemes
- 11.8.2.** The Proposed Franchising Scheme sets out the franchised bus network, with franchising powers allowing the Combined Authority to determine service frequencies and timetables for these routes. Bus operators would bid to run the bus services included in the Proposed Franchising Scheme through a competitive procurement process managed by the Combined Authority.
- 11.8.3.** Franchised bus services would be operated by bus operators under franchise contracts, with the Combined Authority able to set routes, fares, frequencies and customer service standards. Once the Proposed Franchising Scheme is in place all services will be required to operate under franchise contracts, be excepted from the scheme or have been granted a service permit.

- 11.8.4.** As per section 3.10, the Consultation Response has demonstrated a range of comments in relation to the proposed Franchising scheme, cutting across the following themes ‘applying franchising to the West Yorkshire geography’, ‘lotting strategy’, ‘services to be franchised’, ‘exempt services’, ‘decision date’, ‘entry into first contracts’, ‘mobilisation period’ and ‘consultation’.
- 11.8.5.** With regards to the Proposed Franchising Scheme applying franchising to the West Yorkshire geography as a whole remains the right approach, fitting best with strategic objectives that recognise the importance of a sustainable transport offer across West Yorkshire. Furthermore, with regards to the Lotting Strategy, the Combined Authority is comfortable that the proposed split of the geographical area and the three round approach does not need to be updated at this time. It also does not propose to change the decision date, length of the mobilisation period or service exemptions, or the period within which the Combined Authority would consult on operation of the Scheme
- 11.8.6.** However, as a result of the consultation, and in recognition of how the bus network has evolved since the Assessment was produced changes have been made to the Proposed Franchising Scheme in relation to:

Services to be franchised

- 11.8.7.** The Combined Authority have reviewed the list of services for the proposed franchising scheme, and if a franchising scheme is made intend to revise that list to reflect changes to services that have taken place since the network that was used as the basis for the assessment. This means that the list of services in any final franchising scheme will reflect the principle of the services operated at the time of the scheme being made, subject to the exemptions outlined in the scheme – scholars’ services, rail replacement and any local service specified in the scheme up to the point where the first service contract in which that service is specified (exempt services are discussed further in section 3.5).
- 11.8.8.** In explaining the updates that have taken place to reflect changes to services since the network used for the assessment, the network has evolved significantly since the initial assessment period in 2021. Whilst many services remain the same, others have been amended to reflect the ever-changing nature of bus connectivity in West Yorkshire, during the post-pandemic period.
- 11.8.9.** There are multiple reasons for the rapid change in the Bus Network since the Covid-19 pandemic. These include reduced patronage due to changing passenger behaviours such as hybrid working, changing high streets and increased internet shopping. In addition, there have also been changes as a result of investment into the bus network from local government and operators as the difficult operating environment has impacted the network.
- 11.8.10.** This list, whilst partially comparable with the 2021 list, also differs in many ways. Since 2021 many bus services have changed their route, including the Start, Via or End points, due to various operational factors in relation to running bus services. This is consistent with the note included in Annex 1 to the Proposed Franchising Scheme published with the consultation documentation that noted that the lists may need to be updated to reflect change in the bus network in the interim.
- 11.8.11.** However, it must be noted that any service that operates as of February 2024, taking account service changes made during that month, which meets the following criteria has been included;
- The service operates solely within the West Yorkshire boundary; and
 - The service is considered open to the general public;
- 11.8.12.** Services running within the boundary, which for any portion travel outside of West Yorkshire, and services which cannot be considered open to the general public (such as school services), have not been included within this list as they will be controlled through other means, namely service permits for cross boundary routes and scholars’ services for school services. Therefore whilst changes have been made to the scheme those changes are consistent with the approach set out in the assessment and the Proposed Franchising Scheme that went to consultation.
- 11.8.13.** School services which have been named have been done so to allow those services to be run as services which can be accessed not only by pupils and staff of their respective educational establishments but also by other members of the general public. If parties wish to run such “open” school services outside the franchising scheme they would require a service permit to do so. Closed school services, which are solely for the use of persons associated with the school are exempted from the scheme as Scholars’ Services and can be operated without involvement in the franchising process (both to schools listed in Annex B and other schools within, or providing for pupils of, West Yorkshire).

Section 22 permits

- 11.8.14.** Services currently operated under a section 22 licence (a not-for-profit PSV permit) have been included in the franchised service list. However, the Combined Authority would not seek to franchise these services whilst operated under a Section 22 operational license and would only seek to do so were they to be instead ran as a for-profit bus service.

The date of entry into first contracts

- 11.8.15.** The Combined Authority recognises that there were comments supportive of the date as it is proposed. Taking on the comments received about the importance of the date when services are due to commence, the legislation requires the scheme document to highlight the date of entry into contracts and the draft scheme also provides the date on which a Local Service may first be provided under a Local Service Contract. Contrary to the comment by Stagecoach, the intent is that the 28 June 2036 date is ahead of the mobilisation period, and so therefore the earliest date for commencement of services would actually be 1 April 2027 as set out above, nine months after 28 June 2026, if the minimum mobilisation period of nine months which is set out in the scheme is observed. This will be clarified in the final franchising scheme, which will include both the entry into contract and the commencement date.
- 11.8.16.** This may also impact on the comments received with regard to aligning dates with school term dates and existing timetable changes. This feedback however is welcome, as it is recognised that changes made need to minimise the disruption to passengers. The Combined Authority will therefore look within its timelines to align the dates on which franchise services commence operation in West Yorkshire with relevant school terms – for example the date on which the first franchised services will begin operation will be updated to 28 March 2027, which would put it in line with the Easter term dates.

11.9. Concluding remarks - final recommendation on the Preferred Option

- 11.9.1.** The Assessment's Conclusion set out that following analysis of each option across all five cases, Franchising offers clear strategic benefits and greater opportunity to achieve the Combined Authority's objectives and ambitions for West Yorkshire compared to the reference case and Enhanced Partnership 'Plus'.
- 11.9.2.** However, the Assessment made clear that Franchising requires significant capital investment by the Combined Authority and has additional key risks including:
- Budget risk and responsibility for farebox revenue.
 - Management of market transition and procurement of services.
 - Fleet purchase and depot acquisition.
 - New skills and resources required for delivery.
- 11.9.3.** The Assessment demonstrated that an Enhanced Partnership 'Plus' model also offers increased benefits beyond the reference case. This would have less risk for the Combined Authority compared to Franchising but is ultimately still dependent on being able to agree its delivery with local bus operators – reducing the level of certainty and control for the Combined Authority. Letters of commitment received alongside operator proposals provide confidence in support of interventions from those operators, however further work would be required with them to agree the detailed specifics of what could be achieved under this model for the benefit of local passengers, and there remains a risk that not all of the benefits assumed would actually be delivered and maintained.
- 11.9.4.** Both franchising and Enhanced Partnership 'Plus' are justifiable options in terms of delivering High Value for Money, and are affordable and deliverable.
- 11.9.5.** However, modelling outputs show that across all options, the challenge of ongoing bus patronage decline remains and would require service cuts unless further investment and / or additional policy levers are applied to significantly increase passenger demand and / or cover the cost of maintaining current service levels. Both Franchising and the Enhanced Partnership Plus would slow this rate of decline, with the former doing this to the greatest extent and at better value for public money.

- 11.9.6.** Furthermore, across all options including the reference case, the assessment forecast that the public sector will be increasingly relied on to support the bus sector over time – Franchising is identified as providing the greatest levels of control and direct influence to manage these risks. The assessment therefore concluded that Franchising was the preferred option for the Combined Authority to progress with, but this was subject to both the audit (that was completed) and the outcome of the consultation report.
- 11.9.7.** The statutory audit report found no material concerns with the final assessment in accordance with the legislation which allowed the Combined Authority to commence the consultation process. The consultation allowed both statutory consultees as well as wider stakeholders and the public to have their say on how buses are run in West Yorkshire and to consider the detail of the bus reform options presented.
- 11.9.8.** Overall, there are clear levels of consultation support for the implementation of the Proposed Franchising Scheme with strong support from the wider public, but also a range of criticisms and concerns raised by statutory consultees and other stakeholders, in particular from bus operators, who the Combined Authority acknowledges may be affected by what amounts to a material change in the regulatory structure of the bus industry in West Yorkshire. The Combined Authority has therefore considered very seriously all feedback raised, including from respondents who stressed the scale of change and risks involved, and this is reflected in the Consultation Response.
- 11.9.9.** In considering consultation feedback, this Consultation Response re-emphasises that Franchising requires significant transition and capital investment by the Combined Authority but that these, as well as ongoing revenue costs, remain affordable within the budget available and under the different scenarios considered by the Assessment, and in response to issues raised by consultees.
- 11.9.10.** The risks highlighted within the Assessment's conclusion remain and these have been reflected in key themes emerging from the consultation feedback. Consultees rightly highlighted the risks inherent in the introduction of franchising, and the need for the Combined Authority to have robust procedures to identify, mitigate and manage those risks. The Consultation Response has therefore considered and responded to comments relating to each of these as well as restating the Combined Authority's overall approach to managing risk both at a programme and corporate level, which would be applied whether the Combined Authority proceeded with franchising or the EP+. Having reviewed these measures and its continued work on risk management, the Combined Authority remains comfortable that its procedure are sufficient to enable it to identify and mitigate the risks involved in implementing the Proposed Franchising Scheme or progressing with EP+.
- 11.9.11.** Having considered consultation feedback carefully, including a range of risks raised by consultees the Consultation Response concludes that the Proposed Franchising Scheme would be deliverable by the Combined Authority, as per the Assessment original conclusion. Comments provided during consultation have been very helpful in strengthening the commercial proposition, either by reaffirming the Assessment's original strategies, influencing changes, or providing useful points for further consideration by the Combined Authority as implementation progresses. Additional points have also been considered with regards the internal competencies and resources required for the Combined Authority to manage the scheme within its existing organisational structure.
- 11.9.12.** It is also clear from the consultation feedback received that the local bus network plays a vital role in West Yorkshire and is strategically important for its future development as well as the day-to-day lives of residents who depend on it to travel to work and education, access other vital services, and to enjoy leisure and cultural opportunities across the region. However, buses in West Yorkshire face many challenges which justify significant action to overcome, including the currently predicted long-term decline in use and shrinking network, which is judged an unacceptable outcome by many. Franchising provides the greatest levels of control and direct influence to respond to this, above and beyond the Enhanced Partnership Plus, and is therefore the preferred option to achieve the change needed.

- 11.9.13.** Nevertheless, the Consultation Response also makes clear the decision to implement the Proposed Franchising Scheme will have implications beyond the Combined Authority. The Combined Authority will need to continue working closely with bus operators, their employees (such as drivers and vehicle maintenance staff), its district council partners, as well as bus users and other community groups to ensure the scheme is successful in delivering its aims and objectives. This will also need to be complimented with other transport policy and infrastructure interventions to maximise the benefits of an integrated, reliable and attractive bus service.
- 11.9.14.** Based on the content set out throughout, this Consultation Response reaffirms the Assessment's conclusion and recommends to the Mayor that the Combined Authority proceed with the Proposed Franchising Scheme as the preferred option for Bus Reform in West Yorkshire.
- 11.9.15.** Finally, the Combined Authority would like to thank all participants who took part in the consultation and whose views and experience expressed informed this Consultation Response and recommendation to the Mayor to proceed with the Proposed Franchising Scheme, in accordance with Section 123G of the Transport Act 2000.

12. Appendices

Please see separate appendices which contain:

- Appendix 1: consultation events write up
- Appendix 2: consultation questionnaire
- Appendix 3: DJS Research report
- Appendix 4: Statutory Stakeholder Responses
- Appendix 5: First West Yorkshire Technical Response
- Appendix 6: Equality Impact Assessment



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**West
Yorkshire
Combined
Authority**

**Tracy
Brabin
Mayor of
West Yorkshire**

All information correct at time of writing

Appendix 1 – Questionnaire

These are the questions listed across the short and long questionnaires as set out in the document at appropriate points in each section.

Short questionnaire

1. The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this?
2. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?
3. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?
4. The Commercial Case sets out how the Proposed Franchising would be ran commercially. Do you have any comments on this?
5. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this?
6. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this?
7. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?
8. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? Why do you say this?
9. Are there any changes that you think would improve the Proposed Franchising Scheme?
10. Do you have any further comments?

Long questionnaire

Questions about the Proposed Franchising Scheme

1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?
2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?
3. Do you have any comments on the local services that are proposed to be franchised?
4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?
5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?
6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?
8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

Questions about the Assessment

9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?
10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?
11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?
12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?
13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?
14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?
15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?
16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?
17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?
18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?
19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?
20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?
21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?
22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?
23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?
24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?
25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?
26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?
28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?
29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?
30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?
31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?
32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?
33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?
34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?
35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?
36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?
37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?
38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?
39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?
40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?
41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?
42. The Management Case concludes that with the additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

Questions about the conclusion of the Assessment

43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?
44. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? Why do you say this?
45. Are there any changes that you think would improve the Proposed Franchising Scheme?
46. Do you have any further comments?

Question about the Equality Impact Assessment

47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

Bus Reform Events

Bus Reform Consultation 2023 – Event summary

Summary

The objective of the Bus Reform consultation (October 2023 - January 2024) is to consult widely with statutory consultees and the public.

During the consultation, there has been a series of events to increase awareness of the consultation with members of the public.

Awareness Raising Activity

We completed 23 public information (flyering) events, 1 in each bus station across West Yorkshire. The purpose of which was to raise awareness of the consultation, inform the public about where they can find more information, how they can respond and to encourage responses.

An additional 11 public information (flyering) events were held across non-transport locations throughout West Yorkshire, and some took advantage of seasonal activities. The delivery of these non- transport locations was outsourced to an external event company: 'Resource'.

These events did not seek to elicit feedback on the proposals. A short leaflet was designed and to provide information on the consultation, and signposting to the relevant website and contact information.

Targeted Engagement Activity

A series of activity has been undertaken to encourage responses from seldom heard groups and those with protected characteristics.

We ran a series of 10 drop-in events (two in each local authority area). These locations were primarily chosen based on trying to target areas of highest social and economic deprivation to ensure seldom heard groups were included within the consultation (advised by our EqIA).

These events were promoted widely and provided the opportunity for more detailed face-to-face discussions regarding the consultation and proposals. They did not seek elicit feedback on the proposals but provided support for anyone who required assistance with the questionnaire (s).

The drop in event locations visited are as follows:

Metropolitan Borough	Ward	Location	Date	Time	Address
Kirklees	Crosland Moor and Netherton	Thornton Lodge Action group	Monday 23rd October	10am - 1pm	Brook St, Thornton Lodge, Huddersfield HD1 3JW
Kirklees	Batley	Yorkshire childrens centre	Tuesday 24rd October	1pm - 4pm	Jo Cox House, Batley, WF17 5DR
Bradford	Bradford Moor, Bowling and Undercliffe	Karmand Community Centre	Wednesday 25th October	10am-1pm	Barkerend Rd, Bradford BD3 9EP
Calderdale	Calder	Ground Floor Project	Thursday 26th October	12m - 3pm	Salem Community Centre, Central St, Hebden Bridge HX7 6HB
Calderdale	Town	Halifax Borough Market	Saturday 28th October	11am - 2pm	19 Albion St, Halifax HX1 1DU
Wakefield	Wakefield East	St Swithuns Community Centre	Monday 30th October	10am - 1pm	St Swithuns Community centre Arncliffe Road, Wakefield, WF1 4RR
Leeds	Chapel Allerton	The Reginald Centre	Tuesday 31st October	10am - 1pm	The Reginald Centre 263 Chapeltown Road Leeds LS7 3EX
Wakefield	Pontefract South	St Mary's Community centre	Wednesday 1st November	10am - 1pm	The Circle, Chequerfield Pontefract WF8 2AY
Leeds	Hunslet and Riverside	Hamara Healthy Living Centre	Thursday 2nd November	10am - 1pm	Hamarra Healthy Living Centre, Tempest Rd, Leeds LS11 6RD
Bradford	Little Horton	West End Centre	Monday 6th November	9am-12pm	West End Centre, St Oswald's Church, Christopher St, Little Horton, Bradford, BD5 9DH

Targeted Engagement Activity- Additional

We received a number of correspondence requesting additional drop in events. Additional drop in events upon request are detailed as follows:

Metropolitan Borough	Date	Time	Additional Information
Kirkgate Market Leeds	Tuesday 21 st November	10:00 – 14:00	Leeds Older People Forum
Leeds	Friday 24 th November	13:30-14:30	Caring Together
	Friday 1 st December		Chamber of Commerce- Transport Group
Leeds Trinity University	Thursday 7 th December	09:00- 13:00	University

Presentation Events

We organised a further 5 presentation style events in city / town centre locations. The objective of these events was to provide members of the public and other interested stakeholders the opportunity to hear further detail about the Bus Reform options. Attendees were be given an opportunity to clarify anything relating to the proposals and to ask questions about the detail of the proposed scheme.

These events included:

- A video presentation from Simon Warburton with content and key messaging from the Consultation Document
- A councillor in attendance opened the session
- A panel Q&A session followed the video presentation
- And opportunities for attendees to have 1:1 chats with officers / DJs / Cllrs

Location	Date	Time
Bradford City Hall	23 November 2023	14:00- 15:30
Bradford City Hall	23 November 2023	17:30- 19:00
Halifax Town Hall	27 November 2023	14:00- 15:30
Halifax Town Hall	27 November 2023	17:30- 19:00
Leeds Central Library	4 December 2023	14:00- 15:30

Leeds Central Library	4 December 2023	17:30- 19:00
Huddersfield Hudawi Centre	5 December 2023	14:00- 15:30
Huddersfield Hudawi Centre	5 December 2023	17:30- 19:00
Wakefield Town Hall	8 December 2023	14:00- 15:30
Wakefield Town Hall	8 December 2023	17:30- 19:00

Webinars

We held two online webinars via Zoom. The objective of these events was to provide members of the public and other interested stakeholders an online opportunity to hear further detail about the Bus Reform options. The webinars included a video presentation from Simon Warburton with content and key messaging from the Consultation Document, followed by a Q&A session.

Dates and Times of the Webinars were as follows:

- Wednesday 8 November; 17:00-18:00
- Tuesday 5 December; 17:00- 18:00

These webinars were recorded, and the first webinar was published and available for viewing on the YourVoice Bus Reform webpage.

Bus Future Meeting

A workshop was held at the West Yorkshire Combined Authority office at Wellington House, Leeds with those people that had expressed interest in being involved in this group following the Mayors Big Bus Chat consultation 2022.

The objective of this event was to provide the Bus Futures Group an opportunity to hear further detail about the Bus Reform options. The event included a video presentation from Simon Warburton with content and key messaging from the Consultation Document, followed by facilitated discussion.

Key themes that arose from the Bus Futures event are as follows:

Facilitated Discussion Themes	Tally
Lessons learned/ comparison to other models: <ul style="list-style-type: none"> - Talks with London/ Manchester/ German models of franchising - Passenger growth in Manchester - Management contracts for TFGM - Did operators find it easy to bid for contracts in TFGM - £15million compared with TFGM £150million 	5
Agree:	5

<ul style="list-style-type: none"> - Buses need improving (2) - Think the community will go for franchising - Deserve the same deal as London residents - UK equality act- everyone deserves the same deal 	
<p>Issues about buses:</p> <ul style="list-style-type: none"> - Service cuts - 9:30am cut off - Ticketing options - Why is bus priority not under the same umbrella as reliability and punctuality 	4
<p>Patronage Decline:</p> <ul style="list-style-type: none"> - Explain the rational for the assumption of patronage decline - Why not go for the cheaper option of EP+ if there is the assumption of decline for both options - Investigation into why patronage has fallen? 	3
<p>Consultation criticism:</p> <ul style="list-style-type: none"> - Not reaching everyone in West Yorkshire - Not stressed climate objectives - What promotion have you done? 	3
Concern- without congestion charge, how can Franchising have finances to improve the network?	1
Concessionary fares are important regardless of the governance model	1
Question- Owning assets and farebox revenue, what would be left for the operators to do?	1
<p>Comparison between EP+ & Franchising:</p> <ul style="list-style-type: none"> - Route re-instatement/ route mileage. Would one option increase the network more than the other? 	1
<p>Proposed Franchising Scheme:</p> <ul style="list-style-type: none"> - Why would it take 4 years to introduce? 	1
<p>Resource:</p> <ul style="list-style-type: none"> - Would the combined Authority take on additional staff. What are the resource/ financial implications? 	1

We finalised the Bus Futures Event by asking the following questions:

1. What are the key topics you would like to see the public engaged on in the future?
2. How should the Combined Authority be reaching out and engaging with people?
3. How can we make engagement inclusive of all our communities, including seldom-heard and protected groups?

Themed responses to these questions are as follows:

Q1	What are the key topics you would like to see the public engaged on in the future?	(11)
	<p>Issues with buses:</p> <ul style="list-style-type: none"> - Want buses to turn up - Run of time - Reliability - Quick to get places 	8

	<ul style="list-style-type: none"> - Warm buses when it's cold - Buses need to be inviting - Perceptions of using the bus <p>'What would you like your bus to be like in the future?'</p>	
	<p>Climate Change:</p> <ul style="list-style-type: none"> - Pollution - Waste 	1
	Analysis of mapping popular and unpopular services	1
	Someone to speak to if you have a suggestion or complaint	1
Q2	How should the Combined Authority be reaching out and engaging with people?	(11)
	<p>Visiting popular places:</p> <ul style="list-style-type: none"> - Go where people meet - Make the engagement accessible - Make it easy - Employment sites 	4
	Go where there are non bus users	1
	Neighbourhood network schemes	1
	More events	1
	Make people feel change is possible	1
	Representatives of civil society on project boards (with voting rights)	1
	Re-introduce committees	1
	Older peoples forums for elderly people	1
Q3	How can we make engagement inclusive of all our communities, including seldom-heard and protected groups?	(4)
	<p>Review times of engagement:</p> <ul style="list-style-type: none"> - Mid day vs evenings or weekends 	1
	<p>Start with community groups</p> <ul style="list-style-type: none"> - Have a rotating delegate so it's not always the same person - Give them a voting voice 	2
	Have more meetings within the Combined Authority office (Wellington House). The building will become more recognised.	1

Further Targeted Engagement Activity hosted by our partner agency DJS

DJS completed 5 qualitative focus group meetings (online) to help build awareness of the consultation and encourage responses from people with protected characteristics. These meetings were hosted by our partner agency DJS and seek feedback on the proposals.

These focus groups had fewer people, targeted, and covered more detail on specific topics within bus reform Consultation Document. Informed from the EQIA, DJS proposed doing the five groups with the following profiles:

1. 11-16 year olds who use public transport at least once a week
2. 16-20 year olds who use public transport at least once a week
3. 16-20 year olds who do not use public transport at all

4. Those eligible for a senior bus pass and use public transport at least once a week
5. Those eligible for a senior bus pass and do not use public transport at all

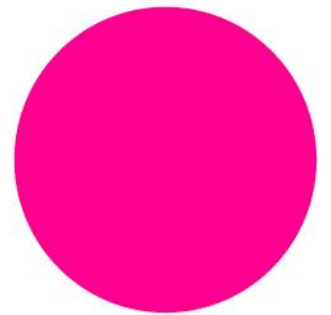
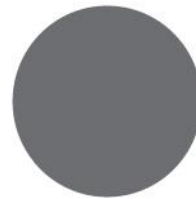
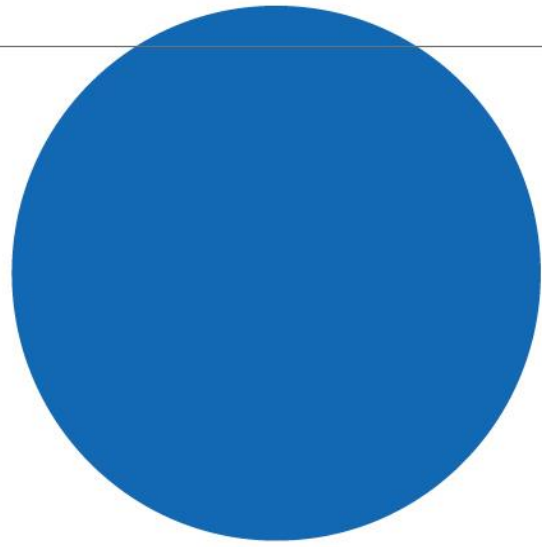
DJS proposed to recruit each group with hard quotas on age (50/50 split), gender (50/50 split), disability (at least 1), and ethnic minorities (at least 2). They proposed to include sexual orientation, religion, pregnancy and maternity, and gender reassignment as 'soft quotas' or 'monitoring quotas' as they generally do not place hard quotas on these particular protected characteristics.

Prepared for:



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Yorkshire
Combined
Authority

Tracy
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Bus Reform Consultation Summary Report

March 2024

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1 The context and need to consult

1.1 Background

West Yorkshire Combined Authority (the Combined Authority) believes that the way local buses are run needs to change in order to deliver against the wider vision for improvements to bus services across West Yorkshire. This position recognises the important role buses play in connecting West Yorkshire communities and shaping the economy. However, there are long standing issues with bus services, such as relatively low service satisfaction and declining patronage. Up to now the Combined Authority has been limited in its ability to influence this, which is why it thinks a reform of the bus market is necessary and franchising is the best way to achieve the change needed.

On 10 October 2023 the Combined Authority launched a consultation on a Proposed Bus Franchising Scheme for West Yorkshire. This was a formal consultation as required by the 'Transport Act 2000' (as amended by the Bus Services Act 2017 ('the Act')) and has been prepared in accordance with the Act and the supporting 'Bus Services Act 2017: Franchising Scheme Guidance'. It was launched to inform a decision by the Mayor of West Yorkshire on whether or not to introduce a Proposed Franchising Scheme.

A Consultation Document was produced to summarise the Bus Reform Assessment and was prepared by the Combined Authority in accordance with section 123B of the Act. The Document includes the Combined Authority's Proposed Franchising Scheme which is compared against how buses are currently run (the EP Reference Case) and an alternative bus reform option (the EP+). It also included questions about the Assessment and the contents of the Proposed Franchising Scheme itself.

DJS Research was appointed by the Combined Authority to conduct an independent analysis of the responses to the consultation, as well as lead and report on qualitative research into the reform proposals.

1.2 The consultation

The Combined Authority created a bus consultation landing page on its Your Voice interactive consultation and public engagement platform. This page presented information about the proposals relating to bus reform, including an overview animation which communicated the key elements of the proposed scheme. It also included:

- The **Consultation Document**, which explained why the Combined Authority recommends bus franchising as the preferred way forward based on its assessment of the Proposed Franchising Scheme;
- An **Equality Impact Assessment (EqIA)**, which undertook in-depth analysis of the impact of bus reform on those with Protected Characteristics;
- A range of **appendices** which go into more detail about the conclusions presented in the assessment of the Proposed Franchising Scheme;



- An **independent audit**, conducted by Grant Thornton, of the Franchising Scheme Assessment; and
- Details of **consultation engagement events**, including drop-in events and webinars held during the consultation period to give residents and other interested stakeholders the opportunity to hear more about the proposals.

It also included two questionnaires:

1. A **short questionnaire**, which comprised of 10 questions which were set out throughout the Executive Summary and focused on key areas presented in the Consultation Document; and
2. A **long version of the questionnaire**, which comprised of 47 questions set out throughout the Consultation Document and which was deemed more appropriate for participants who have a good level of knowledge and interest in the bus market and how it runs (as it contains more questions, some of which are more complex in nature).

Participants were able to respond to either questionnaire via a link on Your Voice¹. They could also take part in the consultation by submitting a letter or email.

The Combined Authority collected and securely transferred the responses to DJS Research at regular intervals to analyse.

1.3 Scope of the consultation

The **consultation** asked a number of questions to enable participants to give their view on the detail contained within the Consultation Document. Both the short and long questionnaire consisted of similar questions linked to the key chapters in the Consultation Document, specifically:

- The Strategic Case;
- The Economic Case;
- The Commercial Case;
- The Financial Case; and
- The Management Case.

It went on to ask for views on the draft Equality Impact Assessment before asking participants to what extent they support or oppose the introduction of the Proposed Franchising Scheme. Finally, it asked if any changes should be made to improve the Proposed Franchising Scheme before asking a series of demographic questions to understand who has responded to the consultation.

The longer questionnaire also included questions describing the Proposed Franchising Scheme and the individual cases, but asked a range of additional questions around issues such as geographic coverage, exemptions, implementation timetable, the potential impact of an EP+ option, the lotting, fleet and depot strategy, procurement, affordability, and funding, as well as the approach to transitioning and managing the Proposed Franchising Scheme.

The **qualitative strand of the research** was commissioned to explore the range of attitudes and opinions of specific groups of residents in West Yorkshire. Unlike

¹ www.yourvoice.westyorks-ca.gov.uk/busreform



the consultation, where participants are self-selecting, participants in the qualitative research were free found, approached and recruited by DJS Research. The focus was on both users and non-users of bus services and the recruitment was designed to ensure representation from those who use the bus for different purposes (e.g. commuting, education, shopping, night services). Five focus groups were carried out with:

1. 11-16 year olds who use bus at least once a week;
2. 16-21 year olds who use bus at least once a week;
3. Those using cross boundary bus services (i.e. travel into/out of West Yorkshire by bus at least once a week);
4. Those eligible for a senior bus pass (half of whom were non-users of bus); and
5. Those in work who use bus at least once a week.

The content of the group discussions focused on perceptions of the current bus service across West Yorkshire and awareness of the Proposed Franchising Scheme and progressed onto sharing information about the proposal before asking for reaction towards it.

Presentation Events

Ten presentation events were held for members of the public to learn more about the proposals via a video presentation and to ask any follow-up, clarification questions about them. The events were for clarification and understanding only and attendees were then invited to participate in the consultation via one of the official channels.

1.4 Report structure

This report has been divided into 14 chapters plus appendices:

- The first three chapters provide the **context, background and methodology** to the consultation, including response rates;
- Chapter 4 summarises the **overall support/opposition for the Proposed Franchising Scheme**, why participants supported/opposed it and **any changes** they proposed to improve the Scheme;
- Chapter 5 summarises the **organised, campaign responses** received during the statutory consultation period;
- Chapter 6 summarises responses received in responses to the **Strategic Case**;
- Chapter 7 summarises responses received in responses to the **Economic Case**;
- Chapter 8 summarises responses received in responses to the **Commercial Case**;
- Chapter 9 summarises responses received in responses to the **Financial Case**;
- Chapter 10 summarises responses received in responses to the **Management Case**;
- Chapter 11 summarises responses received in responses to **Describing the Proposed Franchising Scheme**;



- Chapter 12 summarises responses received in response to the **Equality Impact Assessment (EqIA)**; and
- Chapter 13 summarises the **qualitative research**;
- Chapter 14 summarises **late responses** to the consultation.

There are also a series of appendices which also provide supporting information used during the consultation.

1.5 Reading the report

The responses set out in this summary report are based on the comments that members of the public and stakeholder organisations made in their responses to the consultation and, for members of the public only, qualitative research activities. Each section presents an analysis of the most commonly mentioned themes for each of the questions in the questionnaire and explores in more detail responses from members of the public and other stakeholder organisations, including organisations classified as statutory stakeholders.

On a question by question basis, the sections firstly summarise the key themes raised by stakeholder organisations. These stakeholder organisations have been classified into sub-sections, which are presented in alphabetical order (e.g. academics, bus operators etc.). Within each category there are a number of stakeholder organisations which were statutory consultees – these have been presented first under each categorisation, followed by the others. Finally, local authorities and bus operators have been grouped together depending on whether they are West Yorkshire authorities or, in the case of operators, serve West Yorkshire.

The chapters then summarise the key themes raised by members of the public. The chapters summarise the most common themes first and then move on to some of the less frequently mentioned themes. The report also highlights the substance of each theme by providing a verbatim quote where this best exemplifies the point.

It should be noted that some stakeholder organisations, whilst submitting a free text, email/letter response (i.e. as opposed to completing it online via the questionnaire) were nevertheless explicit as to their response to each question in the questionnaire. Where it is therefore clear that a particular response has been given to a certain question, the content of that response is summarised under the relevant question number against which it was intended. This can sometimes lead to themes being raised which might fit better under alternative chapters – however, they have been reported as submitted.

Furthermore, if a stakeholder organisation did not provide a response to a particular question, then these stakeholder organisations will not be included in the relevant section of the report.

Comments have been reported as provided. Some participants may comment on a range of issues concerning buses in West Yorkshire, whilst others may have raised themes which are inconsistent with the details provided in the accompanying Consultation Document. However, all comments received have been taken at face value and themed based on the contents of the submission - no action has been taken to change or amend any comments which may not be factually correct or



accurate. Further details of how responses were analysed, including their interpretation are included in Chapter 3 of this report.

Finally, the report summarises the key themes mentioned – it is not an exhaustive record of each and every point raised by every participant in the consultation. The accompanying codeframe (see Appendix C) is an analytical framework within which each response has been recorded. All themes are presented in the codeframe and this supplements the summary themes presented in this report.



2 The consultation process

This section provides information about responses to the consultation.

2.1 Consultation response channels

A number of response channels were set up so participants could provide feedback on the proposals. These response channels were:

- An online questionnaire, accessed via the Combined Authority's Your Voice platform. The long and short versions of the questionnaire were available to complete. The Combined Authority drafted the questionnaires, which DJS Research reviewed to ensure they were neutral in their wording. The content of the questionnaire is shown in Appendix B;
- PDF versions of the questionnaires that could be downloaded from the consultation webpage. These could be printed out and sent as a hard-copy response through the post. A freepost address (FREEPOST CONSULTATION TEAM WYCA) was provided in the consultation documents to enable members of the public and organisations to post their response, either as a completed questionnaire or a letter. These responses were then copied into the online questionnaire; and
- A dedicated consultation email address (bus.reform@westyorks-ca.gov.uk) was set up to enable people to respond via this method if they preferred.

A 'Questions and Answers' tool was also provided along with a freephone telephone number if participants experienced any issues with accessing, responding to the consultation documents, or required consultation materials in a different format.

In addition, some responses to the consultation were sent through other channels (e.g. directly to officers employed by the Combined Authority). Where such correspondence was received during the advertised consultation period, it was forwarded to DJS Research by the Combined Authority. These responses were processed and included within the consultation analysis as a consultation response.

2.2 Number of responses to the consultation

In total 1,245 participants submitted a response to the consultation. The responses were received through a number of channels, as set out in Table 2.1.



Table 2.1: Responses received to the consultation by response channel and consultee type

Response channel		Members of the public	Stakeholder organisations	Overall total
Online Questionnaire	Short	1,024	24	1,048
	Long	148	27	175
Email/whitemail ²		4	18	22
Total		1,176	69	1,245

Of those who responded to the consultation, 1,176 were from individual members of the public and 69 were from stakeholder organisations (including elected representatives)³. These stakeholder organisations were also sub-categorised into two groups:

1. Those organisations classified as 'statutory consultees'; and
2. All other organisations (or individuals responding in an official capacity) providing a response.

A full list of organisations can be found in Appendix D of this report.

2.3 Campaign and petitions

In addition to the responses in Table 2.1 above, there were 14,960 responses categorised as campaign responses. It is common in high profile public consultations for interest or campaign groups to ask their members, supporters and others to submit responses conveying the same views. An organised campaign is defined as 'a co-ordinated approach by an individual or organisation to facilitate others into submitting responses'. The outputs may include, but not be limited to, printed response postcards, suggested response text provided on a campaign website and/or leaflets and reproduced questionnaires. Where such identical/similarly worded responses have been received these have been treated as organised campaign responses.

² Responses submitted by post not using the questionnaire structure (letters, reports etc).

³ Stakeholder organisation responses are responses sent on behalf of wider groups rather than individual members of the public. Examples of stakeholder organisation responses include those from bus operators, local authorities and charities.



Table 2.2: Campaign and petition responses received to the consultation by response channel and consultee type

Response channel		Members of the public	Stakeholder organisations	Overall total
Campaign responses	Email	2,677		2,677
	Postcard	101		101
	Petition	12,182		12,182
Total		14,960		14,960

The very nature of many campaigns makes submitting a response to a consultation relatively easy. Those responding through a campaign are provided with suggested text to use for each question. They are not always asked to articulate their reasoning behind their opinion as a verbatim response, nor do they have to submit a bespoke response in the form of a letter or report etc. (although some do add additional information to supplement the content of the campaign response).

Given that such responses can over/under inflate a particular point of view if included in the overall consultation statistics and analysis, such campaigns are presented separately from the wider analysis in Chapter 5.

2.4 Late responses

There were four late responses received after the statutory consultation closing date. The details of these responses have not been included in the consultation response analysis but overview summaries are provided separately in Chapter 14 of the report.



3 Consultation methodology

3.1 Receipt and handling of consultation responses

The handling of consultation responses was subject to a rigorous process of checking, logging and confirmation to ensure a full audit trail. The Combined Authority securely transferred all electronic responses on a weekly basis, whilst paper versions of the questionnaire were inputted into the questionnaire template as and when received and included in the transfer. Data was transferred and stored in line with requirements of the Data Protection Act (2018), and General Data Protection Regulations (GDPR).

3.2 Analysis of consultation responses

The consultation questionnaire was made up of predominantly 'open' (i.e. free text) questions. This enabled participants to respond to each question using their own words. None of the questions in the entire consultation questionnaire were mandatory. Questions followed the order of the Consultation Document to gather responses to the five cases in the Assessment, both on the Proposed Franchising Scheme and the EP+ reform option.

Responses received via the consultation questionnaire were analysed according to the question number they were responding to. For those who provided comments via email or letter (and so not in the questionnaire format), their comments were attributed to the relevant questions in the questionnaire. This meant that if any participant completed their response via email and made comments about the Economic Case, it was analysed alongside responses to the question specific to the Economic Case in the questionnaire.

The questionnaire also included a closed question to understand to what extent each participant supported or opposed the Proposed Franchising Scheme. There were also a number of demographic questions which were included for monitoring purposes. Participants could choose to answer as many or as few questions as they liked and not all participants answered all of the questions.

Coding of open question and free text responses

The process of analysing the content of each response was based on thematically coding specific words or phrases. This was carried out by our dedicated, in-house coding team. Each point made in response to the questions was coded, which means that the breadth of comment by each participant was captured in detail across all of their responses – for example, it was common for a single participant to make a number of different points, which mean they had a number of 'codes' applied to their overall response.

The team at DJS Research developed an initial coding framework (i.e. a list of codes to be applied) based on:

- The contents of the Consultation Document;
- Each question; and



- The text of the first responses received.

This initial set of codes was created by drawing out the common themes and points raised. The initial coding framework was then developed and evolved throughout the consultation period as more responses were received and participants made similar points but using slightly different wording. In instances where the same theme emerged in subsequent responses, these could be back coded into previously raised codes, which were sometimes expanded upon to capture any slight nuance (i.e. participants made the same broad point but with, perhaps, slightly more detail). For the responses where codes had not already been raised, new codes were introduced which were reviewed by the DJS Research team and signed off as an accurate representation of the response.

DJS Research uses the Recode function in its NEBU survey management software to carry out thematic coding of open text responses. This integrates with its wider survey management software. Responses were uploaded into Recode, where members of the coding team then worked systematically through them and applied a code to each relevant part(s) of them.

A team of coders worked to review all the responses as they were uploaded. All coders received a thorough briefing about the objectives and scope of the consultation before they could undertake analysis of responses. It was also necessary for coders to have read the Consultation Document before undertaking their analysis of responses.

To ensure that no detail was lost, coders were briefed to raise codes that reflected what was being said in responses. The codeframe was shared with the Combined Authority on a weekly basis and new themes/codes from the previous version were highlighted. Our team encouraged feedback as to the level of detail which was being summarised – for example, some responses referenced specific areas along with a wider point and feedback was invited as to whether raising an individual code for each locality, rather than the substance of the theme overall (i.e. regardless of locality) was too much information. As a result some codes/themes were then collapsed into a smaller number of key themes at the analysis stage to help with reporting. During the coding process, weekly meetings were held with the coding team to ensure a consistent approach in raising new codes and to ensure that all additional codes were appropriately and consistently assigned.

To check and ensure consistency of coding, a number of coded responses were validated by the research team, who checked that the correct codes had been applied and made changes where necessary. In addition to this, the Combined Authority also reviewed a cross section of codes to ensure accurate coding had taken place.

3.3 Interpreting the consultation findings

When reviewing the responses received in a consultation there are a number of points to bear in mind:

- Participants are self-selecting and participation is likely driven by personal interest in the issue being consulted on. There can therefore be a tendency for responses to come from those who consider themselves more likely to be affected by the proposals (either positively or negatively) and it is not



uncommon to see local campaigns in support or opposition. Given this, responses to the consultation can never be representative of the population as a whole, as would be the case with a representative sample survey. Responses are therefore only reflective of those who participated in the consultation and should not be considered a representative view of public and organisational opinion across West Yorkshire;

- Whilst the questionnaire asked a closed question to understand the levels of support and opposition for the Proposed Franchising Scheme as set out in the Consultation Document, it does not measure the exact strength of particular views or concerns amongst the wider general public and all organisations and elected representatives. Participants did not always fully explain their views and it is common for someone to be overall supportive of the proposal but also submit a negative response to one of the questions. The analysis therefore illustrates the breadth of responses in a qualitative way, and it is the substance of each theme which is of most relevance to take into account;
- Although the analysis is predominantly qualitative in nature, it is nevertheless valuable to understand how frequently particular points were made. The frequency of mentions for each code are shown in the codeframe (available under separate cover) and have been used to guide the content of this report, with the most frequently mentioned themes taking greatest prominence in the narrative. However, not every code has been summarised in the main chapter narrative, which focuses on the most commonly mentioned themes expressed throughout the consultation. The report should therefore be read in conjunction with the codeframe, which provides the principal analytical record of every theme mentioned across all responses;
- While the chapters do draw out the variations between the different audiences, it is important to note that responses are not directly comparable. Participants will have chosen to access differing levels of information about the proposals. Some responses are therefore based on more information than others and may also reflect differing degrees of interest and understanding across participants. To this end, each response has been treated as equally valid as another and no determination has been made as to the level of information, accurate or otherwise, accessed prior to responding; and
- Finally, a large proportion of the responses tended to focus on the current issues with bus services in West Yorkshire and were therefore 'allocated' to the Strategic Case question. This is why the number of responses to those questions appear to be greater than the responses to other questions, which were more technical and went into detail about each of the cases presented in the Consultation Document.

This report presents direct quotations from participants throughout to illustrate key points. These have been selected purely to exemplify the type of comment underpinning a particular code/theme. Where possible, all quotes have been attributed with the participants' gender and age.



3.4 Organisational responses including statutory/non-statutory consultees

The questionnaire asked participants to indicate whether they were responding on behalf of an organisation/group, or as an individual member of the public. Those who said they were responding on behalf of a group or organisation were generally classified as a stakeholder organisation, unless it was clear from their response that they were actually a member of the public.

Those who responded on behalf of an organisation or group were classified as stakeholder and organisation responses. The Combined Authority reviewed this list and sub-categorised participants into those which were classified as statutory consultees. The classification of statutory consultees was based on requirement of the Transport Act 2000 which sets out the franchising assessment process, including consultation.

In addition, two stakeholder organisations were removed from the analysis – one because it was a duplicate response and the other because it simply listed 'ok' in response to each question.

A full list of the organisations that took part, including those classified as statutory consultees can be found in Appendix D.

3.5 General public responses

Those who said they were providing their own response in the online or paper questionnaire was generally classified as members of the public, unless it was clear from their response that they were responding on behalf of a group or organisation (i.e. they self-identified as such on the tick-box question on the questionnaire). While no individual responses were reclassified as stakeholder, one participant identifying as a stakeholder organisation was reclassified to an individual participant, as it was clear from their response they were not responding on behalf of an organisation. Those who responded by email or letter (i.e. not by use of the online questionnaire) were classified as members of the public, unless it was clear that they were responding on behalf of an organisation or group.

3.6 Organised campaign responses and petitions

Where identically worded responses have been received, or those that contain text that has been centrally supplied by a group to be subsequently used in a response (and then sometimes added to), these have been treated as organised campaign responses. Three organised campaign responses were received during the consultation period:

1. A series of emails influenced by the 'We Own It'⁴ campaign;

⁴ <https://weownit.org.uk/Vote4PublicControlWY>



2. A postcard campaign supporting the public control of buses in West Yorkshire; and
3. A petition from 'Better Buses for West Yorkshire'.

Full details of the campaign and petitions received are included in Chapter 5.

3.7 Qualitative research activities

Qualitative research was commissioned to engage specific groups in order to gather a more detailed understanding of how bus reform could affect them in the future. There were two core strands of qualitative research:

1. A series of **ten presentation events** were held in each of the five districts of West Yorkshire (Wakefield, Leeds, Kirklees, Calderdale, and Bradford); and
2. **Five focus groups** with young people, those who travel cross boundary, those eligible for a senior bus pass and those in employment who rely on buses to travel to work.

Further detail as to the approach to the qualitative research is provided below.

3.7.1 Presentation events

DJS Research, on behalf of the Combined Authority, organised ten presentation events in central locations in the five West Yorkshire constituent local authorities. The purpose of the events was to enable members of the public to learn more about the proposals for bus reform in West Yorkshire (as set out in the Consultation Document), ask questions and seek clarification regarding the proposed options.

Each event was advertised on the online event management and ticketing website, Eventbrite. This enabled DJS Research and the Combined Authority to monitor expected attendance. The Combined Authority also advertised each event via their various communication channels and local press.

Full details concerning the event dates, locations and attendance are shown in the table below.

Table 2.2: Details of presentation events

Date	Area	Location	Time	Councillor in attendance	Attendance Session		
					1	2	Total
23 rd November 2023	Bradford	Bradford City Hall, Bradford	Session start times were the same across all locations: Session 1: 14:00 – 15:30	Clr Mohsin Hussain	13	15	28
27 th November 2023	Halifax	Halifax Town Hall, Crossley Street, Halifax		Clr Colin Hutchinson	17	4	21
4 th December 2023	Leeds	Leeds Central Library,		Clr Annie Maloney	28	13	41



		Calverley Street, Leeds	Session 2: 17:30 – 19:00				
5 th December 2023	Huddersfield	The Hudawi Centre, Great Northern Street, Huddersfield		Cllr Ammar Anwar	13	6	19
8 th December 2023	Wakefield	Wakefield Town Hall, Wood Street, Wakefield		Cllr Jakob Williamson	31	4	35

Format of the presentation events

Following an introduction by the local councillor in attendance at each event, attendees were shown a video recorded by the Executive Director of Transport at the Combined Authority. This video lasted around 20 minutes and set out the key information included in the Consultation Document, including the options for reform, and a summary of key details from each of the five cases – Strategic, Commercial, Management, Economic and Financial.

DJS Research then invited questions from those in attendance to ask for further explanation about the proposals and/or seek further clarification. A panel was provided by the Combined Authority, which was made up of members of the bus policy team who were responsible for authoring key sections of the Consultation Document and conducting the Assessment.

Upon conclusion of the events, attendees were provided with further information to enable them to participate in the consultation. Paper copies of the consultation questionnaire (both short and long), as well as leaflets with further information regarding the consultation, were available for everyone to take away with details of how to participate. Where appropriate, the Combined Authority and DJS Research staff directed attendees to the Your Voice website for further information and/or for completion of the consultation questionnaire. Additional requests for postal questionnaires were gathered and followed up by the Combined Authority staff present at the events.

A summary of the key questions asked during the events is included in Chapter 13.

3.7.2 Focus groups

DJS Research designed, recruited and moderated five focus groups with specific groups identified as being impacted by bus reform in the Equality Impact Assessment (EQIA). These groups were:

1. 11-16 year olds who use bus at least once per week;
2. 16-21 year olds who use bus at least once per week;
3. Those who travel into and out of the Combined Authority area at least once per week (cross-border);



4. Those who are eligible for a senior bus pass, with half of the group using the bus at least once per week and the other half not using it at all (seniors); and
5. Those in employment who use the bus at least once per week (commuters).

Recruitment

Participants were recruited by DJS Research's in-house specialist recruiters using a screening questionnaire. A purposive sampling approach was adopted, with participants selected primarily because they fell into one of the above groups.

To ensure a good spread of participants, minimum quotas were set for key demographic criteria, including gender, age, ethnicity, disability, area of residence, and bus travel preferences. A breakdown of the participants can be found in Appendix E.

Structure of materials

DJS Research designed a discussion guide, with input from the Combined Authority, to guide the content to be covered during the groups. The guide focused on:

- Current bus usage and experiences;
- Awareness of the consultation and bus reform;
- The five principal drivers for change identified in the Consultation Document; and
- Views on the Proposed Franchising Scheme.

A full copy of the discussion guide can be found in Appendix G.

Moderation of focus groups

The five focus groups were conducted online via Microsoft Teams, and were facilitated by a senior researcher. Online focus groups allowed for a wider geographically dispersed pool of participants, avoided clustering recruitment in certain locations and minimised the burden on members of the public to travel. All sessions were recorded to facilitate subsequent transcription and analysis.

An analytical summary of the key findings of the focus group are included in Chapter 13.



4 Overall opinion of the Proposed Franchising Scheme

4.1 Introduction

All participants responding to both the short and long versions of the questionnaire were asked to what extent they supported or opposed the Proposed Franchising Scheme as set out in the Consultation Document. In both questionnaires this question appeared towards the end, once participants had the opportunity to respond to the other questions.

Q. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?⁵

Q. Why do you say this?

Participants were also asked if there were any changes that they thought would improve the Proposed Franchising Scheme.

Q. Are there any changes that you think would improve the Proposed Franchising Scheme?⁶

⁵ Participants were advised to refer to Section 1.4 of the Consultation Document

⁶ Participants were advised to refer to Section 1.4 of the Consultation Document

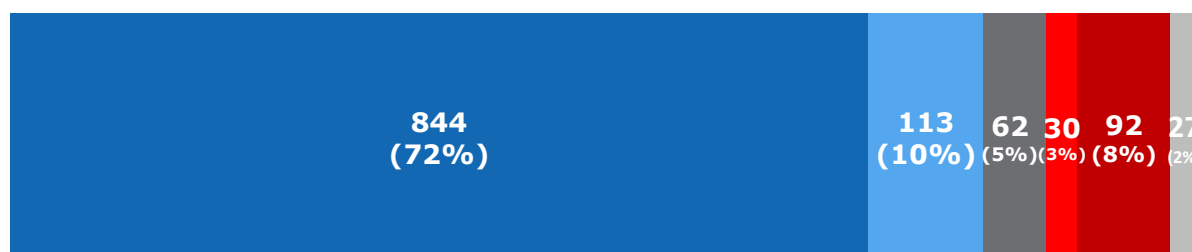


4.2 Overall support and opposition for the Proposed Franchising Scheme

A total of 1,168 participants provided a response to this question.

Table 4.1 Support/opposition to the Proposed Franchising Scheme

Q. To what extent do you support or oppose the introduction of the Proposed Franchising Scheme



Support: 82%

Oppose: 10%

■ Support ■ Support in part ■ Neither support nor oppose ■ Oppose in part ■ Oppose ■ Don't know

Overall, nearly three-quarters of those providing a response via one of the questionnaires to the consultation (844) supported the introduction of the Proposed Franchising Scheme. A further one in ten participants (113) supported it 'in part', whilst 62 participants took a neutral position and neither supported nor opposed its introduction.

Around one in ten participants (122) opposed the introduction of the Proposed Franchising Scheme. Of those, the majority (92) opposed it whilst only 30 opposed it 'in part'.

Responses from organisations tended to be more muted towards the introduction of the Proposed Franchising Scheme compared to members of the public. Of the 45 organisations which responded to this question (i.e. via one of the questionnaires), two-thirds (29) supported it whereas one in five organisations (10) opposed it (compared to only one in ten – 112 – members of the public).

4.3 Reasons for support/opposition

After responding to the closed question, participants were asked to explain why they supported or opposed the Proposed Franchising Scheme, why they neither supported nor opposed it, or did not know.

Reasons for supporting the Proposed Franchising Scheme

A total of 957 participants supported the Proposed Franchising Scheme. The key reasons for this were:

- Around one quarter of participants (209) simply reiterated their agreement with, and support for, the franchising proposal without elaborating as to why;



- The current bus network is managed poorly and current operators are perceived to not be doing a good job (115). Others also felt the current service is poor (59);
- Hope that the introduction of the Proposed Franchising Scheme would improve service quality (105);
- Around one in ten responses from those who supported the Proposed Franchising Scheme favoured the buses being publicly run as opposed to privately owned and operated (79);
- A similar proportion (78) of participants felt that change is necessary and that the Proposed Franchising Scheme would deliver this change;
- Franchising has worked in other areas of the country (65);
- Belief that the Proposed Franchising Scheme would work well and be an improvement on the current situation (54);
- The need to introduce a more environmentally friendly service, in terms of fleet modernisation (51);
- The focus should be on delivering high quality bus services rather than being profit-driven (50);
- Improving the bus service could help to encourage modal shift, in particular discourage the use of private vehicles (39);
- The need for greater reliability (28);
- An improvement to the bus system will have a knock-on effect in improving local communities (27);
- The Proposed Franchising Scheme was perceived to be better than an EP+ option (27);
- To gain greater control and influence over bus service provision (22);
- The Proposed Franchising Scheme was seen as better value for money and affordable to introduce and operate (17); and
- A need for a simplified ticket pricing system (16).

Reasons for opposing the Proposed Franchising Scheme

A total of 122 participants opposed the Proposed Franchising Scheme. The key reasons for this were:

- Around one in ten responses (14) reiterated a lack of support for the Proposed Franchising Scheme without elaborating further as to why, whilst others just disagreed with it (4);
- The risk of increasing public sector debt (11);
- The relatively less financial risk in the EP+ option (6);
- Concerns that the proposals will not work (6);
- Concerns over the funding or affordability of the Proposed Franchising Scheme (4);
- Concern that there is an agenda in favour of the Proposed Franchising Scheme, which is politically driven (6);
- EP+ has more benefits for customers (5);
- EP+ would be implemented more quickly than the Proposed Franchising Scheme (3); and
- Some needed further information, specifically around the costs for implementing the Proposed Franchising Scheme (2), or about how it would work (2).



4.4 Improvements to the Proposed Franchising Scheme

All participants were asked if they would propose any changes to improve the Proposed Franchising Scheme. A total of 699 participants provided a response to this question. Key suggestions included:

- Bring the bus fleet back wholly under public ownership and control (42);
- Improve the pay, terms and conditions for bus drivers as part of the Proposed Franchising Scheme (34);
- Improve the accountability of the service by additional service quality monitoring (33);
- Implement the Proposed Franchising Scheme sooner/more quickly/now (26);
- Conduct greater consultation with bus users concerning service provision under the proposal (23);
- Do not proceed with the Proposed Franchising Scheme and cancel the process (22);
- Greater collaboration between local authorities, the public and business to design routes (19);
- Guarantee that buses will be more reliable (19);
- Learn lessons from how franchising has been implemented and operates in other areas (17);
- Improve communication and transparency (16);
- Ensure all of West Yorkshire has the same level of service (14);
- Guarantee that buses will be more environmentally friendly (14);
- Set out how buses will integrate with other modes of transport (14);
- Guarantee clear, real time customer information (via at stop screens, apps etc.) (13);
- Improve the clarity of the Proposed Franchising Scheme as the details are difficult to understand (12);
- Do not take a 'one size fits all' approach for West Yorkshire as the same approach will not work across all areas (12);
- Propose road infrastructure improvements (e.g. bus lanes, bus priority etc.) to better accommodate bus services (12);
- Guarantee cheaper fares (11);
- Provide further information as to how the Proposed Franchising Scheme would be monitored/regulated (11); and
- Ensure collaboration between the Combined Authority and private bus operators (11);
- A small number of participants (18) did not think any changes were necessary and were supportive of the proposal as it has been presented.



5 Campaign responses

It is common in high profile statutory consultations for interest or campaign groups to ask their members, supporters and others to submit responses conveying the same views. A total of 14,960 responses were received and categorised as campaign responses. A full breakdown of responses can be found in section 2.3.

5.1 Email responses

A total of 2,677 responses were driven by the 'We Own It' website⁷, which is an organisation which campaigns across the country against privatisation, and in favour of public ownership. The website provided several template responses for participants to paste into their email and submit via the bus reform consultation email address. It posed several questions included in the short questionnaire on bus reform and illustrated responses in response to each. In summary these responses argued that:

- The network is failing passengers, with unreliability and inaccessibility of services two of the key issues with it;
- Agreement with the conclusions of the Strategic Case (i.e. that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region);
- The strength of the Economic Case is overwhelming, with over £1bn in benefits;
- In response to the Commercial Case conclusions, better value would be gained from having a publicly owned bus company to step in if anything goes wrong with the private contracts – these services would also be cheaper as profits would not have to be fed back to shareholders. It also advocated for having an in-house team of drivers;
- The Financial Case demonstrates that the Proposed Franchising Scheme is good value for the public which would not have to subsidise underperforming, private services;
- A structure such as the Transport for London (TfL) board, and chaired by a directly elected mayor, could be implemented to represent the voice of drivers and other users/members of the public, such as those from local disability groups;
- Overall, participants supported the Proposed Franchising Scheme as it would give them greater control over services; and
- The Mayor should consider introducing a fully public system, which would mean a publicly owned bus company to save even more on profits to reinvest into new routes.

There were 172 out of the 2,677 participants who edited the email template to varying degrees. These participants either deleted some parts of the email template and/or made additional responses. Those who provided additional responses either emphasised the points already made in the template or raised

⁷ <https://weownit.org.uk/Vote4PublicControlWY>



new points entirely. The additional points raised which differed from the email template included the following:

- Numerous reliability issues were raised by participants, specifically about buses frequently running late, being cancelled, or not showing up, leading to inconvenience for passengers.
- Participants voiced strong support for returning buses to public ownership and to prioritise service over profits, citing successful models in other areas.
- Calls for better integration with other transportation modes like trains were made. Participants also suggested for better routes which promoted multi-modal travel with key destinations.
- Fair wages and better conditions for drivers were advocated. Participants also raised concerns about 'attacks' on drivers' pay and conditions leading to service disruptions.
- Participants emphasised the perceived environmental benefits of increased bus usage and calls for investment in electric buses and greener infrastructure to reduce emissions.
- Requests were made for buses to accommodate mobility needs and be more inclusive, with suggestions for making bus services accessible to all community members.
- Participants desired greater accountability for services and public input in decision-making. Participants also advocated oversight by West Yorkshire Combined Authority to ensure profits are reinvested into services.
- Criticisms of privatisation were made by participants, linked to the prioritisation of service cuts to maximise profit. Participants also reflected back on the public control models of the past with fondness.
- Participants requested better fare affordability and reinvestment of profits into service improvements. Participants also advocated fare schemes and passes to make bus travel more accessible.
- Safety and security concerns were made by participants, especially for vulnerable passengers. Suggestions were also made for improving safety measures and effective communication during disruptions.

5.2 Postcard campaign

A total of 101 pre-printed postcards were received to the consultation freepost address. This postcard reprinted the closed question included in the consultation questionnaire⁸ and gave participants the option to select their response – all 101 postcards selected the response code 'Support'. The postcard then included a statement which read:

'I strongly support the scheme because I want public control of local buses'

Participants were then given space into which they could add their own text to elaborate further if they wished. The key themes to explain why they support the Proposed Franchising Scheme included:

⁸ Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?



- Due to the poor quality, reliability and cost of current services;
- To widen the choice of services available;
- For the public to 'have a say' in how buses are run; and
- To improve the overall service for users in the future.

Participants were then asked if there were any changes which they thought would improve the Proposed Franchising Scheme. A number of suggestions were made, including:

- To go further and put bus services into public ownership;
- Improving pay and conditions for drivers;
- Expanding services to run later into the evening; and
- To increase engagement with the public.

5.3 Petition

In addition to individual responses received via email and post, the Combined Authority received a petition sent by 'Better Buses for West Yorkshire'. It contained 12,182 signatories.

The petition was delivered by hand⁹ on Friday 5th January 2024, in a box displaying the signature count and its objective of taking 'West Yorkshire buses into public control'. The box included a cover page detailing the petition's purpose and a form with the details and signatures of 12,182 supporters.

Addressed to 'the new Mayor of West Yorkshire and West Yorkshire Council Leaders', the petition advocated for the return of buses under public control. It emphasised that private bus companies currently 'do what they like' and 'control the West Yorkshire bus network', dictating costs, routes, and timetables, which results in reduced patronage, higher prices and discontinued services.

The petition mentioned that, although bus services are currently 'broken', 'they could be world class', highlighting that the Mayor and local authority leaders could have the power to regulate buses, resulting in more affordable fares, improved services, and simplified ticketing. It was signed on behalf of 'the people of West Yorkshire'.

The signature form provided space for petition supporters to include their names, emails, postcodes, and signatures under the key petition message at the top of the form.

⁹ To West Yorkshire Combined Authority offices at Wellington House, 40-50 Wellington Street, Leeds, LS1 2D



6 The Strategic Case

6.1 Introduction

This section summarises questions on the Strategic Case, which sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. It also concluded that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region.

There were two questions on the Strategic Case included in the short questionnaire – a total of 1,040 and 975 participants respectively responded to these questions. The same questions were included in the longer questionnaire as well.

Q. The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this?¹⁰

Q. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?¹¹

A small number of participants (between 117–139) chose to answer some or all of the questions in the long questionnaire. These questions went into more detail and asked about specific elements of the Strategic Case, such as whether reforming the market is the right thing to do, the Combined Authority's objectives, delivery of impacts and how the EP+ could deliver impacts. The total number of participants responding to each question is detailed at the start of each question summary later in the chapter.

Q. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?¹²

Q. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?¹³

Q. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?¹⁴

¹⁰ Participants were advised to refer to Section 1.2.1 of the Consultation Document

¹¹ Participants were advised to refer to Section 1.2.1 of the Consultation Document

¹² Participants were advised to refer to Section 4.1.4 of the Consultation Document

¹³ Participants were advised to refer to Section 4.1.5 of the Consultation Document

¹⁴ Participants were advised to refer to Section 4.1.6 of the Consultation Document



Q. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?¹⁵

6.2 Summary of stakeholder organisation responses

This section summarises the responses to the Strategic Case questions from organisations. It starts with a summary of responses received from statutory stakeholders and organisations before summarising those received from other types of non-statutory stakeholder organisations.

6.2.1 Statutory stakeholder organisation responses

Bus operators

Arriva Yorkshire highlighted that the decline in bus patronage corresponded with the rise in private car ownership, a trend observed even before deregulation. It also noted that areas where patronage didn't decline as sharply had implemented additional measures such as bus priority, parking restrictions, and employer parking levies. It emphasised that journey time was a significant barrier to bus travel, and local authorities had control over prioritising buses, which directly affected patronage. It argued these measures could be further improved under an EP+ model, where operators and authorities would have legally binding complementary measures. It expressed a willingness to align with the Combined Authority on the onboard experience, which it felt was achievable at no cost to the Combined Authority under the EP+ model.

Arriva Yorkshire argued that the Proposed Franchising Scheme would be heavily reliant on the ability to recruit and train Passenger Carrier Vehicles (PCV) drivers. It also urged consideration of the ownership of Wakefield Bus Station, emphasising its financial and operational link with neighbouring depots.

Overall, Arriva Yorkshire favoured the EP+, arguing that the objectives for bus reform could be realised quicker and with less financial risk for the Combined Authority and residents of West Yorkshire. It highlighted operators' commitment to the EP+ proposal, which it felt could be formalised via a legally binding agreement under the EP+ model, delivering results faster than franchising.

Connexionsbuses attributed the current poor performance in the market to a lack of priority measures for bus across the road network, which it felt would be the same under franchising. Despite this, it agreed that reform is necessary and the EP+ would be preferred as it could achieve reform more quickly and cheaply than franchising. It felt it would be more cost effective to use the existing commercial knowledge that operators already have. It went on to say that operators have 'on the floor' knowledge operating buses, something which it felt the Combined

¹⁵ Participants were advised to refer to Section 4.1.6 of the Consultation Document



Authority did not possess. Connexionsbuses was also sceptical of the independence of the overall process.

"Commercial companies need to provide a decent service to survive, and working in true partnership is the only way to do this."

Connexionsbuses

Dales and Bowland Community Interest Company acknowledged the challenges outlined in the Strategic Case but emphasised that congestion and the lack of bus priority are the most significant issues, which it felt the Proposed Franchising Scheme fails to adequately address. It specifically highlighted issues with the Strategic Case, including:

- Shortcomings in the current network, such as the declining number of bus journeys made;
- The complexities of bus fares, which have been addressed by the current Mayor's Fares, and therefore does not necessitate a change in the operating model if maintained;
- Information provision, particularly at bus stations and stops, is often inaccurate and outdated; and
- Insufficient financial investment in supporting non-commercial bus services, despite rising costs, remains a challenge, with franchising offering little change in this regard.

While Dales and Bowland Community Interest Company felt that change was necessary to address challenges in the local bus market, it did not feel that the Proposed Franchising Scheme adequately tackled congestion, bus priority, or the level of investment needed for an effective public transport network. It raised concerns over the transition to franchising, specifically around timescales, disruption, and ongoing administrative costs. It also noted similar concerns with the EP+ option and highlighted the absence of plans to increase bus use or achieve other strategic objectives for the region. It felt that addressing these issues would require substantial resources.

"It is a major concern that neither of the presented options includes a plan to increase bus use or achieve other strategic objectives for bus in the region. To achieve these objectives substantial resources need to be deployed to tackle congestion, improve bus priority and increase the level of spend on service delivery."

Dales and Bowland Community Interest Company

First West Yorkshire Ltd. raised several concerns with the Consultation Document, emphasising the need for clarity on various topics, including the proportion and profitability of tendered services, evidence of operators' increasing reliance on public funding, and details regarding the identification of 'inconvenient routes'. It also requested evidence to support statements about the decline in bus network mileage and West Yorkshire's slow recovery from the COVID-19 pandemic. It acknowledged the importance of addressing issues related to punctuality, reliability, and bus priority measures. It went on to support further improvements to bus operations in West Yorkshire, but urged for more transparency and clarity in the Consultation Document.



While First West Yorkshire Ltd. supported the objectives outlined in the Consultation Document, as well as the Combined Authority's 2040 Transport Strategy and Bus Service Improvement Plan, it argued that some of them are not measurable and have lengthy implementation periods. It also highlighted specific details about the EP+ model that were omitted from section 4.1.3 of the Consultation Document and suggested corrections to ensure consultees are fully informed about its capabilities.

First West Yorkshire Ltd. cited Oxera's report and supported its conclusion that the EP+ model represents a more viable option for meeting the region's strategic objectives for bus reform, arguing it could be delivered quicker, with less risk, and at a lower cost. It went on to state that the Proposed Franchising Scheme is unaffordable, has a flawed risk assessment, and its benefits are overstated.

"The EP+ can deliver the impacts set out in the Strategic Case at less risk, lower cost and greater speed than Franchising."

First West Yorkshire Ltd.

Globe Travel and Station Coaches argued that the Proposed Franchising Scheme overlooked critical issues, such as congestion and bus priority, which it felt were essential for an effective public transport network. It felt that franchising had limited levers available to tackle network shortcomings and arrest the forecasted continued decline in bus journeys. It also argued that current fare cap initiatives have already addressed many issues with fare complexity and do not necessitate a change in the operating model, as long as the fare cap is maintained. It went on to criticise financial investment in supporting non-commercial bus services under the Proposed Franchising Scheme.

While it acknowledged a need for change in the local bus market, Globe Travel and Station Coaches doubted whether the Proposed Franchising Scheme would deliver key objectives for bus reform and questioned its rationale, timescales, cost, and disruption if implemented. It argued that a better benefit-to-cost ratio exists in the EP+ but acknowledged that the EP+ does not tackle congestion, bus priority and the level of spend on service delivery. It advocated quantified, time-bound targets in the objectives, particularly for mode share targets, to measure success effectively.

TLC Travel Ltd were concerned about the dominance of three major operators in West Yorkshire's network since deregulation in 1986. It supported digital ticketing but called for simplification and believed that customer service improvements could naturally progress through digitisation. It also reiterated the importance of accessibility, reliability, punctuality, and onboard experience to encourage bus usage. It expressed doubt about the Proposed Franchising Scheme's ability to bring real improvements without detailed planning and suggested the EP+ could offer a closer relationship with the Combined Authority, without excessive costs. It suggested prioritising the best value solution due to an ongoing decline in the bus market.

"The Franchising scheme is a political ideal that I personally have no argument with, but I do not believe that the scheme will meet the objectives."

TLC Travel Ltd



J&B Travel highlighted a potential decline in bus numbers under franchising, citing research by Oxera and the Combined Authority. It emphasised the need for vehicles to arrive promptly but compared it to on demand services like Uber, which it deemed unattainable with bus services. It noted that ticket costs had already been reduced through the Mayor's Fares and highlighted existing collaboration among operators on ticketing, arguing that franchising would make no further improvement than what is already taking place. It also cited the significant impact of the congested road network on bus performance, expressing frustration with the lack of control over roadworks and other improvement/upgrade schemes. It raised further concerns about the quality of information currently provided to passengers, attributing delays and inaccuracies to the Combined Authority's responsibility. It favoured the EP+ model over the Proposed Franchising Scheme, suggesting it would require fewer additional staff and could be implemented quicker and more cost-effectively, although it reiterated their commitment to transitioning to a zero-emission fleet, regardless of the chosen reform model, is dependent on Government funding. J&B Travel believed the objectives of bus reform could be achieved irrespective of the reform model and expressed scepticism about the franchising model's ability to deliver savings, without compromising service quality.

Ross Travel acknowledged the challenges facing the local bus system, but it highlighted congestion and the lack of bus priority as significant issues, which it felt were not addressed in the Strategic Case or wider Proposed Franchising Scheme. It noted that while the Strategic Case addressed the shortcomings of the current network, there were few actions proposed within franchising to resolve them. It felt that many of the existing problems around cost and complexity are already within the Combined Authority's remit to deal with. It went on to highlight the decline in bus journeys and the need for increased financial investment in non-commercial bus services.

Ross Travel expressed scepticism about the Proposed Franchising Scheme, advocating for a prioritisation of congestion, bus priority, and level of spend on service delivery instead. It felt the case had not been sufficiently made and considered a higher benefit-to-cost ratio through the EP+.

"The Strategic Case correctly identifies several challenges facing the local bus system, but does not highlight that the most significant issues are those of congestion and the lack of bus priority – and the fact that the Proposed Franchising System does not include measures or funding to tackle them."

Ross Travel

Stagecoach expressed support for the Proposed Franchising Scheme in West Yorkshire, highlighting potential benefits such as network enhancements, ticketing improvements, and the introduction of environmentally friendly fleets. It acknowledged the importance of achieving growth in bus patronage and emphasised the need for bus priority measures to accomplish this, citing reliability as the number one concern from customers. It stressed the significance of reliability, network coverage, fares and ticketing, customer service, and green initiatives in delivering the objectives outlined in the Strategic Case. While it welcomed a move towards franchising, it sought further clarification on the transition to greener fleets and associated funding mechanisms. Stagecoach



referenced its experience in operating franchised models elsewhere in the country and pledged to collaborate with the Combined Authority under franchising, or any other chosen model.

"We will work with WYCA to ensure the success of Franchising or any other model it chooses to adopt and are supportive of the approach."

Stagecoach

Transdev Blazefield Ltd acknowledged the bus system was not performing optimally and had been supported with short-term visibility of three to six months in terms of financial assistance. It argued that contracts in West Yorkshire lacked protection against high inflation, leading to instability within the system. It also referenced the introduction of '£2 fares' as having a significant impact on passengers, but also causing unpredicted distortions in route patronage. It went on to raise additional challenges, such as inconsistent bus priority measures across the network, which it felt are primarily within the control of local authorities and for the Combined Authority to resolve.

Transdev Blazefield Ltd acknowledged the need for change but suggested the evidence presented only slowed the expected decline in public transport use. It argued that fundamental issues in the local bus market, such as the continuous rise in private car ownership and use, required broader policy interventions beyond organisational changes.

It argued that the proposed solutions were straightforward but lacked the scope to change the market substantially and radically. Despite this, it believed both the Proposed Franchising Scheme and the EP+ could achieve bus reform objectives. It favoured the EP+, considering it less disruptive, more flexible, faster, and posing lower financial risk to the public sector compared to franchising. It expressed concern over the lengthy maturation process of the Proposed Franchising Scheme and its potential to concentrate power amongst a few operators, which it argued would diminish passenger-operator interaction and potentially increasing antisocial behaviour.

"We believe the EP+ is the less disruptive, more flexible, faster and has the least financial risk to the public sector. The sheer [sic] scale of revenue risk which franchising transfers to a hard pressed public sector should not be underestimated."

Transdev Blazefield Ltd

South Pennine Community Transport submitted two different responses to the consultation from two different response channels. They emphasised the critical importance of the bus network in West Yorkshire for meeting social, environmental, and economic needs. They acknowledged the plans for bus reform through franchising and EP+ and highlighted West Yorkshire's opportunity to lead in delivering a world-class transport system. They stressed the importance of working co-operatively while pursuing radical improvements, including simpler ticketing, faster journeys, better standards, and greener travel. They praised the success of initiatives like the West Yorkshire Ticketing Company as examples of what can be achieved through cooperation between operators and the Combined Authority. They did not agree that franchising was the only way to achieve this and believed



that the EP+ would meet all objectives and could be implemented faster, without posing financial risks to the public.

"Never has there been a greater spirit and desire for bus operators to come together with West Yorkshire Combined Authority to bring about reform."

South Pennine Community Transport

Squarepeg Buses Ltd felt that the delivery areas fell short in relation to the current attitude of stakeholders towards passengers in relation to:

- Attitudes towards passengers, as it emphasised the need for a shift in stakeholders' attitudes towards passengers, highlighting the importance of treating them with respect and understanding their needs;
- The network, as it stressed the importance of establishing new financially supported networks, promoting them effectively, and managing public expectations regarding bus services;
- Fares and ticketing, as it suggested linking fares to demand and adopting a more flexible approach similar to airlines like Ryanair, while also addressing issues with fare structures and information;
- Customer service and satisfaction, as it advocated for improved customer service, including the reintroduction of on-board conductors to enhance passenger experience and address complaints effectively;
- Bus priority, as it felt there are issues with roadworks, compliance rules, and a need for consistency in service delivery among operators; and
- Green and better vehicles, as it questioned the emphasis on 'green' buses, suggesting the focus should be on increasing bus patronage, regardless of vehicle emissions.

Squarepeg Buses Ltd emphasised a need for simpler messaging and a primary goal of increasing patronage above all other objectives. Overall, it felt the Proposed Franchising Scheme would be the better option for the Combined Authority and felt that a partnership would not be viable due to conflicting interests.

Local government (West Yorkshire District Councils)

The City of Bradford Metropolitan District Council agreed with the assessment of the bus network's performance and emphasised the importance of reform to address existing issues. It also acknowledged the need for reform to ensure the bus network was responsive to local objectives and to achieve the desired impacts across the delivery areas outlined in the Bus Services Improvement Plan.

Additionally, it agreed with the objectives outlined in the Strategic Case, stating that these aligned closely with the Council's own objectives and the West Yorkshire Transport Strategy.

The City of Bradford Metropolitan District Council felt that the Proposed Franchising Scheme strongly aligned with delivering the impacts outlined in the Strategic Case, supporting the conclusions of the Strategic Case. It argued the EP+ offered weaker alignment with the objectives.



Calderdale Council acknowledged the decline in bus patronage across West Yorkshire before the pandemic, identifying network planning, fares and ticketing, bus priority, and greener vehicles as key problem areas. It emphasised the importance of bus priority and green issues, highlighting the district's challenging geography. It believed that the Proposed Franchising Scheme would address these issues more effectively, citing London as an example for increased bus patronage and modal integration under a franchising model. The Council also felt that franchising would lead to growth in the bus market, improved modal integration, and support for Mass Transit. While recognising that the EP+ could achieve some objectives, Calderdale Council felt it did not provide long-term stability due to questions over its legal standing and duration, therefore concluding that the Proposed Franchising Scheme would better serve the strategic objectives of the Combined Authority.

Kirklees Council endorsed the current process and expressed support for a franchised bus system across Kirklees and the wider West Yorkshire area. It recognised the strategic importance of bus services as the most heavily used form of public transport in their district and deemed it as integral to meeting the strategic aims and objectives of the emerging Kirklees Transport Strategy. It went on to highlight the challenges facing bus services during the COVID-19 pandemic, highlighting the vulnerabilities of a commercially funded and operated bus network.

Kirklees Council strongly believed that a franchising model would support local communities and aligned with shared objectives agreed through the current Enhanced Partnership, including making bus a key mode of travel choice, enabling financially sustainable bus services, improving operational delivery for passenger comfort, enhancing connectivity, and facilitating better integration to deliver sustainable connectivity.

"We believe strongly that a Franchise model has the strongest case in supporting our local communities through the shared objectives agreed through the current Enhanced Partnership."

Kirklees Council

Leeds City Council acknowledged the poor performance of bus services in the city, noting difficulties in obtaining data from operators, despite repeated requests. Leeds City Council emphasised the need for change, highlighting franchising as a well-established model in the UK and abroad (e.g. De Lijn in Belgium). It argued that franchising offered maximum public control over fares and routes, and it was seen as the best option to safeguard and enhance bus services. In contrast, the EP+ was deemed unproven and offered minimal public control, primarily serving to protect commercial interests. It questioned the viability of the EP+ model, due to the perceived operator failures to adhere to current EP terms.

Wakefield Council responded late to the consultation. Their response can be found in Chapter 14.

Local governments (Neighbouring transport authorities)

Lancashire County Council expressed support for improving the network across the region, believing it was possible with adequate funding and resources. It felt that the overall transport objectives of the Combined Authority aligned with its own objectives regarding bus services. The Council anticipated continued



engagement with neighbouring authorities to ensure that cross-boundary services are able to meet local objectives, through a permit scheme. The Council welcomed close working with the Combined Authority on initiatives, especially concerning new ticketing arrangements encouraging cross-boundary travel.

"We are supportive of the aspirations to improve the network across the region, and they appear deliverable, given adequate funding and resources to enable this."

Lancashire County Council

Bus passenger representatives and user groups

Action for Yorkshire Transport pointed out a substantial decline in bus use since privatisation nearly 40 years ago, attributing it to the flawed notion of competition improving services. It criticised the lack of effective lobbying by bus companies for bus priority measures and poor marketing. It went on to highlight the unreliability of bus services, frequent cancellations, and increased car usage contributing to congestion and longer journey times. Action for Yorkshire Transport supported the Proposed Franchising Scheme as the best option, but emphasised that could not solve all the issues. It stressed the need for solutions to traffic congestion and the integration of all public transport modes, which it believed would be best provided through franchising. It implored the Combined Authority to introduce penalties for bus service cancellations and emphasised the importance of integrating bus and train timetabling to encourage public transport use.

"The majority of Action for Yorkshire Transport members agree that the Proposed Franchising Scheme is the best option. But it is not on its own the answer to all the bus service issues."

Action for Yorkshire Transport

Better Buses for West Yorkshire highlighted extensive criticisms of the current deregulated bus network from various expert groups, including the significant decline in bus usage, network shrinkage, fare increases, ticket complexity, and reliability issues. It emphasised the public burden of subsidising private services and criticised profiteering by major bus operators. It also argued that no other European country had deregulated its buses, citing examples of positive outcomes from reversing deregulation policies in New Zealand and the failure of deregulation in Pinochet-era Chile.

It identified the Proposed Franchising Scheme as the preferred option and highlighted specific benefits, including guarantees for network growth, rationalisation, integration with other transport modes, and capturing returns on investment for the public. It also viewed franchising as essential for implementing time-bound tickets, improving customer satisfaction, prioritising bus services, and transitioning to greener vehicles. Better Buses for West Yorkshire emphasised better network optimisation, cost efficiency, and public oversight under franchising, arguing that it would allow for better coordination and planning of bus services, leading to improved reliability, punctuality, and overall customer experience by centralising control. It believed that West Yorkshire could address longstanding issues in the bus network and provide a more equitable and sustainable public transport system for its residents.



It criticised the EP+, arguing that it would fail to deliver necessary improvements due to uncertainty and limitations imposed by competition regulations. It stressed the importance of franchising in providing certainty of delivery, guaranteeing simple tickets, ensuring straightforwardness, and offering better value for money on green vehicles. It also highlighted the need for better measures to address driver shortages, improve vehicle design for faster boarding and alighting, and prioritise accessibility in public transport. It went on to raise concerns about the EP+ model's reliance on operator consent and its potential limitations in delivering the desired outcomes for passengers and the environment.

"The fact that our bus network is one of the worst performing internationally and is an international outlier for its governance system indicates that bus reform is an obvious and essential change."

Better Buses for West Yorkshire

Bus Users UK identified various challenges faced by the West Yorkshire bus system, including declining patronage, affordability issues, inconsistent service experiences, and operational inefficiencies. It called for significant changes and emphasised the importance of a customer-centric approach, and greater influence on green initiatives. It also highlighted the broader societal impacts of effective public transport, emphasising social inclusion, employment opportunities, health and well-being, education, community cohesion, economic development, environmental sustainability, quality of life, and social justice.

It argued that the Consultation Document did not clearly explain why franchising is more likely to provide the desired outcomes than the EP+. It questioned whether the Proposed Franchising Scheme would provide additional benefits to passengers compared to the EP+ and highlighted the importance of considering financial and political risks associated with each model. It also highlighted the economic disparity in local government in recent years, which it felt could impact franchising if it were to go ahead. While Bus Users UK questioned the Strategic Case's executability, it argued the financial and political risks are more widely spread in an EP+ model.

Campaign for Better Transport acknowledged the challenges facing the West Yorkshire bus market, particularly a significant decline in bus trips over recent years. It emphasised the importance of reversing the decline to align with the region's objectives for economic growth, achieving net-zero emissions, and addressing health and social inequalities. Although it supported the conclusion of the Strategic Case, it stressed the necessity of sustainable funding sources for long-term success. It also stated that the EP+ presented a higher benefit-cost ratio than franchising and could still provide substantial benefits with lower investment. It felt that the EP+ would still prove viable should the levels of investment needed for franchising become untenable. It recommended implementing the policy interventions outlined in the Consultation Document to stimulate bus patronage growth if additional funding were to become available.

"We support this conclusion, although we should stress that to be successful the longevity of funding sources is paramount. We note that the Enhanced Partnership Plus (EP+) option offers a higher benefit cost ratio than franchising, and it still provides significant benefits for a lower level of investment."

Friends of Dales Bus expressed concerns about the complexity of fare options, particularly relating to peak and off-peak services, which it argued complicated the 'day rover' bus and train ticket. It also emphasised the importance of operators having sufficient resources, including vehicles and drivers, to maintain services.

Friends of Dales Bus felt that the franchising 'concept' could work well in central West Yorkshire, but it was concerned it could negatively impact routes in peripheral areas with cross boundary services. It also argued that franchising would make all services equal and remove financial incentives for operators to market or improve services, which could be detrimental, especially in peripheral areas or where operators aim to attract new customers.

Transport Focus cited its Bus Passenger Survey research results up to 2019, identifying key satisfaction drivers with bus journeys and attitudes towards punctuality, value for money, passenger priorities, non-user priorities, passenger trust, barriers to use, network stability, simplified and integrated fares, customer experience, and views among those with disabilities.

Transport Focus acknowledged the Consultation Document's objectives, viewing them as significant but largely theoretical. It questioned whether franchising would better achieve these objectives compared to an Enhanced Partnership, highlighting the need for clearer definitions and expectations of both models. It felt the consultation lacked clarity on operator commitments beyond the existing Enhanced Partnership.

It drew comparisons with Greater Manchester's franchising scheme, emphasising the importance of defining precise service standards for West Yorkshire under both the Proposed Franchising Scheme and the EP+. It stressed the need for alignment between specifications and passenger needs to attract new users and enhance services effectively.

Transport Focus welcomed the proposed performance incentive regime, but called for more detailed information on its structure, monitoring, and review processes to ensure confidence in achieving objectives. It emphasised the importance of understanding passengers' expectations and aspirations to inform the proposal's evaluation effectively.

"The consultation focuses on a largely theoretical model of Franchising compared with a largely theoretical model of an Enhanced Partnership. Neither has been closely defined in terms of what it is expected to deliver."

Transport Focus

Employee representatives

TUC North East Yorkshire and Humber felt that market-based solutions to bus services have failed over the past four decades, highlighting a decline in patronage, with a negative impact on congestion, air quality and the West Yorkshire economy. It emphasised that buses are vital to achieving a sustainable future, and contribute to transitioning towards a zero-carbon economy.

It argued that the EP+ could fail to meaningfully enhance bus services and waste funding while bus usage continued to decline. It went on to say that a failed EP+



could create a risk of disillusionment with bus services and potential for positive change, making future improvement impossible.

It supported the conclusion of the Strategic Case, stating that the Proposed Franchising Scheme would be the better option for bus services in West Yorkshire – for the environment, for passengers, and working people. It also felt that franchising would improve network integration, integrate fares and tickets, control spending better, increase accountability, and be a passenger-focused network. While it was supportive of franchising, it requested a requirement for TUPE transfer arrangements during changes of contract. It raised concerns around pension protections for bus workers, which are not secured under law. It urged this to be addressed no matter the outcome of the consultation. It also requested consideration is given to a publicly-owned DLO, placing bus workers under one organisation for collective bargaining purposes, leaving only management to private operators.

"We support the conclusion that franchising is the better option for bus services in West Yorkshire – for the environment, for passengers, and for working people."

TUC North East Yorkshire and Humber

TUC Yorkshire & the Humber CLIC felt that deregulated buses have had various negative impacts on services, including service cuts, unreliability, higher fares, and poor working conditions for bus workers. It stressed the need for reliable, integrated, and affordable public transport to address the climate emergency. It strongly advocated for franchising as the best solution to provide high-quality bus services in West Yorkshire, expressing concern over the delay in its implementation and urging swift action from local authorities.

Unite the Union argued there was a trend of managed decline by profit-driven companies in the bus industry, leading to service cuts and negative impacts on communities.

It expressed a lack of confidence in the EP/EP+ and praised the benefits of the franchising model. However, it voiced concerns about franchising, particularly regarding TUPE transfers, contract lengths, terms and conditions, pensions, and collective bargaining. It recommended the establishment of a Direct Labour Organisation (DLO) to employ drivers and staff, ensuring equality and pension security across the franchised system. It emphasised the need for standardised pay, terms, and conditions, along with longer contract lengths to enhance job security. Collective bargaining was deemed essential for negotiating fair conditions for bus workers.

While its preferred option was public ownership, it acknowledged franchising as a step forward and supported its implementation in West Yorkshire, requesting further input on key issues such as terms and conditions and work-life balance schedules. It also highlighted the importance of addressing scheduling issues to mitigate the negative impact on bus workers' mental health.

Wakefield and District Trades Union Council highlighted various challenges faced by their members and the broader community, such as difficulties in accessing jobs and training opportunities, leading to reliance on expensive taxis or car purchases. It also highlighted issues face by children in attending school or



college independently due to inadequate bus services. It strongly supported the Proposed Franchising Scheme as it felt it offered greater public control and the potential for simplified ticketing systems. It criticised previous fare increases by private operators and felt that franchising would prioritise passenger needs over company profits. It also advocated decarbonising the economy, emphasising the importance of an improved bus network to achieve this goal.

"We strongly support the Proposed Franchising Scheme. We believe that public ownership would be best. The Franchising scheme offers the best way to have more public control of bus services."

Wakefield and District Trades Union Council

West Yorkshire County Association of Trades Union Councils felt that the problems facing the bus market were down to privatisation. It agreed with the conclusions of the Strategic Case.

Other

The Competitions and Markets Authority highlighted the benefits and risks of EPs, franchising, and other options, but stressed the decision was for policymakers to judge and balance these factors. It emphasised consideration of the impacts on competition, consumers, and wider policy objectives when deciding on franchising.

It outlined four key areas for consideration when consulting on franchising:

- Design of individual franchises, in order to enable competition amongst a range of potential operators now and in the future;
- Access to fleets and depots, to potentially allow new entrants into the market without being hampered by the high fixed costs of purchasing infrastructure;
- Impact on fares and ticketing, in order to affect the cost of bus services directly. It emphasised that care must be taken to ensure that passengers benefit directly through a combination of lower or simpler fares and ticket types; and
- Supporting ongoing innovation, in order for franchising to identify, respond, and adapt to changing patterns of passenger demand.

The Confederation of Passenger Transport emphasised the challenges of COVID-19 recovery, highlighting that operators have faced slow recovery. It also outlined various factors influencing bus patronage decline, attributing it to rising car use, congestion, changing habits, and reduced public investment.

It felt that franchising did not address fundamental economic or strategic issues and no change would occur in relation to things such as consumer behaviour, rates of car ownership, congestion or driver shortages. It felt that most, if not all interventions could be delivered through an Enhanced Partnership with political support, such as effective network changes, fare adjustments, bus priority measures, and transitions to zero-emission buses. It cited case studies where partnerships have been successful such as Bus 18 and the current Bus Alliance, and trialling new initiatives such as Project Coral's tap-on tap-off system.

Overall, it emphasised that the objectives of bus reform could be achieved regardless of the delivery model adopted, with political support being key to success.



The Peak District National Park Authority felt that franchising should allow for a better oversight for understanding and meeting the challenges set out in the Strategic Case, due to greater control over contracts, routes, and fares across the region. It felt that the Combined Authority's objectives as set out in the Strategic Case were sensible. It also highlighted an opportunity to learn lessons through gradual phasing of the Scheme. It cited the EP reference case and agreed there is a need to reform the bus market. It felt that the EP+ offered some opportunities to deliver against the objectives, however, it was sceptical as it was 'subject to some interventions requiring further operator agreement and negotiation'. This was seen to provide less certainty for the Combined Authority.

6.2.2 Non-statutory stakeholder organisation responses

Bus operators/transport organisations

The Go-Ahead Group Ltd recognised the importance of buses but noted challenges due to COVID-19, inflation, and driver shortages. It supported funding initiatives like the Mayor's £2 Fares, but questioned their impact on recent passenger trends. It emphasised the need for sustained funding and investment in bus priority measures to address congestion and stimulate patronage growth.

It was supportive of franchising, particularly for its potential to improve customer service, accessibility, and network coordination. It also stressed the importance of high-quality electrification infrastructure and fleet, a coherent region-wide network design, and selecting operators based on performance standards. It advocated operator involvement in franchise development and a transparent process for network changes. It also highlighted the significance of supporting policies like bus priority measures and disincentives for private car use.

Overall, it agreed that the proposed objectives outlined in in the Consultation Document could be delivered through the Proposed Franchising Scheme, provided sufficient funding was available initially and on an ongoing basis. It noted the higher degree of control the Scheme would give to the Combined Authority compared to the EP+. It recognised the potential benefits around fares & ticketing, green & better vehicles, network and bus priority enhancements, however, it emphasised the importance of operators' experience in informing proposals and highlighted the potential benefits of drawing on a wider pool of operators.

Transport UK acknowledged that there are challenges faced by the West Yorkshire bus system, including issues with fleet assets, resource allocation, and customer experience. It supported franchising, believing it could address 'wasteful competition', improve coordination between transport modes, and simplify fare strategies. It emphasised the need for the Combined Authority to hold operators accountable for performance and to invest in bus priority.

Although it advocated potential under franchising, Transport UK was concerned about the perceived lack of clarity regarding the Combined Authority's plans to address identified challenges and measure outcomes. It called for more detailed plans, particularly in addressing challenges like congestion and bus priority. It also criticised the Fleet Strategy, highlighting inconsistencies and suggesting revisions to ensure the viability and competitiveness of the proposed franchises. Within this,



it emphasised the importance of considering the acquisition of new zero-emission buses from the outset and addressing uncertainties related to depot space. It was sceptical of any partnership option and felt it would be constrained by the requirement to agree any enhancements with private sector operators, who Transport UK argued are only likely to agree if they see benefit for themselves.

"Transport UK's view is that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region but only if it amends its Fleet Strategy so that it is prepared to introduce some equivalent of a 'Residual Value Mechanism' from Day 1 of new bus franchises."

Transport UK

Selwyns Travel requested more competition among operators, and for the inclusion of coach operators such as National Express and Mega Bus. It agreed with the conclusion of the Strategic case that the Proposed Franchising Scheme is the best option for the Combined Authority.

Town and Parish Councils in West Yorkshire

Shipley Town Council agreed that the West Yorkshire bus market is underperforming. It supported the Proposed Franchising Scheme as the best option for the Combined Authority to achieve its strategic bus objectives in the region, when compared to the EP and EP+ models.

Ilkley Town Council raised concerns about declining bus services, particularly in rural areas like Ilkley, citing withdrawn routes and limited access to essential destinations like hospitals. It emphasised the need for broader service provision, flexible ticketing, improved information dissemination, and greater integration with train services and electric vehicles to reduce emissions.

The Council noted differing opinions among councillors, with some favouring franchising for greater local control and efficiency, while others supported an EP+ option for quicker implementation with lower risks to the Combined Authority. It stressed the importance of collaborative development with operators to ensure stakeholder support.

Wilsden Parish Council highlighted that improving bus services were part of their 9-point Climate Emergency Action Plan and Local Neighbourhood Plan. It felt that services have reduced due to slower patronage return and crew shortages. It highlighted how residents have expressed frustrations with bus reliability and the limited timetable, reflecting the underlying concerns with local bus services. It felt that these issues were most in need of being addressed in the Strategic Case.

Otley Town Council commented on the importance of bus transport in the town, supporting both the visitor economy, residents' access to workplaces, and leisure activities across the county and beyond. It also highlighted recent data which suggested a preference for cars over buses for various journeys. It recounted some of the complaints it had received about bus services, mainly revolving around cancelled services and unreliable tracking, leading to residents' inability to depend on the service for timely travel. Concerns also arose regarding the lack of integration between bus and rail services.



It was unsure if franchising would speed up the transition of fleet to electronic vehicles, but it hoped this would be the case, pointing out that The Council declared a climate emergency in 2019.

Stainland & District Parish Council voiced support for reforming the West Yorkshire bus market. It highlighted issues such as declining patronage, unreliable services, confusing ticketing, and insufficient measures to tackle emissions. It also cited shrinking services as an issue for its residents, leaving many without a daytime link to essential services in West Vale.

Baildon Town Council expressed support for franchising local bus services based on Bus Service Improvement Plan principles. It emphasised the terrain of Baildon's residential areas, necessitating several bus routes to serve all areas adequately. The Council outlined additional requirements, including direct evening and Sunday services, and hourly services to and from specific routes.

Bramhope & Carlton Parish Council highlighted the critical role of public transport for various community needs, emphasising its necessity for work, education, healthcare, and leisure activities. It lamented the current state of bus services, particularly with frequency reductions and cancellations. It argued there were several systemic issues affecting bus services across West Yorkshire, including the vast number of operating companies, which it felt led to a lack of coordination and consistency in policies and prices. It also criticised the inconsistency of information across timetables, apps, and bus stops, adding to the perception of unreliable services. It drew parallels with successful European models, advocating for a paradigm shift towards a centralised authority to manage routes, timetables, connectivity, and fares, similar to TfL's approach. It felt this would address the declining services and align with their climate initiatives aimed at reducing car usage, traffic congestion, and emissions.

Elected Representative

The Leeds Conservative Group acknowledged the challenges facing current bus services, including issues with network coverage, fares, ticketing, and customer service information. It advocated for closer collaboration between operators and the Combined Authority to improve oversight and responsiveness, favouring the EP+ model as the mechanism to do so. It strongly disagreed with the conclusions of the Strategic Case, arguing that the Proposed Franchising Scheme would not be the best option to meet the Combined Authority's objectives. It raised specific criticisms around the capital costs of franchising, the perceived effectiveness of franchising in addressing declining patronage, the length of time for delivery, and suggested small operators could be driven out of the market, citing evidence from Greater Manchester's franchising scheme.

The Leeds Conservative Group advocated for the EP+, which it believed would provide more influence over routes and fares, foster a partnership between operators and the Combined Authority, and deliver improvements more quickly and cost-effectively. It highlighted the EP+'s perceived potential to deliver an integrated network, simplified ticketing, improved reliability, and environmental benefits sooner than franchising, stating it would be better value for taxpayers and fare payers.



Calderdale Council Conservative Group endorsed action by the Combined Authority to improve bus services in the region. It believed that access to reliable and efficient public transportation was a fundamental necessity for all residents.

The Group strongly believed that every Calderdale resident should have had access to reliable and effective bus services. To achieve this, Calderdale Council Conservative Group argued that in the short to medium term, the Combined Authority should implement the EP+, while preparing to implement franchising if the bus operators failed to deliver for residents.

Academic

Leeds University Union - Student Executive agreed with the conclusions noted in Section 1.2.1 of the Consultation Document. It cited a range of complaints from students regarding the reliability, availability and cost of bus travel in West Yorkshire.

UoL Sustainability Service acknowledged from conversations with their students and staff that the current bus system did not meet their needs, with concerns particularly regarding route coverage, cost, and punctuality. It considered bus reform crucial for improving services and the passenger experience. It also felt reform was necessary to achieve sustainable travel, enhance air quality, and meet climate targets. It welcomed the Proposed Franchising Scheme.

Elliott Hudson College agreed with the assessment that bus services are unreliable and often overcrowded during peak times, emphasising a lack of accountability for failings in the current system. It highlighted the need for a more reliable and comprehensive service to reduce pollution and meet passenger demand. It favoured the Proposed Franchising Scheme as it felt it would offer greater accountability and consistency, potentially leading to regular service reviews, improvements, and increased investment in the bus network.

"I would also favour this proposal (Franchising). This seems to offer the most accountability and consistency, which would hopefully lead to regular service reviews, improvements and investment."

Elliot Hudson College

Leeds College of Building cited numerous reports from staff and students coming from Leeds and Wakefield citing unreliability with their Arriva and First buses, subsequently making them late for college. It also highlighted the reduction in services and schedule changes, resulting in less frequent services. It did not explicitly agree with the conclusion of the Strategic Case, but was supportive of any scheme that would improve reliability and frequency of services for passengers.

Charity/Voluntary sector

Leeds Older People's Forum expressed dissatisfaction with the poor performance of buses in West Yorkshire, stating that improvements are necessary. It criticised the Combined Authority for being complacent and providing only the minimum statutory concession bus passes for older and disabled individuals, which it felt compared unfavourably to other areas in Yorkshire with better provisions. It felt that franchising was the better option, highlighting the desire for full public



control over buses due to the perceived shortcomings of private bus companies and their impact on West Yorkshire's economy.

Leeds Civic Trust highlighted how bus patronage in West Yorkshire has steadily declined since deregulation in the 1980s, failing to rebound to pre-pandemic levels. Despite aspirations for a car-free city, it argued that barriers persist for bus users in Leeds and across the region, such as high fares, unreliable services, inaccurate real-time information, inconvenient schedules, limited integration with other transport modes, accessibility issues, and inconsistent worker rights. Leeds Civic Trust concluded that the Proposed Franchising Scheme is their preferred option, citing its potential to expand the network, integrate with rail services and future Mass Transit, and simplify ticketing. It went on to say that franchising offered legal certainty and accountability through integrated customer service, unlike the EP+ option, which it felt relied on negotiation and lacked unified accountability.

"West Yorkshire is falling behind many other regions nationally in this regard which shows that its bus system isn't performing as it should."

Leeds Civic Trust

Pontefract Civic Society expressed scepticism about changing the ownership of bus services, highlighting concerns about potential financial risks to local taxpayers. It suggested that cooperation with existing bus operators, coupled with the Combined Authority's continued financial input, would be a less risky strategy while maintaining the benefits of a competitive environment. It criticised the analysis presented, arguing that the EP+ arrangement would allow for quicker changes with reduced financial risk to taxpayers, compared to franchising. It questioned the effectiveness of changes in Greater Manchester and cited the costs of franchising in London leading to a reduction in bus service provision. It also felt that the introduction of bus priority would not be solely dependent on who owns the buses.

Crossgates and District Good Neighbours Scheme expressed support for the Proposed Franchising Scheme, especially for improvements in the bus network to ensure buses operate where people need them to go and implement fair and consistent ticketing options. It highlighted the importance of these improvements for older people who rely on public transport, noting that while most have English National Concessionary Travel Scheme passes, a significant proportion do not. Additionally, it emphasised the need for accessible customer information, noting that older individuals often struggle to access bus timetables and route information, especially without a smartphone.

Environment, Heritage, Amenity or Community Groups

Aireborough Civic Society cited its continued advocacy for bus use since 2006, noting a continual decline in the frequency and routes of bus services in the area. It highlighted various issues with bus services, including declining frequencies, unpredictable journey times, and specific route cancellations. Additionally, it criticised the lack of consultation from bus companies and the perceived failure to effectively increase passenger numbers. Aireborough Civic Society supported the Proposed Franchising Scheme and felt it was the best option to address the challenges it outlined. It believed franchising could prevent sudden service cuts, facilitate consultation with local communities, and provide opportunities for network expansion and passenger growth. It went on to state that franchising



would offer greater accountability for bus services, with legally binding agreements and penalties for non-compliance.

Just Transition Wakefield agreed with much of the analysis undertaken on the drivers for change, except Customer Service & Information, which it felt did not acknowledge the increasing and highly frustrating problem of 'disappearing buses'. It also felt that bus priority should be implemented sooner rather than later and should not wait for franchising, mostly due to the perceived improvements in reliability, modal shift, reducing congestion, and air quality. While Just Transition Wakefield agreed with the overarching objectives and sub-objectives outlined in the Strategic Case, it had specific additions to make, namely:

- The ambition for continuous improvement beyond the first three years should be clearly stated;
- Increasing pensioner patronage to pre-pandemic levels;
- Reducing road traffic accidents, particularly where pedestrians are involved;
- Measuring the benefits experienced in current underserved communities;
- An end to 'disappearing services';
- A commitment to maintaining cash on board and that all fares and ticket types remain available;
- A commitment to proper reporting of all services and service cancellations;
- Specific actions to unify and extend bus priority systems across the region; and
- A commitment to recharging electric buses through a genuinely renewable provider.

Just Transition Wakefield agreed that reforming the bus market via franchising would deliver greater improvements than the EP+ as that would not deliver on the priorities, particularly to currently underserved communities. It feared that profit would continue to be a motive over public service under EP+, and that none of the perceived advantages of franchising would be realised, such as unified ticketing and information systems.

"Passengers have lost faith and trust in the operators and feel exploited, taken for granted and undervalued."

Just Transition Wakefield

Upper Calder Valley Sustainable Transport Group supported the Proposed Franchising Scheme. It anticipated better bus services and better public transport integration, both between bus services and between bus and other modes, including a potential Mass Rapid Transit in the future.

Health organisations

LLA Cultural & Social Outings project agreed with concerns raised about the reliability and accessibility of bus services. It noted challenges with accessing transport, especially in mornings due to limited services and restrictions on concessionary permits. It felt that irregular and unreliable bus services had deterred participants from joining their whole-day trips, which impacted on their health and well-being. It emphasised that the issues it faced affected organisers as well as participants. It stressed that improved bus services across West Yorkshire would enable more affordable and accessible trips, benefiting their diverse group of



participants and facilitating connections with other modes of transport. It agreed with the conclusions of the Strategic Case.

Other

Hank Buses used a standard response across all questions in the questionnaire, which demanded 'its £358m back' and felt that public control of buses would be a negative outcome for the future.

Glenn Craven Ltd T/A Greens Photo Centre highlighted the constant delays and cancellations on bus services. It agreed that the Proposed Franchising Scheme is the best option for the Combined Authority.

Leeds Bradford Airport argued the Combined Authority should be influencing the drivers for change (outlined in the Strategic Context) under the existing deregulated bus service offering. It felt the Combined Authority should be accountable for some of the existing failings in the current commercial arrangements. If the Combined Authority were to take over control of buses in West Yorkshire, it requested guarantees are put in place that it would lead to progress on implementing drivers for change – this was followed by a series of questions about the Combined Authority's influence on buying powers, how quickly changes can be implemented, passenger understanding, and how ticketing could become easier and more affordable. Leeds Bradford Airport went on to state that while the Proposed Franchising Scheme appeared more deliverable, the Combined Authority should not discount the experience of the current operators who are running services across West Yorkshire, requesting that their views are taken on board. It felt that the Combined Authority should be fully accountable if franchising was to go ahead, and show its commercial acumen by not being influenced by politics or commercial pressures.

"The PFS would appear to be a more deliverable solution provided it can be proven to streamline decision making and take into account benefits to the wider region. That said, the experience of the bus companies in running services should not be overlooked."

Leeds Bradford Airport

Inglestone Associates highlighted significant reductions in service frequencies and poor scheduling on key routes in Leeds since 2022. It agreed that reform is necessary but stressed the importance of tailoring it to the specific needs of each affected route. It criticised the objectives set by the Combined Authority as vague and irrelevant to immediate needs, advocating for improvements in frequency, reliability, and ticketing approaches. It suggested incorporating incentives or penalties for franchisee management behaviours to ensure benefits flow back to users and taxpayers. Inglestone Associates expressed preference for the EP+ model, believing it would better encourage operators to deliver key objectives and benefit users and taxpayers. It cautioned against a naive reliance on franchising alone and suggested integrating elements of both approaches to maximise benefits.

Bradford-Shipley Travel Alliance strongly agreed with the assessment of current performance of the system as a whole. It emphasised the fundamental need for a frequent, high-coverage, and reliable bus network to support health initiatives and reduce greenhouse gas emissions by decreasing overall traffic



congestion. Bradford-Shipley Travel Alliance advocated for franchising as the preferred option as it believed it placed strategic management in publicly accountable hands, prioritised the passenger experience, simplified ticket systems, and stimulated operators aligned with strategic aims with greater certainty than a partnership alternative.

West Yorkshire Ticketing Company Limited stated it would continue to be a critical partner under an EP+ reform, ensuring ticket standardisation across the market and compliance with competition law through the 'Public Transport Ticketing Scheme Block Exemption' received from the Competition and Markets Authority.

Bruntwood expressed a strong interest in participating in discussions concerning the future of West Yorkshire's bus network, including plans for franchising and broader transport strategies. It criticised the current deregulated bus operation system, citing its failure to deliver a reliable, affordable, and well-integrated bus service over nearly forty years. Bruntwood advocated franchising as the most effective means of co-ordinating buses with other public transport modes and reversing the long-term decline in bus use. It acknowledged the risks with franchising but felt this would be offset due to the control and accountability it would offer. It went to emphasise the importance of local bus services in West Yorkshire, highlighting the need for the right mix of policies to support continued growth in bus usage. It also stressed the urgency of supporting the shift away from fossil fuels for transport and encouraging public transport alternatives.

6.3 Summary of responses from members of the public

Challenges facing the West Yorkshire bus market

A total of 992 members of public made comments in relation to the challenges facing the West Yorkshire bus market and the suggestion that it is not performing as well as it should. Around two in five (378) said that the bus system was underperforming and over one quarter (269) said the bus system needs improving.

"I agree. I rely on buses daily to get to and from work, and I am often frustrated by the lack of clear and up to date information about bus times, cancellations, diversions, etc."

Female, 25 - 34

"It is not performing as it should. I am a daily user of the bus services, and have been using them daily for many years, and it is horrible that it has been allowed to be so poorly run for so many years."

Male, 16 - 24

Various comments were made around issues with buses. One quarter (239) made comments about the reliability of the bus services, and that they generally needed to be improved. Others (193) made more specific comments regarding frequent cancellations. Slightly fewer (157) also commented that their bus services were regularly late.



"Buses are constantly being cancelled in Rothwell Leeds to point I don't even try using them."

Female, 25 - 34

Just under one in five participants (191) made comments about the lack of routes that the bus network covers, particularly to essential locations and surrounding areas. Participants (152) also commented that their bus services were not frequent enough or that night buses were needed (75).

"If we have a dentist, hospital appointment it is a nightmare having to rely on 1 an hour. Us pensioners can't afford to keep using taxis."

Female, 75 - 84

Other responses detailing specific issues with buses included:

- The need for a more environmentally friendly fleet (70);
- The length of journey times (64);
- The amount of overcrowding on buses (46);
- The lack of connectivity between the fleet and other modes of transport (39);
- The need for improvements in the fleet and a perception they are in bad condition (36);
- Feeling unsafe at bus stops or on buses (27);
- Poor weekend services (26);
- Comparisons between other modes of transport and the view they are quicker than bus (24);
- The buses being physically uncomfortable (8);
- That more competition between operators is needed on the network (7);
- That more school services are needed (7);
- The need for better accessibility in the fleet, making them more disability (34) and family friendly (7); and
- The need for more double decker buses and fewer single decker buses (6).

"As a woman, I find waiting for buses alone in the dark very worrying. I often feel unsafe, particularly as the routes relevant to me do not always turn up on time, or at all, and have long waits in between buses."

Female, 35 - 44

"Bus journeys take too long to make using the bus an attractive option."

Male, 35 - 44

Many participants made comments in relation to the management of buses, with one of the main points being about services which are cut due to the lack of available buses and bus drivers (124). Another key point was made by just under one in ten (85) participants who commented that operators prioritised money and profits over service. Other issues with bus management were raised by participants, including:

- Requests for more collaboration between different operators (30);
- Customers feeling that they are not being consulted on bus services (28);
- Participants blaming management for the issues facing the current bus market (19); and
- A lack of care being displayed from management about bus services (8).



"They don't care about buses such as the 537 even though it is the only bus we can get. They don't ever try to improve it nor increase service even though it is packed always."

Female, 35 - 44

Over one in ten participants (111) held the view that driving is quicker, more reliable, and cheaper than taking buses, so they felt that there was no incentive to switch.

"Recently I have attempted to use buses to save money and avoid having to drive, however on these occasions the buses are either severely late, or cancelled altogether, forcing me to use taxis or drive."

Male, 35 - 44

Specific comments were made in relation to issues with bus infrastructure. One of the key points made by participants (104) concerned customer information and how this needed to be clearer and in real-time, specifically on operator phone apps and displays at bus stops.

"The displays in the bus stops themselves have improved in the last few years, but they are still not in real time or all that accurate and this makes it much harder to plan around and requires leaving often earlier than necessary."

Female, 45 - 54

Comments were also made specifically in relation to bus stops, with seven participants calling for them to be regularly repaired and updated. Another 15 participants requested that all bus stops should be equipped with screens which displayed information about buses, such as wait times and routes. A smaller proportion (6) wanted more frequent bus stops and for there to be less distance between them, while others (7) advocated an Oyster Card style system in West Yorkshire.

"...People using public transport (if it's in there [sic] area) need to allocate a lot of time to travel. This is made worse by delayed/cancelled buses alongside poor bus shelter provisions in the cold seasons."

Female, 25 - 34

There were 61 responses made in relation to ticketing with participants describing them as confusing, particularly in relation to fares and whether they were valid for certain routes.

"The current ticketing options available must be confusing to most fare paying passengers."

Male, 65 - 74

A number of participants (36) made specific points about bus priority, commenting that the lack of it affects passenger journeys.

"Buses have inadequate priority on the roads and often struggle to weave their way between parked cars and other traffic."

Participants made a number of comments specifically relating to issues with bus operators, including negative comments about First (35) and Arriva services (28). In contrast, others (3) commented on how operators currently have good website and app functionality. A smaller number of participants also commented that the fleet is being run as well as it can be in the current circumstances (9).

A small number of comments were made relating to issues with roadworks which affected bus journeys (9) and issues with traffic on routes (2).

Finally, a small number of comments were made about the Consultation Document and the consultation itself. A few (6) requested more data in order to prove the claims made in the Strategic Case whilst others criticised the documentation, finding it difficult to understand (5).

"The new proposals look very complicated and it seems a considerable task to expect ordinary people to fully comprehend them and comment."

Male, 65 - 74

Responses to the Conclusion of the Strategic Case

A total of 927 members of public made comments in relation to the conclusion of the Strategic Case. Of these, over two thirds (580) agreed that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Another 45 participants specifically stated that they supported the franchising option over the EP+ option also outlined in the Consultation Document.

"Franchising is the only good option. Enhanced partnerships don't work and continue to fail up and down the country, or have very little success."

Male, 16 - 24

In contrast, a smaller number of participants (20) disagreed with the Scheme or felt that it would not work (19). Participants also expressed other concerns in their comments with some stating that the Proposed Franchising Scheme is too expensive (23), too risky (7), not needed (5), or doesn't do enough (5). Concerns were also raised around the Scheme's potential to cut off certain areas or communities from bus services (2). A small proportion also disagreed with a perceived proposed Council Tax increase (2).

"The Franchising scheme still leaves a fragmented and for-profit model in place. While it may deliver some small improvements it will not solve the most of the problems faced by customers."

Male, 16 - 24

Comments were also made about the Combined Authority, specifically that it did not have a good enough market knowledge to actually implement the Proposed Franchising Scheme (3). Some comments also suggested that the Combined Authority should seek funding from the Government rather than public sector funding or increased precepts (2).



"I do not understand why WYCA thinks it knows the market and requirements of potential passengers better than [sic] commercial operators."

Male, 45 - 54

A large proportion of comments made in response to the question were specifically in relation to the Proposed Franchising Scheme. One of the most cited themes was around the need for an integrated transport system and positive comments were made around the Scheme's potential to connect communities and create a more unified transport system across West Yorkshire (60).

"The Franchising Scheme appears to have the best opportunity to truly connect communities with an integrated transport system that can be tailored to citizens needs."

Male, 55 - 64

Other comments about the Proposed Franchising Scheme mentioned how similar schemes have been successful in other areas of the country, such as Manchester and London (56). Slightly fewer mentioned that the Scheme would improve the reliability of buses (50) or that the Scheme would hopefully encourage more people to use the bus and discourage car use (44). A smaller proportion suggested that the Scheme could be done in collaboration with local private bus companies (6).

"This has been a successful scheme in London for some time and has now been adopted by Manchester City Region."

Male, 55 - 64

A number of responses centred around how the Proposed Franchising Scheme would reinforce the control of the Combined Authority (39), while others commented on how the Scheme would help meet various environmental goals and other environmentally friendly initiatives (34). A similar proportion of participants asked for haste by the Combined Authority and wanted the Proposed Franchising Scheme to be implemented quickly.

"This will significantly simplify the system from the users perspective and allow control over important issues such as vehicle standards."

Male, 35 - 44

A variety of other themes were raised about the Proposed Franchising Scheme, including:

- It would promote accountability (23);
- It would improve affordability (20);
- It would require penalties should service levels not be met (20);
- It would require further consultation or evaluations to measure its effectiveness (17);
- That it is essential and needs to happen (13);
- That the cost and the long term economic benefits would outweigh the initial cost, making it worth it (13);
- It would make the fleet more efficient and reliable (10);
- That it should include other public transport methods (8);



- It would require close collaboration with neighbouring authorities and operators (6); and
- It appeared affordable (5).

"The Proposed Franchising Scheme offers the best route to meeting the strategic objectives as well as the most transparent and publicly accountable way of doing so. These strategic objectives are all appropriate."

Female, 55 - 64

Various issues with buses were mentioned in participants' comments. Participants (139) reiterated their dissatisfaction with the current bus service and hoped that the Scheme would improve it. Some responses echoed their previous comments about buses, recounting their lack of frequency (20), a poor quality fleet (11), and a lack of off-peak services (4). Others raised new points, commenting that the current fleet would be unable to accommodate a growing population (3).

"We want Leeds' vision of a place where we do not need to own a car to become a reality. Current frustration with infrequent and unreliable services make that unachievable."

Female, 65 - 74

A number of negative comments were made in relation to bus management. The main theme mentioned in comments asserted that operators placed profits ahead of good service quality (79). Comments were also made about the need for improvement in customer service, citing difficulties when trying to get in touch with operators (12).

Several comments were also made specifically in relation to operators, with a small number of responses mentioning that Arriva (7) and First Bus (8) needed more competition.

Several questions and requests for more information were mentioned in participants' comments. The most common request was for more information around ticketing, fares, and costs for passengers (7). Other comments sought clarity on how the Scheme's service would be implemented (3), and for a clearer comparison between Franchising and EP+ (2).

"Reading the table comparing Franchising and Enhanced partnership+ it isn't clear which is better as the statements aren't consistently described as outcomes."

Male, 45 - 54

Responses to the Strategic Case suggesting reform is the right thing to do

There were 113 participants who responded to the question in the longer version of the questionnaire, which asked for comments in relation to Strategic Case suggesting that reform is the right thing to do to address the challenges facing the local bus market. The main comments raised in the responses were:

- Agreement with the suggestion or supported the proposals outlined in the Strategic Case (47);
- That change needed to happen (11);
- That bus management should prioritise services over profit (8)



- Poor bus services currently (8);
- Unreliable services currently (7);
- That the fleet should be in public ownership (4);
- That public transport is becoming unattractive (4); and
- That more funding is needed to address the challenges (4).

Responses to the Combined Authority's objectives in the Strategic Case

There were 99 participants who responded to the question in the longer version of the questionnaire, which asked for comments on the Combined Authority's objectives, as set out in the Strategic Case. The main comments raised in the responses were:

- Agreement or support for the objectives (27);
- That bus services needed to become more reliable (7);
- Concerns that the objectives might not work (5);
- A preference for an expanded timetable with more out of hour services (5);
- New routes and reintroduction of cancelled routes should be considered (3); and
- A feeling that some services were better off as they were (3).

Responses to how the Proposed Franchising Scheme could deliver impact

There were 91 participants who responded to the question in the longer version of the questionnaire, which asked for comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives. The main comments raised in the responses were:

- Agreement or support for the proposals (16);
- A hope that the Proposed Franchising Scheme would improve services (3);
- A lack of belief that the Proposed Franchising Scheme would work (3);
- That the Proposed Franchising Scheme would be more effective than EP+ (3); and
- Requests for ticket prices and types to be consolidated (3).

Responses to how EP+ could deliver impact

There were 92 participants who responded to the question in the longer version of the questionnaire, which asked for comments on how EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives. The main comments raised in the responses were:

- Disagreement with EP+ or opposition to the proposals (8);
- A lack of belief in EP+, that it would work or deliver what it would set out to do (6);
- That EP+ would make no difference (6);
- The notion that bus services have been in decline for a long time (4); and
- Agreement with EP+ or support for the proposals (3).



7 The Economic Case

7.1 Introduction

This section summarises questions on the Economic Case, which concluded that the Proposed Franchising Scheme will offer value for money to the public sector.

There was one question relating to the Economic Case included in the short questionnaire - a total of 834 participants responded to this question. The same question was included in the longer questionnaire as well.

Q. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?¹⁶

A small number of participants (between 116–125) chose to answer some or all of the questions in the long questionnaire. These questions went into more detail and asked about specific elements of the Economic Case, such as the impact of the Proposed Franchising Scheme on passengers, operators and the Combined Authority. The total number of participants responding to each question is detailed at the start of each question summary later in the chapter.

Q. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?¹⁷

Q. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?¹⁸

Q. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?¹⁹

It also asked specifically about the EP+ option and its impact on passengers, operators and the Combined Authority.

Q. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?²⁰

¹⁶ Participants were advised to refer to Section 1.2.2 of the Consultation Document in the short questionnaire and Section 4.2.2 of the Consultation Document in the long questionnaire

¹⁷ Participants were advised to refer to Section 4.2.2 of the Consultation Document

¹⁸ Participants were advised to refer to Section 4.2.2 of the Consultation Document

¹⁹ Participants were advised to refer to Section 4.2.2 of the Consultation Document

²⁰ Participants were advised to refer to Section 4.2.2 of the Consultation Document



Q. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?²¹

Q. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?²²

7.2 Summary of stakeholder organisation responses

This section summarises the responses to the consultation from organisations. It starts with a summary of responses received from statutory stakeholders and organisations before summarising those received from other types of non-statutory stakeholder organisations.

7.2.1 Statutory stakeholder organisation responses

Bus operators

Connexionsbuses voiced its disappointment at the projected continued fall in passenger numbers as a result of the introduction of the Proposed Franchising Scheme, which it said was contrary to Manchester's Economic Case forecasts. It believed that the impact on operators would be significant, in particular on Small and Medium Enterprise (SME) operators which would be more unlikely to not invest, and urged the Combined Authority to guarantee SME involvement in the initial Franchising period. It also felt there were errors in the Assessment, such as the costs of Franchising, which it felt had been underestimated and 'massaged to provide the right answer'. Connexionsbuses felt the EP+ option would provide more benefits to passengers, more efficiency and certainty, as well as far less demand on the Combined Authority in terms of staffing and funding.

"The EP+ option builds on the relationship operators already have with the CA."

Connexionsbuses

The Dales and Bowland Community Interest Company questioned the claim regarding 'increasing service frequencies on existing routes, and the introduction of new routes', despite evidence suggesting such interventions would be small scale. It urged lessons to be learned from rail franchising (as well as early evidence relating to bus franchising in Greater Manchester) concerning the transfer of revenue risk away from private operators to the Combined Authority:

"We would urge WYCA to thoroughly assess what level of financial and management resource is necessary to ensure that the franchising

²¹ Participants were advised to refer to Section 4.2.2 of the Consultation Document

²² Participants were advised to refer to Section 4.2.2 of the Consultation Document



contracts and how they are performed meets the objectives and expected outcomes.”

Dales and Bowland Community Interest Company

Squarepeg Buses Ltd. thought that the Proposed Franchising Scheme would increase passenger numbers but was concerned about the uncertainty and potential decline of bus services in the interim period (i.e. before the Scheme is up and running). It felt that high quality operators would welcome the scheme, those offering a sub-standard service might struggle and the prospect of a guaranteed income (i.e. through franchising contracts) would indeed attract new operators. It did not think that an EP+ option would arrest the decline in services, despite it being the preference of larger operators.

“An EP+ is what the larger operators want in order to maintain their current hold on the market. Failure to introduce Franchising will embolden the larger operators and I believe they will start to stifle competition and be less customer focused.”

Squarepeg Buses Ltd.

J&B Travel Ltd. felt there were minimal differences between the franchising and EP+ options. It had concerns about the potential reduction in business for current operators, which would result in them withdrawing co-operation and a corresponding reduction in investment. It also said that:

“The economic impacts will only be favourable if the indexation process during the contract itself properly reflects the inflation experienced in industry costs, so this needs to be carefully considered by WYCA.”

J&B Travel Ltd.

It saw franchising as an expensive economic model and questioned whether the Combined Authority was sufficiently confident that it has the funds available over the 40-year period. It felt there is significant risk that operator numbers could decrease (particularly if SMEs were unsuccessful), which would lead to a decrease in market competition. It believed that the benefits outlined in the Assessment could be delivered at least equally through an EP+ model as the risk would remain with the operators thereby allowing change to be implemented at a faster pace. It would also allow operators to retain market share and provide best value for the Combined Authority.

Ross Travel supported the aim to increase routes and frequencies, but noted that the interventions seemed to be relatively small scale to achieve this. It also felt that the projected decline in passenger numbers was at odds with the wider objectives of bus reform. It noted the transfer of risk to the Combined Authority, which it also felt risked reducing service delivery standards and emphasised the importance of a strict contract management regime, which would incur additional management costs. It also expressed concern that cross boundary services could be cut under franchising.

In terms of EP+, Ross Travel felt that interventions would be ‘small scale’ and felt additional intervention would indeed be necessary to arrest the decline in patronage. Also, it noted that the EP+ option had a higher benefit to cost ratio.



In terms of value for money to the public sector, Ross Travel questioned the 40 year timeframe used for analysis, especially given objectives were set over 15 years.

Stagecoach thought that the Proposed Franchising Scheme would have a positive impact on passenger experience if designed and delivered effectively and that West Yorkshire communities would benefit in the longer term. In terms of the impact on operators, it felt franchising would let other operators enter the market and that longer term contracts can deliver better value for money as operators can make investments and commitments over a longer period. It proposed allowing combined bids (i.e. a single price for multiple depots or routes).

In terms of its impact on the Combined Authority, Stagecoach felt that a close working relationship would emerge as a result of introducing the Proposed Franchising Scheme. It emphasised the importance of a change mechanism to improve contracts as the Scheme evolves.

Stagecoach agreed that the Proposed Franchising Scheme would offer value for money for the public sector but felt that:

"Proposals need to be enhanced to change that decline (in bus patronage) to drive modal shift which will increase bus patronage and deliver a much higher net present value"

Stagecoach

South Pennine Community Transport felt that the Economic Case was a 'gamble with public money' and that there are no guarantees than performance will improve after investment. It identified inherent risks in buying bus depots and infrastructure from private operators and bringing them into public ownership. It also thought there would be a risk to SME operators, which have provided some of the best services across West Yorkshire – it believed that Franchising would favour large operators.

TLC Travel Ltd. felt both the Proposed Franchising Scheme and the EP+ option would have a similar impact on passengers, although it was concerned that costs could increase with the franchising option if additional resources are required. It also felt that there would be greater opportunity, particularly for smaller operators, there could also be increased risk – less competition from small operators could lead to an increase in contract prices (as a lack of market competition). TLC Travel Ltd. also thought that the financial burden of asset purchasing and facilities management would be significant for the taxpayer. It also raised an issue with the Combined Authority operating a franchising scheme:

"The Combined Authority suggests quicker interventions under a franchised environment, but this must be strongly disputed. As a Combined Authority, the decision-making process is very bureaucratic and there seems to be little ability for decision making at local level.

Private operators have the ability to make decisions quickly within regulatory boundaries and stand or fall by those decisions."

TLC Travel Ltd.

TLC Travel Ltd. also wondered if the economic impact on the Combined Authority could be more significant, and therefore a much greater risk.



First West Yorkshire felt the benefits of the Proposed Franchising Scheme for passengers were overstated, citing a report by Oxera, particularly by exaggerating commercial services margins, making unrealistic assumptions regarding services and simplifying ticketing. The operator offered to meet with the Combined Authority to ensure the correct interpretation of the data they provided, upon which margin assumptions were made. It did not accept the conclusions presented in the Economic Case. First West Yorkshire asked for further information and justification concerning the Economic Case, specifically concerning the removal of barriers to market access, the handover process, and the details of the change-over mechanism. It further referenced Oxera's report, which it said concluded that the Proposed Franchising Scheme was unaffordable for the Combined Authority, flawed in the consideration of risks it would be exposed to and that key policy targets would be unachievable.

In terms of the EP+ option, it felt that details relating to its impact on passengers were omitted from certain sections of the Consultation Document and could not, therefore, conclude that the EP+ had been adequately represented within it – the operator suggested a meeting with the Combined Authority to agree on market interventions which would be achievable within the proposed budget. It also stated that:

"The EP+ could deliver similar passenger benefits as a Franchising option in terms of network interventions by making use of Certified Qualifying Agreements, as has been successfully done across other EPs."

First West Yorkshire

Transdev Blazefield Ltd. thought that the passenger impact of the Proposed Franchising Scheme was overstated. It challenged the assumed operating margin of 7.5%, which it claimed it has never achieved before or since the pandemic:

"We therefore believe there is significant risk in the assumption that Franchising will reduce profits made."

Transdev Blazefield Ltd.

Whilst it acknowledged that franchising is better at distributing operator risk, it felt that an EP+ would provide a better margin reduction. Reference was made to smaller operators and Manchester, where Franchising has only been offered to those with a licence for over 100 vehicles. Finally, it highlighted the risk for the Combined Authority on top of existing budget pressures.

Arriva Yorkshire challenged the EP Reference Case assumption that there are no changes to the way buses are currently run, highlighting the active partnership work to enhance the network and recover patronage, as well as Project Coral to improve ticketing. It expressed concern about a loss of business for operators without compensation and stated that:

"The economic impacts will only be favourable if the indexation process detailed in the contract appropriately reflects inflation, so we urge this to be given further consideration."

Arriva West Yorkshire

Arriva Yorkshire also acknowledged the transfer of risk to the Combined Authority and the guaranteed margin built into operator contracts, which has reduced in



recent years. It felt that passengers would see benefits quicker under an EP+ scheme, and that operators are supportive of an EP+ proposal, which it stated would offer the lowest financial risk option to the Combined Authority. Finally, it felt the level of financial certainty relating to the cost of Franchising was understated.

Local government (West Yorkshire District Councils)

Calderdale Council thought that the Proposed Franchising Scheme would lead to better route planning and improved modal integration, thereby reducing journey times and improving the passenger experience. It felt that competition would be maintained through a franchising system and would benefit operators in the longer term by growing the market and minimising costs.

"The franchising system will enable the Combined Authority to better plan bus networks and public transport in general including integration with rail and MRT. The greater public sector costs will be well worth it in the longer term, with the socio-economic benefits it will bring to the region."

Calderdale Council

The council felt the EP+ option was preferable to the current EP but was concerned that it would not deliver a change to the licensing system and may not be 'legally robust'. It felt that the EP+ option would only benefit operators' short term commercial interests. It also recognised the benefit of the EP+ option in giving the Combined Authority greater co-ordination powers than it currently has but did not think it would sufficiently grow the network in the longer term as much as Franchising would.

City of Bradford Metropolitan District Council agreed that a Proposed Franchising Scheme would bring benefits to passengers, as set out in the Economic Case, and that an EP+ option would also deliver some benefits for passengers, depending on the agreement with operators. It concluded that:

"CBMDC agrees that the Proposed Franchising Scheme as proposed will offer value for money for the public sector, and constitute a good investment."

City of Bradford Metropolitan District Council

Kirklees Council identified the role of the public sector in delivering bus services moving forward, regardless of the Reform option chosen, and agreed with the conclusion that a Franchising model provides the greatest level of control and direct influence.

Leeds City Council felt operators were threatened by the prospect of franchising despite potential benefits for them. Whilst it recognised there are risks attached to franchising, it felt it is the best option. With regards to the EP+ option, it felt services would be lost and there would be an increased reliance on additional financial subsidy, whilst minimising the Combined Authority's control.

Local governments (Neighbouring transport authorities)

Lancashire County Council acknowledged the assumption that franchising would not necessarily bring about an increase in patronage, and therefore wider economic



benefit, however, it highlighted that this assumption isn't reflected in the projection of continued decline in the Assessment.

The Peak District National Park Authority acknowledged that the Proposed Franchising Scheme would benefit passengers and that the impact on operators would be dependent on their ability to win contracts. It also acknowledged the risk the Combined Authority would be taking on, particularly given the state of local authority finances and the unpredictable nature of future bus patronage. The Park Authority felt there was more uncertainty for passengers with the EP+ option, which would still allow operators to focus on the busiest routes. It also felt that an EP+ option would further increase the financial burden on the Combined Authority and would not lead to reinvestment elsewhere in the network. Finally, it highlighted the example of London and, more recently, Manchester in terms of the benefits which could be gained from providing a reliable and co-ordinated public transport system.

Bus passenger representatives and user groups

The Campaign for Better Transport agreed with the conclusion that investment to implement the Proposed Franchising Scheme could deliver value for money.

The organisation expressed concern regarding the substantial public sector cost of delivering franchising and questioned the proposed 40-year timeframe for the analysis given the uncertainty over the future economic and environmental situation – it felt that the use of such a long time period would favour options with higher upfront costs, such as franchising.

Bus Users UK felt that both reform options could offer good value for money to the public sector. It felt that there was no evidence to support the assertion that the Proposed Franchising Scheme has a higher Net Present Value, and would generate a wider range and scale of nonmonetizable benefits, compared to the EP+. It acknowledged that Franchising carried a greater risk due to the higher implementation costs. In terms of the Economic Case, the organisation concluded that:

"The overall conclusion of your analysis is that both options are deemed to provide good value for money, aligning with the Department for Transport (DfT) guidance. The Economic Case emphasises that the economic benefits of both options are robustly higher than the costs involved, although this is not evidenced clearly."

Bus Users UK

Friends of Dale Buses found it difficult to accept that a continued decline in passenger numbers would continue, as Covid-19 had previously played a significant role in this.

Action for Yorkshire Transport identified the EP+ option as the best value for money, although the group thought this was a short term view as other benefits, such as the development of an integrated network and a reduction in traffic congestion, had not been factored in.

Better Buses for West Yorkshire thought that the Proposed Franchising Scheme would bring greater benefits than the current scheme:



"Larger networks funded by decreased operator margins and also savings by removing the marketized approach to ticketing allowing integration and cheaper journeys."

Better Buses for Yorkshire

It felt the Proposed Franchising Scheme would reduce the risk for operators and transfer it to the public sector along with the corresponding benefits. Better Buses for Yorkshire also felt that the Assessment understated potential benefits (i.e. economic growth) and that local councils could also benefit from a decrease in the need for public funding. Specifically, it felt that the Economic Case does not sufficiently reflect that franchising could provide better net economic benefits. It suggested another scenario which could have been modelled was franchising against ridership growth, where the gap between it and EP+ would be even clearer.

Transport Focus found it difficult to form a judgement on the conclusion of the Economic Case as it said that a lot would depend on what improvements franchising would deliver to local services, which it did not think was entirely clear.

Employee representatives

Unite the Union focused on the impact on its members in its response to the Economic Case and thought that there has recently been a managed decline of services. It said:

"We consider that a Direct Labour Organisation to employ drivers, staff, engineering, and maintenance staff would be beneficial to reduce repeat TUPE costs, to guarantee equality across the whole franchised system, and to guarantee pension security for staff."

Unite the Union

Wakefield and District Trades Union Council noted the income generation resulting from Franchising and felt it was realistic given the economic and health benefits it would provide to its members.

West Yorkshire County Association of Trade Union Councils felt that the Proposed Franchising Scheme would improve the local economy and enable its members to get to work on time in a cost-effective manner.

Other

The Confederation of Passenger Transport did not think there was a big difference between the reform options. It was concerned that operators could lose business without compensation and that longer contracts would encourage operators to make investments. In terms of the economic impact, it stated that:

"The economic impacts will only be favourable if the indexation process during the contract itself properly reflects the inflation experienced in industry costs, so this needs to be carefully considered by WYCA"

Confederation of Passenger Transport

The organisation identified that the Combined Authority would take on greater risk by implementing the Proposed Franchising Scheme and that funds must be available. It emphasised the importance of SMEs being involved, otherwise competition in the market would decrease. It believed that the passenger benefits



outlined in the Assessment could also be equally delivered through an EP or EP+ model, with the financial risk remaining with operators.

The Competition and Markets Authority made general comments about bus reform in relation to market competition. It acknowledged that franchising would allow the Combined Authority to take control of fares and ticketing which would benefit passengers through a combination of lower and/or simpler fares and ticket types. It also identified the risk of large operators deterring smaller operators from bidding for individual franchises, thereby minimising competition.

7.2.2 Non-statutory stakeholder organisation responses

Bus operators/transport organisations

Selwyns Travel felt the Economic Case favoured those operators that could supply vehicles.

The Go-Ahead Group Ltd. supported the Economic Case suggestion that the Proposed Franchising Scheme would deliver a greater number of services which should generate more passenger choice, which would benefit them. It felt that under franchising there would be a strong competitive process for operators, with barriers to entry (e.g. providing fleet and depots) minimised, which would not require unnecessarily high bid costs. It also agreed that an open competitive process would deliver cost efficiencies, assuming the barriers for non-incumbent operators are minimised. Despite the increase in ongoing costs, it felt franchising would deliver wider financial and non-monetary benefits. In terms of EP+, the Go-Ahead Group Ltd. did not think it would provide the Combined Authority with the necessary level of control over the bus network, although it did note that the opportunity to cap fares would help meet the Combined Authority's objectives. It felt that, whilst risk would still sit with the operators under EP+, it would be minimised by reducing the risk of potentially losing business under franchising. In terms of the conclusion of the Economic Case it noted that:

"The Assessment document outlines a wide range of financial and non-monetary assumptions have been considered, which generally show a positive relative benefit of franchising over the base case, while also suggesting a stated likelihood of positive outcomes versus the EP. This appears to support the notion that Franchising could offer value for money to the public sector providing that these assumptions are met."

The Go-Ahead Group Ltd.

Town and Parish Councils in West Yorkshire

Bramhope and Carlton Parish Council identified a few areas of concern with regards to the Economic Case, such as the high benefit-to-cost ratio for both options, the lack of transition phase budget, the potential need for supplementary funding (e.g. a transport precept) and the lack of clarity as to what Wider Economic Impacts (WEIs) were assessed.

Ilkley Town Council thought that Franchising would bring benefits over the 40 year time period but not necessary in the short term due to the costs involved in providing more services. In terms of the EP+ option, some councillors felt it could



be better value for money to the public sector due to the higher benefit to cost ratio.

Elected Representative

The Leeds Conservative Group did not agree with the conclusion of the Economic Case because it did not think that the analysis had considered the full costs involved. It also felt that central government could not guarantee funding and that ongoing maintenance and repair of the bus fleet had not been fully factored in. It argued that EP+ should be the preferred option because of the lower upfront establishment costs.

Calderdale Council Conservative Group deemed both the Proposed Franchising Scheme and an EP+ to have a "very high" value for money. It reiterated its apprehension to the Calderdale Council's Cabinet regarding the costs associated with executing a Franchising model.

Academic

Leeds College of Building highlighted the importance of bus tickets being as cheap as possible to attract new passengers.

Leeds University Union agreed with the conclusion of the Economic Case and felt Franchising would positively impact graduate retention in the region.

The Elliott Hudson College felt that the current arrangement does not offer value for money.

Charity/Voluntary sector

Leeds Civic Trust felt the Proposed Franchising Scheme offered better value for money than the proposed EP+ option. It highlighted the profit being made by bus companies (13%), which it said was 3% greater than the amount deemed as 'fair' by the Competition and Markets Authority, and three times greater than profits made by bus companies in London. A franchising scheme would allow profits to be retained in the system through reinvestment. In terms of the EP+ option, it felt operators would not invest sufficient profits into driving service improvements, despite it showing a better short-term value for money. It also felt that if patronage did improve, it would further enhance the value for money of a franchised system.

Pontefract Civic Society was concerned about the time it would take for passengers to see changes and thought the EP+ option would deliver these more quickly. It felt that small operators would not be able to continue and was concerned at the financial risk being taken on by the Combined Authority. It saw the EP+ model as beneficial due to existing operator experience and because the Combined Authority could focus on implementing bus priority measures and other improvements.

Leeds Older People's Forum expressed trust in the accountants who produced the analysis.

Environment, Heritage, Amenity or Community Groups

Just Transition Wakefield felt that the Economic Case for franchising was stronger than for the EP+ model. It thought the impact of the Proposed Franchising Scheme would be greater for the public than the impact of the EP reference case or



EP+ option. Just Transition Wakefield felt patronage could increase faster under franchising, to deliver modal shift, than under either alternative model. It also felt that the roll out of zero emission buses would be enhanced under franchising. In terms of EP+, it felt there would continue to be a lack of operator accountability, with ticketing remaining disjointed, ultimately resulting in no visible improvement for passengers with no impact on declining patronage.

"If the EP+ model were to be introduced, we would be extremely concerned that the Mayor would effectively have to beg and bribe the operators to increase service frequency or to introduce new routes."

Just Transition Wakefield

The organisation also felt that the risks of the EP+ model would be greater, creating an unsustainable financial deficit without improving public transport.

Aireborough Civic Society agreed that the Proposed Franchising Scheme offered value for money, more so than the EP+ proposal. It also highlighted the profit retained by bus operators (13%) being greater than that recommended by the Competition and Markets Authority. It felt that bus companies had been cutting services without making any improvements and that service would get better under Franchising.

Health organisations

LLA Cultural & Social Outings project agreed with the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector.

Other

Hank Buses used a standard response across all questions in the questionnaire, which demanded 'its £358m back' and felt that public control of buses would be a negative outcome for the future.

Leeds Bradford Airport acknowledged that the Proposed Franchising Scheme shows the strongest Economic Case of all the options in the Consultation Document. However, it felt that detail was lacking in the figures despite it being stated that a robust and independently verified methodology was used in their calculation.

Inglestone Associates did not think that the conclusions were evidenced with real experience, as both Franchising and the EP+ option would require incentives to increase patronage. It felt that the assumed 'as is' position relating to patronage was a poor approach. With EP+, it felt there was a risk of operators 'gaming the arrangements with users and taxpayers holding the consequent quality risks'. It suggested success would depend on how the contracts were drafted and that the Combined Authority would need in-house experts to do this.

Bradford-Shipley Travel Alliance felt that the Economic Case could be strengthened by emphasising the cash benefits to the economy, as well as for the climate as it would encourage fewer car trips.

Bruntwood noted that both Reform options would deliver good value for money in cost benefit terms and that franchising was likely to be more successful at addressing the decline in bus patronage. It said that:



"We believe that the policy arguments regarding local accountability and control and the ability to deliver a better coordinated and integrated network through franchising should outweigh any short term financial benefits of a partnership plus option."

Bruntwood

Globe Travel and Station Coaches highlighted the lack of intervention to increase routes despite the projected decline in patronage. The group also referenced the transfer of financial risk to the Combined Authority and the need for strict contract management. It also felt the use of a 40-year timeframe, rather than 15 years, did not take into account the potential economic uncertainty over such a long period.

7.3 Summary of responses from members of the public

Value for money to the public sector

A total of 834 members of the public made comments in relation to the conclusion of the Economic Case, which was that it would offer value for money to the public sector. This question was asked in the short version of the questionnaire.

Of these, over two in five (360) agreed that the Proposed Franchising Scheme would deliver value for money to the public sector. Another 28 participants specifically stated that they supported the franchising option over the EP+ option also outlined in the Consultation Document.

"I believe that the proposed franchising scheme will offer value for money because the Combine Authority will have proper control of the service it is paying for."

Female, 65 - 74

"The proposed franchising would be a huge improvement over the current system and a much better use of public money."

Female, 45 - 54

Conversely, a smaller proportion of participants (51) made comments which disagreed with the conclusion of the Economic Case. They believed that the Proposed Franchising Scheme would be more expensive, particularly in the short term and to implement, and would ultimately prove to be low value for money for the public sector.

"I have rarely come across a publicly funded project that has ever met its value for money target."

Male, 45 - 54

One of the main themes raised in response was acknowledging the poor quality of the current service and the hope that a franchising scheme would ultimately lead to an improvement in service provision for the people of West Yorkshire (86).

"I don't agree with the view that bus use will continue to decline. The present system is so poor that people revert to cars for reliability. If there



is a good reliable system for 10 years people will use it. London has a good and reliable bus & underground system - not in decline!"

Male, 65 - 74

The benefit of bringing the fleet into public control was mentioned as a key strength of the Proposed Franchising Scheme (43), with many comments mentioning that profit has historically been prioritised by operators over the service on offer (26).

"Buses are being more and more subsidised by the tax payer anyway so the public sector may as well be in control of the sector."

Female, 35 - 44

A number of other responses to this question also referenced issues with the current bus system, including:

- The need for buses to be cheaper (47);
- The need for better reliability (41);
- The lack of route coverage across West Yorkshire (18);
- The poor frequency of services, including running early in the morning/late into the evening (15);
- The poor quality of the fleet (7);
- The need for additional buses to expand the fleet servicing West Yorkshire (5); and
- Issues with infrastructure, specifically more bus priority measures on the roads (3), its safety (e.g. lighting, footpaths) (1), and the need for real time information (1).

Therefore, responses agreed with the outcome of the Economic Case on the basis that the issues highlighted in participants responses would be resolved, and the outcome would be a positive impact on the passenger experience.

"The only way to have value for money is having a service people can rely on."


Female, 45 - 54

Another key theme in response to this question was the environment, with some participants holding the view that the Proposed Franchising Scheme would increase bus patronage (71), including amongst those who do not currently use the bus, and discourage car use. Another 49 participants felt that the Proposed Franchising Scheme would reduce the environmental impact of buses on the environment, whilst a handful (8) thought it would bring about a reduction in congestion.

"If the bus network is improved, more people will use the bus rather than the car, thereby reducing pollution and congestion."

Female, 65 - 74

Specific to the Proposed Franchising Scheme, a number of responses mentioned how it would benefit certain areas of West Yorkshire. These responses often linked to where respondents live and/or work – for example, 50 participants mentioned it would enhance the reputation of Leeds, and the wider region as a whole, and be good for its economic development.



"Providing a better connected WY would bring many economic benefits and improve equality in the region by supporting people to access economic and educational opportunities."

Male, 25 - 34

In terms of the Economic Case, some participants (50) acknowledged the increase in upfront costs in order to introduce the Proposed Franchising Scheme, but felt that the long term economic benefits would outweigh these. There was also support for the Proposed Franchising Scheme because it would lead to an increase in revenue which could be reinvested into the system (29), whilst others supported it because it would mean money was not paid to shareholders of private bus operators (19).

"Whilst Franchising is a huge cost in the short term, its long term economic benefits to the county will outweigh the cost."

Male, 25 - 34

However, other participants did express concern as to the cost of any franchising scheme (16), whilst some worried that these costs would be passed onto the public in the form of an increase in local taxes.

"There is no clear economic case in terms of improved services or economic gains across the County. What there are is an increased cost and additional tax burden for the public of West Yorkshire."

Male, 65 - 74

Other comments were made in support of the Proposed Franchising Scheme, which included:

- How it has worked well in other areas (e.g. London, Manchester) (14);
- The control it provides the Combined Authority over the fleet (13);
- Greater connectivity across the West Yorkshire region (13);
- How highly profitable routes could cross subsidise other routes which aren't as financially viable (7);
- An improvement in accountability (6); and
- The option has a higher BCR than the alternative options (5).

There were also a number of comments which expressed reservations about the Proposed Franchising Scheme. These included:

- The need for ongoing monitoring and consultation with all stakeholders, including regular auditing and reporting of progress (14);
- The Scheme would only deliver value for money if the service improves (which would not necessarily lead to an increase in patronage) (10);
- Franchising is solely a money making scheme (10);
- Future costs, including any increases, don't appear to have been taken into account (8);
- Franchising itself is not a panacea that can solve all of the bus network issues (8);
- Franchising is a waste of public money which would be better spent on other priorities (6);
- The Proposed Franchising Scheme carries a greater financial risk for the Combined Authority (6);



"I prefer the EP+ proposal as it seems lower risk. It doesn't stop a move to full franchising at a later stage if it's found wanting."

Female, 65 – 74

- The case has not been made that the Proposed Scheme provides value for money (5);
- A cut in services and routes would happen as a result of the Proposed Franchising Scheme (5); and
- Concerns that the Scheme would be negatively impacted by potential political changes (4).

"I fear this could be a trumped 5-year plan which quickly falls into decline as soon as it can no longer be claimed as a successful legacy project for some council leader, mayor or MP."

Female, 35 - 44

A total of 10 participants expressed support for the EP+ option over the Proposed Franchising Scheme in their comments. Some felt that an EP+ scheme would provide better value for money (2).

"I prefer the EP+ proposal as it seems lower risk. It doesn't stop a move to full franchising at a later stage if it's found wanting."

Female, 65 - 74

A number of respondents (20) saw benefits in both reform options – for example, both deliver on BCR measures.

There were a number of 'conditional' comments which expressed a need for additional information/clarification before a conclusion on the Economic Case, and its value for money to the public sector, could be provided. These included:

- Clarification as to how the 'user benefits' have been quantified (7);

"Not clear how the "user benefits" (which form the most significant element of the overall benefits) have been quantified for either proposal. It would be useful to have some commentary on what accounts for the benefit differentiation in the economic case."

Male, 45 - 54

- How the Proposed Franchising Scheme will be funded (6);
- More information about how ticketing would work and the cost of tickets (5);
- Clarity about what the additional benefits are (3);
- Explanation as to how the financial figures were arrived at (3); and
- How the Proposed Franchising Scheme will impact and reverse declining patronage numbers (3).

Finally, a number of comments in response to this question criticised the Consultation Document and the information contained within it. A few stated that it presented a biased view of the Economic Case, which they did not think was neutral (3), some expressed concern that the figures and statistics were incorrect (2) and that the projections were meaningless (4). A few participants (3) wanted an external body to validate the conclusion of the Economic Case.



"I am not able to comment on the subtleties of EP+ v franchising cost difference - far too technical for a mere bus user to understand. P.25 - for example why choose franchising if the benefit cost ratio is higher for EP+?"

Female, 65 - 74

Impacts of the Proposed Franchising Scheme on passengers, operators and the Combined Authority

There were 98 participants who responded to the question in the longer version of the questionnaire, which asked about the **impact of the Proposed Franchising Scheme on passengers**. The main comments raised in the responses were:

- Hope that the Proposed Franchising Scheme would improve services across West Yorkshire (11);
- Overall, passengers will benefit from the Proposed Franchising Scheme (10);
- General agreement with, and support of, the proposal to franchise bus services (9);
- How the Scheme would deliver a greater frequency of services (6);
- That the current service is poor and needs addressing (6);
- Concerns about declining patronage (5);
- How the Scheme would increase the number of bus routes (4);
- The Proposed Franchising Scheme would lead to cheaper fares and therefore greater value for money for passengers (5); and
- Off peak provision (i.e. early mornings, late at night, weekends etc.) would increase (5)'.

A similar number of participants (99) responded to the question about the **impact of the Proposed Franchising Scheme on operators**. The main comments raised in the responses were:

- Overall, operators will benefit from the Proposed Franchising Scheme (9);
- Operators will have to guarantee minimum service quality standards (9);
- The Scheme will ensure that services are prioritised rather than profit (9);
- A reiteration that passengers would benefit (9);
- Concern for operator profits, which might not be maintained through such a scheme (7);
- Concern for smaller operators competing against larger, well established ones (5);
- The Scheme would provide greater competition amongst operators (5);
- Hope that the Proposed Franchising Scheme would improve services across West Yorkshire (5);
- The Scheme would reward operators (4); and
- Agreement that the Proposed Franchising Scheme would be best for operators (4).

A total of 93 participants responded to the question about the **impact of the Proposed Franchising Scheme on the Combined Authority**. The main comments raised in the responses were:

- Concern over the costs to implement and manage the Proposed Franchising Scheme (5);
- The increase in financial liability for the Combined Authority (4);



- Higher costs which have to be shouldered by the public sector (3);
- The increase in responsibility for the Combined Authority (3);
- The economic benefits which the Combined Authority could realise by introducing the Proposed Franchising Scheme (3); and
- The additional control and autonomy which the Combined Authority would have over the bus service to shape it in the most appropriate way (4).

Impacts of the EP+ proposal on passengers, operators and the Combined Authority

There were 91 participants who responded to the question in the longer version of the questionnaire, which asked about the **impact of the EP+ proposal on passengers**. The main comments raised in the responses were:

- More frequent services (4);
- EP+ would lead to cheaper fares and therefore greater value for money for passengers (4);
- Hope that there would be an increase in bus patronage as a result of introducing such a scheme (3);
- Hope that services would improve as a result (3);
- It would not be as beneficial to passengers as the Proposed Franchising Scheme (3); and
- The proposal would not be an effective way to reform bus services (3).

A similar number of participants (90) made comments about the **impact of the EP+ proposal on operators**. The main comments raised in the responses were:

- Concern that increased risk for operators would lead to an increase in prices and/or a reduction in service quality to compensate (5);
- A reiteration that good quality service provision should be prioritised ahead of profit (5);
- Hope that services would improve as a result (4);
- The Proposed Franchising Scheme has greater benefits than EP+ (4);
- EP+ has greater short term benefits than franchising but also greater long-term risks (3); and
- A belief that an EP+ scheme would ultimately not work (3).

A total of 91 participants made comments about the **impact of the EP+ proposal on the Combined Authority**. The main comments raised in the responses were:

- Concern that greater costs would have to be shouldered by local authorities as more services become economically unviable (4);
- The EP+ model is lower risk than the Proposed Franchising Scheme (3);
- Money might be saved in delivering the EP+ proposal but ultimately might not be worth it given longer term risks (3);
- An EP+ model would not be as successful as the Proposed Franchising Scheme (4); and
- The risk to introduce such a scheme is necessary (3).



8 The Commercial Case

8.1 Introduction

This section summarises questions on the Commercial Case, which sought views on how the Proposed Franchising would be run commercially.

There was one question relating to the Commercial Case included in the short questionnaire - a total of 659 participants responded to this question.

Q. The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this?²³

A small number of participants (between 99–116) chose to answer some or all of the questions in the long questionnaire. These questions went into more detail and asked about specific elements of the Commercial Case, such as the Commercial Success Factors and the lotting strategy for franchising contracts, length of franchise contracts, and the approach to facilitating the involvement of small and medium sized operators. The total number of participants responding to each question is detailed at the start of each question summary later in the chapter.

Q. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?²⁴

Q. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?²⁵

Q. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?²⁶

It asked specifically about the Commercial Case in relation to the Proposed Franchising Scheme, including the length of contracts, the approach to fleet and depots, the proposed allocation of risk and responsibilities between the Combined Authority and bus operators, and the approach to procuring franchise contracts.

Q. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? ²⁷

²³ Participants were advised to refer to Section 1.2.3 of the Consultation Document.

²⁴ Participants were advised to refer to Section 4.3.2 of the Consultation Document.

²⁵ Participants were advised to refer to Section 4.3.5 of the Consultation Document.

²⁶ Participants were advised to refer to Section 4.3.5 of the Consultation Document.

²⁷ Participants were advised to refer to Section 4.3.5 of the Consultation Document.



Q. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?²⁸

Q. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?²⁹

Q. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?³⁰

Q. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?³¹

It also asked specifically about the impacts of the Proposed Franchising Scheme on the achievement of the objectives of Neighbouring transport authorities, employment and pensions, and Neighbouring transport authorities.

Q. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?³²

Q. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?³³

Q. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of Neighbouring transport authorities, as set out in the Commercial Case?³⁴

It also asked about the EP+ option and how it could support Commercial Success Factors and the conclusion that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+.

²⁸ Participants were advised to refer to Section 4.3.5 of the Consultation Document.

²⁹ Participants were advised to refer to Section 4.3.5 of the Consultation Document.

³⁰ Participants were advised to refer to Section 4.3.5 of the Consultation Document.

³¹ Participants were advised to refer to Section 4.3.5 of the Consultation Document.

³² Participants were advised to refer to Section 4.3.5 of the Consultation Document.

³³ Participants were advised to refer to Section 4.3.5 of the Consultation Document.

³⁴ Participants were advised to refer to Section 4.3.5 of the Consultation Document.



Q. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?³⁵

Q. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?³⁶

8.2 Summary of stakeholder organisation responses

This section summarises the responses to the consultation from organisations. It starts with a summary of responses received from statutory stakeholders and organisations before summarising those received from other types of non-statutory stakeholder organisations.

8.2.1 Statutory stakeholder organisation responses

Bus operators

Arriva Yorkshire questioned whether the Commercial Success Factors were appropriately focused on customer satisfaction and modal shift.

Other points in Arriva's response included:

- Requesting that franchises are procured at route level to avoid disruption to cross-boundary services;
- Advocating a 5 years + 2 years contract model to incentivise and reward high performance;
- Highlighting the need for operators to build in costs to account for working with a fleet and reports that may be unfamiliar;
- Concerns that a comparatively smaller and less dynamic market would make marketing and communications harder for the Combined Authority to deliver effectively compared to TfL in London – with expertise from the commercial sector in these areas lost under the Proposed Franchising Scheme;
- Encouraging a performance regime that is transparent, objective and measurable;

"We agree that a performance regime that incentivises operators to deliver high performance is welcome. We urge that any such performance regime be transparent, objective, and measurable. For example, punctuality measures meet this criterion but anonymous passenger surveys, for example on cleanliness of buses, are subjective and may be

³⁵ Participants were advised to refer to Section 4.3.6 of the Consultation Document.

³⁶ Participants were advised to refer to Section 4.3.7 of the Consultation Document.



undertaken on very small sample sizes which are not fully reflective of an operator's performance."

Arriva Yorkshire

- Concerns that restricting who can bid for each lot may provide competitive advantage to smaller operators, which could increase prices knowing there is a smaller pool of bidders;
- Highlighting the potential burden of having to establish or close different pension schemes each time a service contract is awarded or lost, and the impact this could have on SMEs participating in the bidding process; and
- Suggesting that some resources will be duplicated between the Combined Authority and operators meaning the Proposed Franchising Scheme will be less efficient than other alternative options.

Connexionsbuses highlighted a number of points to consider as part of the commercial approach, including the need to ensure Lots are sufficiently attractive to SMEs, that the tender process does not become more extensive, and recognising that many smaller operators may not want to operate on evenings or Sundays.

"If the first round of tenders eliminates SME's, as has happened in Manchester, you will not be driving competition between operators, as there won't be the operators left to compete."

Connexionsbuses

The response also flagged that SME depots cannot support electric vehicles, and that mechanics may specialise in vehicles of certain types, that workplace practices may differ between operators (e.g. union agreements, health and safety policies), which needs to be considered during planning.

For Connexionsbuses, the EP+ model was almost as successful commercially, at a smaller cost, while being the quickest and most reactive model.

Dales and Bowland Community Interest Company expressed concern about cross-boundary, out-of-area and other non-franchised services, especially those without depots located within West Yorkshire.

"It is not clear from the proposal how WYCA intend to include and then manage the development and tendering of cross-boundary bus services alongside the franchising contracts. We believe it is important that such services are improved to help people travel easily between West Yorkshire and surrounding areas, including the Yorkshire Dales National Park and Nidderdale National Landscape."

Dales and Bowland Community Interest Company

The company held concerns that, in their view, the terminology around cross-boundary services is centred around facilitating the continuation of services, rather than pro-actively seeking ways to improve and develop these as part of the wider transport network.

Overall they felt the Commercial Success Factors should be considered secondary to the primary objective of maximising deliverability of the Bus Service Improvement Plan by 2030.



First West Yorkshire Limited did not agree that the Proposed Franchising Scheme is better placed to meet the Commercial Success Factors. Across the different factors, they thought the EP+ approach is more likely to achieve these factors.

Other points highlighted in First West Yorkshire's response included:

- Concerns about subjectivity in the Commercial Success Factors and a lack of objective measurement;

"FWY notes that several of the Commercial Success Factors are subjective and recommends these are amended to ensure precise and objective measurement of the Scheme."

First West Yorkshire Limited

- Questions around whether the costs associated with acquiring depots account for a third depot in Leeds and the installation of EV infrastructure;
- A suggestion that strong performance could result in an addition of 3 years beyond the initial 7 year contract period for Category A lots;
- A suggestion that Category B and C Lots should run for 5 years (again, with the option of a 3 year performance-based extension);
- Concerns around an insufficient number of vehicles and the costs of zero emission buses;
- Operators will sell depots to the highest bidder and are not obliged to sell these to the Combined Authority;
- Operators' bids will likely include a risk allowance 'cushion' to protect against changes in future years costs;
- Concerns about small and medium sized operators having a less onerous bidding process, which provides them with an unfair competitive advantage; and
- Flagging the potential that competition between operators may result in downward pressure on drivers' wages, potentially resulting in driver shortages.

Globe Travel and Station Coaches argued that delivering on the Commercial Success Factors should be viewed as secondary to the primary objective of maximising deliverability of the Combined Authority's Bus Service Improvement Plan by 2030. They expressed concerns about the return on investment of the Proposed Franchising Scheme.

"The cost and complexity of the transition to a franchise system will be significant, and could easily outweigh the expected benefits"

Globe Travel and Station Coaches

Concerns were also expressed about the implications of using TUPE, in particular that it could lead to staff working for the same company while being employed on differing work conditions, which could lead to conflict.

J&B Travel Ltd highlighted a number of perceived issues with the Commercial Case for the Proposed Franchising Scheme.



"In all models passenger number decline, a success is not one by reducing vehicle use to spin passenger per head numbers up so you can call a success unless you're a Politician , whilst increasing cost only the public sector would find a success in that nor in the lack of incentives to operators."

J&B Travel Ltd

They held concerns that larger operators who are unsuccessful in bids for Lot A could then provide barriers to SMEs by bidding for opportunities at Lot C. They felt that all franchise contracts should be the same length of 7 years to assist SMEs with business leases.

Ross Travel expressed concerns regarding the impact of longer contracts on small operators, highlighting the importance of contract content due to the operating regime's tight constraints on day length and depot facilities. It emphasised the dependency of electric vehicle operation on depot suitability and suggested competitive leasing as beneficial. It also highlighted potential challenges for small operator depots regarding the installation of high voltage charging equipment and urged against financial disadvantages for small operators.

It identified revenue risk transfer to the Combined Authority as a significant risk. It was concerned about service planning and timetables, suggesting that divorcing service timetable compilation from duty requirement could lead to inefficiencies and increased costs. It advocated for standardised terms of employment to mitigate cost variations in tendering.

Ross Travel questioned the Combined Authority's approach to managing cross-boundary bus services alongside franchising contracts, stressing the need for service improvements for easy travel between West Yorkshire and surrounding areas. It urged proactive efforts to improve cross-boundary services and cautioned against underestimating the cost and complexity of transitioning to a franchise model. It felt priority should be given to Bus Service Improvement Plan over Commercial Success Factors.

It also expressed dissatisfaction with the data collecting process, asserting that assumptions about corporate practices did not consider the diverse operational models of Small and Medium Organisations (SMO). It highlighted the financial interdependence of local operators and recalled challenges it faced during the COVID-19 pandemic.

"The Commercial Success Factors should be viewed as secondary to the primary objective of maximising deliverability of the Combined Authority's Bus Service Improvement Plan by 2030."

Ross Travel

Stagecoach emphasised the benefits of public sector influence over the entire public transport network. It supported the approach but stressed the need for significant network enhancements to drive modal shift, including bus priority measures and increased services.

Stagecoach noted that competition is present only during the bid phase under Franchising, with quality managed through contractual relationships post-award. It went on to highlight the transfer of significant risk to the Combined Authority under



franchising, including fleet procurement and revenue risk, emphasising their experience and capabilities in fleet procurement. It expressed reservations about the ease of implementing franchising, noting its complexity, cost, and relatively slow implementation. It also requested further clarification on the lotting strategy in order to fully understand route level distribution and allocation between depots.

It raised questions about the proposed lease agreements and advocated for a robust residual value mechanism to protect incumbents and ensure a level playing field. It also felt that seven-year terms on contracts were short, suggesting they should have the potential to extend for good performance. It argued that the contract length should be the same regardless of operator size. Despite this, it agreed with the proposal for the Combined Authority to own depots to eliminate competitive advantages for incumbents and barriers for new entrants.

It welcomed a performance-based rewards regime as a constructive approach, highlighting the need for performance targets and penalties to reflect service specifications and existing infrastructure. It also advocated for a robust change mechanism in the franchise agreement to allow flexibility and effective management of volatile contract risks.

Stagecoach also emphasised the importance of accurate Employee Liability Information data, protection against wage increases, access to employees during mobilisation, and special arrangements for pension provision, especially for members of the Local Government Pension Scheme. It suggested mechanisms to encourage incumbents to continue training and recruiting employees to ensure a smooth transition.

"Overall, we agree with the approach and rationale. For Franchising to work in the proposed format, the depots must be owned by the WYCA, thereby eliminating competitive advantage for incumbents or barriers for new entrants."

Stagecoach

South Pennine Community Transport's response initially summarised the differences between London, Greater Manchester and West Yorkshire – in particular noting the vast rural areas in West Yorkshire. It was stressed that West Yorkshire deserves its own model that is fit and relevant to its people and landscapes.

It did not see franchising as a commercial project, arguing that similar schemes in London and Manchester are heavily subsidised. It argued that the EP+ model would deliver on the Mayor's aims and objectives in a faster, more flexible and significantly more cost-effective manner than the Proposed Franchising Scheme.

"We favour the EP+ route. We favour this as it delivers on all our shared aims, retains flexibility for the benefit of our citizens, is much faster to deliver and is hugely less expensive. ... If an EP+ doesn't work as we would hope, then public money will have been spared and franchising is still then an option."

South Pennine Community Transport

Squarepeg Buses Ltd expressed significant concerns about the ability of the Combined Authority to ensure vehicles are being kept to an acceptable standard by



the current franchise operator, and looked for reassurance from the Combined Authority in this area.

"Some operators fail to look after vehicles they own, I can't see that that (sic) they'll look after vehicles they don't?"

Squarepeg Buses Ltd

However, they were supportive of the aspects of the Commercial Case relating to the proposed allocation of risk and responsibilities, the facilitation of SMEs, and the conclusion that the Proposed Franchising Scheme will be more effective at meeting the Commercial Success Factors than an EP+ model.

TLC Travel Ltd flagged the issue of there being limited sites available for new depots across West Yorkshire if operators show hesitancy or non-cooperation with regard to taking over depots. They also question some of the funding assumptions and potential costs of the Proposed Franchising Scheme.

"The EP+ scheme is a more realistic and quantifiable scheme."

TLC Travel Ltd

They welcomed the Combined Authority wanting to actively engage and provide opportunities for smaller operators, however there are concern that TUPE may result in barriers to small operators with regard to pension provision. Similarly there is concern small operators may find it difficult to manage extensive working practices within local agreements between unions and operators.

Transdev Blazefield Ltd disagreed that franchising enables the Combined Authority to better meet its Commercial Success Factors, because the EP+ approach is designed to achieve the same objectives but at lower cost.

They expressed surprise that the Combined Authority intends to own all vehicles from the beginning, as they feel that operators using their own procurement channels could offer the ability to differentiate and compete in the bidding process. The response also included concerns that the values associated with purchasing depots are too low, when factoring in purchase costs, improvements costs and potential electrification. Lastly, the company flagged the most significant barrier for SMEs would likely to be the scale and process of bidding, even for small franchises, which they suggested had been the case in Greater Manchester.

Local government (West Yorkshire District Councils)

City of Bradford Metropolitan District Council reacted positively to the Commercial Case, and argued that the Proposed Franchising Scheme will deliver on the Commercial Success Factors compared to an EP+ model. They had no opposition in principle to Bradford appearing in the final round of lots, but wanted reassurance that services in the City would not be penalised due to being tendered last. They expressed concerns about the potential impact on cross boundary services.

"Private operators have an incentive to run services where there is demand irrespective of boundaries, yet WYCA would not have the same incentive. The areas in Bradford District that could be most impacted are the Skipton Road corridor in Keighley, at Airedale General Hospital, and Ilkley. Direct services from Bradford to Harrogate may also be affected."

Finally, the Council requested to be involved in decisions relating to fleet and depots based within Bradford to discuss the extent to which they are compliant with the Clean Air Zone.

Leeds City Council gave feedback on two specific aspects of the Commercial Case. They stressed the importance that SMEs have full opportunity to participate and that they are not overwhelmed by larger commercial operators – they acknowledged that additional support may be required to achieve this. On employment and pensions, they were positive about the Commercial Case, taking the view that the provision of well-paid, skilled work on fair terms and conditions should be welcomed.

Calderdale Council were generally positive about the Commercial Case for the Proposed Franchising Scheme. They foresaw potential difficulties in the transition period, but consider the longer-term benefits would make it worthwhile. They also proposed a service permit system to handle cross-boundary services.

"In the longer term as neighbouring areas such as Greater Manchester turn to franchising, could there be the possibility of joint franchising of cross boundary services with Neighbouring transport authorities?"

Calderdale Council

The approach to fleet management was welcomed, ensuring low emission vehicles stay within West Yorkshire and offering the possibility for greater fleet standardisation in the longer-term, which could save on costs.

Local governments (Neighbouring transport authorities)

South Yorkshire Mayoral Combined Authority's response highlighted the opportunity for the Combined Authority and SYMCA to jointly procure fleet, should SYMCA adopt a similar franchising scheme. This, it argued, could achieve efficiencies through economies of scale. However, they also flagged a potential issue that requirements around the age of the fleet and involvement in regional ticketing schemes could impact operators working in the South Yorkshire region; instead they suggested that services should either be able to continue with existing equipment and schemes, or that the Combined Authority should offer appropriate financial support to aid with the transition.

Lancashire County Council stressed the importance of granting permits so that services can continue operations and remain viable, avoiding any undue stopping restrictions should the Proposed Franchising Scheme be introduced. They also noted that should not be any technological barriers created by franchising which prohibit ticket acceptance or data sharing. Finally, they observed that bus patronage is still expected to decline under the Proposed Franchising Scheme.

Bus passenger representatives and user groups

The Campaign for Better Transport were positive about the Commercial Case for the Proposed Franchising Scheme, arguing that the existence of 26 current bus operators shows the level of competition required for a franchise model to work well. They felt this would lead to better quality service provision and better value for money for the Combined Authority.



Bus Users UK did not provide any comment on the Commercial Case, as they felt that it falls outside the remit of their organisation.

Friends of Dales Bus felt that the Proposed Franchising Scheme would be detrimental to peripheral West Yorkshire residents. With depots potentially being owned by the Combined Authority, they argued this would make opportunities more expensive and less attractive to operators, putting services at greater risk.

Action for Yorkshire Transport were positive about the Commercial Case for the Proposed Franchising Scheme.

Better Buses for West Yorkshire broadly supported the Commercial Case for the Proposed Franchising Scheme, in particular the use of public-owned infrastructure to enhance competition and reduce entry barriers.

They suggested a number of enhancements, including a publicly owned Operator of Last Resort to provide security.

"The Commercial Case lacks a robust plan for ensuring service continuity in scenarios where bids are absent, a company is unfit due to poor service, or an operator aims to withdraw from a contract."

Better Buses for West Yorkshire

They felt that a publicly-owned operator would also foster robust competition, compelling private operators to lower bid costs in order to compete. They argued that Category A lots could be banded together to speed up the franchising process.

Finally, they advocated the establishment of a DLO for hiring drivers, offering a local workforce with stable terms and conditions, which would level the playing field for operators by eliminating expectations around TUPE.

Transport Focus welcomed a performance incentive regime, but requested more details about it (including any associated monitoring regime) and the process for reviewing performance against targets and modifying services to respond to shortcomings.

Employee representatives

TUC Yorkshire & the Humber CLIC expressed the view that West Yorkshire's citizens are being failed by current services; they felt that an enhanced partnership with existing bus operators is unlikely to bring about improvement.

Unite the Union conceded that while their ultimate aim is to have a publicly owned bus infrastructure, they accept this has to be a longer term goal. They argued that they would not have confidence in an EP+ model, and consider the bus operators' support for these options to be indicative of the pressure they are under, demonstrating the benefits of the franchising model. Overall they support the Proposed Franchising Scheme as a step in the right direction.

Wakefield and District Trades Union Council felt that public ownership of the public transport system is essential to encourage modal shift and develop the network. They also advocated a role for a DLO to protect current terms and conditions for bus drivers and other employees – and argued that trade union membership and involvement with employers bring improvements for members.



West Yorkshire County Association of Trades Union Councils provided one comment on the Commercial Case, that they would prefer to see buses renationalised.

Other

The Confederation of Passenger Transport expressed reservations about the proposals, citing a lack of emphasis on improving passenger outcomes. It highlighted the need for more detailed input from operators, particularly regarding the design of franchise Lots to accommodate varying operating profiles. Concerns were raised about shorter contract lengths for smaller operators in Lots B and C, which it felt could negatively impact long-term planning and investment.

With regards to the approach for fleet under the Scheme, it felt that the options outlined in the proposals could not be achieved before the launch of franchising and asked for more clarity. It stressed the importance of operator input in discussions in order to 'get the balance and timescales right'. It highlighted various expertise by operators and how this could be shared with the Combined Authority. It went on to question the feasibility of purchasing zero-emission buses over a 15-year period, emphasising the potential gap in fleet requirements from day one.

It highlighted a significant financial cost to the taxpayer and the operational challenges associated with depot relocation. It also stressed the importance of ensuring fair treatment of operators regarding electric vehicle infrastructure and potential disadvantages for those using their own depots.

The Confederation of Passenger Transport expressed concerns about the increased risk allocation under a franchising model, particularly regarding revenue risk and timetabling challenges beyond operators' control. It also emphasised the need for clear communication and management of pension liabilities and terms and conditions. When comparing franchising with EP or EP+, it suggested that the partnership models could deliver comparable outcomes with lower implementation costs and less financial burden on the Combined Authority. It concluded by advocating for EP or EP+ models, highlighting their potential to meet commercial objectives effectively while minimising financial risks for the Combined Authority.

"If Franchising is taken forward, timetables will be set by WYCA and will have to reflect prevailing traffic conditions. Operators will therefore face a contractual risk of failing, despite being due to an issue out of their control."

Confederation of Passenger Transport

The Peak District National Park Authority was positive about the Commercial Case, arguing that it performs better than the EP+ model in delivering the Commercial Success Factors.

The allocation of risk and responsibilities were considered relatively clear, aside from a lack of clarity around the measures that are available if an operator is unable to meet contract specifications.

"For example, if inflation means that they can no longer cover the costs of operation. Does WYCA need to be able to step in to act as the operator of last resort until the contract can be re-let?"

Peak District National Park Authority



In terms of encouraging small or medium operators, the Commercial Case was received positively with the addition that flexible service arrangements do not compromise the overall aims of the programme or customer satisfaction.

On fleet management, operators may need to provide guarantees around vehicle maintenance, with recourse if buses are not returned in appropriate condition. A question was raised around the point at which it is unreasonable for operators to cover maintenance costs, in particular where buses are older or where the fleet has started to shift towards more sustainable fuel sources.

The National Park Authority's response flagged that many regular visitors travel from West Yorkshire, often by car, which has a negative impact on the surrounding area – so they are keen for bus services into the National Park to increase.

The **Competitions and Markets Authority** expressed concern about potential market concentration by major operators in franchised zones, which it felt could deter competition, emphasising the importance of ensuring opportunities for smaller firms to bid and grow. It also noted that the scale of franchises for Lot A contracts was considerably larger than Lot B and C contracts. The Competition and Markets Authority encouraged ongoing monitoring of proposals to facilitate future competition. It also highlighted the importance of the Combined Authority engaging with operators to mitigate risks and maximise the proposed mitigations, as identified in the Commercial Case.

The Competitions and Markets Authority stated that franchising would shift competition from *within* the market to competition *for* the market. It therefore highlighted the importance of designing individual franchises and competition for contracts to realise benefits from competition. It argued that the number and size of franchises could impact operators' ability and motivation to bid for contracts, affecting market competitiveness. Additionally, the Competition and Markets Authority warned against structuring franchising to maintain market structure or protect incumbents – it argued this could reduce competition intensity, leading to higher costs and a lack of pressure to innovate.

The Competitions and Markets Authority made specific reference to access to fleets and depots in its response. It urged the Combined Authority to monitor any residual value mechanism (RVM) to ensure that it achieves its intended effect, as the continued involvement of (in particular) SME operators in Franchises is central to success of any Franchising Scheme. It pointed out that, should incumbent operators exist, they might sell depots outside of the bus market, potentially causing delays for the Combined Authority in transitioning to Franchising. It recommended that the Combined Authority considers offering smaller operators the opportunity to share the Combined Authority-owned depots, along with exploring other innovative approaches, to encourage bids from new entries into the market.

In relation to depot ownership on competition, it suggested that tendering smaller packages of Lots could enhance competition. It also felt that depot ownership would be critical to winning Lot B and C contracts, highlighting this as a potential deterrent for SMOs not currently operating in the region.

It encouraged franchising policymakers to avoid structuring it in such a way that it would maintain market structure or protects incumbents, as this may lead to a reduction in intensity of competition. It went on to encourage the Combined



Authority to the proposals as a transition to a franchised market structure, with the intention to facilitate wider competition across Lot sizes in future.

It recommended implementing a performance regime to hold operators accountable and incentivise high performance. It also suggested centralised customer service functions to address passengers' concerns promptly.

The Competition and Markets Authority stressed the importance of ongoing consultation with operators of all sizes to understand the implications of franchise design on competition. They discussed the intention to use a service permit regime for cross-boundary services and highlighted the need to minimize potential negative impacts on ticketing, pricing, or service levels between franchised and non-franchised services.

8.2.2 Non-statutory stakeholder organisation responses

Bus operators/transport organisations

The Go-Ahead Group Ltd were positive about the Proposed Franchising Scheme as the best means of meeting the Commercial Success Factors. They acknowledged that EP+ may be able to bring about benefits more quickly, however these appear to be outweighed in the longer term by a franchising model.

"Through the proposed provision of depots, fleet and the mix of Lot sizes by the Combined Authority, a number of key barriers to entry have been mitigated to form the basis of a competitive market from which to drive increased public value."

Go-Ahead Group Ltd

Other points highlighted in the response included:

- Suggesting a maximum number of Category A and B Lots that an individual operator can be awarded (either on a round-by-round basis, or across multiple rounds), with a maximum market share of 25% per operator;
- Encouraging the Combined Authority to give the longest possible contracts for Categories B and C, in order to provide stability for operators and improving competition;
- Advocating a role for operators in procuring new vehicles;
- Supporting the model of the Combined Authority providing depots for a set package of routes, ensuring no tenderer is disadvantaged by not having an existing site locally;
- Welcoming a rewards-based performance regime and close collaboration between the Combined Authority and operators (e.g. on mechanisms for changes to bus routes);
- The need to ensure cross-boundary services are not put at risk by the refusal of service permits or mandating changes to existing services; and
- Acknowledgement that the Combined Authority will be taking on more risk and responsibilities, but that these are offset by the additional control that the Proposed Franchising Scheme brings.



Transport UK agreed that the Commercial Success Factors in Section 2 of the Commercial Case represented a valid methodology. It provided comments in response to the lotting strategy and felt it was appropriately balanced to facilitate bidding from operators of all sizes and recognised that this strategy might evolve in the future – it did think that the lotting strategy had the potential to attract small and medium size operators (but that it might be necessary to protect category B and C Lots from being bid for by winners of category A Lots). It did flag an area of concern with the indicative peak vehicle requirement range for category A Lots of between 45 to 100 Peak Vehicle Requirement (PVR), which it felt might deter new market entrants and limit competition. In terms of the proposed length of franchise contracts, it felt the length of category A Lots was ‘appropriate’ – it highlighted risk if initial franchise contracts were to deviate away from this, including the potential favouritism of incumbent operators, the need for additional fleet vehicles to supplement during the transition period and the overall risk of set up for a relatively small operator. However, on balance it felt 7 year contracts provided ‘appropriate balance’, as well as allowing the potential to match contract life with mid-life battery replacement on electric powered Zero Emission Vehicles (ZEVs).

Transport UK thought the approach to fleet was ‘inconsistent’ and lacking ambition. It highlighted the rate at which the Combined Authority would have to acquire ZEVs due to the lengthy lead in time before the first franchise contract started and felt this should be communicated to potential manufacturers. However, it felt the market could supply those vehicles in sufficient time and did not think there would be a significant cost differentiation between the cost of the Combined Authority ownership over the full expected working life of a vehicle or if purchased directly from a bus manufacturer without recourse to the leasing market, whilst the improvement in attractiveness from day 1 would be significant (e.g. quality, environmental impact etc.). The organisation also noted the potential issue that depots would unlikely be available by the implementation of the first phase of contracts and felt that this was a risk for operators as they would not be able to procure new Zero Emission Buses (ZEB) vehicles to operate from day 1. It felt this was a wrong approach despite the Fleet Strategy acknowledgement that it may limit competition. Despite this, Transport UK felt the approach to acquire ZEVs would provide the Combined Authority with the greatest value for money and recommended that the Combined Authority does not restrict competition for franchises only to bidders with sufficiently deep capital reserves to purchase vehicles. It mentioned the need for service level agreements (SLAs) of all ‘on bus’ Intelligent Transport Systems (ITS) and data to ensure they are maintained.

In terms of the approach to depots, Transport UK agreed in principle with the Combined Authority’s aspirations, including intervening to provide depot access/availability for those operators wishing to bid to operate franchises for larger Category A Lots. It provided some guidance based on its London experience and it stressed the importance that the Combined Authority has an end game strategy in relation to ZEV and, in relation to its plans for electric vehicles, must secure the grid to gate connections and power required for the end game strategy to be successful. Transport UK also offered advice about linking the project plan for depot provision with the plan for introducing the ZEBs proposed for the larger depot lots and urged the Combined Authority to develop the detail of this beyond what is currently available.



Transport UK believed that the proposed allocation of risk between the Combined Authority and bus operators under the Proposed Franchising System was reasonable and sensible, such as the appropriateness of gross (rather than net) cost contracts and that operators should bear the risk of employment of bus staff, service performance and operating costs. In terms of the procurement of contracts under the Proposed Franchising Scheme, Transport UK felt that the Combined Authority should be doing all in its power to maximise competition for the larger Lot A contracts and a 'once-only' pre-qualification process, available for new entrants prior to each Round involving a Lot A tender. It referenced learnings from Greater Manchester with regards to a passport process and would favour a similar approach in West Yorkshire. With regards to cross border services, Transport UK agreed with the need for additional consultation on any proposed Service Permit Regime.

When it came to the potential impact on employment and pensions, Transport UK had no issue with transfer of operators' employees to another operator or potentially the Combined Authority but did raise two issues which could arise. Firstly, to ensure a fair procurement process for franchises and, secondly, managing the risk of franchise mobilisation. It said that:

"The Combined Authority should use bus franchising as an opportunity to improve staff welfare including training and development and should ensure that investment in staff and facilities is sufficiently recognised in the quality evaluation of bids."

Transport UK

With regards to how the Proposed Franchising Scheme could support the Commercial Success Factors, Transport UK outlined several concerns as to whether it could deliver on the 'driver of competition between operators' factor. These included the Category A Lots below 100 PVR favouring incumbent operators, the length of initial contracts, and the need for new market entrants to provide additional fleet to supplement new vehicles during the transition period. Overall it concluded that:

"In summary, although Transport UK believes that the Proposed Franchising Scheme does have the potential to be the best option, the Commercial Case requires some refinement and improvement"

Transport UK

Finally, with regards to how the EP+ option could support the Commercial Success Factors it felt that, provided that the Combined Authority could implement franchising through a process which acts as a 'driver of competition', it felt that the EP+ did not provide an environment where 'Transport Authority Influence' would be as great as it would be under a franchising environment.

Town and Parish Councils in West Yorkshire

Ilkley Town Council's response included views from different councillors, with one feeling that public ownership may be more cost effective in the long run because it removes the need to bid for service. Another felt that if the Combined Authority owns and controls both the fleet and depots, then more operational risk would fall on the public sector. In addition, the response flagged the perceived risk that may not be enough bidders, or that the Combined Authority may consider a



service untenable due to cost, which could result in a service no longer being provided.

Wilsden Parish Council felt that the Proposed Franchising Scheme would be more effective at improving bus services compared to an EP+ voluntary agreement.

Otley Town Council felt that previous EP models have not delivered the promised benefits, while acknowledging the labour shortages since the Covid-19 pandemic and Brexit.

"We believe that bus services into and out of Otley are probably at their worst ever, and for these reasons and more we would not support another Bus Partnership+ variation."

Otley Town Council

The Council acknowledged the projected fall in bus patronage under a Proposed Franchising Scheme, but still felt it would provide elected representatives with a better opportunity to create a bus network which accurately reflected local needs.

Bramhope & Carlton Parish Council were positive about the Commercial Case, though they highlighted a lack of a detailed project budget and clearly identified contingency funds. They raised concerns about how the Commercial Success Factors would be measured.

"Metrics are required against which progress can be measured and regularly reported to the community."

Bramhope & Carlton Parish Council

Stainland & District Parish Council felt the Proposed Franchising Scheme offers the best option for addressing the challenges faced. They agreed that an EP+ model is unlikely to deliver the change necessary to address declining services and standards.

Elected representatives

The Leeds Conservative Group acknowledged that there would be more risk transferred to the Combined Authority with the Proposed Franchising Scheme when compared to an EP+ model. They felt that the local bus operators' involvement in the development of the EP+ proposals would give confidence in the market's ability to deliver these plans.

"Whilst delivery of EP+ is dependent on further operator agreement to some interventions and reliant on additional public sector funding, any risk associated with this to its long-term commercial sustainability is, in our view, not comparable with the greater risk and significantly more public money involved in franchising."

Leeds Conservative Group

They highlighted the additional responsibilities that would pass to the Combined Authority (service specification, branding, revenue protection, timetabling of routes, customer services) and questioned the level of experience to provide such services.



Calderdale Council Conservative Group's response detailed their concerns around the cost of the Proposed Franchising Scheme, the risks of public ownership and the timescales to fully implement the model. They argued that the EP+ model is therefore worthy of consideration in the short to medium term, with the option to implement franchising longer term if bus operators fail to deliver on commitments.

"The Calderdale Council Conservative Group acknowledges that the Franchising model could potentially deliver better bus services to meet the needs of residents, but EP Plus does offer the opportunity to improve bus services at a vastly reduced cost and implementation time."

Calderdale Council Conservative Group

Academic

UoL Sustainability Service felt that the level of change required would not be possible via an enhanced partnership or EP+ model.

Elliott Hudson College agreed that the Commercial Case appears to be the most structured and efficient way to operate the Proposed Franchising Scheme.

Charity/Voluntary sector

Leeds Civic Trust considered the Commercial Case for the Proposed Franchising Scheme to be even stronger than the current assessment. They felt that a higher level of security would be offered by a public body that would step in if private operators fail, and that the franchising model ensures profits are reinvested into service improvements. The Proposed Franchising Scheme was also seen to offer benefits around the management and retention of bus drivers.

"Franchising could support a new system whereby drivers are publicly employed by a single employer providing extra safeguards for drivers in terms of job security and Worker's Rights. This in turn, could prevent driver shortages and thereby increase reliability of services."

Leeds Civic Trust

Leeds Older People's Forum felt that the private bus companies have failed commercially by consuming significant public subsidies, and therefore they were willing to put faith in the Proposed Franchising Scheme as an alternative way of improving bus services in the area.

Pontefract Civic Society expressed a number of concerns about the Commercial Case, including the risk that large operators could win most contracts – in order to encourage SMEs to participate in opportunities, they argued that all school services should be available for bidding.

Other perceived issues included the fact that undertaking the franchising work will detract from running bus services, and that the Proposed Franchising Scheme would remove financial incentives for operators.

"The Combined Authority taking on the revenue risk whilst operators make a set profit from the contracts loses the incentive for operators to maximise revenue."

Pontefract Civic society



Overall they felt that the EP+ model should be given a chance before committing to wholesale organisation, as it reduced costs and shares risks with private operators.

Environment, Heritage, Amenity or Community Groups

Aireborough Civic Society felt that bus companies have been making large profits, while providing sub-standard bus services and that under the Proposed Franchising Scheme, those profits would be available to enhance the bus services.

Just Transition Wakefield was positive about the Commercial Case, and considered the Proposed Franchising Scheme to be more effective at delivering the Commercial Success Factors than an EP+ model.

"The proposed franchising model is beneficial to both travelling public through significant improvement to services and to operators through predictable income-expenditure patterns and risk transfer to the Combined Authority."

Just Transition Wakefield

However, the response called for reassurance that the Combined Authority leasing the depots would be a temporary or fall-back position. They held the view that vehicle maintenance should be provided by a separate organisation rather than the operators, who have less of a vested interest if they do not own the vehicles. They also encouraged the Combined Authority to consider central employment of drivers and maintenance staff.

They felt that revenue protection management is a potential weakness in that monitoring and inspection will be needed to retain confidence in standards; the Combined Authority should consider a reporting mechanism for bus users to report incidences of exceptional or poor service.

Other

Hank Buses used a standard response across all questions in the questionnaire, which demanded 'its £358m back' and felt that public control of buses would be a negative outcome for the future.

Leeds Bradford Airport saw the merits in the Combined Authority taking on responsibility for the core infrastructure and assets associated with running bus services. They felt the Combined Authority should look to reinvest savings into the improvement of bus services and assets. Engagement with bus operators was seen as an important step before the Combined Authority allocates zones or Lots under the Proposed Franchising Scheme model.

Inglestone Associates offered a sceptical view of the Commercial Case for franchising, suggesting there are a multitude of factors that make it very difficult to assess at this early stage. They felt an EP+ approach offers more potential for private sector innovation and efficiency to be leveraged, while not transferring risks to taxpayers.

"There is insufficient evidential information to conclude that the Commercial Case conclusion is either correct at this juncture or will turn out to be correct post implementation"

Inglestone Associates



Their response foresaw a potential risk around vehicle maintenance, in that franchisees would be able to “game” the system, by deferring maintenance activity and transfer that risk to the Combined Authority when the vehicles were handed back – or to cite defects or design faults, particularly among battery vehicles.

Bradford-Shipley Travel Alliance were negative about the prospect of direct public control over depots, vehicles, drivers and other ancillary staff. However, they felt that there should be a public operator of last resort that can take over services where an operator has kept to the required standards. They also questioned the evidence as to why the passenger experience was considered to be poor under previous public control.

Bruntwood indicated their preference for the Proposed Franchising Scheme over the EP+ option.

“While the introduction of Franchising will have challenges, we see such a scheme as delivering greater local control and accountability for the substantial amount of public funding directed at the local bus network. Any partnership model is dependent on third party agreement and public sector funding that cannot be guaranteed.”

Bruntwood

Bruntwood noted that the Proposed Franchising Scheme is considered affordable and that mechanisms are planned to minimise risks.

8.3 Summary of responses from members of the public

Commercial Case for the Proposed Franchising Scheme

Both the short and long questionnaires asked for comments in response to the Commercial Case for the Proposed Franchising Scheme.

A total of 638 members of the public made comments in relation to the conclusion of the Commercial Case.

Of these, around a quarter (159) explicitly expressed support for the Proposed Franchising Scheme, while 17 explicitly said they do not support it.


The other most common themes that were identified across the responses to this question include a desire to bring the fleet into public ownership and control (48) and a hope that the Proposed Franchising Scheme will improve bus services (35).

“I believe that the commercial case can be best addressed through the Proposed Franchising Scheme, where the additional risks and responsibilities can be centrally controlled and more directly responsive to bus users’ needs, rather than those of multiple private companies.”

Female, 55 - 64

A number of positive themes were identified in relation to the Proposed Franchising Scheme specifically, including the perceptions that:

- It would allow various sized operators to bid for opportunities (15);
- It would work well and improve services (6);

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- It is preferable to an Enhanced Partnership plus option (6); and
 - It would reduce monopolies (6).

"It's good that the lots will allow a range of operators of different sizes to bid."

Male, 35 - 44

"I am optimistic that this will correct monopolies developing on routes."

Female, 45 - 54

However, others had concerns or made suggestions about the Scheme, expressing views such as:

- It is unrealistic or won't work (9);
- The Scheme needs to be commercially-run to be successful (7);
- Services would be negatively affected (6); and
- It would need to be fully agreed by all operators (5).

"It won't run commercially. If you live more than 5 miles from the centre of Leeds you will be forgotten."

Male, 75 - 84

Some comments related to views on bus infrastructure, including the desire for a more environmentally-friendly fleet (15), while others felt that the buses and depots require better maintenance (8).

"Depots should be centralised for ease and to reduce congestion/wasted milage."

Male, 25 - 34

Participants also gave their views on the current management of bus services, including the view that money and profit is being prioritised over service levels (15) and that more centralised decision-making is required (5). Some also expressed concern for smaller companies (8).

"I am concerned about these companies using public money to turn a profit and pay their shareholders."

Female, 35 - 44

Other themes related to issues with bus services more generally, including the view that bus travel is too expensive and needs to be cheaper (19), there is a lack of bus routes (for example, in rural areas) (15), and that bus travel is unreliable (15).

"Too many services run for only half a day as it is."

Male, 55 - 64

A number of comments related to issues with costs, including how the venture will require investment (15). There was concern that not all financial aspects have been considered (11), that different routes will need varying levels of funding (10), and that public funds will be required to pay for any mistakes (6).



"I can see there is a need for considerable investment, but without this services are going to continue to decrease and become more expensive."

Female, 55 - 64

More general comments included the view that everyone deserves a good bus service and that certain areas should not be prioritised over others (10). Some criticised the consultation as providing too much information that they found difficult to understand (15). However, others said they would like to know more about the motivations for companies to bid for contracts (6), or to have more information generally (5).

"I'll be honest, I did not really understand the lotting and multiple rounds in Leeds, even after reading the additional documents. This will need to be well advertised and explained, especially if there is a phased implementation."

Female, 25 - 34

Commercial Success Factors

There were 81 participants who responded to the question in the longer version of the questionnaire, which asked about **the Commercial Success Factors**, as set out in the Commercial Case. The main comments raised in the responses were:

- Agreement/support for the Commercial Success Factors identified (7);
- The view that bus services should be prioritised before profit (4);

Lotting strategy

There were 84 participants who responded to the question in the longer version of the questionnaire, which asked about **the lotting strategy for franchising contracts**, as set out in the Commercial Case. The main comments raised in the responses were:

- General agreement with the proposed lotting strategy (13);
- Lots should be suitable for all size of operators (4);
- Breaking the sector into Lots increases competition (4);
- The Proposed Franchising Scheme would *reduce* competition between operators (4); and
- Services will be overlooked in favour of quick wins (3).

Length of franchise contracts

There were 85 participants who responded to the question in the longer version of the questionnaire, which asked about **the length of franchise contracts under the Proposed Franchising Scheme**, as set out in the Commercial Case. The main comments raised in the responses were:

- General agreement with the proposed contract lengths (10);
- There should be exit criteria outlined if targets are not met (9);
- The proposed contract lengths are too long or need to be made shorter (8);
- The contract length should be connected to performance (3);
- Frequent reviews or checks are needed (3); and
- The fleet should be in public ownership (3).



Approach to fleet

There were 87 participants who responded to the question in the longer version of the questionnaire, which asked about **the approach to fleet under the Proposed Franchising Scheme**, as set out in the Commercial Case. The main comments raised in the responses were:

- General agreement with the proposed approach (10)
- Noting the large initial cost (7);
- The view that the proposed approach is sensible (6);
- A zero emission fleet is very important to improve air quality and meet net zero objectives (4); and
- Needing more information about what will happen to the current fleet (4).

Approach to depots

There were 83 participants who responded to the question in the longer version of the questionnaire, which asked about **the approach to depots under the Proposed Franchising Scheme**, as set out in the Commercial Case. The main comments raised in the responses were:

- General agreement with the proposed approach (9); and
- The view that the proposed approach is sensible (5).

Risk and responsibilities between the Combined Authority and bus operators

There were 84 participants who responded to the question in the longer version of the questionnaire, which asked about **the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme**, as set out in the Commercial Case. The main comments raised in the responses were:

- The proposed approach seems fair and/or necessary (8);
- The view that the proposed approach looks effective (7)
- Concerns about the financial risks involved (6);
- All responsibilities except the actual operation of the buses should fall on the Combined Authority (4); and
- General agreement with the proposed approach (3).

The Combined Authority's approach to procuring franchise contracts

There were 77 participants who responded to the question in the longer version of the questionnaire, which asked about **the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme**, as set out in the Commercial Case. The main comments raised in the responses were:

- General agreement with the proposed approach (4); and
- The fleet should be in public ownership (3).

The Combined Authority's approach to facilitating the involvement of SMEs

There were 92 participants who responded to the question in the longer version of the questionnaire, which asked about **the Combined Authority's approach to facilitating the involvement of small and medium sized operators**, as set out in the Commercial Case. The main comments raised in the responses were:



- General agreement with the proposed approach (18);
- Small and medium sized operators will be more competitive (6);
- A less competitive environment is needed for local operators to flourish (4);
- Contracts should be tailored towards small and medium sized operators (4);
- Priority should be given to local operators (3);
- More aided is needed to make sure small operators succeed (3); and
- The fleet should be in public ownership (3).

Impacts on the objectives of Neighbouring transport authorities

There were 78 participants who responded to the question in the longer version of the questionnaire, which asked about **the impacts of the Proposed Franchising Scheme on the achievement of the objectives of Neighbouring transport authorities**, as set out in the Commercial Case. The main comments raised in the responses were:

- There should be collaboration to allow cross-boundary services (11);
- The Proposed Franchising Scheme will support the objectives of Neighbouring transport authorities (7);
- There should be a fair permit system for cross border operations (3); and
- General issues with ticketing (3).

Potential impact on employment and pensions

There were 76 participants who responded to the question in the longer version of the questionnaire, which asked about **the potential impact that the Proposed Franchising Scheme would have on employment and pensions**, as set out in the Commercial Case. The main comments raised in the responses were:

- Protecting workers' rights and pensions is a priority (11);
- Positivity about the potential impact on employment and pension (6); and
- All staff should be protected under TUPE (3).

How the Proposed Franchising Scheme could support the Commercial Success Factors

There were 78 participants who responded to the question in the longer version of the questionnaire, which asked about **how the Proposed Franchising Scheme could support the Commercial Success Factors**, as set out in the Commercial Case. The main comments raised in the responses were:

- General agreement with the Proposed Franchising Scheme (5)
- Support for the EP+ model over the Proposed Franchising Scheme (3); and
- Advertising should be managed centrally across all franchises (3).

How the EP+ could support the Commercial Success Factors

There were 76 participants who responded to the question in the longer version of the questionnaire, which asked about **how the EP+ could support the Commercial Success Factors**, as set out in the Commercial Case. The main comments raised in the responses were:

- Support for the EP+ model over the Proposed Franchising Scheme (5);
- The EP+ model will not meet the Commercial Success Factors (5);
- General disagreement with the proposed EP+ model (4); and



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- The Proposed Franchising Scheme is worth the effort and/or justifies the risks (3).

Comments on the Commercial's Case conclusion

There were 88 participants who responded to the question in the longer version of the questionnaire, which asked about **the conclusions of the Commercial Case that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+**. The main comments raised in the responses were:

- Agreement with the proposals (33);
- The Proposed Franchising scheme is better than the EP+ (5);
- Retain the EP+ model throughout West Yorkshire (3)
- Hoping that the Proposed Franchising Scheme improves services (3); and
- More evidence is required to support the case (3)



9 The Financial Case

9.1 Introduction

This section summarises questions on the Financial Case, which concluded that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but also recognises that this carries additional financial risk. There was one question relating to the Financial Case in the short questionnaire - a total of 831 participants responded to this question. The same question was included in the longer questionnaire as well.

Q. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this?³⁷

A small number of participants (between 96–117) chose to answer some or all of the questions in the long questionnaire. These questions went into more detail and asked about potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme and its affordability for the Combined Authority. The total number of participants responding to each question is detailed at the start of each question summary later in the chapter.

Q. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

Q. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?³⁸

Questions were also asked about the EP+ option, specifically concerning its affordability.

Q. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?³⁹

Finally, a question was asked about whether the greater control which the Proposed Franchising Scheme would give to the Combined Authority, and the resulting greater benefits, would be worth the additional financial risk which it would take on.

³⁷ Participants were advised to refer to Section 1.2.4 of the Consultation Document

³⁸ Participants were advised to refer to Section 4.4.4. of the Consultation Document for the first two question

³⁹ Participants were advised to refer to Section 4.4.5 of the Consultation Document



QQ. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?⁴⁰

9.2 Summary of stakeholder organisation responses

This section summarises the responses to the consultation from organisations. It starts with a summary of responses received from statutory stakeholders and organisations before summarising those received from other types of non-statutory stakeholder organisations.

9.2.1 Statutory stakeholder organisation responses

Bus operators

Arriva Yorkshire wondered whether the Transport Levy would be maintained in line with inflation in future years and cautioned that reliance on BSOG and government funding would increase the financial risk on the public purse. It felt that the transitional and management costs would be 'avoidable' by pursuing the EP+ option.

"We would suggest that as an alternative, WYCA may consider establishing an Enhanced Partnership + for 12-24 months and assess the benefits delivered from such a scheme before taking the decision to incur hundreds of millions of pounds in the franchise scheme proposed."

Arriva Yorkshire

Arriva Yorkshire did not agree that franchising would offer value for money to the public sector as it felt it would expose the Combined Authority to greater revenue risk and in the event central government funding is required, it felt it likely that this would be conditional (e.g. expansion of ULEZ, fare commitments etc.). Finally, it mentioned more budget than is available might be needed in 2028/29 and was concerned the affordability of the Proposed Franchising Scheme relied on the opportunity to draw down additional public funding.

Connexionbuses highlighted the risk of borrowing money, which would be shouldered by the Combined Authority and, by extension, the taxpayer, becoming potentially unsustainable if interest rates continue to rise. It also referenced the lack of specificity regarding government funding. It felt that the EP+ option placed the least risk on the Combined Authority and taxpayer.

Dales and Bowland Community Interest Company did not think the analysis provided a relevant review of the funding requirements or affordability.

⁴⁰ Participants were advised to refer to Section 4.4.7 of the Consultation Document



First West Yorkshire made a number of comments in response to the conclusion of the Financial Case:

- No detail was provided as to Combined Authority reserves;
- The pessimistic estimates in light of HS2 cancellation and consequent funding redistribution;
- The assumption of BSOG funding for the Franchised period, despite it being reformed (subject to consultation), and the optimistic assumptions around ZEBRA funding;
- The potential lack of political will to increase council tax; and
- Under-estimation of the quoted transition costs (£15.1m), which it stated are lower than Greater Manchester's.

It referenced Section 4 of Oxera's report, which mentions the Proposed Franchising Scheme is unaffordable, indicating it could not agree with the conclusion that the Scheme is otherwise affordable. It specifically referenced the need for:

- A full list of additional transitional costs and Capital Maintenance Costs;
- Reassurance that costs common to each scenario are fully accounted for; and
- Additional detail on how the Combined Authority would use its supplementary control to deliver better outcomes for passengers to achieve its objectives.

Specific to the Combined Authority taking on financial risk, First West Yorkshire felt that it would take on a disproportionate amount of risk in relation to the small increase in bus patronage between the Proposed Franchising Scheme and the EP+ scheme. It also referenced other issues, including:

- A lack of regard as to how the costs of Franchising could be re-pivoted within the EP+ scenario;
- Incorrect chart which demonstrates High Demand and Upside Funding resulting in less comparative journeys than High Demand and Downside Funding (Table 11 of Section 4.4.6);
- A section requiring further explanation in order to provide sufficient comparison between the EP+ and Franchising options (Section 4.4.7); and
- Risks not addressed, such as a lack of specificity regarding how Franchises would deliver the required outcome, the potential to incorrectly evaluate tenders and the potential lack of bids if Lot competitions are staged incorrectly.

"Based on the evidence presented, FWY concludes that the Scheme carries more direct financial risk to the CA compared to the EP+ but does not result in greater benefits."

First West Yorkshire Ltd.

J&B Travel did not understand how there could be greater farebox revenue as a result of declining passenger numbers and felt services would reduce. It perceived the only benefit of a franchising scheme as being that 'alternative operators could enter the market.'

Ross Travel felt that the analysis did not provide a relevant view of the funding requirement or affordability because all three options were based on a continued reduction in bus services over time, which contradicts the objectives of the service. Ross Travel reiterated this point in relation to the EP+ option. In terms of risk, it



questioned the assumption that greater control would lead to a greater realisation of benefits, which it felt had yet to be proven.

South Pennine Community Transport highlighted the costs of implementing a franchising model. It emphasised the importance of protecting SME operator involvement. Overall, it favoured the EP+ option because it felt it delivers against shared objectives, would be delivered quicker and would be less expensive.

Squarepeg Buses stated its agreement with the conclusion of the Financial Case.

Stagecoach felt that improving service levels to drive modal shift, thereby increasing passenger numbers, was central to meeting the funding requirements for the Proposed Franchising Scheme.

TLC Travel Ltd. thought the public should be asked if they would be happy to accept an increase in taxes in order to bring buses back under public control and improve services.

Transdev Blazefield Ltd. did not agree with the Consultation Document's assertion that in an EP+ scenario, a reduction in services would be necessary. In terms of the Proposed Franchising Scheme, it stated that:

"We believe it is fundamentally incorrect to conclude that greater control will deliver greater benefits as there are no guarantees that that (sic) control will be deployed in a manner that maximises benefits, especially if funding becomes an issue."

Transdev Blazefield Ltd.

Globe Travel and Station Coaches felt the analysis did not provide a robust view of the funding requirements and affordability, as it projected bus service declining over time instead of delivering the over-arching objective of an increase in bus patronage. However, it also felt the assumption that greater Combined Authority control would result in greater benefits had not yet been proven, particularly the financial risk if this benefit failed to materialise.

Local government (West Yorkshire District Councils)

The City of Bradford Metropolitan Borough Council felt that the Combined Authority should diversify investment sources for the Proposed Franchising Scheme and not rely on local authority rate contributions. However, it accepted that taking on greater financial risk, as the Proposed Franchising Scheme would entail, could be beneficial.

Kirklees Council stated that it would be unable to underwrite any additional financial risk as part of a franchise or EP+ scheme in the current economic climate, which has seen its finances come under significant additional pressure over recent years.

Leeds City Council acknowledged the challenge of balancing the risk, but nevertheless felt the benefits of the Proposed Franchising Scheme, in terms of greater public control and passenger welfare, were worth it.

Calderdale Council felt that further clarification regarding franchising funding sources was required but also stated that:



"If EP+ results in further contraction of the bus network as stated, the additional short-term funding for franchising should be well worthwhile in the longer term."

Calderdale Council

It felt the level of risk is manageable for the Combined Authority, particularly when evaluated against the benefit of greater control over bus services.

Local governments (Neighbouring transport authorities)

Lancashire County Council acknowledged the significant funding and resources required and urged protection of the financial viability of smaller operators which provide vital services, often at a lower cost base. It did not make any comment in response to the affordability of the Proposed Franchising Scheme and the role of the Combined Authority in managing it.

The Peak District National Park Authority questioned whether future impactful events, similar to a pandemic, have been factored into the risk assessment and enquired who would provide financial support to cover any deficits.

"The overall public benefit of the franchise model justifies the financial risk of this approach, assuming that the financial modelling is accurate."

Peak District National Park Authority

Bus passenger representatives and user groups

The Campaign for Better Transport referenced the 'significant' additional costs of setting up the Proposed Franchising Scheme and highlighted the importance of long-term, sustainable funding. It urged the Combined Authority to consider alternative funding options in addition to those outlined in the Financial Case (e.g. a mayoral precept, a workplace parking levy or road tolling). Despite this, it felt the benefits of implementing the Proposed Franchising Scheme outweighed the costs as it would lead to wider benefits.

"The high economic, social, health and environmental gains mean high value added for the public investment."

The Campaign for Better Transport

Friends of Dale Buses highlighted local authority borrowing could be restricted in the future and thought the EP+ option would be a less risky way forward.

Action for Yorkshire Transport thought the projected decline of bus patronage increased the financial risk associated with the Proposed Franchising Scheme, which was at odds with other regional and city-based targets (e.g. climate related goals). It also noted that the public already shoulders financial risk for the bus service by investing in it via public subsidies, with bus companies cutting routes which the Combined Authority then must subsidise without any influence. It did not think that an EP+ option would alter this.

Better Buses for West Yorkshire supported the options outlined for funding the Proposed Franchising Scheme but identified the use of mayoral precept to pay for services as a 'redistributive policy'. It felt the Financial Case overlooked the costs of the current (inadequate) service. Additionally, it expressed concerns about the assumptions in the Financial Case, specifically the projected decline in bus



patronage, which contradicts other strategies (e.g. the West Yorkshire Transport Strategy 2040 and the Connecting Leeds Transport Strategy) aiming to increase bus patronage and drive modal shift.

"It's risky to assume a continuous decline in bus passenger numbers, as this contradicts the region's existing commitments and fails to align with the pressing demands of the climate crisis."

Better Buses for West Yorkshire

Transport Focus identified that fares might have to increase to fund improvements to bus services amidst declining patronage. It felt that the Combined Authority should be driven to set more ambitious targets for growth. However, Transport Focus concluded that the Proposed Franchising Scheme, with its wider resources and funding sources, provides a larger 'safety net' and, as a result, offers more stability for passengers.

Employee representatives

TUC North East Yorkshire and Humber's response highlighted the potential of the Proposed Franchising Scheme to enhance West Yorkshire's ability to improve the network. It felt that an EP+ option would:

"Fail to meaningfully enhance bus services, wasting funding."

TUC North East Yorkshire and Humber

Wakefield and District Trade Union Council felt that the Financial Case understated the positive elements of the Proposed Franchising Scheme and thought that its impact would extend beyond West Yorkshire. The Council felt the financial benefits of franchising would have a positive impact on local authority finances and would enable additional funding to be reinvested into the transport network for the benefit of passengers.

Other

The Confederation of Passenger Transport referenced the recent reduction in constituent authorities' transport levy, which it felt would add to the challenge of maintaining bus services, and the uncertainty of potential future government funding. Its response went on to refer to the additional transitional and management costs, both during and after transition, and felt this posed a significant financial risk for the Combined Authority to undertake.

"We would reiterate that the majority of objectives of the Scheme can be met through an Enhanced Partnership or EP+ model minus the financial risk to WYCA."

Confederation of Passenger Transport

It also raised a point about the calculations used for affordability and suggested that assumptions around operator margins should be 6%-8% rather than 12%-13%. The Confederation felt that an EP+ model would not require capital investment, therefore minimizing the risk to the Combined Authority.



9.2.2 Non-statutory stakeholder organisation responses

Bus operators/transport organisations

The Go-Ahead Group emphasised the importance of ensuring long term funding was in place to support the delivery of benefits of the Proposed Franchising Scheme.

"We agree with the conclusion reached provided that higher passenger levels are sustained and that the Combined Authority demonstrates agility in network planning."

The Go Ahead Group

The Group felt that, under the EP+ scheme, the costs to provide commercially unviable routes had not been evaluated. It also noted that the retention of farebox revenue by operators would not provide the Combined Authority with the tools to realise its wider bus objectives, including stimulating demand. It highlighted the benefits of service enhancements under the Proposed Franchising Scheme, such as fare reductions, marketing, branding, and enhanced schedules/timetables, which it felt would be greater than under the EP+ scheme. Additionally, the Combined Authority could drive additional modal shift incentives, further decreasing financial risk.

Whilst **Transport UK** didn't have any comments regarding the available funding, it felt the Combined Authority should nevertheless implement the Proposed Franchising Scheme to maximise its influence over elements such as standards, specifications and delivery of bus services. It agreed with the conclusion in the Financial Case that the Proposed Franchising Scheme is affordable but emphasised the importance of encouraging market competition in bidding for franchises – it believed that the barriers to entry remain high unless the Combined Authority amends its proposed Fleet Strategy. Transport UK also agreed that the EP+ option would be affordable but had concerns that a lack of competition would arise and lead to higher Franchise costs. Finally, it agreed that the Proposed Franchising Scheme carries greater financial risk compared to the EP+ option but delivers greater benefits in terms of influence and control. It once again proposed a change in the Fleet Strategy (by not requiring new entrants to provide additional vehicles) to encourage bids by SMEs and prevent Franchises from becoming too costly.

Town and Parish Councils in West Yorkshire

Bramhope & Carlton Parish Council expressed some concerns around the Financial Case. A minority of councillors disagreed that franchising was affordable, with the capital cost of electric buses being the most significant concern. It proposed the establishment of a transport precept, which would aid transparency of funding sources.

Ilkley Town Council emphasised the importance of increasing passenger numbers and acknowledged the risk for the Combined Authority, however, it highlighted this would be reduced if higher patronage could be achieved. One councillor expressed concern regarding the high cost of the Proposed Franchising



Scheme, pointing out the EP+ option could provide the same benefits but for a lower level of financial risk.

Elected Representative

The Leeds Conservative Group highlighted the difference in financial risk between the two Reform options by reiterating and comparing the cost of the Proposed Franchising Scheme (e.g. transition costs, capital investment in the fleet and depots etc.) with the relatively low cost to transition to the EP+ option. Therefore, it agreed that the Proposed Franchising Scheme carries additional financial risk and concluded that:

"We believe that questions about affordability are dependent on unknown factors, such as whether there will be sufficient public money available to deliver the scheme."

Leeds Conservative Group

Calderdale Council Conservative Group felt that the cost to introduce and operate the Proposed Franchising Scheme would end up being more expensive and had concerns about how additional funding would be secured. Whilst it felt that intervention is necessary in the bus market, it felt the Combined Authority needs to consider competing priorities, specifically the additional financial risk.

"Local authorities in our region are under increasing budget pressures with rising costs in Adult and Children Services. This is mirrored by financial reserves at their all-time low and widening budget gaps. At the time of writing this response to the consultation, Councils Bradford, Kirklees, and Leeds are making redundancies and close to issuing section 141 [sic] notices."

Calderdale Council Conservative Group

Academic

Elliot Hudson College felt that the financial risk posed by the Proposed Franchising Scheme was worth taking in order to improve bus service, which is critical for passengers and the environment.

Charity/Voluntary sector

Leeds Civic Trust thought that bus service subsidisation already exists in West Yorkshire. It questioned the projected decline in bus patronage and felt this was at odds with other regional and city-based targets (e.g. climate related goals), which depend on a modal shift away from private vehicles and towards public transport. It referenced the West Yorkshire Transport Strategy 2040 and the Connecting Leeds Transport Strategy as two documents which include a significant increase in bus patronage – it also cited evidence from other areas which suggest franchising could deliver an increase in patronage:

"In Jersey, where they introduced franchising in 2013, ridership increased by 38% between 2012 and 2017. More recently Greater Manchester's 'Bee Network' has seen an 8% increase in its first month of operation."

Leeds Civic Trust



Leeds Older People's Forum felt that it was a 'risk worth taking' to bring buses back into public control.

Pontefract Civic Society was concerned that central and local government sources of funding presented unpredictable long-term risks. It also felt there was limited evidence as to the potential influence the Combined Authority could have over the bus network.

"The concern is that the consultation is based on the political choice for franchising. The case for EP+ is equally compelling and far less risky."

Pontefract Civic Society

Environment, Heritage, Amenity or Community Groups

Aireborough Civic Society did not believe there is a realistic financial risk, citing evidence that bus companies have not previously incurred losses in a given year through their Leeds operations.

Just Transition Wakefield thought that conclusions regarding costs, sources of capital and affordability were sound. It acknowledged the level of risk that would transfer to the Combined Authority but nevertheless felt that depots, bus stations and BEV buses would not be 'stranded assets'. It emphasised the importance of encouraging modal shift, particularly for the environment, and thought that franchising would be more likely to deliver this. Just Transition Wakefield did not support the EP+ option because:

"EP/EP+ models have shown that the bus operating companies are more interested in managing decline than in growing the network. Therefore, we absolutely agree that the potential benefits of franchising justify the risk."

Just Transition Wakefield

Other

Hank Buses used a standard response across all questions in the questionnaire, which demanded 'its £358m back' and felt that public control of buses would be a negative outcome for the future.

Leeds Bradford Airport advised the Combined Authority to seek the advice and guidance of bus operators when it comes to financial risk modelling, leveraging their experience, to ensure it has the necessary skill set to quantify risks associated with running a franchising model.

Ingleston Associates questioned the lack of reference to a single, integrated ticketing scheme. It also felt that costs had been understated and it was unclear whether the conclusions had undergone independent verification. As a result, it did not consider the Financial Case conclusion to be reliable and viewed the risk as significant. It proposed a 1-2 year trial to be conducted on a couple of busy routes to validate whether the assertions were reliable.

Bradford-Shipley Travel Alliance felt that the wider economic benefits of Franchising should be emphasised more. It also felt there was a significant risk in diverting funds from public priorities to private interests.



West Yorkshire Ticketing Company Limited referenced its contracts with third parties to run MCard, some of which run for several years. It requested careful planning to enable contractual commitments to be dropped and/or amended.

Bruntwood noted the greater capital costs of the Proposed Franchising Scheme, which seemed to suggest the EP+ approach was favoured. However, it highlighted the detailed analysis which demonstrated the affordability of the franchising option and was comfortable that risk mitigation had taken place.

9.3 Summary of responses from members of the public

Affordability and risk of the Proposed Franchising Scheme

The short questionnaire asked about the conclusion of the Financial Case, which was that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme but that this carries additional financial risk.

A total of 791 participants made comments about the conclusion of the Financial Case. Around a third of these (264) commented that risks were necessary sometimes and the benefits may outweigh the costs. Other participants expressed concern, going into further detail as to their concerns regarding why they felt this way, such as:

- Concerns that future set-up and management costs for the Proposed Franchising Scheme would ultimately be passed onto customers/members of the public (e.g. through an increase in taxation) (40);
- Concerns regarding whether local authorities can afford to fund the Proposed Franchising Scheme and the challenge of borrowing money to finance it (20);
- Concerns regarding potential political risks in the future (8), both locally and nationally – for example, if a re-elected Conservative government would continue to support Bus Reform or whether a Labour government would support it (5);

"If there's a change of government would they assist financially? What if the Mayor loses re-election?"

Anonymous, 35 - 44

- Concerns over a potential (prohibitive) increase in ticket costs as a result of Franchising (9);
- Concerns whether the right people are making the decisions (5);

"If the right people are brought in to design and manage this then I believe the risk can be mitigated."

Female, 35 - 44

- Concerns were also expressed by a few participants about drivers' futures under a franchising scheme (e.g. job security, pay etc.; 4), whether there would not be an increase in bus usage (2), and the bureaucracy which such a scheme would create (1).

There was concern regarding the inherent risk of establishing the Proposed Franchising Scheme, with some participants (26) being of the view there should be



zero financial risk, and the fact that this risk exists meaning they couldn't support franchising.

"Kirklees Council is about to go bankrupt, and many other councils are facing severe budget cuts, now is not the time to be increasing financial risk."

Female, 45 - 54

"A lot of money has already been spent of this, were these risks highlighted beforehand? Everything carries some risk, but the main financial risk I see is that money will be going on a larger team of people trying to keep declining numbers of passengers happy."

Anonymous

One of the main hopes expressed in response to this question was that services will improve, with a large number of responses reiterating the poor level of service that currently exists in terms of frequency, capacity and reliability (138) – participants felt that a change was necessary to arrest the decline in service provision. Others referenced the poor quality of the fleet and the need to invest in it, some mentioning the need for better ongoing maintenance (7).

"It cannot be any worse than the service now, which is unreliable and expensive to use. Which is why the likes of me don't use regularly but would if the service was there."

Female, 55 - 64

Other responses went on to make specific comments about the service, for example:

- From an environmental perspective, to make a greater environmental impact (32) and to increase the appeal of public transport so it encourages a modal shift away from private vehicles (33);
- From a financial perspective, to improve the affordability of the service and provide value for money (14), with other participants being prepared to pay more for a better service (5);
- From a priority perspective, to prioritise the quality of the service over the profit needing to be raised (15).

A number of comments urged the Combined Authority to limit the risk of introducing the Proposed Franchising Scheme (38). These included building more safeguards into contracts, ensuring expertise is used when drawing up contracts, etc.

"The risk needs to be calculated. If there is a plan B should the risk arise, and the potential gains outweigh the potential losses (both financial and social) then it would probably be worth the risk. Nothing ever happens without risk."

Male, 65 - 74

Some participants agreed that the benefits outweigh the risks and that some level of risk is acceptable, even necessary, to progress the project (264). Some also felt that Franchising carries less financial risk than the EP+ option (4) and others



preferred the Combined Authority to be taking on this risk rather than the private operators (4).

"Whilst there is risk, there is also chance for substantial benefit."

Male, 35 - 44

"I believe the financial risk will be outweighed by benefits to people's lives."

Female, 25 - 34

There was support expressed for buses being under public control and/or ownership (33).

"Publicly owned buses are a not a crazy experimental idea. They work well in many places."

Female, 45 - 54

"Introducing public control, through the Proposed Franchising Scheme, seems like a good financial decision as it will deliver nearly £1 billion in wider economic benefits to the region and increase control and accountability."

Anonymous

A number of participants stated they thought the Proposed Franchising Scheme was affordable (8). With specific reference to the benefits of the Proposed Franchising Scheme itself, comments were made relating to the potential impact of introducing it, such as:

- It will ultimately lead to an improvement in the local economy (25);
- Financial profits will be reinvested into expanding and improving the fleet of buses serving West Yorkshire (16);
- When it comes to the quality of the service, local accountability will exist (19);
- It will increase the Combined Authority's control over the bus fleet (12);
- It will deliver less money to the shareholders of private operators (9);
- It will be run by local authorities (i.e. constituent members of the Combined Authority) (6);
- A risk is posed to the local economy by NOT introducing Franchising (5);

"Government and Local authorities already provide substantial support/subsidy to bus companies but without the necessary control. There is substantial risk to the wider economy and society of not franchising services."

Male, 75 - 84

- It will lead to greater accessibility for all residents across West Yorkshire (5);
- It will create new job opportunities as more staff will be hired to operate the new system (4);
- It would create greater competition and eliminate monopolies (2);
- It would provide improved services for protected groups, such as the elderly and those with a disability (1);



It was also recognized that franchising had worked well in other parts of the country, such as London and Greater Manchester.

"From what I know it seems to work well in other European countries and to raise a surplus which can then be put to good use for the community in which it is generated. It has already been brought into Manchester and it could be possible to get information from what they are doing and what is working well."

Female, 55 - 64

Conversely, there was criticism of certain elements of the Proposed Franchising Scheme expressed in response to this question, such as:

- The need to properly fund the Scheme (13) using a variety of funding sources;

"I would hope that the central government – having cancelled projects like HS2 – would be able to provide some funding to cover this."

Male, 35 - 44

- The Proposed Franchising Scheme is a waste of money and there are greater priorities into which finances should be invested, including it being used by constituent authorities to invest across West Yorkshire (11);
- Some participants were unconvinced that Franchising was worth it (10);
- The risk should be taken on by private operators and not the public sector (7);
- It could result in even lower/declining bus usage (3), as well as the potential for routes and services to be cut further (2);

In terms of the EP+ option, a number of comments were made in favour of retaining an EP model across West Yorkshire or enhancing it by introducing the EP+ scheme (2). Some participants thought that the EP+ option carried less risk than the Proposed Franchising Scheme (3), whilst others felt it provided better value for money (4). Some participants expressed the view that the EP+ simply didn't go far enough from the baseline EP case to substantially change the bus market in West Yorkshire.

"EP+ seems to me to be only tinkering with the existing already failing system, and so seems pointless to pursue."

Male, 55 - 64

Another handful of comments submitted about the Proposed Franchising Scheme were more conditional in substance. For example, some participants thought that any Franchising Scheme would require ongoing monitoring and consultation to regularly assess the risk of the Scheme (12), whilst others felt that it needed to be carefully examined and scrutinised, especially in the early stages/with the early Franchises (9). Additionally, some did not think that an EP+ Scheme allowed sufficient risk management (7).

"All schemes carry risks but these can be monitored and ongoing changes where and when necessary."

Male, 55 - 64



Other comments urged the Combined Authority not to overpay for infrastructure, such as bus depots, nor for any fleet purchases which might have to be made. There was a general warning about the need for careful planning (5) and ensuring that the Combined Authority had the correct expertise in-house to deliver the Proposed Franchising Scheme (6). Some comments also urged the Combined Authority to seek the advice of private bus companies whose experience and knowledge of operating services could be beneficial in rolling out the Scheme. Other suggestions were made to improve the Scheme, such as running bus services in collaboration with other local councils (2) and using high profit routes to subsidise those which are not as profitable (3).

"The combined authority needs to have clear plans and checks and balances- don't be another HS2."

Female, 35 - 44

There were a small number of comments which called for additional information to be provided, such as:


- Further explanation as to the confirmed funding sources which would finance the Proposed Franchising Scheme (7);
- The wider plans to tackle declining bus patronage (5);
- What happens if a company withdraws from the Proposed Franchising Scheme (i.e. in terms of covering that particular route) (3);
- How future risks will be mitigated against (3);
- Clearer explanation as to the implications of carrying the debt (2);
- Better articulation regarding the risks to private operators of introducing franchising (2); and
- More positivity in the modelling, outlining the best case scenario rather than a more pessimistic projection of continuing bus patronage decline (1).

Finally, some responses criticised the contents of the Financial Case. Some felt it was difficult to understand (3), whilst others were concerned that some of the figures and statistics used within it were biased in favour of the Proposed Franchising Scheme (3).

Sources of funding for the Proposed Franchising Scheme

There were 80 participants who responded to the question in the longer version of the questionnaire, which asked about the **potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme**. The main comments raised in the responses were:

- General agreement with, and support for, the funding sources available (12);
- Concern over a potential increase in taxes (6);
- How the Government should help with funding towards the Proposed Franchising Scheme (4) and an acknowledgment that adequate funding would be required (2);
- A request for additional information as to how the funds would be allocated (6);
- The potential to access other forms of revenue to fund the Proposed Franchising Scheme (4);

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- That the Proposed Franchising Scheme provides value for money by providing cheaper fares (i.e. capped, subsidised etc.) (4); and
 - The Proposed Franchising is a financial risk for the Combined Authority (2).

Affordability of the Proposed Franchising Scheme

A similar number of participants (79) responded to the question in the long questionnaire about the Financial Case conclusion that **the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme**.

The main comments raised in the responses were:

- Around a quarter agreed with the conclusion regarding affordability (19);
- Hope that the Scheme will lead to an improvement in bus services (5);
- Concern that the Proposed Franchising Scheme would result in additional, future costs to members of the public (i.e. through increase taxation) (5); and
- Concern as to additional costs which might have to be shouldered by local authorities (2).

Affordability of the EP+

A total of 75 participants responded to the question in the long questionnaire about the Financial Case conclusion about **the affordability of the EP+**. The main comments raised in the responses were:

- Some thought EP+ represents poor value for money (6) whilst others felt the opposite, that it actually provides better value for money (4);
- It is not as beneficial as franchising in terms of long-term benefits (3);
- The investment in EP+ would be worth it (3);
- The success of EP+ relies on continued decline of bus services (2);
- The EP+ proposal will not ultimately work (2);
- Concern over the potential need to raise taxes (2); and
- Broad agreement (3) and disagreement (2) with the EP+ proposal.

Financial risk of the Proposed Franchising Scheme to the Combined Authority

A total of 92 participants responded to the question about **the direct financial risk of the Proposed Franchising Scheme to the Combined Authority (compared to the Enhanced Partnership baseline) despite it offering greater control resulting in greater benefits**. The main comments raised in the responses were:

- Benefits outweigh the risk of introducing the Scheme, and that the risk is a necessity for greater control of bus services (28);
- Overall agreement/support for taking on the additional financial risk (17);
- The need to manage the Proposed Franchising Scheme effectively (7);
- Concern over the need for additional taxes and the need to minimise the risk to the Proposed Franchising Scheme to taxpayers (6) and the additional cost (3);
- The importance of the Combined Authority having control over bus services to deliver improvement (5);
- The importance of reforming bus services in the right way (4);
- The Proposed Franchising Scheme would benefit the local economy (4);
- A lack of certainty as to whether the risk is worth taking (3);



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- The Proposed Franchising Scheme would improve passenger numbers (3);
 - The Proposed Franchising Scheme makes more sense in the long term (3);
 - The Proposed Franchising Scheme provides better value for money (3); and
 - The Proposed Franchising Scheme covers more routes than other reform options (3).



10 The Management Case

10.1 Introduction

This section summarises questions on the Management Case, which sets out how the Combined Authority would manage the Proposed Franchising Scheme. There was one question relating to the Management Case in the short questionnaire – a total of 693 participants responded to this question. The same question was included in the longer questionnaire as well.

Q. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this?⁴¹

A small number of participants (between 98–119) chose to answer some or all of the questions in the long questionnaire. These questions went into more detail and asked about the transition and implementation periods of the Proposed Franchising Scheme, management of the EP+ option and the conclusion that the Combined Authority could manage the Proposed Franchising Scheme through its existing organisational structure. The total number of participants responding to each question is detailed at the start of each question summary later in the chapter.

Q. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?⁴²

Q. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?⁴³

Q. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?⁴⁴

⁴¹ Participants were advised to refer to Section 4.5.3 of the Consultation Document

⁴² Participants were advised to refer to Section 4.5.3 of the Consultation Document

⁴³ Participants were advised to refer to Section 4.5.4 of the Consultation Document

⁴⁴ Participants were advised to refer to Section 4.5.5 of the Consultation Document



10.2 Summary of stakeholder organisation responses

This section summarises the responses to the consultation from organisations. It starts with a summary of responses received from statutory stakeholders and organisations before summarising those received from other types of non-statutory stakeholder organisations.

10.2.1 Statutory stakeholder organisation responses

Bus operators

Arriva Yorkshire confirmed it could not transfer contact centre resources as it operates a shared service contact centre located outside of West Yorkshire. The operator also mentioned that additional costs would be incurred for additional training modules for drivers and, more broadly, for its employees:

"The document also assumes that some employees will transfer into the CA which is unlikely given that operators will be required to maintain their resource to support both bidding and operating in West Yorkshire, along with wider group support responsibilities."

Arriva Yorkshire

Arriva Yorkshire also identified potential additional costs and/or delays associated with a transition away from, or integration of, existing systems used by operators. In terms of EP+, Arriva Yorkshire considered it unlikely there would be a duplication of roles between operators and the Combined Authority. The operator highlighted the risk of recruiting sufficiently skilled and experienced staff:

"Recruitment in the bus sector can be challenging with a limited number of people with bespoke expertise; with several areas exploring bus reform the pool of people available to support both the operators and the CA will be limited and may prevent a risk in the recruitment of those with the additional competencies."

Arriva Yorkshire

Connexionsbuses felt the transition and implementation phases need to be carefully managed, with a particular focus on the supply chain and the shift from one operator to another. It noted the Management Case did not identify where staff would be recruited from and recommended those with existing commercial bus operational experience should be considered.

First West Yorkshire Ltd. made several comments in response to the Management Case, including:

- Uncertainty regarding the meaning of 'Metro' in Section 4.5.2 of the Consultation Document;
- Difficulties in understanding references to 'provision of frontline services', 'service development' and 'managing [...] depots and fleets';



- That the recent announcement by the Department for Transport, regarding £2.5bn being made available for the development of Mass Transit, is a major intervention in public transport which:

"Potentially changes the backdrop to the assessment of franchising and therefore needs appropriate consideration."

First West Yorkshire

- Reference to a letter from the Combined Authority to First West Yorkshire Ltd., dated January 2024, which stated that funding for a Mass Transit scheme had not yet been approved. However, First West Yorkshire Ltd. maintains that a sensitivity assessment regarding the effect of Mass Transit on sustainable travel demand across West Yorkshire should be completed as a minimum requirement, especially given the economic modelling for Bus Reform has been conducted over a 40-year period;
- The potential risk of not securing an additional 68.5 FTE staff.

In terms of EP+, First West Yorkshire Ltd. understood there to be no resource requirement related to price capping under an EP+ proposal, that an agreement with operators regarding a Bus Control Centre hasn't been reached and felt that resources related to highways network management should be common across all Bus Reform options. The operator also identified a lack of reference to leadership/management roles, whilst average role costs are mentioned to be £1k more under EP+ than franchising. First West Yorkshire Ltd. sought reassurance that costs relating to this scenario are fully accounted for. Finally, it requested a full list of the assumed 25.5 employees associated with the EP+ option.

J&B Travel Ltd. was concerned staff will not be employed early enough in the transition process. It felt the Combined Authority could not effectively manage the Bus Franchising Scheme using its existing organisational structure due to its stated need for an additional 68.5 employees.

Ross Travel did not think the Combined Authority could manage the Proposed Franchising Scheme through its existing organisational structure, as it would not have staff with the required standard of knowledge and experience and would not be able to recruit them.

South Pennine Community Transport favoured a partnership approach, believing it would work better than placing full control with one organisation.

Squarepeg Buses questioned where the extra staff would work from.

Stagecoach agreed that the Proposed Franchising Scheme would require an investment in new teams and people at the Combined Authority. It highlighted the importance of focussing on operational, engineering and customer service, which can directly impact service provision and the customer, as opposed to just focussing on a reporting and monitoring structure.

In terms of the approach to transition and implementation, Stagecoach made several comments relating to:

- Allocation of routes to depots, and requested further information on how depots and routes would be restructured under the Proposed Franchising Scheme;



- Phasing of fleet enhancements, rather than committing to introduce them in full on day 1;
- A clear, day 1 depot status, facilities and inventory, which details the work and upgrades required or detailed assumptions provided;
- Access to employees, as winning bidders will need access to incumbent employees during mobilisation; and
- IT systems, and to no underestimate the amount of work and time involved in transition to a new authority owned technology system.

TLC Travel Ltd. felt that each transitional phase should be assessed post-implementation and was doubtful the additional roles could be delivered within the existing structure.

Local government (West Yorkshire District Councils)

The City of Bradford Metropolitan District Council emphasised the need for the Bus Services team to employ experts in bus network change. Regarding the transition period, if the Proposed Franchising Scheme goes ahead, resources should be available immediately. The Council agreed the Combined Authority could manage the Scheme through existing operational structures.

Calderdale Council welcomed the proposed additional staff and mentioned how they would positively impact public transport in West Yorkshire:

"The additional staff required by the Combined Authority to operate the franchising system will be worthwhile for the long-term future of public transport in West Yorkshire, providing an efficient method of working is developed."

Calderdale Council

It hoped that district partners would have a role to play in the transitional and implementation phases of the Proposed Franchising Scheme via the West Yorkshire Bus Alliance. The Council also welcomed the management of franchising through existing structures and requested the proposed structure and role of the Local Highway Authorities be made clearer.

Kirklees Council reiterated its commitment to work with the Combined Authority to integrate bus services with other modes of transport to encourage modal shift, improve the stability of rural services, accelerate the rollout of zero-emission buses and reinvest the farebox in local services, while ensuring services remain affordable.

Local governments (Neighbouring transport authorities)

Lancashire County Council felt the transition timescales and resourcing plans set out in the Management Case are achievable. It highlighted the challenge of delivering 68.5 additional FTE employees, due to recruitment and training. The Council also emphasised the importance of cross-boundary routes.

North Yorkshire Council stated it expects neighbouring local authorities to be fully engaged in ensuring operating standards and service levels are consistent cross-boundary, especially given the fact that several cross-boundary services are run out of West Yorkshire.

Bus passenger representatives and user groups



The Campaign for Better Transport agreed with the gradual introduction of additional staff over the transition period as it would allow the Combined Authority to increase its responsibilities incrementally.

Action for Yorkshire Transport supported the management of the bus network by the Combined Authority, as proposed in the Management Case. It felt the Proposed Franchising Scheme was more efficient, and more likely to hold bus operators accountable and simplify bus services for users. Action for Yorkshire Transport emphasised the importance of community engagement, advocating for it to be frequent and to have a clear structure and purpose.

Better Buses for West Yorkshire agreed with the Management Case for the Proposed Franchising Scheme. However, it urged the Combined Authority to place the public at the core of bus governance, citing examples from France and Spain:

"Where public water companies incorporate representatives from employees, civil society, water advocates, scientific experts, and local businesses on their boards, we propose a similar representation model for the Metro board overseeing our integrated transport services."

Better Buses for West Yorkshire

It also advocated for greater engagement with non-bus users and proposed updating the existing organisational structure to mirror the Bee Network in Greater Manchester, which had representatives from business, civil society and participatory/public groups. Regarding EP+, it felt the system did not provide sufficient 'voice for the wider public'.

Transport Focus questioned how complaint handling functions would operate under the Proposed Franchising Scheme and posed several questions about the evaluation of current bus operators' handling of complaints. It particularly welcomed the consultation during the transition and implementation phases, mentioning it appreciates plans are still at an early stage. It requested:

"In particular, we would like more explicit confirmation about how passengers and their representatives can have a say in the standards set out in contracts."

Transport Focus

Employee representatives

TUC North East Yorkshire and Humber referenced issues around pay and conditions for current bus drivers in West Yorkshire and expressed concerns about potential job losses due to Bus Reform. It acknowledged the need for TUPE transfer arrangements during changes of contract and raised concerns around pension protection for bus workers as this is not secured under law.

"This is a conversation which must be addressed, whatever decision is made as a result of this consultation."

TUC North East Yorkshire and Humber

It also expressed concern about a 'race to the bottom' in contract terms and conditions, which might have a negative impact on passenger experience. It advocated for a publicly-owned DLO, if franchising is pursued, which would place:



"Bus workers under one organisation for collective bargaining purposes and – therefore – leaving only management to private operators."

TUC North East Yorkshire and Humber

The TUC Yorkshire & the Humber CLIC emphasised the importance of bus workers receiving good pay and conditions under the Proposed Franchising Scheme. It also urged effective representation from workers, bus users and disability groups, asking for:

"The West Yorkshire Mayor and Combined Authority should lobby for legislative change to give them the powers both to establish municipal bus services and to bring private bus companies into public ownership."

TUC YH CLIC

Unite the Union proposed the following actions regarding the Proposed Franchising Scheme:

- A need for standardised pay, terms and conditions which would remove the need for TUPE transfer;
- Longer contracts to provide security to members; and
- A continuation of existing recognition agreements.

It also requested further input into pay, terms and conditions, contract lengths etc. if the Proposed Franchising Scheme was adopted.

Wakefield and District Trades Union Council expressed support for the Management Case and suggested further public and staff participation via a committee or board structure. It felt this element could also be used as a forum where ways to reduce private car usage could be identified. The Trades Union Council urged involvement from businesses, local authorities, and passengers, as well as transport workers, in any bus reform option adopted.

Other

The Competition and Markets Authority commented on the Combined Authority's ability to oversee franchising and take remedial action. It referenced the performance regime calibrated to the specific performance requirements of different contracts and emphasised the importance of holding operators to certain standards, a task the Combined Authority needs the capacity to undertake. Additionally, it highlighted the importance of centralising customer service functions as it would support the Combined Authority in responding quickly to passenger feedback:

"Understanding operator performance is essential and WYCA's proposal to manage all central customer service functions will provide a single point for passengers to provide their views on operators' service."

CMA

Finally, it recommended continued market engagement with operators of all sizes to understand how franchise design will affect market competition now and in the future.



The Confederation of Passenger Transport felt the increased number of staff required to run a system which is currently functioning would not lead to tangible outcomes for passengers. Regarding EP+, it felt there was a lack of evidence regarding the additional Combined Authority staff required. In terms of managing the Proposed Franchising Scheme within the existing operational structure, the Confederation questioned whether the current operation could remain the same with the addition of 68.5 FTE staff, commenting:

"The Combined Authority are better judged to make decisions on their structure and how they manage their own workforce and competencies, we do have concern at the level of increased bureaucracy the franchise scheme will require."

The Confederation of Passenger Transport

The Peak District National Park Authority thought the Management Case appeared 'robust' and well thought through. It felt that the EP+ reform option would be more complicated given the greater number of parties involved.

10.2.2 Non-statutory stakeholder organisation responses

Bus operators/transport organisations

The Go-Ahead Group Ltd. felt the proposed structure covered all primary functions. It emphasised the need for collaboration between teams and operators in order to share best practice. It agreed with the principle of swift implementation but advised against contract mobilisations overlapping, which it felt could prevent lessons being learnt to inform future tender rounds. In terms of contract management, the Go Ahead Group encouraged:

"Further dialogue with operators to identify efficient ways to monitor and manage service performance (including use of technology, self-reporting etc) and ensure the focus is on key priorities and driving continuous improvement, without becoming a hindrance or distraction to the operation, partnership or wider service aims"

Go Ahead Group

It thought the approach to transition and implementation of franchising was sensible but wanted roles and responsibilities of both the Combined Authority and operators to be more clearly defined. The main issue identified with the Management Case was about the increase in staffing, which it thought was due to resources required in the Bus Control Centre, which would duplicate those provided by bus operators. However it did think the additional competencies and resources identified were sensible.

Transport UK thought that the approach to managing franchised operators was carefully considered. It highlighted the risks identified in the Management Case concerning insufficient bidders, which it felt could lead to an increase in bidder prices. It recommended a revision of the Fleet Strategy to remove the requirement for new market entrants to supply additional vehicles to supplement new ones during the transition period. In terms of the transition period, it agreed that a dedicated team would be necessary. In terms of the EP+ option, it noted the



additional incremental increase required during any transition period. Transport UK also did not have any comment on the assertion in the Management Case that the Proposed Franchising Scheme could be delivered through existing operations, but did note that learnings had been taken from Greater Manchester and London.

Town and Parish Councils in West Yorkshire

Baildon Town Council called for a West Yorkshire franchised bus service network to be based on a guaranteed minimum hourly service level for all districts, which operates every day of the week and from early morning into the evening.

Bramhope & Carlton Parish Council urged the Combined Authority not to overlook Parish and Town councils in any future management arrangements.

Ilkley Town Council noted that one of its councillors expressed concern as to the increase in staffing requirements for a Proposed Franchising Scheme. Another councillor felt ongoing engagement with the public is necessary, as well as ongoing monitoring and evaluation to check the performance of the scheme.

Wilsden Parish Council felt there would be benefits to a holistic approach to network planning and that moving to a zero emissions fleet would also deliver the Council's desire for a greener environment.

Elected Representative

The **Leeds Conservative Group** noted that the franchising model would involve more staff and more costs than EP+ and did not think that the Combined Authority currently has the expertise or experience to run it, particularly as it felt the staff costs had been under-represented.

Academic

Elliott Hudson College emphasised the importance of service users and stakeholders being involved in decision making, which it felt should be at the heart of the change.

The **UoL Sustainability Service** reiterated the impact which the operational practicalities of the Proposed Franchising Scheme would have on its community. It emphasised the importance of continued consultation and also the importance of improving other forms of sustainable travel to integrate into the wider transport and mobility system.

Charity/Voluntary Sector

Leeds Older People's Forum thought that the successful operation of bus services in London would be replicated in West Yorkshire and therefore managed successfully.

Pontefract Civic Society questioned the expense to set up the management of a Proposed Franchising Scheme, as well as the historic lack of dynamism and innovation when it comes to local authority management. It also felt the consultation was:

"Designed to promote the political decision to franchise. As such it is biased"

Pontefract Civic Society



Crossgates and District Good Neighbours Scheme supported the conclusion of the Management Case.

Leeds Civic Trust supported the Management Case for the Proposed Franchising Scheme. It welcomed the involvement of the community in public engagement.

Environment, Heritage, Amenity or Community Groups

Just Transition Wakefield felt the Management Case was 'reasonable'. It advocated for greater community engagement and emphasised the need to interact with a diverse range of users and non-users, as well as ensuring geographic representation. It agreed that existing corporate and governance structures will remain fit for purpose. In terms of the EP+ option Just Transition Wakefield noted that:

"The greater control and responsibility by the bus operators makes some of the system management by the Combined Authority more challenging, not only with data collection and analysis, but specifically for on-going negotiations with operators"

Just Transition Wakefield

Aireborough Civic Society stated its support for the management of the bus network by the Combined Authority as put forward in the Management Case. It felt communication would be improved through a single, local point of contact.

Other

Hank Buses used a standard response across all questions in the questionnaire, which demanded 'its £358m back' and felt that public control of buses would be a negative outcome for the future.

Leeds Bradford Airport questioned whether the Combined Authority could fulfil the staff resourcing requirement necessary to operate a Proposed Franchising Scheme in the current economic climate.

Inglestone Associates thought there was a significant omission in the Management Case, specifically relating to the measurement and management of performance, in terms of punctuality, reliability and cancellations.

"If this metric is not carefully managed and published, users and taxpayers will never know whether the proposed new arrangements are successful or not in terms of what is important to them"

Inglestone Associates

In terms of EP+, the organisation felt the Combined Authority could become more involved to the benefit of both taxpayers and users. It suggested a trial period for any new franchising scheme to help the Combined Authority identify management-specific issues and acquire/develop the necessary skillset and competencies to run the scheme more widely.

Bradford-Shipley Travel Alliance broadly agreed with the Management Case but felt that there could be wider engagement from local authorities, businesses, passengers, transport experts and drivers.

Globe Travel and Station Coaches felt that the transfer of additional competencies to the Combined Authority would create issues, whilst the



employment of additional staff would not be possible as they would not have the required standard of skills or experience. It also identified duplication of resource given bus operators would still have to administer their own systems, whilst employees leaving the industry would make recruitment more challenging.

West Yorkshire Ticketing Company Limited highlighted the risk that the transition to a Proposed Franchising Scheme could reduce the revenue received by the MCard ticketing system, whilst the costs of operating the system would not reduce at the same rate.

10.3 Summary of responses from members of the public

Management of the Proposed Franchising Scheme

Both the short and long questionnaires asked for comments in response to how the Combined Authority would manage the Proposed Franchising Scheme.

A total of 695 members of the public made comments about how the Combined Authority would manage the Proposed Franchising Scheme, as set out in the Management Case. Around a quarter of these comments (166) expressed support for the Proposed Franchising Scheme and how it would be managed by the Combined Authority. Some of these comments went on to mention they hoped that bus reform will in fact lead to services improving as a whole (30), whilst other comments stated they preferred the Proposed Franchising Scheme option instead of an EP+ option (19).

"Having read the steps which would be taken about increased staffing then I think that the management case has been successfully addressed"

Female, 65 - 74

"I believe the Management Case conclusion appears sensible"

Male, 65 - 74

A total of 39 comments were received about the need for the Combined Authority to work collaboratively and in partnership with West Yorkshire local authorities, as well as the public and local businesses, when it comes to route decisions to ensure everyone's needs are met. Some went further and advocated for an advisory transport board, whilst others advocated this type of arrangements includes drivers and other bus service experts as well. However, others didn't go as far and simply advocated for regular engagement with service users.

"There should be a transport board with representation from the wider public, as well as businesses and local council, to advise on transport needs and make decisions on specific local services"

Male, 65 - 74

"It would be good to see stronger representation in decision making for local councils, businesses, passengers as well as experts and staff"

Female, 45 - 54



There was particular agreement with the need to employ additional staff to transition to and manage the Proposed Franchising Scheme (39), and this was seen as essential to effectively manage the service. Linked to this, some responses emphasised the importance of ensuring that these employees are skilled and experience in how to strategically and operationally run bus services (33).

"Usually people who have no clue make decisions and then end users end up with poor service Make sure right people are in the right positions"

Female, 35 - 44

There were several comments made in specific response to the transition period, and responses urged the importance of a smooth transition from the current set up to the Proposed Franchising Scheme (27).

"A smooth transition process is necessary with clear monitoring and evaluation process to make improvements as the scheme is delivered"

Male, 25 - 34

A core theme expressed in response to other questions in the consultation, and which was made by some in response to the Management Case, was the support for the Combined Authority having more control over management of the bus fleet, with a particular emphasis on the centralised/'one stop shop' decision making function (27). Other comments felt that effective management was key to achieving the overall objective of delivering a better bus services, whilst others made reference to the removal of duplication between Combined Authority functions and those provided by the bus operators (19). There was also a call amongst some for an independent body to scrutinise the Combined Authority's management of the Proposed Franchising Scheme (3).

"If there is going to be more responsibility taken on by the C.A. under either option, the C.A. might as well have full control over the management and decision-making in bus operation, as this would avoid the potential duplication of roles mentioned in the Consultation Document"

Male, 45 - 54

One area of clarification sought by some participants concerned the mechanism by which bus operators would be held to account in the event of franchise underperformance (18).

"In light of the poor performance of current commercial services, I would be interested to know the how the Combined Authority will set meaningful KPIs and measure genuine performance"

Female, 35 - 44

Linked to this, it was felt that the Proposed Franchising Scheme option would improve accountability compared to the current situation and the EP+ option.

"The main advantages - and superiority - of the proposed Franchising Scheme are the reduction of duplication and, at the end of the day, greater accountability to local tax payers through the regular democratic processes that would be much diluted under the EP+ scheme"



Male, 65 - 74

Some participants recommended the Combined Authority considers how franchising has been implemented in other regions of the country (e.g. Manchester and London) and understand best practice to ensure a smooth transition in West Yorkshire (17).

"This seems a reasonable approach, but needs to be reviewed and peer-tested against TfL and Greater Manchester as the model unfolds"

Male, 65 - 74

Comments were also made in response to the proposed staffing structure, in particular the additional staff required as set out in the Management Case. Several participants agreed that the Proposed Franchising Scheme would need to be well managed (11). There was concern about the number of new staff which need to be taken on, which was seen as unrealistic (5). There was also concern that any new staff would not be sufficiently trained and not have the bus sector experience necessary (11). Others felt that the proposed staffing structure needed to be simpler and streamlined (10). Two participants also asked for clarification as to where the additional, sufficiently qualified staff would come from (2).

"The introduction of franchising sees a completely new role for the Combined Authority and the combined Authority need to ensure it is resourced and that the people in the roles have the knowledge to make franchising a success. The Combined Authority need to ensure they recruit to these roles effectively and not take the approach of plugging gaps by moving people around"

Female, 25 - 34

Participants emphasised the importance of effective communication with the public during the transition to the Proposed Franchising Scheme (11).

"There will need to be clear communication with the public during the transition period, to avoid more disruption than what's unavoidable"

Female, 25 - 34

There were a number of other comments which struck a note of caution with regards to the Management Case as set out in the Consultation Document, such as:

- The need to cover more routes (10);
- The prohibitive cost to introduce the additional staffing required through the Proposed Franchising Scheme (8), that it would be a waste of money which would be better spent elsewhere (5), and that it would put too much pressure on the public purse (4);
- Overall disagreement with the Proposed Franchising Scheme (7) and a preference for an EP+ Scheme (4);
- The hope that service complaints will actually be heard and effectively dealt with (6);
- A franchising scheme is unnecessary (5);
- Concerns over additional, 'top heavy' bureaucracy (5); and
- The need to consider cross boundary services (5).



There were a number of participants who requested additional information relating to the Management Case, including:

- Greater detail concerning the risks, including how much they might cost (2);
- Explanation as to what mechanism would be used to provide feedback (3);
- The process if an operator withdraws from the Scheme because it can no longer cover certain routes or deliver sufficient customer service (3); and

"What will be the consequences for operators failing to meet either authority or customer expectations?"

Female, 35 - 44

- The exact sources of funding for the Proposed Franchising Scheme (3).

Other participants referred to the need for the Combined Authority to seek advice and guidance from the bus operators, which have the track record and experience of operating routes in West Yorkshire (6).

"It is also important that tender documents should allow for a certain freedom for bus operators to make recommendations in their submissions"

Male, 65 - 74

A number of other comments were made by a handful of participants, including:

- The investment required to increase staffing was deemed acceptable when proportionally compared to current levels of employment (5) whilst others agreed it was 'worth the investment' (4);

"The proposed increase of 68.5 full time equivalent staff to manage franchising seems very modest when compared with the 193 currently employed and even more modest when compared with the 25.5 increase required to manage EP+"

Male, 65 - 74

- The need to pay bus drivers and ensure they have good working conditions (4) and the need to include trade union involvement and representation (3);
- The need to reinvest profits back into improving the bus fleet on an ongoing basis (3); and
- The Proposed Franchising Scheme would be more cost effective (4).

Finally, as with responses to other questions in the consultation, comments were received about the EP+ option, including that there would be less concern about political interference with this Scheme (2) and that EP+ was more affordable than the Proposed Franchising Scheme (1).

Transition and implementation of the Proposed Franchising Scheme

There were 80 participants who responded to the question in the longer version of the questionnaire, which asked about **the approach to the transition and implementation of the Proposed Franchising Scheme** as set out in the Management Case. The main comments raised in the responses were:

- Agreement/support for the approach to transition and implementation (10);



- The perceived inefficiency in the transition and implementation process and the need to make it faster (4);
- Ensure there is sufficient routes coverage during this period (3);
- Other comments around the need to hire staff sooner and to learn lessons from areas such as Greater Manchester.

Approach to managing the EP+

There were 75 participants who responded to the question in the longer version of the questionnaire, which asked about **approach to managing the EP+**. The main comments raised in the responses were:

- An overall preference for the Proposed Franchising Scheme (5);
- The bus fleet should not be in public control and be managed privately (2);
- The EP+ proposal will require more staff (2);
- The limits to the possibilities of improving the network (2);
- The perceived track record of poor management of the bus network (2); and
- Management of an EP+ would be less efficient (2).

Managing the Proposed Franchising Scheme through existing structures

There were 80 participants who responded to the question in the longer version of the questionnaire, which asked for comments about the conclusion that **the Combined Authority could manage the Proposed Franchising Scheme through its existing organisational structure (with additional competencies and resources)**. The main comments raised in the responses were:

- One in five agreed that the Combined Authority could indeed manage the Scheme within its existing organisational structure (16);
- Concerns that it will not work (4); The Combined Authority would have to update its management structure (3);
- Private bus operator expertise will be required (3); and
- The need for a proper assessment of the organisational structure (2).



11 Description of the Proposed Franchising Scheme

11.1 Introduction

There were eight questions about the some of the practical details of the Proposed Franchising Scheme included in the long questionnaire. These questions went into more detail and asked about specific elements of the Proposed Franchising Scheme, such as if it should apply to the entire West Yorkshire region, the proposed split in geographical area and procurement zones, proposed local services to be franchised, exempt services, the date on which the Proposed Franchising Scheme is currently proposed to be implemented, and the date proposed when the first franchise contracts would be entered into. The total number of participants responding to each question is detailed at the start of each question summary later in the chapter.

Q. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?⁴⁵

Q. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?⁴⁶

Q. Do you have any comments on the local services that are proposed to be franchised?⁴⁷

Q. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?⁴⁸

Q. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?⁴⁹

Q. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?⁵⁰

⁴⁵ Participants were advised to refer to Section 3.2 of the Consultation Document

⁴⁶ Participants were advised to refer to Section 3.3 of the Consultation Document

⁴⁷ Participants were advised to refer to Section 3.4 of the Consultation Document

⁴⁸ Participants were advised to refer to Section 3.4 of the Consultation Document

⁴⁹ Participants were advised to refer to Section 3.5 of the Consultation Document

⁵⁰ Participants were advised to refer to Section 3.5 of the Consultation Document



Q. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?⁵¹

Q. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?⁵²

11.2 Summary of stakeholder organisation responses

This section summarises the responses to the consultation from organisations. It starts with a summary of responses received from statutory stakeholders and organisations before summarising those received from other types of non-statutory stakeholder organisations.

11.2.1 Statutory stakeholder organisation responses

Bus operators/transport organisations

Arriva Yorkshire referred to its cross-boundary services into North and South Yorkshire, as well as into East Riding. It expressed concerns that reducing operations in neighbouring areas could jeopardize services into other counties, particularly Selby in North Yorkshire, which it felt relied on existing cross-subsidy when it comes to affording cost overheads. It also felt that this might lead to a decrease in services to key employment locations outside of West Yorkshire and noted the complexities of West Yorkshire's geography, emphasising the need for a nuanced approach to service solutions.

Arriva Yorkshire highlighted potential challenges with existing depots operating cross boundary services, which it felt could affect employee transfers under TUPE regulations. It awaited more detailed information on routes and depots to provide further insights into associated risks. It suggested excluding services for large events due to the irregular nature of them.

It stressed the importance of giving operators sufficient time to respond to tenders to ensure open and fair competition. It also emphasised the difficulty of recruiting and training large numbers of drivers within short timeframes, given the current employment environment and logistical constraints.

Additionally, Arriva Yorkshire argued that the proposals seemed to focus on those currently impacted by the existing bus network, without considering the views of those using other modes of transportation. It suggested understanding the perspectives of users of other modes to effectively promote modal shift.

⁵¹ Participants were advised to refer to Section 3.5 of the Consultation Document

⁵² Participants were advised to refer to Section 3.6 of the Consultation Document



"West Yorkshire is a complex geographical area with a mix of urban and interurban services operating across the region, consequently there is no single service solution that is appropriate throughout."

Arriva Yorkshire

Connexionsbuses voiced its preference for the Proposed Franchising Scheme to apply to the entire region (if implemented). It pointed out that certain tendered services, as well as school services operating to out-of-boundary schools, should be exempt from franchising, as it argued they were previously overlooked by West Yorkshire Combined Authority. It also highlighted the need for clarity on the implications of cross-boundary permits.

It emphasised the need to provide sufficient time for operators to adapt to any changes and suggested exemptions for cross-boundary, local bus, and school services. Connexionsbuses stressed the importance of giving operators adequate time to transition systems, health and safety procedures, and maintenance operations.

It also called for transparency in revealing the true costs to the public and the future financial implications of the Proposed Franchising Scheme, emphasising that honesty was crucial for obtaining accurate responses.

Dales and Bowland Community Interest Company expressed support for a consistent approach across West Yorkshire but voiced concerns about the Proposed Franchising Scheme's handling of cross-boundary links, particularly with neighbouring areas like North Yorkshire, South Yorkshire, and Lancashire. It emphasised the importance of integrating these links within West Yorkshire's bus network to maintain social and economic connectivity.

It highlighted uncertainties regarding the provision of cross-boundary and out-of-area services under the Proposed Franchising Scheme, citing examples like services currently operated by Transdev from the Keighley depot. It raised concerns about potential cuts to such services due to franchising implementation and urged clarity on how these services would be managed.

Regarding the consultation process, it noted unclear presentation of included services and emphasised the need for flexibility to accommodate additional bus services for special events and seasonal leisure services. It also highlighted potential issues with the proposed implementation date, particularly its proximity to the end of the school year and its impact on seasonal services.

While it didn't offer specific suggestions for managing the transition period, it underscored the importance of maintaining service levels, retaining key employees, and ensuring continued bus network development during the interim period. Additionally, it advocated for public consultation on the franchised network design before finalisation, with ongoing consultation afterward to incorporate lessons learned from other regions like Greater Manchester.

"The design of the franchised network should be subject to public consultation before it is finalised, followed by ongoing consultation at six-monthly intervals from its implementation. Lessons learnt from Greater Manchester's network design should be fully reflected."

Dales and Bowland Community Interest Company



First West Yorkshire Ltd. believed that applying the Proposed Franchising Scheme across the entire geography of West Yorkshire would ensure alignment with transport policies and objectives. It acknowledged the sense in aligning ten zones with local authority boundaries but raised concerns about potential limitations on operational efficiency.

It advocated applying the Scheme to all services, including school services, and expressed reservations about perceived shortcomings with the current network design. It highlighted the need for clarity on how services like express services and 'exceptional' services (e.g. Leeds Festival) would be treated.

First West Yorkshire Limited questioned whether the suggested 9-week period allowed sufficient time for detailed reviews of consultation responses and suggested a reflective review process involving all stakeholders between procurement rounds.

It emphasised the importance of addressing key implementation considerations such as depot electrification and suggested a mobilisation period of less than six months for existing depots.

It proposed initiating a review process within six months of the Scheme's commencement and repeating it every six months until all services had been mobilised for at least 24 months.

"FWY queries whether 9 weeks provides sufficient time for the Combined Authority and its auditors to conduct detailed reviews of consultation responses, to adequately inform the decision-making process."

First West Yorkshire Ltd.

Globe Travel and Station Coaches acknowledged the benefits of a county-wide approach but highlighted the challenges arising from the artificial nature of the administrative boundaries, particularly in the Wakefield and Kirklees areas. It emphasised the importance of recognising and maintaining cross-boundary links within the transport network.

Regarding the franchising Lots, it noted that while splitting the order is not an issue, the content of each Lot is crucial for small operators' bidding decisions. It emphasised the need to tailor Lot allocations to accommodate small operators' working practices, which often involve factors such as employee loyalty employers and preferences for specific work schedules.

It raised concerns about the perceived unclear and incomplete list of services included in the consultation, advocating for clarity and accuracy in identifying which services should be exempt or excluded. Additionally, Globe emphasised the importance of considering special event registrations and aligning contract start dates with school terms and major events.

Regarding staff retention and reliability, Globe Travel and Station Coaches highlighted the potential for uncertainty and increased staff turnover when companies lose contracts, emphasising the importance of maintaining reliability during transition periods. It stressed the need for effective consultation and monitoring of the network design, with a commitment to addressing any identified problems and learning from past experiences. It cited Greater Manchester's



network design and the Traffic Commissioner's criticism of the Nexus proposals, arguing that lessons should be learned.

"The failure to publish and award tenders that fit their profiles or the removal of current work could make other work on out of county contracts or private hire no longer viable. Drivers have worked for the same company for some time and do so for many reasons.."

Globe Travel and Station Coaches

TLC Travel Ltd expressed concern about the practicality and effectiveness of having some parts of the region franchised while others are not, citing potential inconsistencies. It also noted the diverse nature of the region, with specific identities, raising doubts about the effectiveness of franchising in all areas, especially rural ones.

Regarding the Consultation Document, it felt that it lacked sufficient detail, particularly in terms of providing adequate information beyond just a list of services.

TLC Travel Ltd welcomed the phased approach to introducing franchising contracts by district, but emphasised the importance of evaluating the success of each phase and making necessary adjustments to avoid repeating mistakes. It stressed the need for operators to have adequate time to prepare bids and adjust their operations, including staff recruitment and resource procurement.

It expressed hope that the tender process would not impose excessive bureaucratic burden, especially on smaller operators. It also highlighted the importance of clear communication and consultation with bus users and operators regarding patronage, costs, and any deviations from expected targets during the evaluation process.

"From an operator perspective it's important that we have adequate time to prepare bids, e.g. operator licence may need adjusting, recruitment of staff (even though TUPE is acknowledged) and other resource procurement."

TLC Travel Ltd

J&B Travel expressed concerns about potential blame-shifting if franchising was to fail, suggesting that the Mayor might attribute it to central government funding issues.

Regarding the division of West Yorkshire into ten zones, J&B Travel raised questions about depots and whether SMEs had been adequately supported in electrification efforts.

It also questioned the inclusion of Home to School (HTS) services in the Proposed Franchise Scheme, suggesting that they should be excluded to prevent issues similar to those experienced in Manchester, where SMEs have struggled to win tenders against larger companies.

Concerns were also raised about the impact of the pre-election period, the election date, and the transition process for large companies, particularly regarding TUPE transfer of staff and depot transitions.



Lastly, J&B Travel questioned the lack of a clause allowing the Combined Authority to terminate a contract if passenger utilisation targets were not met, and it highlighted concerns about projected declines in passenger numbers and potential taxpayer expenses (based on Oxera's findings).

Ross Travel highlighted the benefits of a county-wide approach to transportation but also underscored the challenges arising from the region's complex political and operational landscape, particularly the perceived concentration of functions in Leeds. It emphasised the importance of maintaining cross-county and cross-boundary links, especially in areas like Wakefield and Kirklees, to ensure an effective network.

Regarding the franchising process, Ross Travel argued that splitting the order of Lots would not be problematic, but the specific content of each Lot would significantly influence if and how small operators bid. It stressed the need for tailored allocation of Lots to accommodate small operators' working practices, including considerations for drivers' preferences and work-life balance.

Ross Travel also argued that the list of services included in the consultation lacked clarity, containing duplicates and missing services, particularly cross-boundary services. It also called for the exclusion of certain commercial school terms and services funded by schools or organisations, as well as provisions for services registered for special events.

It emphasised the importance of aligning contract start dates with school terms and major events to ensure smooth transitions. It also acknowledged the potential for staff uncertainty and network unreliability during contract transition periods but did not express a strong opinion on whether this would occur.

Lastly, Ross Travel emphasised the need for consultation and ongoing monitoring when it comes to network design, highlighting the crucial role of collaboration between the transport authority and operators in resolving any highlighted issues and providing additional funding if necessary.

"Whilst there are clear advantages in having a county wide approach it should be appreciated that the area is an artificial entity that was created as a political unit which ignored and cut across areas of common interest between communities."

Ross Travel

Stagecoach expressed agreement with implementing the Proposed Franchising Scheme across the entire West Yorkshire region, emphasising the importance of consistent benefits for customers, such as integrated fares and ticketing. It highlighted the need for an effective approach for services crossing the franchise boundary to ensure desired customer benefits and welcomed further discussion on this matter.

Regarding the geographical split and phased rollout of contracts, Stagecoach noted inconsistencies and proposed combining certain areas, such as Leeds 1 and 2, to streamline operations. It also recommended tendering all Leeds services in the same round to avoid disjointed delivery, and suggested specific orders for tendering to optimise efficiency.



Stagecoach provided feedback on the local services proposed for franchising, expressing concerns about uncertainties due to the exclusion of current route numbers from the Consultation Document. It emphasised the importance of effective route allocation for efficient services and suggested excluding certain types of services, like special event shuttles, from the Proposed Franchise Scheme.

Regarding the timeline for decision-making, Stagecoach considered the proposed dates reasonable but recommended aligning commencement with the end of the school term for smoother transitions. It also provided insights into the mobilisation period, highlighting factors affecting its length and proposing a flexible approach based on specific requirements.

Lastly, Stagecoach welcomed the opportunity for feedback and collaboration with the Combined Authority on improving service delivery. It emphasised the importance of fair representation in bus user consultations and sought clarification on how these consultations would influence future franchise renewals and network developments.

"The proposals included seem sensible, but WYCA should take care to ensure any consultation of bus users includes a fair and proportional representation of all users, particularly under-represented groups who struggle to find time to engage with consultations (i.e. commuters, young adults, etc)."

Stagecoach

Transdev Blazefield Ltd felt that a franchise framework in the West Yorkshire region could be feasible, but noted that it may not be well-suited to the diverse urban and rural areas. It emphasised the need for different models tailored to each area's specific operations, impacts, and complementary policies to ensure optimal performance. It highlighted the importance of revising the network fully, hierarchising services, and addressing change mechanisms to avoid inefficiencies.

Regarding school buses, Transdev Blazefield Ltd was confused about whether existing the Combined Authority contracted school buses would be included in Proposed Franchising Scheme, noting discrepancies between the definition of exempted services and the listing of schools.

Regarding the proposed timeline for decision-making, it expressed concern about the date and suggested waiting for feedback from the Greater Manchester to propose improvements.

Finally, it recommended extending the mobilisation period to 12 months with a potential emergency extension of six months to accommodate the complex tasks of procuring depots and new fleets, especially if depots are not fully available or electric buses are required.

"A unique Franchise contractual framework is feasible in West Yorkshire region but it does not seem adapted to the specificities of the different urban and rural areas. A solution for a City like Leeds cannot be the same model than for Keighley."

Transdev Blazefield Ltd

Squarepeg Buses Ltd agreed with the proposals to cover the entire region under the Proposed Franchising Scheme, seeing no reason for any areas to be excluded.



It also supported the idea of phasing the Scheme in zones and assumed that each zone already had sufficient resources allocated for the routes to be operated.

Regarding the inclusion of services, Squarepeg Buses Ltd believed that including all services would help control the bus network and encourage better connections, reducing confusion for the traveling public. It agreed with the proposed exemptions and the specified date for implementation. However, it raised concerns about ensuring the continuity of service if the current operator was not the successful bidder. It questioned how to prevent a declining service during the nine-month transition period and suggested the need for a framework to ensure a smooth handover between operators.

In terms of stakeholder involvement, Squarepeg Buses Ltd preferred greater emphasis on passenger opinions rather than those of statutory stakeholders.

"I would prefer to see more emphasis on passenger opinion and less on the statutory stakeholders. I don't feel the statutory stakeholders always have the passenger in mind."

Squarepeg Buses Ltd

Local government (West Yorkshire District Councils)

The City of Bradford Metropolitan District Council suggested that the division of the Keighley and Bradford franchising zones should align with the service geography in the Wharfedale area. Additionally, it recommended that permit regimes should be light touch in nature to avoid placing additional pressure on bus operators' planning teams. It also expressed concerns about the timing of the Proposed Franchising Scheme, noting that it coincided with planned changes to bus routes as part of the Transforming Cities Fund scheme, which could impact operator willingness to register service changes and extend timescales for registration. Furthermore, the Council raised concerns about the perceived length of time to implement the Proposed Franchising Scheme, fearing it could limit service improvements in the 2024-2027 period, and sought assurances from the Combined Authority regarding mitigations for this issue.

Calderdale Council expressed strong support for the Proposed Franchise Scheme to cover the entire West Yorkshire region, believing that having non-standard licensing systems alongside each other would be illogical. It also endorsed the proposed geographical zones to be tendered across three rounds, emphasising the importance of a successful transition period for phased rollout and ensuring the performance of existing operators. The Council advocated for franchising to apply to all services in West Yorkshire, citing examples of school services working alongside scheduled services. It found the proposed exemptions to be sensible. Calderdale Council supported the proposed dates and aligned with the Bus Reform programme, emphasising the need for assurance and involvement in managing the transition period. Additionally, it approved of the consultation list, considering it inclusive of all key stakeholders relevant to the franchising operation.

Leeds City Council commented that the sooner the first franchise contract is entered into, the better for passengers. It went to acknowledge that the process could be lengthy.

Local government (Neighbouring transport authorities)



South Yorkshire Mayoral Combined Authority expressed concerns about the potential impact of bus reform in West Yorkshire on South Yorkshire residents and visitors. It requested additional information from the West Yorkshire Combined Authority regarding any scenarios considered during the assessment to ensure that South Yorkshire operations are not disproportionately affected.

It highlighted the importance of considering cross-boundary services carefully to ensure their continued operation during the transition period and after the implementation of the Proposed Franchising Scheme. South Yorkshire Mayoral Combined Authority expressed a desire for a detailed meeting with the West Yorkshire Combined Authority to review these issues and mitigate any risks of service withdrawal.

Additionally, South Yorkshire Mayoral Combined Authority mentioned the need to address academic services and bus services supporting post-16 education that cross the border between West and South Yorkshire.

South Yorkshire Mayoral Combined Authority noted that it is also assessing a Proposed Franchising Scheme, and if it decides to proceed with bus reform in South Yorkshire, there may be overlapping mobilisation and transition phases with West Yorkshire. It emphasised the importance of working together to effectively address challenges and risks, particularly in managing a potentially busy market for operators bidding for franchised services.

"SYMCA would like to work with WYCA to ensure challenges and risks arising from this are considered and worked through effectively in due course, in particular if SYMCA decides to proceed with Bus Reform for South Yorkshire."

South Yorkshire Mayoral Combined Authority

Bus passenger representatives and user groups

Better Buses for West Yorkshire emphasised the importance of integrating and coordinating bus services across the entire devolved region, considering the strong cultural and economic ties that span administrative boundaries. It highlighted ongoing efforts in South Yorkshire and North Yorkshire towards implementing franchising, suggesting that the Proposed Franchising Scheme should cover a larger area (at least including South Yorkshire) for the public's benefit.

Regarding the procurement process, it acknowledged the benefits of iterative improvement but urged for a faster delivery of change, advocating for bundling Lots into larger batches to expedite the process. It also supported the approach taken for Category B and C Lots, which would allow continued operation for small and medium companies under similar terms as their current operators.

While it found the approach consistent with national advice and peers' practices, it stressed the need for the Proposed Franchising Scheme to grow patronage and provide additional services over time. It questioned the extended timeline for analysing consultation results and decision-making, urging for urgency in implementing franchising.

Regarding the mobilisation period, it questioned the rationale for the chosen duration and recommended selecting the statutory six months unless exceptional circumstances warrant otherwise. It also proposed a participatory governance



model involving elected representatives, public service users, workers or trade unions, and civil society to oversee the franchised bus system and ensure public buy-in and ownership.

Overall, Better Buses for West Yorkshire emphasised the need for swift action in implementing franchising to address economic growth, climate security, and social inclusion concerns. It proposed adjustments to streamline the process and ensure effective public engagement and oversight.

"If this date is kept, it will have taken 5 years to introduce franchising after the Mayor was elected on a pledge to introduce this change. Timelines of this nature undermine public support, trust, and interest in politics."

Better Buses for West Yorkshire

Bus Users UK outlined several pros and cons regarding the Proposed Franchise Scheme for the entire West Yorkshire region. It noted that applying the scheme to the entire region could lead to consistent services, integrated planning, and potential economies of scale. However, it raised concerns about diverse local needs, complex implementation, and potential impacts on smaller operators.

With regards to the ten zones, Bus Users UK noted benefits including a phased implementation, focused procurement, better resource management, and the ability to learn from early rounds of procurement. It went on to highlight potential drawbacks, including fragmented services, inequality of timings, potential logistical complexities, and challenges with operator adaptation.

It raised several areas for consideration in relation to local services, including maintaining accessibility and inclusivity, clear service quality and efficiency plans, stakeholder engagement plans, operator diversity, feedback mechanisms, integration with other modes of transport, the environmental impact, and the economic impact.

It also felt that the proposed exemptions appeared reasonable and recognised the unique characteristics and operational requirements of closed school services and rail replacement services. It felt that clarity, communication, and periodic reviews would contribute to the successful implementation of the Proposed Franchising Scheme.

Additionally, Bus Users UK expressed reservations about the consultation process, noting a short period for feedback analysis and questioning the emphasis on franchising over an EP+ scheme. It also stressed the importance of clear communication, stakeholder inclusivity, transparent reporting, iterative evaluation, and learning from experience in the consultation process.

Bus Users UK acknowledged the structured planning process provided by the proposed timeline, highlighting the transition period as crucial for operators, local authorities, and the community to adjust gradually to upcoming changes. It expressed concerns about the higher costs and risks associated with the Proposed Franchising Scheme compared to an EP+ scheme, which it believed could achieve similar benefits whilst also spreading the risk. It also outlined pros and cons of the nine-month mobilisation period, noting its importance for operational readiness and smooth transition but also highlighting the extended transition period as a potential drawback.



Regarding stakeholder involvement, Bus Users UK praised the inclusivity of statutory stakeholders in the consultation process but suggested contacting all West Yorkshire representative bodies for people with specific needs or accessibility requirements. It emphasised the importance of regular engagement, comprehensive consultation strategies, clear communication, accessible feedback mechanisms, balancing perspectives, transparent reporting, iterative evaluation, and learning from experience in the consultation process to foster trust and accountability in decision-making and ensure thorough and comprehensive feedback.

"In our view, nothing in this consultation demonstrates that the benefits to be accrued could not be achieved by a well-managed Enhanced Partnership scheme which would give control to the local authority while spreading the risk."

Bus Users UK

Other

The Confederation of Passenger Transport acknowledged the complexity of West Yorkshire's mix of towns and cities and rural and urban areas, cautioning against creating artificial boundaries in franchising parts of the network. It expressed interest in more specific details on route and depot Lot allocations to ensure efficient service and operating centre matches, and it sought clarity on the decision-making process for determining sub-regions.

While it found the network details vague, it suggested presenting the proposed network with more detail and clarity, particularly regarding cross-boundary services and permit details.

Drawing on evidence from elsewhere, it highlighted the benefits of a gradual transition to franchising, citing examples from Singapore and Manchester. It commended the Combined Authority for setting a clear and realistic timescale for moving towards franchising and recommended conducting rapid reviews of practice at the end of each tendering phase to improve outcomes.

The Confederation of Passenger Transport stressed the importance of providing adequate time for operators to formulate well-informed bids, suggesting a minimum of three months for this process. It emphasised the need to manage risk effectively, avoid rushing operators through the tender process, and maintain operators' confidence and interest.

It also emphasised the importance of constant evaluation of available data and user feedback by the Combined Authority, including passenger figures, journey time data, reliability, punctuality, customer surveys, and stakeholder feedback.

11.2.2 Non-statutory stakeholder organisation responses

Bus operators/transport organisations

The Go-Ahead Group Ltd expressed support for the Proposed Franchising Scheme covering the entire Combined Authority area to ensure consistency and connectivity. It emphasised the benefits of a unified approach, warning against



exclusion of certain areas which could create confusion and dilute passenger benefits. It stressed the importance of consistent scheduling and network planning across the entire region to avoid fragmentation and ensure connectivity.

Regarding the proposed geographical-based areas for franchising rounds, it found the approach sensible, provided each round had broadly equivalent PVR and sufficient contracts available to attract local and new operators. It noted the importance of lead-times for new vehicles and suggested minimum PVR requirements for operators entering new markets.

The Go-Ahead Group had no specific comments on the proposed date for introducing the Proposed Franchising Scheme, emphasising the importance of clear decision-making and procurement timelines. It highlighted the need to consider wider bus market and franchising context when setting procurement and mobilisation timelines, to avoid overlapping with other authorities' schemes.

It recommended seeking views of users, operators, and stakeholders throughout the franchising process to identify priorities and areas for development, and encouraged incorporating feedback and lessons learned from live franchising projects to refine and improve the proposed framework.

"The Combined Authority may wish to consider seeking views of users, operators and other stakeholders (each with their own insights) via a range of methods well within the 24-month period (from start of franchising) to identify priorities and any areas for further development which could be reflected in subsequent procurement rounds."

The Go-Ahead Group Ltd

Transport UK expressed agreement with the Proposed Franchising Scheme covering the entire West Yorkshire region, noting its reflection of the interconnected nature of the bus network. It supported the proposal to split the geographical area into ten zones for procurement across three rounds.

Regarding the proposed local services to be franchised, Transport UK requested more detailed information to provide comprehensive feedback and suggested implementing ambitious plans to maximise the scheme's impact on customer experience.

It agreed with the exemptions from the regulations, including school services and rail replacement services, and expressed contentment for the Combined Authority to make a decision on introducing the scheme or not, provided all necessary steps are completed.

Transport UK raised questions about the proposed dates for entering franchise contracts and queried the completion of pre-procurement processes. It also discussed the ideal duration of the mobilisation period, balancing the need for a swift transition with the necessity to acquire new assets.

Finally, Transport UK emphasised the importance of transparent consultation with stakeholders once the Scheme is implemented to gauge its effectiveness.

Charity/Voluntary sector

Pontefract Civic Society expressed several concerns and made recommendations regarding the Proposed Franchising Scheme. It emphasised the importance of



ensuring that routes crossing into other local authorities or zones are not forgotten and are either maintained or improved. Additionally, it advocated for the inclusion of all services financially supported by the Combined Authority, including closed-door school services, to potentially yield financial savings.

It expressed doubt about the proposed timeline, suggesting that the transition may not be seamless for operators and depots within the given timeframe. It also recommended avoiding the introduction of changes mid-school term to ensure a smoother transition, citing the 'chaotic' implementation experienced in Greater Manchester.

Furthermore, Pontefract Civic Society raised concerns about the lack of detail regarding consultation methods for both bus-travelling and non-bus-using members of the public. It highlighted the need for transparency and inclusivity in the consultation process to gather comprehensive feedback.

"It would be preferable if the change was not introduced mid school term. There must be sufficient time to allow a seamless change, unlike in Greater Manchester, where chaos reigned."

Pontefract Civic Society

Environment, Heritage, Amenity or Community Groups

Just Transition Wakefield expressed support for the concept of franchising in West Yorkshire, emphasising the need for comprehensive coverage across the entire region. It argued that areas with the least reliable and fewest bus routes, particularly de-industrialised and semi-rural parts, required the greatest economic investment and should be prioritised for franchising. Additionally, it advocated for prioritising socially and economically disadvantaged communities to ensure they get early access to the benefits of franchising, thereby increasing public buy-in and trust in the reform process.

Regarding the proposed phasing system, Just Transition Wakefield suggested improvements to ensure equitable distribution, especially considering the inequalities between rural and urban areas. It questioned the inclusion criteria for certain zones and recommended reconsidering the rollout phasing to prioritise economically excluded areas.

It also raised concerns about the distribution of franchise Lots, particularly the potential concentration of profitable routes with larger operators, leaving smaller operators with less lucrative routes. It called for mechanisms to support community and cooperative ventures to run smaller contracts, promoting economic resilience and political inclusion.

Just Transition Wakefield also highlighted the importance of thorough route planning and effective communication to manage teething problems during the rollout. It urged for the inclusion of specific cross-border services and emphasised the need for full public engagement to maintain confidence in the franchising process.

Regarding the proposed timeline, it criticised the perceived delay in implementing franchising benefits and urged for a faster transition to address climate, congestion, and air quality concerns. It also called for clarity on contract start dates and mobilisation periods to avoid confusion.



Just Transition Wakefield recommended shortening the mobilisation period to the statutory minimum of six months and emphasised the urgency of defining community representation in the management of franchising.

"This needs fleshing out urgently, including clear plans for community representation in the management of franchising."

Just Transition Wakefield

Other

Hank Buses used a standard response across all questions in the questionnaire, which demanded 'its £358m back' and felt that public control of buses would be a negative outcome for the future.

Inglestone Associates expressed reservations about the Proposed Franchising Scheme, citing concerns about its adequacy in addressing the region's diverse needs. It argued that locally managed arrangements might offer better value and agility in certain cases. Specifically, it questioned the subdivision of Leeds into three zones, fearing potential disruptions to services in the city centre.

It criticised the incompleteness of the proposed services table, highlighting the omission of heavily used routes in Leeds as a critical oversight. Additionally, it opposed including school bus services in the franchising model, suggesting that straightforward contracting with suppliers would suffice.

Inglestone Associates raised concerns about the nine-month mobilisation period, deeming it excessive and warning of potential quality degradation if franchisees are not the incumbent operators. It emphasised the need for accountability in maintaining service levels during this period, drawing parallels with the railway industry's mobilisation practices.

Furthermore, it stressed the importance of the Combined Authority's role in effectively managing franchisees on behalf of users and taxpayers. It called for the publication of key performance data for each bus route, including punctuality and reliability metrics, to ensure transparency and accountability.

"The Authority must be held accountable for the delivery of the franchised services by its franchisees. Its role must be to manage the franchisees effectively on behalf of users and taxpayers. Key performance data by period should be published by each bus route including punctuality and reliability (cancelled services) data."

Inglestone Associates

11.3 Summary of responses from members of the public

This section summarises responses from members of the public to the questions in the long version of the questionnaire.

The Proposed Franchising Scheme applying to the entire West Yorkshire region



A total of 129 members of the public responded to the question in the long questionnaire about the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region. Over half of these (72) agreed that the Scheme should apply to the entire West Yorkshire region. Other comments made in response to this question included:

- Belief that the current service is not good enough (12);
- Hope that the service would improve across the region as a result (11);
- The Proposed Franchising Scheme would lead to improved connectivity across the region and this should be a priority (9);
- Demand amongst some (9) to put the bus service under public ownership and not be privately run;
- A need for additional routes across the region, in particular serving rural/out of town areas (4);
- Provide a consolidated, region-wide ticketing system (4);
- This approach has been successful in other areas (4);
- Consider integrating West Yorkshire routes with those of other regions (e.g. South Yorkshire) (3);
- The likelihood that some areas will have limited services compared to others (3);
- Such changes should apply nationwide (3);
- Implement the Proposed Franchising Scheme sooner rather than later (3);
- A request for further information as to how cross-boundary services would be affected (2); and
- Concern that the proposal may not benefit every community (2).

Geographical area of the Proposed Franchising Scheme into ten zones

A total of 113 members of the public responded to the question in the long questionnaire on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds. Overall, just over a quarter of participants (30) agreed with this proposal whilst fewer than one in ten (9) did not support it. A further six participants agreed that it 'makes sense'. Other comments made in response to this question included:

- The need to keep the Proposed Franchising Scheme as one coherent scheme (5);
- The need to implement the Proposed Franchising Scheme as soon as possible (4);
- The need to implement the Scheme in a staggered way (3);
- Hope that the bus service will improve as a result of the Scheme (3);
- A lack of support for the Heavy Woollen Zone (3);
- Retain the EP model throughout West Yorkshire (2);
- The need to implement all zones concurrently (2); and
- The approach will benefit local areas (2).

Local services that are proposed to be franchised

A total of 108 members of the public provided a comment on the local services that are proposed to be franchised. Around one in five participants (20) agreed with this proposal, whilst a further seven participants felt it should cover all services and routes. Other comments made in response to this question included:

- All services and routes should be well integrated (4);



- Such implementation will lead to an improvement in bus services (4);
- Certain areas appear to require additional thought (2);
- A need to see an illustrative map of the routes (2);
- Services coming from areas outside of West Yorkshire will not be included (2); and
- Coverage across all seven days of the week should be considered (2).

Services which are exempt from regulation under the Proposed Franchising Scheme

A total of 104 members of the public provided a comment about the services which are exempt from regulation under the Proposed Franchising Scheme:

- 16 participants agreed with the exemptions as set out the Consultation Document;
- Some participants felt that all services should be included under the Proposed Franchising Scheme with no exemptions allowed (5);
- The need to communicate those services which are exempt to the public (4);
- Some responses emphasised the importance of exemptions being allowed for cross boundary services as well as West Yorkshire routes (3);
- The Combined Authority should examine the possibility of rail replacements (3);
- Some felt that all services should be exempt (3);
- Transport links should not be lost between West and South Yorkshire (2); and
- General disagreement with the exemptions as all services should be regulated (2).

The date on which the proposed Franchising Scheme is currently proposed to be made

A total of 108 members of the public provided a response about the date on which the Proposed Franchising Scheme is to be made (14 March 2024). Over a quarter of comments (29) urged the Combined Authority to implement the Scheme sooner, and a further 14 agreed with the proposal. Just under one in ten (9) felt that the timetable was too ambitious and that the date should be pushed back. Other comments made in response to this question included:

- The need to implement the Proposed Franchising Scheme in a careful manner (3);
- Disagreement with the proposed timetable (3);
- A re-emphasis that bus services need to be improved quickly (3);
- Contentment that the Scheme is being implemented quickly (2);
- The need to manage public expectation (2); and
- The need to learn from other franchising schemes to understand how they operate (2).

The date on which it is proposed that the first franchise contracts would be entered into

A total of 107 members of the public made comments about the date on which it is proposed that the first franchise contracts would be entered into (28 June 2026). A sizeable number of these (48) expressed concern with the date and wanted the



contracts to be entered into sooner, whilst around one in ten (9) agreed with the proposed date. Other comments made in response to this question included:

- A readiness to wait if the proposed date is too soon (5);
- An understanding with regards to the proposed date but hope that it can be expedited (4);
- Place a focus on implementation the first contracts in Leeds first to prioritise the areas with greatest reliance (3);
- More information is needed to understand this proposal in more detail (2); and
- The proposed date is too ambitious (2).

Nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract

A total of 102 members of the public made comments on the nine month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract. Just under a third of these (32) had an issue with this proposal and wanted to see it implemented sooner, whilst 14 participants agreed that the timeline was reasonable. Other comments made in response to this question included:

- The proposed timeline is too ambitious and needs to be longer (4);
- Further information is required to understand why a nine month gap is necessary (3). A further two participants did not know enough to comment (2);
- The need for a mobilisation period did not make sense for some (3); and
- Some participants expressed surprise that it would 'only' take nine months (2).

How the Combined Authority would consult on how well the Proposed Franchising Scheme is working

A total of 102 members of the public made comments in response to how the Combined Authority would consult on how well the Proposed Franchising Scheme is working. Key comments made in response to this question included:

- Agreement that regular communication with residents and passengers will be necessary so people can have their say on progress (15), with other emphasising the importance of ongoing communication (2);
- General agreement and support for the consultation plan (9);
- The need to ensure a diverse range of people are consulted (7);
- Some expressed an opinion that franchising would not work or make a difference, and therefore progress would not be seen (4);
- The need to provide feedback forms (6) and/or questionnaires (3);
- More information on how consultations will actually take place is required (2);
- Take a 'data driven' approach to assess progress (2);
- The need to consult online (2); and
- The need to consider input from transport workers (2).



12 Equality Impact Assessment

12.1 Introduction

This section summarises the comments received on how the Proposed Franchising Scheme could impact on persons with protected characteristics as identified by the Combined Authority's Equality Impact Assessment.

Q7. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 1.3 of the Consultation Document for information to support answering this question.

Overall, there were 733 participants who provided comments in response to the potential impact of the Proposed Franchising Scheme on persons with protected characteristics.

12.2 Summary of stakeholder organisation responses

12.2.1 Statutory stakeholder organisation responses

Bus operators

J&B Travel emphasised that the bus industry remained professional at all times and looked after all passengers, regardless of their background.

Local government (West Yorkshire District Councils)

The City of Bradford Metropolitan District Council agreed with the Equality Impact Assessment in that accessibility should improve as a result of implementing the Proposed Franchising Scheme. It felt that this was due to more consistency across the network, as policy with respect to protected characteristics could be centrally enforced.

Leeds City Council stated that it was encouraged to see that the Equality Impact Assessment had identified potential benefits from Franchising; particularly for enabling bus travel for those who had not been able to travel in the past.

"It is encouraging to see that the EIA identifies potential benefits from franchising; opening up bus travel to some who may currently be excluded can only be a good thing."

Leeds City Council

Calderdale Council was satisfied with the assessment, but requested that it is revisited as the Scheme develops to ensure it meets the needs of all individuals.

Bus passenger representatives and user groups



Bus Users UK felt that the Equality Impact Assessment did not address how any of the needs highlighted in the assessment would be met. It felt it could not comment on its effectiveness.

Campaign for Better Transport endorsed the Equality Impact Assessment and the positive impact it could have on the groups highlighted. It felt that the groups highlighted would experience greater benefits from the Proposed Franchising Scheme as they were more likely to have no access to a private car. It also suggested that the Scheme could bring improvements in affordability, customer information, onboard bus standard, and accessibility. It went on to state that the Proposed Franchising Scheme could allow for better control over service frequencies and routes, which in turn could resolve issues such as safety and difficult interchange which were highlighted in the Equality Impact Assessment.

Friends of Dales Bus felt that equality would 'fall down' for those who live near constituent boundaries. It felt that routes would be focused on transport into urban centres, with less focus on access to more rural areas.

Action for Yorkshire Transport supported the provision of an Equality Impact Assessment and commented that no equivalent exists within the EP+. It felt that EP+ could not sufficiently support people with protected characteristics.

"Public participation discussing ongoing issues, is of particular importance for persons with protected characteristics."

Action for Yorkshire Transport

Better Buses for West Yorkshire stated it was reassured by the Equality Impact Assessment, indicating a positive impact resulting from franchising. It urged the Mayor to ensure that the planning of services, infrastructure, routes, and vehicles are in collaboration with communities. It felt this approach would ensure that the views from all backgrounds would have their needs taken into account. It cited the example set by Liverpool City Region.

"This approach aims to guarantee that individuals of all genders, races, ages, sexual orientations, and disability statuses benefit from a transportation network that caters to their needs."

Better Buses for West Yorkshire

Employee representatives

Wakefield and District Trades Union Council highlighted that equality implications were important for bus users, as for some it is the only method of transport available to them. It emphasised the needs of specific groups and encouraged further dialogue with them to determine their needs and travel requirements.

"There are many for whom car ownership and driving are simply not an option and the terrible state of current bus services mean that they are currently totally disadvantaged by the lack of services, and lack of confidence in the possibility of a return journey."

Wakefield and District Trades Union Council

West Yorkshire County Association of Trades Union Councils commented that buses were a particular lifeline for older and disabled members of the



community. It emphasised that their needs were important and must be fully considered.

Other

The Peak District National Park Authority felt that the Proposed Franchising Scheme appeared to have a positive effect on a number of people who have protected characteristics.

12.2.2 Non-statutory stakeholder organisation responses

Bus operators/transport organisations

In their response, **Selwyns Travel** requested that drivers should have training and vehicles are compliant with The Public Service Vehicles Accessibility Regulations.

Town and Parish Councils in West Yorkshire

Ilkley Town Council felt that franchising might improve the services provided for those with protected characteristics as their needs could be catered to. It argued that the more individual needs are recognised and met by bus service providers, the more people would consider using buses as an option for transport.

Stainland & District Parish Council voiced support for reforming the West Yorkshire bus market. It highlighted issues such as declining patronage, unreliable services, confusing ticketing, and insufficient measures to tackle emissions. It also cited shrinking services as an issue for its residents, leaving many without a daytime link to essential services in West Vale.

Bramhope & Carlton Parish Council felt that the Equality Impact Assessment was valid. It highlighted the ageing population and the bus services that would be required to access medical services, recreational centres, and other amenities. It was unclear whether route planning and access buses would meet these needs, but it highlighted the reference to collect customer feedback in future. It requested that the Combined Authority did not overlook consulting customers in Town and Parish Councils.

"In consulting users WYCA should not overlook Town and Parish Councils. These are the elected bodies that are intended to act as advocates on behalf of residents to the local authority, in planning applications and in providing views on both local and national initiatives."

Bramhope & Carlton Parish Council

Charity/Voluntary sector

Leeds Older People's Forum argued that the assessment was 'defective' as it gave no consideration to whether concessionary fares would be delivered fairly for older and disabled residents of West Yorkshire. It went on to argue that the Combined Authority currently (and complacently) delivered 'the worst possible deal', highlighting differences with other parts of the country which it felt received better provisions.



Leeds Civic Trust supported the provision of an Equality Impact Assessment and commented that no equivalent exists within the EP+. It felt that EP+ could not sufficiently support people with protected characteristics.

Crossgates and District Good Neighbours Scheme strongly emphasised that the Combined Authority listened to the voices of elderly and disabled residents when introducing the Scheme. It referenced its contribution to the Transport Plan and Leeds Older Peoples Forum.

Environment, Heritage, Amenity or Community Groups

Aireborough Civic Society supported the provision of an Equality Impact Assessment and commented that no equivalent exists within the EP+. It felt that EP+ could not sufficiently support people with protected characteristics.

Just Transition Wakefield agreed with the Equality Impact Assessment, but argued there were other equality issues to consider beyond statutory requirement, specifically in relation to age and social and economic inclusion. It argued that all ticket types should be equally available to all passengers whether they use cash or card to make payment.

"Equitable retention of cash is a critical equality issue."

Just Transition Wakefield

Health organisations

LLA Cultural & Social Outings project cited the needs of their participants, who were primarily elderly and had age-related or other mental, physical and/or sensory conditions that affect their ease of getting around on public transport. It advocated for quicker improvements to bus services to ensure its members and others with similar conditions were not socially excluded.

"The sooner we see significant improvements the better for those who have less time left to live fulfilling and enjoyable lives for as long as they can, to not be excluded from activities and events or be socially isolated, both in terms of our own programme of activities and generally."

LLA Cultural & Social Outings project

Turning Point argued that current services were unreliable and made no space for wheelchairs or those with difficulty standing.

Other

Hank Buses used a standard response across all questions in the questionnaire, which demanded 'its £358m back' and felt that public control of buses would be a negative outcome for the future.

Leeds Bradford Airport felt that the Equality Impact Assessment outcomes would have been similar for either the Proposed Franchising Scheme or EP+, and therefore assumed neither option would be found 'lacking in this regard'.

Bradford-Shipley Travel Alliance advocated that groups which are representing persons with protected characteristics should be involved in the design of the network, vehicles and bus infrastructure, including bus stops. It also stated that an Equality Impact Assessment had not been produced for EP+, and therefore the option should be ruled out.



12.3 Summary of responses from members of the public

A total of 689 members of public made comments in relation to The Combined Authority's draft Equality Impact Assessment, which identified the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Around one in five (139) felt that the Proposed Franchising Scheme would hopefully improve accessibility or safety for protected groups. A similar proportion (132) agreed with/ supported the Equality Impact Assessment.

"Improvements for equality is always a good thing. I like how the CA did an impact assessment, this makes me think that they really do prioritise people with protected characteristics."

Female, 25 - 34

"Generally I believe this will improve accessibility for more people, and that this will be a positive step for equality impact."

Male, 25 - 34

Other comments in relation to the Equality Impact Assessment and the Proposed Franchising Scheme were made by participants. Around one in ten (66) participants hoped that the Proposed Franchising Scheme would improve bus service quality. Others commented that the Scheme was encouraging diverse views and consultation from the public (34), although a smaller proportion (14) commented that further consultation would benefit the programme.

"Think more consultation needed, staff training in all the areas mentioned including bus drivers and clear complaint procedures advertised."

Female, 65 - 74

Other responses in relation to the Equality Impact Assessment and the Proposed Franchising Scheme included:

- That it is essential (33);
- Other groups would benefit from the Scheme, such as ethnic minorities or those with low income (17);
- It would hopefully encourage more people to use bus services (13);
- A need for greater investment in staff and resources relation to equality (12);
- Disagreements with the proposals (11), the proposals are not enough (10), or they will not work (7);
- That there would be centralised decision-making (10);
- It has worked elsewhere, such as Liverpool City Region (7);
- It genuinely cares for protected groups (6); and
- That the Scheme is not necessary (7).

"People who rely on public transport (which overwhelmingly includes the poor, the disabled and the elderly) will be greatly served by having more investment into and greater oversight of our bus services."

Female, 25 - 34



"Spending money on this flawed exercise will only divert it away from filling any of the gaps highlighted in the EIA."

Male, 45 - 54

Participants raised several issues with buses and bus infrastructure in their responses. There were 41 responses wanted a greater experience on buses and for it to accommodate all groups, protected or not. A smaller proportion (22) commented that accessibility needed to be improved, such as introducing automatic ramps or low floors. A further 19 responses asked for general safety improvements to be made on buses. There were also 11 responses made specifically in relation to improving safety for women.

"Sounds very well, but the women will use busses only if they feel safe on them and walking home from the bus stop and this is not mentioned."

Anonymous

More general comments were made in relation to buses and bus management, including:

- That there are not enough routes or connected routes (17);
- That money or profit is prioritised over service (9);
- Better services are needed outside of peak times (8);
- That the fleet should be publicly owned (8);
- That the fleet requires better maintenance and cleaning (7); and
- They are expensive (6).

"Many bus services out of town centres, don't provide a good enough service daily for people to use throughout the day from early hours to midnight when going to work and school, to doctor or hospital appointments as well as for shopping or leisure."

Female, 55 - 64



13 Qualitative research

13.1 Summary of focus groups

This section gives an overview of the findings from the focus groups that were conducted alongside the public consultation, with specifically:

1. 11-16 year olds who use bus at least once per week;
2. 16-21 year olds who use bus at least once per week;
3. Those who travel into and out of the Combined Authority area at least once per week (cross-border);
4. Those who are eligible for a senior bus pass, with half of the group using the bus at least once per week and the other half not using it at all (seniors); and
5. Those in employment who use the bus to travel to work at least once per week (commuters).

For full methodological details, please refer to section 3.7.2.

13.1.1 Experience of using the bus network in West Yorkshire

Focus group participants were asked to share their experience of using buses in West Yorkshire, their understanding of how buses currently operate, what they perceived to be the challenges facing the bus market in the region and what improvement(s) they thought would make the biggest difference to their on-board experience. A summary of the key insights emerging from this discussion is shown below.

- Many participants agreed that the current on-board bus experience is inconsistent and could be improved;
- Commuters and 11-21 year olds appeared most likely to express dissatisfaction with the current on-board experience, whereas those who used cross-border services and senior users highlighted some positive aspects of their experience;
- Commuters and cross-border users, in particular, would like to see improvements in punctuality and reliability, alongside a bus network with a higher number of routes; and
- 11-21 year olds would like better cleanliness and comfort.

Experience of using buses

Overall, there was a perception that the current on-board bus experience could be improved. In particular commuters and 11-21 year olds were keen to see improvements around the passenger experience. These groups felt that the on-board experience varied throughout the day, although the experience was more likely to be negative during peak travel times. They also mentioned that some



areas deliver a better on-board experience than others, resulting in an inconsistent service.

"They're always late and they're always packed. They're full of people and you've got to stand up even if the journey is half an hour to an hour. I think there needs to be more buses, especially in the morning or school finish times."

(11-16 year old, Uses bus 3-4 days a week, Bradford, Female, 16)

"For me, it's okay getting to work early in the morning, but getting back, especially when the weather is bad, is hard. There's been times where the bus has driven past as it's just too full. I've seen people with prams and wheelchairs having arguments to try to get onto the bus. People are being left and there is no rule on who takes priority."

(Commuter, Uses bus 3-4 days a week, Calderdale, Male, 52)

While cross-border and senior users had similar criticisms of bus services to commuters and 11-21 year olds, they also highlighted some positives. They praised the affordability of fares due to the Mayor's £2 fares, the cleanliness of their usual services and the comfort of buses on specific routes – although this emphasises the inconsistent services point raised by others.

"I get it to go into town, that really is the only time I use them. I use it twice a week and I've not had problems with it or the timings, I must be lucky."

(Senior, Doesn't use buses to travel in West Yorkshire, Wakefield, Female, 75)

Key improvements

Punctuality and reliability were the key areas mentioned for improvement, particularly by commuters and cross-border users. A desire for more punctual and reliable services, especially around peak times, was important to decrease wait times and ensure people do not run late for work or have other time-dependent responsibilities impacted. Commuters also mentioned a larger bus network (i.e. a higher number of routes, preferably inter-connected) would simplify, and maybe even shorten, their journeys.

"My problem with them is that there are not enough routes throughout. There's only that one bus that takes you to one location. There could be more different ways to end up in one place. If I need to go to Leeds, I have to take two buses, it'd be a lot easier on one as they're not reliable in the first place."

(Commuter, Uses bus 2 days a week, Bradford, Male, 21)

Cleanliness and comfort were key areas for improvement mentioned by 11-21 year olds, as the environment would be seen as more hygienic as well as enabling more



space for bus users, including those with additional space requirements, like wheelchairs.

"I think there should be more space downstairs for disabled people and people with pushchairs. Something I see a lot is people waiting with a pushchair or wheelchair, there's not enough room for them to get on so they have to wait for the next bus. I think that's very unfair."

(11-16 year old, Uses bus 3-4 days a week, Bradford, Female, 16)

"I would say it could be more clean and have more seats. It's uncomfortable standing up all the time, especially when you have a long journey."

(11-16 year old, Uses bus 2 days a week, Leeds, Female, 16)

13.1.2 Opinions toward bus reform

Before discussing specific details about bus reform, participants were asked about their awareness of the consultation and what their initial thoughts were. To ensure all participants had an equal understanding of what was currently being proposed, a short summary video was presented to participants and an initial discussion took place. A summary of the key insights emerging from this discussion is shown below:

- All participants within the five online focus groups, apart from one participant in the seniors group, indicated they were not aware of the West Yorkshire bus reform statutory consultation taking place;
- Many participants felt dissatisfaction with their current on-board bus experience, agreeing with this message of the bus reform consultation overview video;
- Overall, participants were more interested in the outcomes for bus users rather than the reform option chosen.

After watching the bus reform consultation video, participants agreed with one of the points raised within it, which references how passengers' on-board experience is currently lacking.

The overall sentiment expressed by participants about current bus services in West Yorkshire was dissatisfaction. The highest consensus with this message was seen within the 11-21 year olds, where almost all participants agreed they are dissatisfied. As referenced above, punctuality, reliability, overcrowding, and cleanliness were mentioned as important issues that negatively affect the on-board passenger experience.

"I agree, especially with the bit about reliability. If you're getting one bus to one place and one to another place, if one's late, it can ruin the whole process. When I go to college, I have to get two buses, so if I miss one, I



have to wait 20 minutes for the next one. Some of them only come once every half an hour. If one doesn't come, I have to just be late for college."

(16-21 year old, Uses bus 3-4 days a week, Wakefield, Male, 17)

Although cross-border users and commuters agreed with the video's main points overall, they wondered whether the consultation was primarily a tick-box exercise that would not lead to favourable changes for bus users. Some within the cross-border group mentioned they felt it was obvious what bus users want and need.

"I'm a bit cynical with things like this. If something happens, great; but sometimes the cynical side of me says it's a tick box exercise. They're going to do whatever they like anyway. I know that's an animation, but does anyone have time to read the full proposal? I certainly don't. All I want is a bus to get me to work and to get me home."

(Commuter, Uses bus 3-4 days a week, Calderdale, Male, 52)

"I think it's fair enough them saying that and trying to respond in a way that might "help" us, but I think it is pretty obvious what everyone wants: buses on time, good bus shelters, digital displays and clean buses. It's not hard to know what people want. Unsure why they would ask what we want, it's obvious isn't it?"

(Cross-border, Uses bus at least once a week, York, Female, 35)

Participants in the seniors group agreed with the video overall, with most mentioning ways in which their needs could be better served by the bus service in their region.

Opinion towards the proposed reform options

Participants were then presented with an overview of the current system around how buses are managed in the region (i.e. Enhanced Partnership), as well as the reform options identified (i.e. Enhanced Partnership+, the Proposed Franchising Scheme), and their initial thoughts were sought.

The seniors group agreed that accountability and penalties would be key to ensure standards are maintained, regardless of the bus reform option chosen.

"A level of accountability is required. I don't know if fining is the answer, but it might be. There needs to be some amount of consequence that is had as a result of not meeting the requirements. Somehow, maybe we need a say in this as the customer. The customer is disadvantaged by that; if a fine is paid, the benefit does not come to the passengers. Something is needed that allows us what we want."

(Senior, Uses bus at least once a week, Kirklees, Female, 66)

Commuters' opinions were mixed. Some participants mentioned that the Proposed Franchising Scheme seemed to be the best option due to its inherent collaborative



approach towards the bus service coverage in West Yorkshire, with operators working under contract with the Combined Authority to deliver a simpler, more positive passenger experience. Others felt that, regardless of the choice made, the approach to buses might change again soon if there is nothing to show for whichever proposal is selected. These participants also felt cynical about the consultation process, questioning that if the public hadn't been consulted in relation to identifying all the options for reform (i.e. not just the EP+ and Proposed Franchising Scheme), how could they trust the public's view would be taken into account as a result of the consultation?

"I quite like the idea of Franchising because its West Yorkshire wide, so you could get from one side of West Yorkshire to the other using the same kind of ticket. It's a bit like the London underground. These are the three options. They've already decided without telling us anything, so they already have a plan and you have to choose the best of the bunch."

(Commuter, Uses bus 3-4 days a week, Calderdale, Male, 52)

"I think Franchising seems like the better one because it combines everything together. There's more communication."

(Commuter, Uses bus 3-4 days a week, Bradford, Male, 59)

13.1.3 The key drivers for change

The key objective of this part of the discussion was to explore and understand participants' opinions and attitudes towards the conclusions of the five key drivers for change identified in the Strategic Case of the Bus Reform assessment, as well as their opinion of the overall conclusion of the Strategic Case. A summary of the key insights emerging from this discussion is shown below:

- Attitudes towards the different conclusions of the Strategic Case were dependent on the stage of life in which participants find themselves. For example, younger participants who are in full time education value reliability and punctuality highly as this means they can get to their destinations on time. Commuters appear to care more about the network coverage, as a wider coverage would mean getting to a wider range of places faster;
- There are some key drivers, however, that saw a strong degree of consensus across the online focus groups:
 - 'Network' – participants agreed that buses do not go where and when people need them to go;
 - 'Greener and better vehicles' – participants agreed that the onboard experience is inconsistent across West Yorkshire and that other issues should receive investment before zero emissions buses.
- The key driver that was chosen by as the priority by the highest number of participants was 'Network', closely followed by 'Customer service and



information' and 'Bus priority', with 'Greener and better vehicles' and 'Fares and ticketing' only being chosen by a few participants in total;

- Overall, questions still existed even for those that expressed a favourable opinion towards the Proposed Franchising Scheme, particularly around if, and how, the bus users will benefit from this approach.

For each of the five key drivers for change identified in the Strategic Case, conclusions were shown to participants and discussed in detail. The feedback on each driver is summarised below.

Driver 1: Network

The Strategic Case states that:

"Bus routes don't always go where and when people need them to and some of the network is not financially sustainable for commercial operators without public sector funding."

Strategic Case of the Consultation Document

Four of the focus groups were broadly in agreement with the conclusion of the Network driver, with 16-21 year olds being the only group to disagree.

Many participants mentioned that their public transport needs are either not being met or not being met consistently, with the issues mentioned ranging from cancelled routes to limited luggage space. Amongst the senior group, support for local government subsidies was expressed, as long as these kept routes with lower passenger numbers running.

Participants within the 16-21 year olds group mentioned that the current bus network is appropriate for their current journey needs (i.e. getting to educational establishments, home, work, etc.).

Reduced route coverage and service levels

The current coverage of the bus network was perceived to be an issue, with participants having seen a reduction in routes to villages, around neighbourhoods, etc. that have a lower patronage than, for example, an arterial route into a city centre. For some, the reduced coverage of the bus network means they need to take more than one bus to get to their destination, whilst for others, their closest bus stop is a 15-20 minute walk away. 11-16 years old pointed out that main roads have a better network coverage than other areas, even within more urban locations.

"They don't meet my needs as the bus doesn't go where I need it to go. I have to take a train and two buses most of the time to get to where I have to be. One bus doesn't go all the way there, so I might also have to walk about 20 minutes and I feel unsafe as it's not my area and it's normally dark too. I don't feel safe enough to walk. For leisure it's fine, I just take the train as it gets me to the city centre, but for my acting classes I have to get two buses – one bus is fine; two is annoying."



(Cross-border, Uses bus at least once a week, Sheffield, Female, 29)

"My needs go back to the feeder buses, so you don't have to walk. I have to walk to my local stop, because they weren't busy enough, they were cut, but they were very helpful to get you to the main bus route tracks. You get used to it, but they could make life easier."

(Commuter, Uses bus 5 days a week or more, Wakefield, Female, 54)

Decreased bus patronage

Senior users and commuters believed one of the key reasons for the reduction in bus network coverage is passenger numbers being lower than they were before the COVID-19 pandemic. Some in the seniors group felt that pensioners were being blamed for reduced timetables and/or cancelled services even though they were a result of low patronage during COVID-19.

"I have a friend who has had their local bus route removed, because they said not enough people are using it. The area is fairly affluent, but it doesn't mean they all have a car, and there are lots of elderly people in the area who did rely on buses. They can't get it now as it's stopped altogether."

(Senior, Uses bus 3-4 days a week, Bradford, Female, 66)

Local government subsidies

Cross-border users, senior users and commuters are supportive of the idea of local government subsidising less commercially sustainable, lower patronage routes as they are key in enabling people to access different locations and services. Participants also mentioned subsidies would help maintain a good level of bus service for all areas, avoid reduced timetables and ensure that bus operators continue running the services.

"I think it's right. There has to be subsidies for routes that aren't money spinners for a particular company, they have to be given an incentive to keep that route on. Otherwise, they will just say they'll stop the route."

(Cross-border, Uses bus at least once a week, Rochdale, Male, 50)

Network inconsistency

All groups except 16–21 year olds said they experience inconsistent bus service. Some participants mentioned their current needs are being met most of the time, but others felt differently. Inconsistencies mentioned included the punctuality of services (with some coming at the times specified, and others not), the frequency of services (with some services coming often and being adjusted for peak travel times, and others not) and coverage for different areas (with some areas seeing empty services running, whilst others have more overcrowded services).

"The (x) bus, I have no trouble getting that bus into Leeds City station, that's a brilliant bus. I visit one of my friends in Middleton and the bus



there is every 10 or 15 minutes, like the (x) bus. If I go the other way towards where I work, it's a nightmare. It's different in different areas; if you don't get on the bus at the station, you won't be able to get on it anywhere else, as it's too full."

(Senior, Doesn't use buses to travel in West Yorkshire, Bradford, Male, 71)

"For me, it is not always a nice experience for many reasons. Every day for me, using public transport is different. There are those days where I don't feel stressed about public transport, but then there's those where I have steam coming out of my ears because the buses don't turn up or there's no seats, or I've seen people be left behind."

(Commuter, Uses bus 3-4 days a week, Female, Leeds, 59)

Driver 2: Fares and ticketing

The Strategic Case states that:

"There is a need for clear and simple fares as the current offer can be expensive and confusing. Fares are set by bus operators, and they need to deliver better value and flexibility for the bus customers."

Strategic Case of the Consultation Document

There were mixed views on the conclusions of the 'Fares and ticketing' driver as outlined in the Strategic Case.

Cross-border and senior users disagreed with the conclusions because they felt the current fares made bus travel more straightforward and better value for money. Some senior users, however, recognised that they have less awareness of bus ticket costs generally as they use their senior pass.

Commuters and 11-21 year olds, in particular, agreed with the conclusion as they felt they were particularly affected by expensive and confusing bus fares.

The Mayor's £2 fares

Cross-border and senior users praised the Mayor's £2 fare, mentioning that its introduction has led to bus travel becoming more affordable and bus fares becoming clearer across operators in West Yorkshire. Some senior users mentioned this fare supports them in managing their finances during the current cost of living crisis.

"I would've agreed before, but not now. Before, sometimes it used to be cheaper to drive but now, depending on where I go, it is cheaper to take the bus or train."

(Cross-border, Uses bus at least once a week, Sheffield, Female, 29)

"I think it's clear, you know exactly what you're doing, what it does and what it costs. It's very clear in terms of how you manage that information."



Some of that is related to the cost-of-living crisis that we have to manage, which means more management of funds. How we use that, it enables us to make decisions ahead of time."

(Senior, Uses bus at least once a week, Kirklees, Female, 66)

Ambiguity and confusion around bus fares

Commuters, in particular, as well as 11-16 year olds and some senior users, found bus fares to be ambiguous and confusing. Participants mentioned the 'tap-on, tap-off' system, available on some services, is ambiguous in terms of how cost is calculated. Issues highlighted with 'tap-on, tap-off' journey included: it can end up costing more than expected; fares don't seem to be based on the distance travelled, meaning short journeys feel low value for money; fares are similar for tickets that offer different benefits; and fares can differ between bus operators. Participants expressed a need for clearer pricing that is easy to access.

"I don't think it's that confusing but I think the prices need to be more in proportion. For example, if you pay £1.20 it may cover your entire route, but for the people only going one stop they still have to pay the price for a longer route. So, I think it should be more in proportion with the journey or stops."

(11-16 year old, Uses bus 5 days a week or more, Huddersfield, Male, 15)

"It'd be nice to get on any bus and not worry about what ticket you have. It'd be better if you could use one ticket on any bus."

(Commuter, Uses bus 5 days a week or more, Wakefield, Female, 54)

Cost of bus fares

Many commuters and 11-16 year olds perceived that as well as being ambiguous and confusing, bus fares are also expensive, or low value for money. Participants also mentioned that changing buses can mean changing bus operators, which leads to multiple tickets having to be bought, increasing overall cost. Within the commuters group, all agreed that bus fares are expensive.

16-21 year olds perceived bus fares as expensive, however, this was predominantly linked to them being overcharged by bus drivers due to incorrect age assumptions. Furthermore, this group felt that the current average bus fare is fair.

"I don't know if other people around my age have experienced this. Bus drivers assume I'm an adult sometimes, I don't know if it's because of my height. I get a monthly-rider now, but when I used to get day-riders for college, bus drivers assumed I was an adult and charged me around £5 for an adult day-rider though I'm still under 19. They'll say, "you need proof", but there's even times where I've shown my ID card and they still charge me more and won't believe me."



(16-21 year old, Uses bus 3-4 days a week, Leeds, Male, 16)

A transparent and integrated bus fare system

All groups apart from 11-16 year olds expressed a desire to adopt a transparent and integrated bus fare system across West Yorkshire. Participants expect this type of system to lead to a clearer pricing structure, easily accessible fares, consistent fares across operators and/or the region, and cross-operator tickets. Some 11-16 year olds mentioned they hoped it would also lead to cheaper fares. Overall, participants within these groups wanted an approach that would simplify bus travel across the West Yorkshire region.

"They need to be clear, easy and simple. I think they could maybe have the same costs for the same types of tickets across regions."

(Cross-border, Uses bus 3-4 days a week, Bury, Female, 40)

"I'd prefer one ticket that could be used all over. Going back to the points on overcrowding, could some of that be because you have to wait for the right brand of bus for your ticket?"

(Commuter, Uses bus 3-4 days a week, Calderdale, Male, 52)

Driver 3: Customer service and information

The Strategic Case states that:

"There is no single point of contact for customer information, making it difficult to complain and to access information. The customer experience onboard and during journey planning is not consistent."

Strategic Case of the Consultation Document

The groups tended to agree with the conclusions of the 'Customer service and information' driver as outlined in the Strategic Case. Although individual differences and personal knowledge played a role in the attitudes expressed by some participants towards the conclusion, the majority agreed that it is difficult to know how to complain about their on-board experience. There was also seen to be an inconsistency between journey planning and on-board experience.

Cross-border users, commuters and some 11-21 year olds mentioned they favoured apps, such as Google Maps, to help them plan their bus journeys and track their bus. Commuters discussed bus marshals, or conductors, suggesting this might be one way of improving the on-board experience and to decrease the need for complaints.

The complaints process

Many participants agreed that making a complaint can be difficult. Although the reasons given for this varied slightly between groups, the main theme identified was participants not knowing where to look for this information or how to start the process. Other causes included: the lack of a centralised space for complaints that



covers all operators within the region; the inability to gather information such as bus driver name to log a complaint; and difficult bus drivers that refuse to support bus users in logging a complaint.

Bus drivers were an issue for 11-21 year olds in particular, with many mentioning that bus drivers are often unapproachable, unhelpful and, on occasion, rude to them. Commuters also mentioned bus drivers can be unhelpful and disinterested, hence the discussion around bus marshals being a potential solution to improve the on-board experience.

Some participants mentioned they have previously wanted to make a complaint but weren't able to do so due to some of the reasons identified above.

"The logistics of it need to be really clearly worked out. So, if you want information: go here, complaints: go there, almost like a one-stop for all of that information. It would mean your complaint carries weight. If that's not in place it makes it hard to know driver and number and where you go with that information. Where is the accountability? Why are we not being consulted?"

(Senior, Uses bus at least once a week, Kirklees, Female, 66)

"I agree with it all really. I wouldn't know where to go for information. With the customer experience on board, I don't know if it's just my experience, but the bus drivers can be quite mean and moody. I don't really know where to look to complain, but I'd probably just figure it out. I'd probably look on the internet."

(11-16 year old, Uses bus 2 days a week, Leeds, Female, 14)

"I wanted to make a complaint at one point but couldn't because I didn't know any sort of information on the person. The bus driver gave me the wrong change, less than needed, and when I tried to get off the bus and ask for my change back, they said "because you've waited until you've got off the bus, it's not valid and you can't get your change back". I went onto the First Bus app to see if I could complain, but because I had no information on the bus driver, I couldn't actually fully make a complaint."

(16-21 year old, Uses bus 3-4 days a week, Leeds, Male, 17)

Experience of complaints handling

A small number of participants said they had logged a bus-related complaint, though viewed the overarching experience as negative due to delayed responses and multiple stages, resulting in it being time-consuming.

Additionally, even though some 11-16 year olds were aware of how they could log a complaint (e.g. local bus station help desks, apps), many weren't sure how the process worked beyond this.



"It is difficult on board when you want to complain, because you rely on [...] the bus driver. Usually their argument is "it has nothing to do with me", if you want to take it further, they're never in a position to give you the number so you have to find it yourself. [...] When you do try and ring them, you're on the phone for ages to get to a live person. I have had times where I felt this was a step I needed to take, [...] and haven't always been able to execute that. It's so hard to get through, someone will take your details and then they don't get back to you."

(Commuter, Uses bus 3-4 days a week, Female, Leeds, 59)

Inconsistencies between journey planning and the on-board experience

Senior users and commuters mentioned there is an inconsistency between their journey plan and their on-board experience, with plans usually getting derailed by buses not turning up on time, buses taking different routes, and frequent route and timetable changes. However, some participants said these issues tend to appear with certain operators or around certain times of the day.

"The planning of the journey can be consistent, if you have an appointment for example, you can make the plan. The problem with that is if the bus misses you or takes a different route, yes, you've done your planning and have been consistent with that but doesn't guarantee the outcome you are looking for. It has a knock-on effect, if you're due to go to an appointment, you can get penalties for missing the appointment, not because you were negligent. "

(Senior, Uses bus at least once a week, Kirklees, Female, 66)

"It can be dependent on the time of day. Sometimes you get on the bus and it's practically empty, but other times you've got no chance."

(Commuter, Uses bus 3-4 days a week, Calderdale, Male, 52)

Apps for journey planning and live updates

Cross-border users and commuters, alongside some 11-21 year olds, mentioned they favoured apps, such as Google Maps and Citymapper, to help them plan their journeys and track their bus, rather than printed or online bus timetables. Apps are preferred not only because they are easy to access and use, but they also show live times, as well as inform users of the best route options and the exact bus needed.

"I use Google Maps. It has the complete journey, and it isn't biased, it is not on the side of operators so you know it will be consistent and true."

(Cross-borders, Uses bus at least once a week, York, Female, 35)

"Google Maps is good. Google tells you what the traffic is like so you can plan ahead. I have a picture on my phone of the timetable at the actual bus stop, but I only have that there to vaguely rely on it, thinking "there might be one at that time!"



(Commuter, Uses bus 2 days a week, Bradford, Male, 21)

Driver 4: Bus priority

The Strategic Case states that:

"There is a lack of priority for buses on our roads leading to poor punctuality and reliability and delays for those using the bus."

Strategic Case of the Consultation Document

There was a split by age in views on the conclusions of the 'Bus priority' driver (as outlined in the Strategic Case). Cross-border users, commuters and senior users disagreed with the conclusion, whilst 11-21 year olds tended to agree with it – though all groups wanted to address poor punctuality and reliability. All participants understood 'bus prioritisation' to be linked to bus lanes.

Other factors lead to poor punctuality and reliability

Cross-border users, commuters and senior users felt there are enough bus lanes and, therefore, prioritisation of buses on the roads. However, they believed this didn't lead to buses being more reliable or punctual, mentioning that there are still everyday issues and suggesting they are due to factors such as over-crowded buses that can't pick-up more passengers, unhelpful staff and unreliable timetables. Participants wondered what other methods could be implemented to improve punctuality and reliability.

Commuters mentioned that some areas, such as Leeds, have better bus priority than others, such as Bradford, suggesting their agreement with the conclusion may depend on the local authority in question.

"Certainly, around Leeds, bus lanes are everywhere so this is not an issue with the punctuality because there isn't priority. It's more about it being too full and the strategy isn't planned well."

(Commuter, Uses bus 3-4 days a week, Calderdale, Male, 52)

"They definitely have priority; Leeds is one big bus lane. Roads you used to be able to use, you can't because of the bus gates. In Bradford, bus lanes are hardly even marked out and faded."

(Commuter, Uses bus 2 days a week, Bradford, Male, 21)

Increased bus prioritisation to improve punctuality and reliability

Most 11-21 year olds agreed with the conclusion. They mentioned they would like to see more prioritisation of buses on the roads, particularly in urban areas and around peak times, for the main reason that it could address buses being delayed. In addition to this, participants also suggested additional ways the punctuality and reliability of buses could be improved, such as better resource management and adjustments for peak times.



"I think for the priority part, at the busier bus stops for some reason they decide to send out single decker buses and I think they should be sending bigger ones. The less busy stops get the bigger buses, and it makes no sense to me. "

(11-16 year old, Uses bus 3-4 days a week Bradford, Female, 16)

"They should have more bus lanes as it would be more practical, especially in the cities where it's busiest and there's a lot of people trying to commute to work or get to different places. It can be a hassle, so more buses should be in place in the future. I think it could make it easier for punctuality, but it could increase the traffic for everyone else."

(16-21 year old, Uses bus 5 days a week or more, Wakefield, Female, 16)

Driver 5: Greener and better vehicles

The Strategic Case states that:

"The onboard experience is not consistent for bus customers across West Yorkshire and investment in zero emissions buses is needed to improve air quality and reduce carbon emissions."

Strategic Case of the Consultation Document

More agreement was seen with the first part of the conclusion for this driver of the Strategic Case, the majority of participants saying the onboard experience is inconsistent overall, whilst agreement with the second part of the conclusion was weaker.

Senior users, commuters and 11-21 year olds showed lukewarm support for the second part of the conclusion, mentioning that although investment in zero emissions buses is a step in the right direction there are more pressing things which they would like to see improve first. This part of the conclusion also raised questions about practicalities.

Inconsistent experience

Participants across the groups agreed that their onboard experience varies, with inconsistencies being present in everything from punctuality and reliability of services to their cleanliness and number of passengers. Participants mention these inconsistencies tend to appear more around specific times of day (e.g. peak times, as mentioned most by 11-21 year olds), specific operators and areas (mentioned most by cross-border users and commuters). Senior users mentioned comfort on buses can be hit-or-miss and that anti-social behaviour makes their on-board experience unpleasant.

"I suppose it depends where you're travelling to. I've occasionally used the Harrogate bus and it feels like you're being pampered on there."

(Commuter, Uses bus 3-4 days a week, Female, Leeds, 59)



"I do think it is a bit inconsistent, depending on which route. The bus I have to get to work, the one to Bradford, a lot of people do get on that bus, so it is not very clean. It depends on what time you get on the bus. If you get on one that goes into town it will be busier at certain times. It also depends on the people that are on the buses, if they're not the nicest or doing graffiti on the buses, it depends on the time and routes you go on."

(16-21 year old, Uses bus 2 days a week, Huddersfield, Female, 19)

Investment should prioritise other factors

Agreement with the investment part of the conclusion was lukewarm as zero emissions buses are not at the forefront of participants' minds.

For commuters, factors surrounding bus stop safety and punctuality are more important, whilst 11-21 year olds mentioned buses running on time and not being over-crowded being more important, than zero emissions. Additionally, participants mentioned that zero emissions buses are already being brought in and having used them, the usual issues, such as poor punctuality and over-crowding, still exist. Questions regarding the practicalities of running zero emissions buses, such as charging, were also discussed. A few participants did mention, however, that they enjoyed the updated facilities and cleanliness of the new buses.

"I'm unsure, it's not really something someone would have in their mind when getting on the bus they need. I think people would be more focused on what time the bus is arriving."

(11-16 year old, Uses bus at least once a week, Leeds, Male, 14)

"I'd say it's inconsistent. Sometimes it's clean when it's first thing in the morning where it's been cleaned overnight, but then there's some during the day on the way back from college and there'll be cans and McDonald's cups on the bus. I've never really thought about it too much around the emissions, I know there are buses out there that are hybrid or trying to go fully electric, but it's not all buses."

(16-21 year old, Uses bus 3-4 days a week, Leeds, Male, 16)

Only a few cross-border users agreed that investment in zero emission buses is needed, linking it to the government's zero carbon emissions target. Other participants expressed resignation to the idea, with some of them wanting to know if this will result in favourable outcomes for bus users, such as reduced fares due to lower running costs of zero emission buses.

"Zero emissions is the way things are going. We're constantly hearing about the need to do it and improve the air quality. It is something that will be invested in and I'm all for this, but there are other areas that they also need to invest in and give priority to get people to want to use the bus. It's a good idea but other areas need priority to improve transport at the moment."



(Commuter, Uses bus 3-4 days a week, Female, Leeds, 59)

"I don't think the average person or teenager thinks about the air quality and the carbon emissions that buses make. Although the country is leaning towards net zero, it should be less of a priority as it doesn't really affect why a person is going to get a bus or not. In the long term it would help, so could be a long term goal."

(11-16 year old, Uses bus 5 days a week or more, Huddersfield, Male, 15)

Conclusion: Key drivers

Once the participants worked through the five principal drivers for change set out in the Strategic Case for Bus Reform, they were asked to pick one key driver for change and explain their choice.

The key driver that was chosen by the highest number of participants was 'Network', closely followed by 'Customer service and information' and 'Bus priority', with 'Greener and better vehicles' and 'Fares and ticketing' only being chosen by a few participants in total.

The importance of an improved **bus network** was emphasised by the highest number of participants. All commuters chose this as their key driver. A better bus network was thought to have the potential to better connect the region, translating into more locations that could be reached by bus, fewer bus or public transport changes, and a faster journey overall.

"Network. If you get the routes right, everything else will follow."

(Commuter, Uses bus 5 days a week or more, Wakefield, Female, 54)

The 'Customer service and information' driver was also considered important, particularly for 11-21 year olds. An improvement in 'Customer service and information' was seen as the overarching way that many bus-related issues could be solved as bus users and operators need a platform to communicate, whether about improvements that are needed or live bus delay updates.

"I'd say customer service and information. If they had better customer service, this could fix all of the other problems as they'd realise what's going wrong. The more complaints they get, the more they'll understand why more people are struggling with it. With brushing things aside, if the customer service was better, they wouldn't be able to do it. Maybe a complaint box or a QR code would be helpful so people know where to complain from."

(16-21 year old, Uses bus 3-4 days a week, Wakefield, Male, 17)

More prioritisation of buses ('Bus priority') on the roads was seen as the key to buses running to their timetables, meaning they would be punctual and reliable.



Most choosing this as their key driver were 11-21 year olds, along with some senior users.

"I think bus priority should be the most important, because if that was taken into account, the experience or journey would be more efficient, there would be less delays and buses would get there on time. The overall experience would just be better."

(16-21 year old, Uses bus 5 days a week or more, Wakefield, Female, 16)

There were some differences between the different focus groups around the prioritisation of drivers, including:

- All commuters agreed that 'Network' was the key driver for change;
- Almost all 16-21 year olds chose 'Customer service and information' as their key driver;
- The 11-16 year olds group was split between 'Bus priority' and other drivers based on current personal bus service needs;
- Cross-border users and senior users chose key drivers based on individual current needs and wants from the bus service, leading to a more diverse set of drivers within these groups.

13.1.4 The Proposed Franchising Scheme overall

Participants were informed that the Strategic Case concluded the Proposed Franchising Scheme was the best option for the Combined Authority to meet the strategic objectives for buses in the West Yorkshire region. Participants were then asked for their opinion:

- Overall, participants were split between agreement and uncertainty;
- A split was seen within the cross-border users group, with some participants agreeing with the conclusion due to a similar franchising scheme working well in Manchester and a higher likelihood of bus users being listened to by the Combined Authority. The other half of participants were uncertain whether the Proposed Franchising Scheme would be the best option, wondering if and how exactly it would benefit them as users;
- Senior users had a more complex view. Although some mentioned they liked the Proposed Franchising Scheme in theory, almost all participants said they felt franchising wouldn't work in practice as the big bus operators would win the contracts, leading to the customers' needs continuing to not be taken into consideration;
- Commuters collectively agreed the Proposed Franchising Scheme was the best option for buses in West Yorkshire, with some mentioning it would simplify travel by improving cross-operator co-operation. However, questions were raised around how the financial part of the Scheme would work and what customer benefits would be seen, and how quickly; and
- Within the 11-21 year olds groups, the majority of participants were uncertain whether the Proposed Franchising Scheme was the best option for buses in the region, feeling like they would need more information about it in order to form a decision.



Overall, although those that expressed an opinion were supportive of the conclusion, questions still exist, especially for younger people, particularly around if and how bus users will benefit from the stand to benefit from the Proposed Franchising Scheme being introduced.

13.2 Summary of presentation events

This section summarises the key questions, statements and opinions raised by attendees during the ten presentation events which were held during the consultation period – two were held at Bradford, Halifax, Leeds, Huddersfield and Wakefield. Questions and comments have been grouped together thematically for ease of understanding what was asked across all of the events – it was common for similar questions to be asked in a number of the sessions.

For full methodological details, please refer to section 3.7.1.

Financial

A number of questions were asked about issue relating to finance and funding within the reform options, such as:

- How the services currently funded by the Combined Authority would be affected by any of the reform options if they were to go ahead;
- How support and financing for rural and lower income areas would be decided and allocated in a franchising scheme;
- Whether sources of capital funding necessary to implement the reform options have been fully and adequately scoped and considered;
- The additional financial risk being taken on by the Combined Authority at a time when other local authorities across the country are struggling financially;
- How finance would be used and invested, including ownership of assets like buses and depots;
- The potential for franchising to deliver greater benefits than set out in the Consultation Document due to the greater upfront investment required; and
- The financial implication of the proposals not progressing as set out in the Consultation Document due to unforeseen events (e.g. council going bankrupt or a pandemic type event)

The proposed reform options

Questions were asked to understand the reform options in more detail and raised a number of points specifically concerning the reform options, including:

- What would franchising look like in practice and whether the model is based on best practice which exist in other places, both in the UK and further afield in Europe (e.g. Norway and the Netherlands);
- The appropriateness of using an economic model which assumes a decline in bus patronage for both reform options as part of the assessment; and



"We are confused around the modelling with the assumed decline in bus use and why the aim of decline hadn't been considered? Do you expect it will decline?"

- The inclusion of EP+ as an option and an assessment of the current EP and whether it was deemed to be working or not;

Bus operators: their needs and responsibilities

Questions were asked to further understand the roles and responsibilities of bus operators in the reform options, with some relaying how franchising has been conducted elsewhere in the country, and others curious from personal experience of working for bus operators:

- If franchising takes into account the needs of all bus operators sizes, specifically those small and medium size operators;
- If any minimum standards will be implemented;
- How cross-border services would work in practice; and
- What bus operators would be actually be bidding for under franchising contracts given it appears the Combined Authority would own the assets (e.g. depots, fleet).

Decision-making and responsibilities

A number of questions were asked about the impact of different reform options on the Combined Authority and how the management models would work in practice, including:

- The ownership of depots;
- The impact of the reform options on management structures;
- The extent of the Combined Authority's responsibilities relating to timetables, routes etc. under each reform option;
- What would happen in the event of a failed franchise; and
- How much power the Combined Authority would have to change things like timetables, routes, etc. in relation to the operators.

Tickets, passes and costs

There was interest in the practical arrangements concerning ticketing, including about long term passes and the cost of ticketing under franchising. Questions were asked about:

- Potential changes to ticket options under the reform options, including specific types of tickets (e.g. senior and disabled passes);
- The potential simplification of ticketing, such as being usable across different operators and/or cross-border; and
- Whether there would be a change in ticket prices.

Increasing bus patronage



There were a number of references to the modelled continued decline of bus patronage under all reform options and whether this was a realistic projection. Questions included:

- Whether any reform would in practice lead to an increase in bus patronage;
- The other interventions which would be implemented (e.g. improving reliability and/or adjusting fares) to impact patronage;
- What impact interventions which discourage car usage would have on bus patronage.

Cross-border services

Given the close proximity of other economic centres (e.g. Greater Manchester) to West Yorkshire, some attendees asked specific questions about how cross-border bus services would operate under the reform options. Questions included:

- How cross-boundary services would work in practice under franchising and the EP+ options;
- The practicalities of such services, including ticketing – in particular where a cross boundary services an area without franchising; and
- If cross-boundary operators will be impacted and to what extent this has been considered.

Network development and coverage

Some attendees wanted to understand if the bus network in West Yorkshire would change under the proposed reform options, including:

- How ancillary bus services (i.e. school buses, volunteer-run services, etc.) would be dealt with under Franchising;
- How network coverage will be decided if it is changed in future;
- If network coverage would change based on user feedback; and
- If housing developments would feed into network planning decisions.

Bus service improvements

There were a number of questions about the potential improvements in service as a result of introducing any of the bus reform options, in particular the Proposed Franchising Scheme. Questions included:

- The extent to which the Combined Authority understands the need for a reliable and well-connected bus service; and
- If longer operation times (i.e. early morning and late evening) are being considered.

"In the interest of simplifying, people want buses that actually run and don't suddenly get cancelled, preferably punctual, and the hours of running are better so that people in communities are catered for"

Understanding the bus reform decision-making process

There was interest in the decision making process for bus reform, such as:



- How public support or opposition, as expressed in the consultation, will be taken into account;
- The Mayor's level of influence in the decision-making process;
- whether the Combined Authority would continue to seek feedback from the public once a decision has been made on whether to proceed with a Proposed Franchising Scheme; and
- What is included in the legal processes once consultation closes.

Bus fleet

There were a number of questions about the bus fleet, including:

- If and how the quality and comfort of the fleet will improve;
- Whether or not a new fleet of vehicles will be introduced once a decision has been reached;
- The specification for the new bus fleet, such as space, wifi access and other questions around comfort; and
- The timescales and process for improving the fleet.

Additional options for Reform

Some attendees were interested in understanding if there were any other options for bus reform which had been considered, such as:

- Consideration of a geographically hybrid set-up within West Yorkshire during the transition; and
- Whether alternative options to the EP baseline case, EP+ or the Proposed Franchising Scheme were possible, such as a public-owned bus company.

Regulation

There were concerns as to what standards operators would be held to under the reform options, such as:

- How the performance of bus operators would be managed;
- What different levels of influence the Combined Authority would have within the proposed Reform options; and
- If penalties, incentives, or other strategies will be used to manage performance.

The 'better' option

There were questions asked to help members of the public understand which reform option would deliver the best outcome for them, such as:

- Which option would lead to a more frequent and reliable bus service;
- If comparisons between the two options are based on objectives for bus services, or something else; and
- If any concerns have been raised regarding potential similarities with EP and EP+.



Accountability of the Combined Authority and Mayor

Event attendees questioned the role of the Combined Authority and Mayor in the bus reform process and whether there would be communication about the chosen option and the reasons behind this choice.

Potential challenges associated with reform

There was interest as to how the Combined Authority would resolve any potential conflicts or obstacles to the introducing any of the reform options, including:

- Whether the Combined Authority has the ability resolve to them itself;
- If any potential future legal challenges have been taken into account in the implementation timetable; and
- How accessibility can be ensured for different groups (e.g. disabled people, elderly).

Learning from other authorities

Some attendees were keen to understand what had been learnt from the experience in other areas of the country as to how franchising had been implemented, particularly Greater Manchester and London, including an EP+ option which had been introduced in Leicester.

Wider, public transport integration

Finally, there was interest in how bus reform would integrate with the wider public transport network:

- How the whole West Yorkshire public transport system would look as a result of bus reform;
- If the strengths and weaknesses of options had been assessed and take into account the wider public transport system; and.
- If multi-modal journeys had been taken into account.



14 Late responses

Four responses were received after the consultation closed. As per protocols set up at the beginning of the consultation, late responses have not been included in the analysis but have been reviewed separately. The four responses were received from statutory stakeholders, Transport for Greater Manchester (TfGM), Wakefield Council, West Yorkshire Police, and the Traffic Commissioner.

Transport for Greater Manchester

Describing The Proposed Franchising Scheme

Transport for Greater Manchester supported Franchising for the entire West Yorkshire region, drawing on their perceived successful experience in Greater Manchester. It welcomed the proposal to split the area into ten zones across three rounds but sought clarity on the service split in Leeds. It noted the absence of cross-boundary services in the proposal and requested dialogue to ensure their continuation. It supported the proposed dates for the Proposed Franchising Scheme and entry into contracts and the nine-month mobilization period. TfGM suggested consulting on scheme effectiveness 24 months after implementation.

Strategic Case

TfGM acknowledged the shortcomings of the deregulated bus market, emphasizing the need for integration, accountability, and intervention when services fall short. It referenced the move to a franchising model for the Greater Manchester bus network, primarily to achieve integration and align with bus strategy objectives. TfGM agreed with the Assessment that the current bus system in West Yorkshire has faced a decline in patronage and lacked competition and coordination. It endorsed the proposed objectives, which it aligned with the objectives of the Bee Network: aspirations for easier, great value, and sustainable journeys. It advocated franchising over enhanced partnerships, believing that franchising could deliver a cohesive network and local decision-making, offering greater control to drive significant improvements. It acknowledged that enhanced partnerships would have the potential to unlock some measures through collaboration, however, it argued the structure of the bus market would remain unchanged without the greater control offered by franchising.

Commercial Case

Transport for Greater Manchester noted the emphasis on Combined Authority influence and expressed a willingness to collaborate with the Combined Authority on cross-boundary routes, citing a similar approach adopted by itself regarding competition between operators, including small and medium size operators. It sought clarity regarding the requirement for non-franchised services crossing the Greater Manchester/West Yorkshire boundary to operate under a service permit, particularly for areas not included in the initial tranche of franchising. The introduction of 7-year contracts for large Lots was welcomed by TfGM as providing network stability, allowing for potential patronage growth and assessment of network changes. TfGM expressed eagerness to work with the Combined Authority to find sustainable funding solutions for cross-boundary services, particularly during the transition to franchising.



TfGM highlighted its ambitions for significant benefits for cross-boundary passengers, advocating for integrated ticketing and timetables which reflect user needs. It went on to emphasise its commitment to franchising the Greater Manchester bus network, highlighting the inefficiency of previous funding models and the potential for franchising to optimise network design and value for money.

Economic Case

TfGM underscored their commitment to franchise the entire Greater Manchester bus network, motivated by the inefficiency of using increasing public sector funding to support and maintain the bus network under the previous system. It stressed that without change, the region faced either unsustainable funding requirements or a diminished bus network. It viewed franchising as providing increased opportunities to design the network to better meet customer needs and offer better value for money, a benefit it expected the Combined Authority would also recognise.

Financial Case

TfGM sought clarity regarding the potential funding of services that cross the boundary between Greater Manchester and West Yorkshire. It expressed eagerness to collaborate with the Combined Authority to find sustainable funding solutions for cross-boundary services.

It concurred with the conclusions of the Financial Case regarding the affordability and financial risk of EP+ and the Proposed Franchising Scheme. However, it noted that achieving a successful EP+ could be unpredictable, as it would necessitate agreement from all parties, including bus operators, both presently and in the future.

Management Case

TfGM expressed confidence in the proposals outlined in the Management Case, considering them comprehensive and aligned with the necessary requirements for overseeing such a scheme.

It highlighted its own experience of significant cost and resource demands in maintaining the current bus network during the implementation of franchising across Greater Manchester. It emphasised the importance of including high-level detail in the transition and implementation plan regarding how the Combined Authority bus services team would manage this transition period.

Wakefield Council

Wakefield Council confirmed its support for the Proposed Franchising Scheme. In its response, it attached a copy of its Cabinet Member Briefing report, in which the proposals were given consideration. The report included specific comments such as:

- Resource implications for the Council and commitments to contributing and inputting into the bus governance and development agenda;
- A need to consider the level of risk which the Combined Authority could potentially be exposed to, and indirectly its district council partners;
- That the introduction of the Proposed Franchising Scheme would place higher levels of political and reputational risk on the Combined Authority and its district council partners than is the case at present; and



- Acknowledgement that a strong and effective public transport network would help the Council and its partners to achieve its transport policy objectives (emerging Wakefield Transport Strategy and the emerging West Yorkshire Local Transport Plan), along with Climate Change objectives.

West Yorkshire Police

West Yorkshire Police cited areas within West Yorkshire where the Police Helpdesk that have public access did not have sufficient bus services to them. It highlighted this as a key area to address in order to meet the requirements of the Strategic Case.

It went on to agree that the Proposed Franchising Scheme would be the best option for the Strategic Case. It stated that it would support any plans that increase public safety on public transport, as well as any plans that increase accessibility to its public access helpdesks.

The Traffic Commissioner

While it acknowledged its statutory consultee status, the Traffic Commissioner confirmed that it did not intend to comment on the proposals and appreciated that the decision making and responsibility sat with the local authority. It stated that it would be happy to work closely with the authority once a decision has been made.



Appendix A

Demographics/classification summary

This section summarises the profile of public participants who took part in the consultation via the online or paper questionnaire. A total of 1,176 members of the public participated in the consultation via the questionnaire. The questions were optional and so not everybody provided this information. Those who submitted a response via email or letter would not have answered the questions and so are also excluded from the figures below.

Table A1: Stated response to 'How old are you?' via online or paper questionnaire

Age	Number of respondents
0 - 15	2
16 - 24	59
25 - 34	154
35 - 44	154
45 - 54	140
55 - 64	176
65 - 74	239
75 - 84	111
85+	12
Prefer not to say	35
Not stated	94



Table A2: Stated response to 'How would you describe your ethnicity or ethnic background?' via online or paper questionnaire

What is your ethnic group?	Number of respondents
White	902
English / Welsh / Scottish / Northern Irish / British	853
Irish	7
Gypsy or Irish Traveller	2
Any other White background	40
Ethnic minority groups	68
White and Black Caribbean	7
White and Black African	2
White and Asian	7
Any other mixed / multiple ethnic groups	6
Asian / Asian British	
Indian	10
Pakistani	9
Bangladeshi	0
Chinese	5
Any other Asian background	2
Black / African / Caribbean / Black British	
African	5
Caribbean	4
Any other Black / African / Caribbean background	1
Any other ethnic group	
Arab	0
Any other background	10
Prefer not to say	94
Not stated	206



Table A3: Stated response to 'What is your religion or belief?' via online or paper questionnaire

What is your religion?	Number of respondents
Buddhist	9
Christian	319
Hindu	1
Jewish	6
Muslim	16
Sikh	1
Other	39
No religion	565
Prefer not to say	126
Not stated	94

Table A4: Stated response to 'What is your sex?' via online or paper questionnaire

Sex	Number of respondents
Male / Man	611
Female / Woman	400
Prefer not to say	67
Not stated	98

Table A5: Stated response to 'Is the gender you identify with the same as your sex registered at birth?' via online or paper questionnaire

Is your gender the same as that assigned at birth?	Number of respondents
Yes	962
No	12
I self-describe my gender identity	8
Prefer not to say	80
Not stated	114



Table A6: Stated response to 'How would you describe your sexual orientation?' via online or paper questionnaire

Which of the following best describes how you think of yourself?	Number of respondents
Bisexual	59
Gay man or woman/ lesbian	61
Heterosexual	766
Other sexual orientation	18
I Self-describe my sexual orientation	18
Prefer not to say	160
Not stated	112

Table A7: Stated response to 'Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?' via online or paper questionnaire

Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?	Number of respondents
No	657
Yes	306
Prefer not to say	104
Not stated	109

Table A8: Stated response to 'Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?' via online or paper questionnaire

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?	Number of respondents
Yes, limited a lot	61
Yes, limited a little	203
No	700
Prefer not to say	89
Not stated	123



Appendix B

Consultation questionnaire

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.	
Yes, I have read and understood the privacy notice	<input type="checkbox"/>

How are you responding to this survey? (Please tick one box only)	
I am a member of the public, giving my views as an individual	<input type="checkbox"/>
I am responding on behalf of, or as a representative of, a business or organisation	<input type="checkbox"/>

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire



You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

Q2 Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.



Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.



Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?



See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of Neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?



See Section 4.3.6 of the Consultation Document for information to support answering this question.

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.



Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support <input type="checkbox"/>	Support in part <input type="checkbox"/>	Neither support or oppose <input type="checkbox"/>	Oppose in part <input type="checkbox"/>	Oppose <input type="checkbox"/>	I don't know <input type="checkbox"/>
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Why do you say this?

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.



Section 6: EQIA

Q47. The Combined Authority’s draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

These questions are optional and for individuals responding only. If you choose to answer these questions you will not be identified by the information provided. All information will be handled and dealt with in line with the Data Protection Act 2018, as detailed in our privacy notice.

We want to better understand who we are engaging with and hearing from. We are required to act in line with the [Equality Act 2010](#). By asking the following questions we can make sure our work reflects the diverse communities we serve.

What is your postcode?	
	<input type="checkbox"/> Prefer not to say

What is your sex?		
<input type="checkbox"/> Female / woman	<input type="checkbox"/> Male / man	<input type="checkbox"/> Prefer not to say

Is the gender you identify with the same as your sex registered at birth?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my gender identity as:		

Age: How old are you?									
<input type="checkbox"/> 0 - 15	<input type="checkbox"/> 16 - 24	<input type="checkbox"/> 25 - 34	<input type="checkbox"/> 35 - 44	<input type="checkbox"/> 45 - 54	<input type="checkbox"/> 55 - 64	<input type="checkbox"/> 65 - 74	<input type="checkbox"/> 75 - 84	<input type="checkbox"/> 85+	<input type="checkbox"/> Prefer not to say



Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Chinese
<input type="checkbox"/> Any other Asian background, please state:	
Black, Black British, Caribbean, or African:	
<input type="checkbox"/> African	<input type="checkbox"/> Caribbean
<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White:	
<input type="checkbox"/> English, Welsh, Scottish, Northern Irish or British	<input type="checkbox"/> Irish
<input type="checkbox"/> Gypsy or Irish Traveller	<input type="checkbox"/> Roma
<input type="checkbox"/> Any other White background, please state:	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
<input type="checkbox"/> Yes, limited a lot	<input type="checkbox"/> Yes, limited a little	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Sexual orientation: How would you describe your sexual orientation?
--



<input type="checkbox"/> Heterosexual or straight	<input type="checkbox"/> Gay man or gay woman / lesbian	<input type="checkbox"/> Bisexual	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
<input type="checkbox"/> No religion (including atheist)	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)
<input type="checkbox"/> Buddhist	<input type="checkbox"/> Hindu
<input type="checkbox"/> Jewish	<input type="checkbox"/> Muslim
<input type="checkbox"/> Sikh	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Other (specify, if you wish):	

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email <input type="checkbox"/>	Post <input type="checkbox"/>
--------------------------------	-------------------------------

Email: _____

Name: _____

Address line 1: _____

Address line 2: _____

Town/City: _____ Postcode: _____

How to mail your completed survey to us:

Please return your completed survey by the closing date of 7 January 2024 to:

Freepost CONSULTATION TEAM (WYCA)

Please note you do not need to pay for or add a stamp to the envelope you use when you post your survey back to us. The Royal Mail will deliver your post for free, and the cost is covered by the West Yorkshire Combined Authority.

Privacy Notice



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Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court;
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings;
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g. if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.



As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g. marketing).

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The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk



Bus Reform Questionnaire – Short Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.

Yes, I have read and understood the privacy notice	<input type="checkbox"/>
--	--------------------------

How are you responding to this survey? (Please tick one box only)

I am a member of the public, giving my views as an individual	<input type="checkbox"/>
I am responding on behalf of, or as a representative of, a business or organisation	<input type="checkbox"/>

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

--

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Short Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Section 1: Short Questionnaire



Q1. The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this?

See Section 1.2.1 of the Consultation Document for information to support answering this question.

Q2. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 1.2.1 of the Consultation Document for information to support answering this question.

Q3. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 1.2.2 of the Consultation Document for information to support answering this question.

Q4. The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this?

See Section 1.2.3 of the Consultation Document for information to support answering this question.

Q5. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this?

See Section 1.2.4 of the Consultation Document for information to support answering this question.

Q6. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this?

See Section 1.2.5 of the Consultation Document for information to support answering this question.

Q7. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 1.3 of the Consultation Document for information to support answering this question.

Q8. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.



Support <input type="checkbox"/>	Support in part <input type="checkbox"/>	Neither support or oppose <input type="checkbox"/>	Oppose in part <input type="checkbox"/>	Oppose <input type="checkbox"/>	I don't know <input type="checkbox"/>
Why do you say this?					
Q9. Are there any changes that you think would improve the Proposed Franchising Scheme?					
<i>See Section 1.4 of the Consultation Document for information to support answering this question.</i>					
Q10. Do you have any further comments?					

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

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What is your postcode?	
	<input type="checkbox"/> Prefer not to say

What is your sex?		
<input type="checkbox"/> Female / woman	<input type="checkbox"/> Male / man	<input type="checkbox"/> Prefer not to say

Is the gender you identify with the same as your sex registered at birth?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my gender identity as:		

Age: How old are you?									
<input type="checkbox"/> 0 - 15	<input type="checkbox"/> 16 - 24	<input type="checkbox"/> 25 - 34	<input type="checkbox"/> 35 - 44	<input type="checkbox"/> 45 - 54	<input type="checkbox"/> 55 - 64	<input type="checkbox"/> 65 - 74	<input type="checkbox"/> 75 - 84	<input type="checkbox"/> 85+	<input type="checkbox"/> Prefer not to say



Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Chinese
<input type="checkbox"/> Any other Asian background, please state:	
Black, Black British, Caribbean, or African:	
<input type="checkbox"/> African	<input type="checkbox"/> Caribbean
<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White:	
<input type="checkbox"/> English, Welsh, Scottish. Northern Irish or British	<input type="checkbox"/> Irish
<input type="checkbox"/> Gypsy or Irish Traveller	<input type="checkbox"/> Roma
<input type="checkbox"/> Any other White background, please state:	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
<input type="checkbox"/> Yes, limited a lot	<input type="checkbox"/> Yes, limited a little	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say



Sexual orientation: How would you describe your sexual orientation?			
<input type="checkbox"/> Heterosexual or straight	<input type="checkbox"/> Gay man or gay woman / lesbian	<input type="checkbox"/> Bisexual	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
<input type="checkbox"/> No religion (including atheist)	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)
<input type="checkbox"/> Buddhist	<input type="checkbox"/> Hindu
<input type="checkbox"/> Jewish	<input type="checkbox"/> Muslim
<input type="checkbox"/> Sikh	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Other (specify, if you wish):	

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Appendix C

Codeframe

Available under a separate cover



Appendix D

List of stakeholder participants

The following is a list of stakeholder organisations who responded to the consultation within the advertised consultation period. Any organisation that took part in the consultation using the online or paper form was able to select the category they belonged to. Stakeholder organisations that responded by email were allocated to categories by DJS Research and confirmed by the Combined Authority. Please note that the categorisation of stakeholder organisations has been undertaken to demonstrate the breadth of the response; the categorisation is not definitive and has no bearing on the way in which the responses were dealt with.

STATUTORY CONSULTEES

Bus operators

- Arriva Yorkshire Response
- Connexionsbuses
- Dales and Bowland Community Interest Company
- First West Yorkshire Limited
- Globe Travel and Station Coaches (Howard Robinson)
- J&B TRAVEL LTD.
- Ross Travel
- South Pennine Community Transport (sent two responses)
- Squarepeg Buses Ltd.
- Stagecoach
- TLC Travel Ltd.
- Transdev Blazefield Ltd.

Local government (West Yorkshire District Councils)

- Bradford Council (CBMDC)
- Calderdale Council
- Kirklees Council
- Leeds City Council

Local governments (Neighbouring transport authorities)

- Lancashire County Council
- North Yorkshire Council
- South Yorkshire Mayoral Combined Authority

Bus passenger representatives and user groups

- Bus Users UK
- Campaign for Better Transport
- Friends of Dales Bus
- Action for Yorkshire Transport
- Better Buses for West Yorkshire
- Transport Focus



Employee representatives

- TUC North East Yorkshire and Humber
- TUC Yorkshire & Humber CLIC
- Unite the Union
- Wakefield and District Trades Union Council
- West Yorkshire County association of trades union councils

Other

- CMA
- Confederation Of Passenger Transport
- Peak District National Park Authority

NON-STATUTORY CONSULTEES

Bus operators

- Selwyns travel
- The Go-Ahead Group Ltd
- Transport UK

Town and Parish Councils in West Yorkshire

- Baildon Town Council
- Bramhope & Carlton Parish Council
- Ilkley Town Council
- Otley Town Council
- Shipley Town Council
- Stainland & District Parish Council
- Wakefield Council
- Wilsden Parish Council

Elected Representative

- Calderdale Metropolitan Borough Council
- Leeds Conservative Group
- Calderdale Council Conservative Group

Academic

- Elliott Hudson College
- Leeds College of Building
- Leeds University Union - Student Executive
- UoL Sustainability Service

Charity/Voluntary sector

- Crossgates and District Good Neighbours Scheme
- Leeds Civic Trust
- Leeds Older People's Forum
- Pontefract Civic Society

Environment, Heritage, Amenity or Community Groups

- Aireborough Civic Society
- Just Transition Wakefield
- Upper Calder Valley Sustainable Transport Group



Health organisations

- LLA Cultural & Social Outings project
- Turning-Point

Other

- Adarak Ltd
- Bradford-Shipley Travel Alliance
- Bruntwood
- Glenn Craven Ltd T/A Greens Photo Centre
- Hank Buses
- Inglestone Associates
- Leeds Bradford Airport
- West Yorkshire Ticketing Company Limited



Appendix E

Qualitative participant profiles

Cross-border Focus Group – Wednesday 15th November Attendee Breakdown

	Ppt. 1	Ppt. 2	Ppt. 3	Ppt. 4	Ppt. 5	Ppt. 6
Age	40	29	21	50	43	35
Gender	Female	Female	Male	Male	Male	Female
Ethnic group	Asian / British Asian	Black / African/ Caribbean / Black British	Black / African/ Caribbean / Black British	White British / White European	Other Ethnic background	White British / White European
Sexual orientation	Heterosexual	Heterosexual	Heterosexual	Heterosexual	Heterosexual	Heterosexual
Religion	Muslim	No religion or belief	Christian	No religion or belief	Muslim	Buddhist
Long term health condition (LTHC)	No	No	No	No	Yes	Yes
Working status	Working (full or part time)	Working (full or part time)	In education (secondary, higher or further education) Working (full or part time)	Working (full or part time)	Not working currently and in receipt of benefits (e.g. Universal Credit)	Working (full or part time)



Area	Lancashire	South Yorkshire	Derbyshire	Greater Manchester	South Yorkshire	North Yorkshire
Local Authority	Bury	Sheffield City	Derbyshire	Rochdale	Sheffield	York
Area type	Urban	Urban	Urban	Urban	Urban	Urban
Bus use for work	3-4 days a week	About once a month or less	2 days a week	At least once a week	5 days a week or more	About once a month or less
Shift worker	Yes	No	No	No	No	Yes
Bus use for shifts	Yes	N/A	N/A	N/A	N/A	Yes
Bus use for leisure	2 days a week	At least once a week	3-4 days a week	About once a month or less	5 days a week or more	At least once a week
Bus use for study	At least once a week	About once a month or less	5 days a week or more	About once a month or less	5 days a week or more	About once a month or less



Senior Focus Group – Tuesday 21st November Attendee Breakdown

	Ppt. 1	Ppt. 2	Ppt. 3	Ppt. 4	Ppt. 5
Age	66	66	75	71	66
Gender	Female	Female	Female	Male	Male
Ethnic group	Black / African/ Caribbean / Black British	Black / African/ Caribbean / Black British	White British / White European	White British / White European	White British / White European
Sexual orientation	Heterosexual	Heterosexual	Heterosexual	Heterosexual	Heterosexual
Religion	Christian	Hindu	Jewish	Christian	Christian
LTHC	No	No	No	Yes	No
Working status	Working Full Time	Working Part Time	Working Full Time	Retired	Retired
Area	Kirklees	Bradford	Wakefield	Bradford	Huddersfield
Local Authority	Kirklees	Bradford	Wakefield	Bradford	Kirklees
Area type	Rural	Rural	Rural	Urban	Urban
Eligible for bus pass?	Yes	Yes	Yes	Yes	Yes
Own bus pass	Yes	Yes	Yes	Yes	Yes
How often use bus	At least once a week	3-4 days a week	I don't use buses to travel in WYCA	I don't use buses to travel in WYCA	2 days a week



Commuters Focus Group – Tuesday 21st November Attendee Breakdown

	Ppt. 1	Ppt. 2	Ppt. 3	Ppt. 4	Ppt. 5	Ppt. 6	Ppt. 7
Age	55	54	36	59	21	59	52
Gender	Female	Female	Female	Female	Male	Male	Male
Ethnic group	Black / African/ Caribbean / Black British	White British / White European	White British / White European	Black / African/ Caribbean / Black British	White British / White European	White British / White European	White British / White European
Sexual orientation	Heterosexual	Heterosexual	Heterosexual	Heterosexual	Heterosexual	Heterosexual	Heterosexual
Religion	Christian	Christian	Christian	Christian	Christian	Christian	Christian
LTHC	No	No	No	No	No	No	Yes
Working status	Working (full or part time)	Working (full or part time)	Working (full or part time)	Working (full or part time)	Working (full or part time)	Working (full or part time)	Working (full or part time)
Area	Leeds	Wakefield	Bradford	Leeds	Bradford	Bradford	Halifax
Local Authority	Leeds	Wakefield	Bradford	Leeds	Bradford	Bradford	Calderdale
Area type	Urban	Rural	Urban	Rural	Rural	Urban	Urban
Bus use for work	2 days a week	5 days a week or more	3-4 days a week	3-4 days a week	2 days a week	3-4 days a week	3-4 days a week
Shift worker	No	No	No	No	Yes	No	Yes
Use bus for shifts	N/A	N/A	N/A	N/A	Yes	N/A	Yes



11-16 Year Olds Focus Group – Wednesday 22nd November Attendee Breakdown

	Ppt. 1	Ppt. 2	Ppt. 3	Ppt. 4	Ppt. 5	Ppt. 6	Ppt. 7	Ppt. 8
Age	16	16	14	16	14	15	13	13
Gender	Female	Female	Female	Female	Male	Male	Male	Female
Ethnic group	White British / White European	White British / White European	White British / White European	Asian / British Asian	White British / White European	Mixed / Multiple ethnic group	White British / White European	Mixed / Multiple ethnic group
Religion	Christian	Christian	Christian	Christian	No religion or belief	Islam	Christian	Islam
LTHC	No	No	No	No	Yes	No	No	No
Working status	In education Working (full or part time)	In education Working (full or part time)	In education	In education	In education	In education	In education	In education
Area	Bradford	Bradford	Leeds	Leeds	Leeds	Huddersfield	Wakefield	Huddersfield
Local Authority	Bradford	Bradford	Leeds	Leeds	Leeds	Calderdale	Wakefield	Calderdale
Area type	Urban	Urban	Rural	Rural	Urban	Rural	Rural	Rural
Bus use for work /study / leisure	3-4 days a week	3-4 days a week	2 days a week	2 days a week	At least once a week	5 days a week or more	3-4 days a week	2 days a week



16-21 Year Olds Focus Group – Wednesday 22nd November Attendee Breakdown

	Ppt. 1	Ppt. 2	Ppt. 3	Ppt. 4	Ppt. 5
Age	16	17	19	16	17
Gender	Male	Male	Female	Female	Male
Ethnic group	Black / African/ Caribbean / Black British	Black / African/ Caribbean / Black British	White British / White European	Mixed / Multiple ethnic group	White British / White European
Religion	Christian	Christian	No religion or belief	Islam	No religion or belief
LTHC	No	No	No	No	No
Working status	In education (secondary, higher or further education)	In education (secondary, higher or further education)	Working (full or part time)	In education (secondary, higher or further education)	In education (secondary, higher or further education)
Area	Leeds	Leeds	Huddersfield	Wakefield	Wakefield
Local Authority	Leeds	Leeds	Kirklees	Wakefield	Wakefield
Area type	Rural	Urban	Urban	Rural	Urban
Bus use for work/ study/ leisure	3-4 days a week	3-4 days a week	2 days a week	5 days a week or more	3-4 days a week



Appendix F

Qualitative interview materials and presentations

Video

Title: Have your say on how West Yorkshire's buses are run



Address: <https://www.youtube.com/watch?v=oos5mSrsyCg&t=1s>

Current and proposed options



What are the options?

EP Reference Case (EP)

- Bus operators run services and set most routes, frequencies and fares.
- How we currently work to influence and improve the local bus system.
- Legally binding and requires all operators to agree to it.

Enhanced Partnership Plus (EP+)

- Local bus services remain privately operated.
- Aims to be the most ambitious partnership that could be delivered.
- EP+ proposal put forward by operators and reflected in the Assessment.

Proposed Franchising Scheme

- The Combined Authority would be responsible for local buses.
- Bus services operated under franchise contracts.
- West Yorkshire wide with a permitting scheme for cross-boundary services.

2

Network Driver for Change in Strategic Case



Network

“Bus routes don’t always go where and when people need them to and some of the network is not financially sustainable for commercial operators without public sector funding.”

3

Fares and Ticketing Driver for Change in Strategic Case



Fares and ticketing



“There is a need for clear and simple fares as the current offer can be expensive and confusing. Fares are set by bus operators, and they need to deliver better value and flexibility for the bus customers.”

4

Customer Service and Information Driver for Change in Strategic Case



Customer service and information

“There is no single point of contact for customer information, making it difficult to complain and to access information. The customer experience onboard and during journey planning is not consistent.”

5



Bus priority



“There is a lack of priority for buses on our roads leading to poor punctuality and reliability and delays for those using the bus.”

6

Greener and better vehicles



“The onboard experience is not consistent for bus customers across West Yorkshire and investment in zero emissions buses is needed to improve air quality and reduce carbon emissions.”

7



Appendix G

Qualitative discussion guide

Bus franchising scheme Focus Group Discussion Guide (90 minutes)

Qualitative research objectives:

Alongside the statutory public consultation on Bus Reform, WYCA would like to engage with specific groups of interest as identified in the EQIA. Specifically, to:

- Ascertain views on current bus use.
- Present overview of the Proposed Franchising Scheme (PFS) and gauge awareness/immediate reactions.
- Understand how they perceive the PFS will impact them.
- Understand what questions or concerns they might have about the PFS.

Introduction	5 mins
Brief introductions and explanations (5 mins)	<p><i>Moderator to check all participants can hear and see with cameras on.</i></p> <p><i>Greet participants and thank for joining.</i></p> <p><i>Moderator to briefly introduce themselves, the session and main objective:</i></p> <ul style="list-style-type: none"> • I work for a company called DJS Research, we are an independent market research company and today we are working on behalf of West Yorkshire Combined Authority to discuss public transport. We will talk more about this as the session goes on. <p><i>Moderator to reassure participants about confidentiality and GDPR compliance.</i></p> <ul style="list-style-type: none"> • There are no right or wrong answers; we are just interested in your views, opinions and ideas. • Please minimise or close other applications while in the group so Teams does not get interrupted. • Clarify length of group (90 mins) • Please try to avoid talking over one another – online environment means we cannot hear each other so well / note taker may not be able to hear • The feedback from the session will be summarised into a report along with other research which will be published, however, we will not include any names/identifiable details of anyone. You will remain completely anonymous. • Plenty to get through, so we moderator may have to move people on from time to time, that doesn't mean I'm not interested in what you have to say • Brief explanation about audio/video recording information for analysis purposes. Get permission. • Remind participants of incentive (£50).



Icebreaker	5 mins
Participant introductions (5 mins)	<p>Ok, to begin with, can we go around the virtual room and introduce ourselves please? When introducing yourself, can you please tell us:</p> <ul style="list-style-type: none"> • Your name • Roughly where you live (no specifics) • What is your primary mode of transport you use most often and why?

Current usage	10 mins
Current experience of public transport (10 mins)	<p>Thank you everyone for introducing yourselves.</p> <p>Let's discuss your public transport usage in West Yorkshire in a bit more detail, and I want to focus specifically on buses please.</p> <p>Does anyone use buses to travel in and around West Yorkshire?</p> <p><i>PROMPT:</i></p> <ul style="list-style-type: none"> • How often? • For what reasons? E.g. commuting to/from work/place of education/social • If not – why not? <p>Do you know how your local buses run and managed at the moment?</p> <p><i>PROMPT:</i></p> <ul style="list-style-type: none"> • Privately run? • Publicly run? <p>How would you describe your experience of using buses in West Yorkshire? What do you like or not like about them? Why?</p> <p><i>PROMPT:</i></p> <ul style="list-style-type: none"> • Bus routes • Cost (affordability) • Ticketing/passes, including smart integration (e.g. apps) • Quality of fleet • Safety • Infrastructure e.g. bus stops • Technology available on board <p>Do you think the current bus fleet is doing enough to minimise air pollution from its fleet?</p> <p><i>PROMPT:</i></p> <ul style="list-style-type: none"> • Is this important to you, or not? <p>If you could pick one way in which the buses could be improved, what would it be? Why?</p>

Information and immediate reaction to the Proposed Franchising Scheme	20 mins
Current awareness (5 mins)	<p>Some of you may or may not be aware that West Yorkshire Combined Authority are currently conducting a statutory consultation about how buses are run in West Yorkshire. Has anyone heard about this? It is ok if you have not – it's not a test.</p> <p><i>IF YES:</i> What do you know about it?</p> <p><i>PROMPT:</i> <i>What it involves?</i></p>



	<p><i>How it has come about?</i> <i>How are they doing it?</i></p>
Information share (5 mins)	<p>So everyone is on the same page, we have a short video to play about the consultation, and we'll discuss it afterwards.</p> <p><i>Moderator to share screen and play video. Ensure all participants can see and hear the video before playing in full.</i></p> <p>https://youtu.be/oos5mSrsyCg?si=2e8L2bCfOgUkJ8Lm</p>
Initial thoughts (10 mins)	<p>Firstly, does anyone have any questions or clarifications after watching the video?</p> <p><i>PROMPT:</i> <i>What made you raise that question?</i> <i>Why is that important to you?</i></p> <p><i>Moderator note: If cost is mentioned, explore general sentiments but do not go into detail.</i></p> <p>What are your immediate thoughts after watching the video?</p> <p><i>PROMPT:</i> <i>What is the one piece of information which stood out? Why?</i></p> <p>Do you agree or disagree with what was said in the video about the bus market?</p> <p>As part of the consultation, a Bus Reform Assessment is conducted which is essentially a business case for changing the way buses are run. It sets out:</p> <ul style="list-style-type: none">• Why the combined authority believe bus reform is necessary• What the objectives of bus reform are and what they want to achieve• What options for bus reform are available to the combined authority <p><i>Moderator to share options slide</i></p> <p>In terms of the options set out by the combined authority, there is already an Enhanced Partnership with bus operators. Under an enhanced partnership, local bus services remain privately operated, or deregulated, and bus operators continue to take revenue from fares and make independent decisions about how bus services are run.</p> <p>The Enhanced Partnership+ proposals include new ways for the combined authority to work together with bus operators so agreements can be made on route and frequency changes and reinvestment of saved resources from highway improvements.</p> <p>And finally, the Proposed Franchising Scheme which would be a more significant change to the way buses are run now as they would come under public ownership and services would operate under franchise contracts. The Combined Authority would be responsible for taking all the money that comes in as fare revenue and choosing how to reinvest this money to keep services running and improve the system. That also means the Combined Authority would be responsible for any fall in fare revenue, such as if fewer people choose to travel by bus, and making hard decisions about how to cover that funding shortfall, including potentially what services to change or cut.</p> <p>This is a short summary of the different options outlined in the consultation documents, but what are your thoughts after hearing that?</p> <p><i>PROMPT:</i> <i>Do you have any questions?</i></p>



Main discussion	50 mins
Key drivers (40 mins)	<p>Thank you for all your views so far. For the next part of our discussion, so we want to talk about some specific elements of the scheme, and then we will talk about it overall. There are more details about the proposals available on the West Yorkshire Combined Authority website, but for the purposes of our discussion today, we're going to focus on some specific areas.</p> <p>As part of the Strategic Case of the scheme, there are five principal drivers for change about how buses should be run in West Yorkshire. We're going to spend a few minutes discussing each of them.</p> <p><i>SPEND 5-8 MINUTES ON EACH.</i></p> <p><i>Moderator to share NETWORK slide and read aloud.</i></p> <p>What do you make of this conclusion?</p> <p><i>Why do you say that?</i></p> <p>Does this match your current experience(s) when it comes to the bus network?</p> <p><i>PROMPT: Why/why not?</i></p> <p>Are your specific bus route needs currently being met, or not?</p> <p><i>PROMPT: To work To school/place of education To amenities Frequency of buses Hours of service</i></p> <p><i>Moderator to share FARES AND TICKETING slide and read aloud.</i></p> <p>What do you make of this conclusion?</p> <p>Do you agree or disagree that fares are currently expensive and confusing?</p> <p><i>PROMPT: Why do you say that?</i></p> <p><i>Have you heard of the Mayor's Fares? What do you think of that? IF CLARIFICATION REQUIRED: £2 single / £4.50 daily cap</i></p> <p>What would 'clear and simple fares' ideally look like to you?</p> <p><i>Moderator to share CUSTOMER SERVICE AND INFORMATION slide and read aloud.</i></p> <p>What do you make of this conclusion?</p> <p>Would you know where to look for information for bus services and to plan journeys? What sources of information would you use?</p> <p>Have you ever had a need to contact customer services in relation to bus travel experience? How easy or difficult was it? Did you find a resolution to your issue? How would you rate your experience with customer services?</p> <p>The experience of planning a bus journey and the experience onboard the bus is described as inconsistent. Do you agree or disagree with this?</p> <p><i>PROMPT: Why/why not?</i></p> <p><i>Moderator to share BUS PRIORITY slide and read aloud.</i></p> <p>What do you make of this conclusion?</p>



	<p>How do you understand bus priority to work in practice?</p> <p>Do you support or oppose the need to prioritise buses on the road network? What are the advantages of such prioritisation? What are the disadvantages?</p> <p><i>Moderator to share GREENER AND BETTER VEHICLES slide and read aloud.</i></p> <p>What do you make of this conclusion?</p> <p>What do you think about the need for more investment in zero emission buses? Do you think this is necessary? Why?</p> <p><i>PROMPT: Is this important to you or not? Why/why not?</i></p> <p>The Strategic Case describes the onboard experience of buses as inconsistent. How do you find the onboard experience when you are travelling by bus?</p> <p><i>PROMPT: Consistent or inconsistent? What makes a good experience? What makes a bad experience? What improvements could be made to the onboard experience?</i></p> <p>After going through those five drivers for change – I'd like each of you to spend 1 minute to think if there is one key driver for you, what it is, and why. We'll share our thoughts after 1 minute.</p> <p><i>Moderator to ask each participant to share their rankings.</i></p> <p>Why did you choose that?</p>
<p>The Scheme overall (10 mins)</p>	<p>Thank you for talking through those specific key drivers.</p> <p>You have now heard a summary of the key drivers for change and an overview of the proposal. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. To what extent do you agree or disagree with this?</p> <p>Why do you say that?</p> <p><i>FULLY PROBE REASONS FOR OPINION: The scheme's perceived effect on them (i.e. benefits and detriments) The scheme's perceived effect on others (e.g. accessibility, etc) The perceived financial impact of the scheme The scheme's perceived impact on the local area/local communities The scheme's perceived impact on a larger scale (i.e. wider area, whole city, West Yorkshire as a whole, wider regions) More questions to form opinion?</i></p> <p>Do you have any concerns or worries about the scheme?</p>

<p>Wrap-up and close</p>	<p>1 mins</p>
<p>Wrap-up (1 min)</p>	<p>Thank you for taking part in our discussion today. The views you have all expressed today are extremely valuable. If after today you are inclined to learn more about the consultation, or even take part, you can do so by following the link I am about to paste into the chat.</p> <p><i>Moderator to paste link into chat:</i></p> <p>https://www.yourvoice.westyorks-ca.gov.uk/busreform</p>



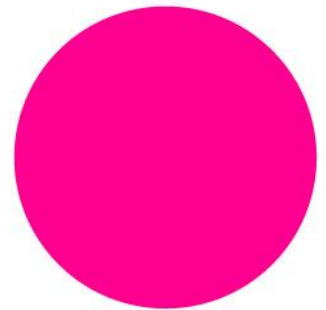
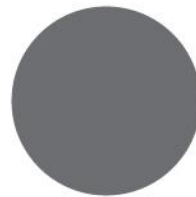
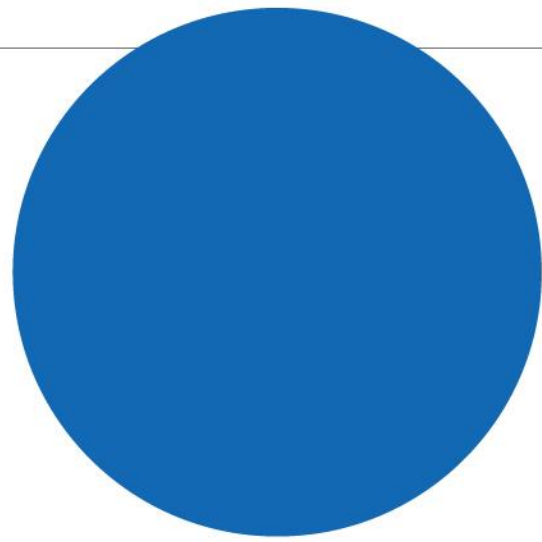
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Appendix 4 – Statutory Stakeholder Consultation Responses

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Action for Yorkshire Transport

Q5 (What is the name of your business or organisation?)

A: Action for Yorkshire Transport.

Q6 (What is your position/title?)

A: Member.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)

A: Short.

Q8 (The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this? This is Question 1 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.)

A: Since privatisation nearly 40 years ago there has been a substantial decline in bus use. The idea that competition would lead to improved bus services has been shown to be flawed. Effectively there is no competition, just a few very large bus companies (an oligopoly) who have never really competed and a few very small operators covering some subsidized routes. During this period the population of Leeds and West Yorkshire has increased but bus services have declined. The following highlights how bus operators do not always have the development of the bus network as their top priority.

First Bus reported 1.1 million passenger journeys per day compared to 0.9 million the previous year despite a 9% drop in service miles operated, according to Route Net News, at their Annual General Meeting for the period ending March 2023.

The failure of the bus system to attract passengers, or even retain many existing passengers has led to an increase in car use, creating congestion and longer (unpredictable) journey times for buses. In turn this has led to the huge costs of multi-million pound road junction improvement schemes to try and solve congestion problems that would not have occurred with effective public transport. Bus priority is crucial but we have seen no evidence of bus companies effectively lobbying for changes. For years we have been asking them to market bus services to the public with little effective response.

The constant increase in car traffic is causing delays through traffic congestion which delays bus operation, making services unreliable. This in turn reduces passenger demand further creating a vicious circle.

Bus services are now extremely unreliable. Frequent cancellations mean that passengers miss hospital appointments, are late for meetings, miss a train connection, wait outside in the rain and cold for another 30 minutes or longer, etc. Or choose to take a taxi or drive (if that is an option).

However, none of this is new and is not the result of the recent pandemic or driver shortages. Action for Yorkshire has been complaining about these issues for over 10 years and there have never been improvements, just a continuing downward spiral.

The city of Leeds has ambitions through its Transport Strategy to be a 'city where you don't need a car', with the bus being 'the most accessible and well used form of public transport'. Unfortunately, under the current system Leeds is becoming a city 'where you need to have a car or use taxis' – both of which add to congestion and pollution. We understand that about 30% of

Leeds residents do not own a car. A major concern is that these people will eventually get cars with dreadful consequences – gridlock and more pollution.

Other problems:

Some absurd timetable changes even recently with the current partnership: e.g. a 30 min daytime bus service that has a 45 min gap and then a 12 min gap – clearly not customer focussed.

Timetable changes (often minor) that are unnecessary and far too frequent and creating problems and confusion for passengers – twice a year (as with rail) is adequate.

Journey times that have been increased since 2017 by up to 30% and now are often too long – so that your bus waits for 5 mins at a timing point – as it's early!

Real time information technology is not working, with a disconnect between time showing on various bus operator apps with timetables, bus stops and the actual times that buses arrive including the challenge of 'ghost buses'. "Too many times I've seen a bus down a 'due' on the sign disappear...". "The First Bus App, the WY Metro info, display screen in shelters and timetables frequently have different times" It is confusing, but also incredibly inefficient to have different systems.

- The lack of frequent services makes bus use inconvenient for people. An hourly service makes planning journeys difficult - and with long waits if using more than one service. 30 mins services are just about acceptable IF there are no cancellations. A 20 min services means that if there is a cancellation the extra waiting time is 20 mins, not longer. Making connections between 2 hourly bus services is a nightmare!

- Local neighbourhoods are disconnected because orbital and routes to key destinations are lacking. A 20 min journey to an adjacent neighbourhood entails going into Leeds and back out again with a journey time of perhaps 90 mins with waiting time!

- Buses should be integrated with other transport modes like trains, bikes and walking- but are not. E.g. Buses are timetabled to arrive at a station 5 mins after the train left. No bus information at stations - E.g. At Leeds Train Station there is a complete lack of bus information for onward bus travel.

- Franchising would enable a system one flat fare enables a journey throughout the West Yorkshire system, that allows for a transfer to another bus within a certain timeframe. This would increase passenger numbers, but we doubt this will happen in a partnership.

Despite the efforts of initiatives such as BSIP and Bus 18, there's little indication that valid customer and other comments are taken seriously.

Studies show that the most likely indicator of future performance is past performance. Under the current enhanced partnership, instead of much-needed network improvements the situation has actually worsened in 2023 and in previous years:

E.g. Service X84 no longer connects West Yorkshire with Skipton.

A1 to Leeds Bradford Airport was every 30 mins until 2250, but is now every 50 mins after 1815 and 60 mins after 2040'. A2 evening buses have been cut after 1915.

First Bus Service 27 is the only bus service that serves Leeds Trinity University. Unbelievably the evening bus service was cut completely (except Sats) in July (2023), leading to concerns about student safety, amongst other issues for local residents.

First Bus Service 680 bus serving Bradford Royal Infirmary - In 2018 its frequency was cut to hourly. It is now run by 2 operators which, oddly include 2 weekday evening buses that leave Bradford Interchange just 8 minutes apart (18.25 First & 18.33 TLC). This makes no practical or financial sense. There is now no service from the Bradford after 21.33. First are clearly 'cherry picking' and concerned with profit maximization, but not with serving a hospital.

Q9 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 2 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.

A: The majority of Action for Yorkshire Transport members agree that the proposed Franchising Scheme is the best option. But it is not on its own the answer to all the bus service issues. It is essential that buses are not held up by traffic congestion. The Combined Authority is best placed to find solutions to traffic congestion and taking on the financial risk of bus operations provides a strong incentive to resolve the resultant bus operation delays. The franchise option gives a greater opportunity to focus on expanding the network and encourage passenger growth. Traffic congestion is also likely to be reduced with the introduction of a mass transit system, and again, this is needed to complement franchising for our buses to work effectively. Franchising provides a greater level of certainty because franchising is legally binding. We would expect a system of penalties for not operating a bus service – bus companies would then have a financial incentive not to cancel.

The integration of all public transport is something we value and foresee as being best provided by the franchise option. Integration of bus and train timetabling is essential for encouraging those living in communities away from West Yorkshire City Centres to use public transport, instead of driving into centres. At the moment, it is non-existent and it would not progress with the partnership. Bus users should be able to deal directly with WYCA for all bus services and we foresee the franchise option are being better positioned to provide this.

Q10 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 3 as set out in the Executive Summary. See Section 1.2.2 of the Consultation Document for information to support answering this question.

A: The financial analysis of the two options shows the enhanced partnership plus as being the best value for money. However, we consider this to be a short term view not taking into account the benefits of the financial incentive to reduce traffic congestion, as explained previously, and the development of an integrated network.

As also shown previously, the priority for bus operators is not always about the development of the network and increasing demand.

Q11 (The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this? This is Question 4 as set out in the Executive Summary. See Section 1.2.3 of the Consultation Document for information to support answering this question.

A: We are happy with the proposals.

Q12 (The Financial Case shows that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this? This is Question 5 as set out in the Executive Summary. See Section 1.2.4 of the Consultation Document for information to support answering this question.

A: The financial risk associated with the Proposed Franchising Scheme assumes that bus patronage is expected to decline across the region. This assumption is at odds with broader regional and city-based targets, such as climate-related goals. It is essential that we don't have even more cars on our roads adding to pollution, congestion, all negative impacts on the quality of life of Leeds citizens.

It is also relevant that the public are already substantially investing in bus services through public subsidies – which is a ‘financial risk’. Under the current system there are many examples of bus companies cutting a bus service that they decide isn’t profitable and then WYCA must subsidise it. It can therefore be argued that the Combined Authority does not have the control, BUT ends up with some of the ‘financial risk.’ An Enhanced Partnership would not change this.

Q13 (The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this? This is Question 6 as set out in the Executive Summary. See Section 1.2.5 of the Consultation Document for information to support answering this question.

A: We support the management of the bus network by the Combined Authority as put forward in the Management Case.

The Proposed Franchising Scheme provides a more efficient way to run the network by enabling a coherent structure and by removing repetition of functions and will make the bus services more accountable and less complicated for bus users.

However, it is essential that under the franchising, community involvement is frequent and structured. It is the bus passengers and bus drivers who best know and understand the issues and challenges on their bus services.

Q14 (The Combined Authority’s draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? This is Question 7 as set out in the Executive Summary. See Section 1.3 of the Consultation Document for information to support answering this question.

A: We support the Proposed Franchising Scheme’s provision of an Equality Impact Assessment and note that no equivalent exists within the Enhanced Partnership (EP+) proposals. As such, we cannot assume that the EP+ scheme can sufficiently support persons with protected characteristics.

Public participation discussing ongoing issues, is of particular importance for persons with protected characteristics. Again, a scheme of structured involvement is required.

Q15 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 8 as set out in the Executive Summary. See Section 1.4 of the Consultation Document for information to support answering this question.

A: Support.

Q20 (Why do you say this?)

A: We support the Proposed Franchising Scheme because the current system has been dysfunctional and led to a quality of service in West Yorkshire that is frankly an embarrassment. We need a system where the bus network is integrated, reliable, fast and affordable. Only then will people choose to use the bus and not the car.

Franchising is the norm across most cities in Europe and those systems are far better than the current system in Leeds and West Yorkshire.

However, we stress that franchising on its own will not provide the full solution. A reduction in traffic congestion, that is strangling the bus network is needed. To this end the introduction of the mass transit system will help. The problems we are suffering now are not just down to the current bus operators but to a variety of factors. WYCA will need to up its game to take full advantage of the franchising option.

Q21 (Are there any changes that you think would improve the Proposed Franchising Scheme? This is Question 9 as set out in the Executive Summary. See Section 1.4 of the Consultation Document for information to support answering this question.

A: The Proposed Franchising Scheme should be fully accountable to the public. It is essential that under the franchising community involvement is frequent and structured. It is the bus passengers and bus drivers who best know and understand the issues and challenges on their bus services. This is something that the bus companies have failed to do. The very few consultations have been ignored and not led to improvements. It should be a condition of either system that good quality printed timetables are produced.

Q22 (Do you have any further comments? This is Question 10 as set out in the Executive Summary.

A: No.

Better Buses for West Yorkshire

Q5 (What is the name of your business or organisation?)

A: Better Buses for West Yorkshire.

Q6 (What is your position/title?)

A: Campaigner.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)

A: Long.

Q23 (Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region? This is Question 1 as set out in the Consultation Document. See Section 3.2 of the Consultation Document for information to support answering this question.)

A: We believe that it is important for services to be integrated, coordinated, and guaranteed across the entire devolved region.

However, Yorkshire has a strong cultural identity and an even stronger economic integration, with many people working, living, and travelling across administrative boundaries.

According to the Transport Act (2000) Part II §123A(1): “A franchising authority, or two or more franchising authorities acting jointly, may make a franchising scheme covering the whole or any part of their area, or their combined area.”

South Yorkshire is currently looking into delivering franchising, with a political commitment to implement the policy. Less immediately relevant, North Yorkshire has political commitments to pursue franchising.

A Franchising Scheme should be made to integrate services across this larger area, at least including South Yorkshire, to the benefit of the public.

Q24 (Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds? This is Question 2 as set out in the Consultation Document. See Section 3.3 of the Consultation Document for information to support answering this question.)

A: Procuring over three rounds clearly offers some benefits to the MCA, allowing a new system to be improved iteratively as it is rolled out and allowing officer time to be kept relatively low.

However, delivering this change is a key political, community, and climate policy priority. It deserves to be delivered at speed, with appropriate expansion of officer capacity to deliver this.

By running procurement for Category A lots 10 times, for the 10 zones, it will increase the time and cost needed to deliver all these services.

In Europe, many large devolved areas have a single large operators deliver all their services,

reducing the complexity of commissioning (e.g., French departments).

By still having separate lots, to allow roll out over time, but bundling these together into two or three large batches time might be saved to deliver change faster for the public.

Category B and C seem appropriate for allowing continued operation for small and medium companies on very similar terms to their most tendered operations at the moment.

Q25 (Do you have any comments on the local services that are proposed to be franchised? This is Question 3 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.

A: The approach taken appears consistent with national advice and the practice of WYCA's peers. However, we note that the aim of bus franchising must be to grow patronage and to use increased revenue to provide additional services. This is unlikely to immediately impact the first round of commissioned services but should be taken into consideration as the network moves forward.

Q27 (Do you have any comments on the date on which the proposed Franchising Scheme is currently proposed to be made, 14 March 2024? This is Question 5 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: We are not sure why it must take so long to analyse the results of the consultation and make a decision. The South Yorkshire MCA found practices that allowed it to schedule a decision much faster after the consultation concluded.

Q28 (Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026? This is Question 6 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: If this date is kept, it will have taken 5 years to introduce franchising after the Mayor was elected on a pledge to introduce this change. Timelines of this nature undermine public support, trust, and interest in politics.

More widely, our region cannot afford such a lengthy wait for change, on the grounds of economic growth, climate security, and social inclusion.

This needs to be brought forward as a matter of urgency. This might be facilitated by our proposals outlined in the Q2 and Q7.

Q29 (Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)? This is Question 7 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: In the time available for studying the full franchising assessment, we could not identify the rationale for taking 50% longer than outlined by the Government to mobilise a franchising contract. The only reference we found was a statement in the Commercial Case §5.4.13 that this was the period chosen.

We believe the threshold for introducing the additional delay needs to be exceptionally high. We

recommend that the statutory 6 months is chosen. We do not believe this is unreasonable, but if it is viewed as being too onerous, is it possible that 6 months is selected with a halfway review point to allow a one-, two-, or three-month extension to be exercised?

Q30 (Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working? This is Question 8 as set out in the Consultation Document. See Section 3.6 of the Consultation Document for information to support answering this question.)

A: We do not believe that “consultation” on how franchising is working is appropriate or deep enough. It is also unacceptable to only ask for input after up to two years of services running.

We believe that a system of participatory governance and mobilisation is needed.

The supervisory boards of the new publicly controlled franchised bus system should be balanced to include:

- 1/2 elected/appointed by local/regional/national government as appropriate (democratically elected politicians and also non executive directors with useful expertise, chosen by government),
- 1/6 public service users (from Participate),
- 1/6 workers or trade unions and
- 1/6 civil society (relevant environmental, social or community groups).

West Yorkshire should follow South Yorkshire’s example and have a citizens assembly chosen by sortition. This could then have representatives sent to the supervisory board.

This system should be set up immediately upon a franchising decision taking place on March 12th and have oversight of contracts as they are drafted and network design and mobilisation.

This system will be beneficial as it will create greater buy-in and ownership of the scheme from the public who will then feel more inclined to use the service.

Q31 (The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this? This is Question 9 as set out in the Consultation Document. See Section 4.1.3 of the Consultation Document for information to support answering this question.)

A: This is clearly true. Extensive criticism of deregulated bus networks have been levied from expert groups, including: Leeds Civic Trust, Transport for a Quality Life, IPPR, the Centre for Cities, CPRE (The Countryside Charity), CommonWealth, the National Pensioners Convention and former UN Special Rapporteur on Extreme Poverty and Human Rights, Prof. Philip Alston.

This last report interviewed bus passengers, workers, and experts based in West Yorkshire and found that the system has been “a masterclass in how not to run an essential public service” and that there have been “serious human rights impacts” as a result of the system.

What has happened in West Yorkshire under deregulation?

1. Use: 60% drop in the number of bus journeys in Yorkshire since deregulation in 1986.
2. Network Shrinkage: 1 in 3 bus routes have been cut since 2011 in Yorkshire. Due to network cuts, buses travelled 5.5 million fewer miles in 2016 than 2013.
3. Costs: Fares have nearly doubled in real-terms under deregulation and privatisation.
4. Ticket Disintegration: there are over 100 different options on one corridor in Leeds.
5. Reliability: In January ‘21, local bus companies still missed the national requirement for 95% of buses to arrive on time. This was not due to congestion as lockdown reduced traffic; it

reflected real failures of operators to deliver reliable services. Latest figures show over 1 in 5 services fail to turn up at the bus stop on time.

6. Public Burden: In 2017, 50% of West Yorkshire's bus operating costs were already met by public subsidies. According to researchers this shows how "the public has effectively become an insurer of operator profits, propping up private services."

7. Profiteering: Major bus operators have extracted around 15 million a year in dividends in the last decade.

Q32 (The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this? This is Question 10 as set out in the Consultation Document. See Section 4.1.4 of the Consultation Document for information to support answering this question.

A: No other European country has deregulated its buses. This system is an extreme form of privatisation that undermines the ability of the bus network to deliver a public service. One of the few international examples to deregulate its services, New Zealand, began reversing this policy over a decade ago and has seen positive results. The only other prominent example, Pinochet-era Chile, was widely hailed as a disaster with rounds of re-regulation beginning in 1990 after Pinochet lost power.

The fact that our bus network is one of the worst performing internationally and is an international outlier for its governance system indicates that bus reform is an obvious and essential change.

The evidence collated by the MCA on franchising shows that it will deliver serious improvements.

Q33 (Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case? This is Question 11 as set out in the Consultation Document. See Section 4.1.5 of the Consultation Document for information to support answering this question.

A: Three of the issues outlined are passenger experience issues while the last two are infrastructural issues, which while they feed into these experiences, are of a different type.

We understand this reflects the constraints put on WYCA by DfT but believe this is a mistake.

The last two points should be reframed to capture passenger experience (alongside climate and community goals) as the key lens through which policy decisions on infrastructure are made:

- Reliability & Punctuality
- Reduced emissions, cleaner air, and

This would allow the discussion to include one cause of unreliability, a lack of bus priority, whilst also acknowledging that profit-driven timetabling, as identified by the UN Special Rapporteur report and Transport for a Quality Life, is a cause of delays.

These reports, and the excuses of operators, also highlight that driver shortages are a serious issue "if a driver doesn't turn up for his shift at 6.03 in the morning that bus doesn't go out. Back in the public sector, we had three or four drivers who came on at 5 am, and sat as what we called reserve, just waiting for that to happen. Every day now, buses don't go out because there aren't the staff."

This comes from the poor pay and conditions faced by drivers.

The design of vehicles needs to account for speeding up bus services, including allowing for

multiple doors to speed up boarding and alighting.

Finally, while there are hundreds of other metrics we need to measure buses on, that of accessibility must be prioritised. Bus services can be very exclusionary, and in the widest sense of the term this includes most people who find them to feel unsafe.

Q34 (Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 12 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.)

A: Network.

A) Franchising is the only guarantee that you can fully cross-subsidise services, as according to private operators under deregulation “cross-subsidy has been virtually banned.” This means that the network can grow with additional services, either new or extended routes, increased frequencies, or expanded operating times.

B) Franchising is the only guarantee that you can remove over-bussing and fully rationalise the network, unlocking spare capacity already contained in the network where head-to-head competition means drivers, vehicles, and fuel are locked up in providing overly frequent journeys on some corridors.

C) Franchising is the only guarantee that you can rationally plan and integrate services with other forms of transport so that rail and eventually mass transit seamlessly allow passengers to use all three modes, reducing the need to have duplication and allowing an expanded bus network as people can take one leg of their journey on another mode.

D) Franchising is the only guarantee that most of the return on investment will be captured by the public when additional journeys lead to increased ticket revenue as the fare box is in public hands. This will allow for more services to be commissioned and a positive cycle of growth to be established.

Ticketing & Fares

A) Franchising is the only way to guarantee, without significant legal challenges and risk, that time bound tickets, such as the London hopper fare, are introduced. These tickets are essential to the public and we need to have them to reassure people they are getting value for money.

B) Franchising is viewed as the best way to remove the confusing multi and single operator split needed under deregulation and with EPs.

C) According to Centre for Cities, only franchising will allow for the Mayor specify what tickets are available in the public interest: “Under an EPS there must always be a single-operator ticket price set independently by operators. The incentive remains for operators to price this relative to multi-operator tickets so that passengers avoid travelling on other operators’ services.”

D) Changes that are deemed necessary for the public are not dependent on operator consent.

Customer Satisfaction

A) Deregulation always leads to fragmentation of information, something that franchising through the Mayor will avoid, improving customer experience.

B) Unified approaches to customer information will be available and so they will trust information more, have more reliable information.

C) Accountability when things go wrong is a massive issue, different schemes and responsibilities within deregulation make it impossible for the public to trust that if they complain they will have a just outcome, either through compensation and/or appropriate action to prevent future failures.

D) Experiences on the bus become standardised, through common design and approaches meaning people feel the system works as a door-to-door transport option, making it more competitive against the car. The Mayor can specify these conditions in contracts.

Bus Priority

- A) Councils currently carry the financial risk on building bus priority but gain little from the financial reward. By giving them access to the farebox through franchising, this will incentivise building of bus priority faster and unlock an ROI which makes funding future schemes easier.
- B) Councils face a disincentive from introducing bus priority under deregulation as they have no guarantee that the service they are building the bus priority for will continue to run. Franchising means that they can guarantee through contracts that it will be used.

Greener & Better Vehicles

- A) One of the key challenges of creating an EV fleet is that you lose 15% of your capacity at existing depots. This means we must build new depots to run the same number of services and have an electric fleet. This is even more the case if you plan to add additional services as should be our aim. By integrating bus operational policy with the other powers local authorities have, such as planning or compulsory purchase, there will be a faster and cheaper move to develop new sites for use as depots.
- B) Greening the fleet will require borrowing to fund additional buses. This will be cheaper on public bond markets or through other public forms of borrowing than on private markets or from equity. The ultimate source of money to pay this back will always be the public either through fares or taxation via subsidy. This decreased cost through public ownership of vehicles and public financing will be beneficial to the public and allow change to take place at a larger scale. There is also space for councils across the country to commission larger bids of vehicles and therefore reduce costs through economies of scale.
- C) By making vehicle design something that requires public consultation, not just consultation with shareholders, we will be able to get vehicles that better meet public need.

Q35 (Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 13 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: We believe that the EP will fail to deliver the impacts set out in the Strategic Case, for many of the reasons discussed including uncertainty.

On fares, the CMA is likely to prevent anything like the level of improvement needed or possible under franchising. There are long running precedents that suggest the network will not be able to grow or meet other requirements. A lack of integration means that customer service is likely to remain fragmented and poor.

Q36 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 14 as set out in the Consultation Document. See Section 4.1.8 of the Consultation Document for information to support answering this question.

A: We strongly support the conclusion of the Strategic Case that franchising is the best option because:

- It provides certainty on delivery. I was concerned that it said leaving private companies in charge under the alternative to franchising (the EP+) “creates less certainty.” Our communities need certainty, not to be at the whim of private company shareholders. In fact, “there remains a risk that not all of the benefits assumed would actually be delivered” under an EP+.
- It guarantees simple tickets. It is simply illegal to provide a single set of tickets that work across all operators or time-bound tickets like the London-hopper fare, as shown by when Reading Council tried to introduce a “short hop” fare under its EP and the CMA prevented it from doing so.

- It delivers really simple tickets. While the EP promises “fare capping schemes and standardisation of tickets” this does not mean a London-style system of simple fares that always get you best value. As a passenger, I will need to understand where and with what operators the capped fares and standard tickets do apply.
- It is more straightforward. Under the privatised alternative (EP+), any negotiation to deliver improvements (e.g., lower fares) may be undermined by the private operators finding some further way to serve their interests as we saw when the Mayor paid for a £2 fare cap and Arriva raised all its lower fares, with no notice, to £2.
- It is not conditional. Some of the improvements are labelled as only being delivered “subject to public sector funding” under the EP+ but no such qualification exists for the public control (franchising) option. Similarly, it doesn’t need “operator agreement.”
- It provides a single app. The franchising scheme is unique compared to the EP+ as it will allow for the creation of a single app for passengers to use.
- It strengthens and simplifies customer service. The EP+ suggests that there may be some unification of brand and a single point of contact, but if behind the scenes processes still rely on the councils, WYCA, and different bus operators communicating well, the overall level of service will still be poor. This is backed up in §10.3.35 of the full assessment where it says that there is “less certainty and consistency due to the multiple players involved in developing this offer.”
- It provides better value for money on green vehicles.

Q37 (Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case? This is Question 15 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: It seems to provide a significantly larger benefit than that of the EPS through a number of different areas, not least larger networks funded by decreased operator margins and also savings by removing the marketised approach to ticketing allowing integration and cheaper journeys.

Q38 (Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case? This is Question 16 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: Operators of public services have always been insulated from risk because the services are too essential to fail and are therefore de facto insured by the public. This is something agreed by experts, not least the UN Special Rapporteur. The new franchising system makes this a more straightforward reality but also means operators do not have to notionally handle some risks. We believe that this supports the case of having a publicly owned operator so that all the benefit sits with the public given that, no matter the governance system, risk always sits with us. It is our businesses, families, schools, hospitals, and lives that are impoverished when the bus network fails.

Q39 (Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case? This is Question 17 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: The CA positive impacts are understated as there may be increased economic growth, which under trailblazer devolution may be captured by retained business rates. There could also be benefits from reduced costs to local councils as the need for public funding decreases if, as

happens in many franchised or publicly owned systems (London, Jersey, Greater Manchester, Edinburgh, Reading), ridership increases and boost revenue.

Q40 (Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case? This is Question 18 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: Operators will continue to harvest bigger than average or fair, according to the CMA, profits from the travelling public and taxpayers.

Q41 (Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case? This is Question 19 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: Operators will continue to harvest bigger than average or fair, according to the CMA, profits from the travelling public and taxpayers.

Q43 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 21 as set out in the Consultation Document. See Section 4.2.7 of the Consultation Document for information to support answering this question.

A: The economic case does not strongly enough reflect that franchising is up to 50% better in terms of net economic benefits.

Its modelling is also weak as it does not show the difference between a continued decline scenario, which shows franchising is better, and an ridership growth scenario where the difference would be even starker. It is of public interest for this to be modelled as it helps the public assess risk profiles.

Q44 (Do you have any comments on the Commercial Success Factors outlined in the Commercial Case? This is Question 22 as set out in the Consultation Document. See Section 4.3.2 of the Consultation Document for information to support answering this question.

A: We reject the premise that an essential public service must be run as a competitive market. Many countries view this to be entirely the sphere of the public sector to prioritise public need. This cuts against the CSFs of the option being a “driver of competition between operators” and that there is “appropriate allocation of risk.” On this latter point, we have already referenced that the public sector carries the risk in all scenarios, it is just constituted differently. For example, in 2017, 50% of West Yorkshire’s bus operating costs were already met by public subsidies. According to researchers this shows how “the public has effectively become an insurer of operator profits, propping up private services.” We believe that a publicly owned delivery arm would be a very appropriate way to deliver services under franchising and would remove these aims.

However, franchising better achieves these aims, even if we reject their premise, than other options.

Q45 (Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case? This is Question 23 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: Procuring over three rounds clearly offers some benefits to the MCA, allowing a new system to be improved iteratively as it is rolled out and allowing officer time to be kept relatively low.

However, delivering this change is a key political, community, and climate policy priority. It deserves to be delivered at speed, with appropriate expansion of officer capacity to deliver this.

By running procurement for Category A lots 10 times, for the 10 zones, it will increase the time and cost needed to deliver all these services.

In Europe, many large devolved areas have a single, large operator deliver all their services, reducing the complexity of commissioning (e.g., French departments).

It also would allow a greater unification of passenger experience removing unnecessary and unwelcome variation between services. This could also benefit drivers too as management would have a common practice and authority structure.

By still having separate lots, to allow roll out over time, but bundling these together into two or three large batches time might be saved to deliver change faster for the public.

Category B and C seem appropriate for allowing continued operation for small and medium companies on very similar terms to their most tendered operations at the moment.

Q46 (Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 24 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: We are concerned that frequent changes to who holds contracts could produce instability.

This could affect the labour market by giving operators a chance to lower terms and conditions, thus sparking further driver shortages.

We also don't want to see passengers negatively affected by changes.

We believe that setting the default as the statutory maximum but putting in clear criteria to allow the CA to terminate contracts early due to poor performance to then get a competent operator in would be the most prudent move.

However, we agree that contracts for smaller lots might be shorter than those for the major lots.

Q47 (Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 25 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: It is the correct approach to own vehicles as it drives us standards, standardised vehicles, and allows for economies of scale and better borrowing rates. However, we are concerned that operators may use complicated financial mechanisms to move ownership of vehicles around or extract higher values than the authority should have to pay. We encourage you to listen to the

experience of Greater Manchester in this respect and to work with DfT to get new powers to protect the public financial and operational interest.

Q48 (Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 26 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.)

A: It is the correct approach to own depots, not least as it removes barriers to entry and prevent abuse of monopoly power. However, we are concerned that operators may use complicated financial mechanisms to move ownership of vehicles around or extract higher values than the authority should have to pay. We encourage you to listen to the experience of Greater Manchester in this respect and to work with DfT to get new powers to protect the public financial and operational interest.

Q50 (Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 28 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.)

A: We believe that public ownership is the best method for delivering the MCA's goals and the best bus network for the region.

The Government has committed to continue implementing the European Union Regulation (EC) No 1370/2007 which allows for devolved governments to "award Public Service Obligation (PSO) contracts to bus operators outside the general procurement and state aid rules applicable under EU and domestic law."

Notably, this means franchising contracts could be awarded to a municipal bus company without a competitive tendering process against private operators.

Earlier statements from Government suggest that the UK is continuing with EC Directive 1370 in UK procurement law post Brexit.

We believe this would, when a municipal bus operator is set up, allow for faster implementation and lower costs.

Q52 (Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case? This is Question 30 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.)

A: Neighbouring transport authorities in Greater Manchester, South Yorkshire and North Yorkshire are all implementing, assessing, or planning to assess franchising. We believe that creating joint franchising schemes with those not yet made could offer benefits and that cross-boundary services will be better coordinated when all are franchised.

Q53 (Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case? This is Question 31 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.)

A: We believe that this is a massive area of concern. In London, when contracts change hands drivers have often seen their pay, seniority, and conditions decrease. They also may be forced

to move with their route and so drive further to start their working day. TUPE may be a start but it does not provide the reassurance drivers deserve. We believe that municipally employing the workforce, and then allowing a private management contract as happens in many public services and in some bus services in particular, for instance in France would be the better way to run things. However, the minimum is that strong minimum conditions and pay are written into the contracts to level up all drivers to the best set of pay and conditions currently found in the region.

Q54 (Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case? This is Question 32 as set out in the Consultation Document. See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

A: It is clear that franchising would give the LTA much more influence over the network as the vast majority of decisions can be controlled through the contracting system the authority uses. It can even set outcomes and then produce enforcement criteria to achieve them. It also has better investment certainty as the return on investment is under mayoral authority control.

The removal of the excess profit margins will deliver a better value for the public as will the reinvestment dynamic.

It will improve competition as the CMA points out that there is significant monopoly power and little on street competition. This means that the competition for contracts will boost service quality. The public ownership of depots and vehicles also means that there will be lower barriers to entry increasing competition.

Risk already sits with the public as we cannot achieve our economic, social, and environmental goals without this network. Control of outcomes through contracting will allow the authority to better manage risk.

Q55 (Do you have any comments on how the EP+ could support the Commercial Success Factors? This is Question 33 as set out in the Consultation Document. See Section 4.3.6 of the Consultation Document for information to support answering this question.

A: It will leave monopoly power in place and so not address issues on competition. Profit will continue to be 3 percentage points higher than the CMA believes is appropriate. Decisions are left with final say in the hands of private operators restrict the authorities ability to influence changes.

Q56 (The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this? This is Question 34 as set out in the Consultation Document. See Section 4.3.7 of the Consultation Document for information to support answering this question.

A: We broadly support the Commercial Case, especially the choice to utilise publicly owned infrastructure to enhance competition and reduce entry barriers. However, I propose enhancements to address the following:

1) The security advantages of a publicly owned Operator of Last Resort. While major UK operators are accustomed to regulated systems across Europe and can align their approach in West Yorkshire, the Commercial Case lacks a robust plan for ensuring service continuity in

scenarios where bids are absent, a company is unfit due to poor service, or an operator aims to withdraw from a contract. In the rail industry, governmental intervention can ensure service provision by employing a capable public operator.

2) The financial perks of a publicly owned Operator. If West Yorkshire had a public operator capable of bidding for contracts, it would foster robust competition, compelling private companies to lower bid costs. This would be driven by the public operator's willingness to accept lower profit margins, reduced borrowing expenses, and streamlined management costs, ultimately enhancing competition.

3) The advantages of establishing a Direct Labour Organization for hiring drivers. To diminish entry barriers and maximise competitive benefits, the Combined Authority plans to furnish major depots and some vehicles. Additionally, offering a local workforce with stable terms and conditions would level the playing field for operators by eliminating expectations of TUPE and the scale-based advantages that large incumbent operators hold in driver employment. This approach would also secure favourable terms and conditions for drivers.

Q57 (The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments? This is Question 35 as set out in the Consultation Document. See Section 4.4.4. of the Consultation Document for information to support answering this question.

A: We support the options outlined for funding the Proposed Franchising Scheme but want to flag the use of mayoral precept to pay for services, which would at an end-user point of view be a redistributive policy even if the tax was not progressive, and the use of Community Municipal Investments.

Q60 (The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk? This is Question 38 as set out in the Consultation Document. See Section 4.4.7 of the Consultation Document for information to support answering this question.

A: Introducing public oversight through the Proposed Franchising Scheme appears to be a prudent financial choice, yielding nearly £1 billion in broader economic advantages for the region while enhancing control and accountability. However, we have reservations regarding the ongoing expenses incurred by the public due to inadequate services within the Enhanced Partnership framework. The current Financial Case overlooks these costs, alongside the escalating need for increased public funding, which, if factored in, would significantly bolster the financial argument for public oversight. Additionally, we harbour slight concerns about the assumptions made in the financial case. It's risky to assume a continuous decline in bus passenger numbers, as this contradicts the region's existing commitments and fails to align with the pressing demands of the climate crisis. Referencing documents like the West Yorkshire Transport Strategy 2040 and the Connecting Leeds Transport Strategy, our commitments entail a substantial rise in bus patronage over specific timelines. With 40% of local emissions stemming from transportation, predominantly private cars, all scenarios imply higher public subsidies for buses. Under the franchising model, any surge in passenger numbers would directly benefit the public, further solidifying the financial rationale.

Q61 (The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments? This is Question 39 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: We welcome the news that managing the new publicly controlled ("franchised") system will be possible and achievable. This approach appears to optimise the use of public and household funds, eliminating potential duplication of roles between the Combined Authority and private bus operators under the EP+ model. It's impractical for the public to bear the cost of redundant tasks.

However, we advocate for the Mayor to go beyond mere "consultation" with bus users and place the public at the core of bus governance. Drawing inspiration from France and Spain, where public water companies incorporate representatives from employees, civil society, water advocates, scientific experts, and local businesses on their boards, we propose a similar representation model for the Metro board overseeing our integrated transport services.

Moreover, it's essential to engage with non-bus users, including those currently excluded by choice or necessity, through consultation processes. Their perspectives are equally important in shaping inclusive and comprehensive transportation strategies.

Q62 (Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case? This is Question 40 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.)

A: We think it is essential that a participatory board oversees the transition and implementation stage as well as the management of the system when it is running.

Q63 (Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case? This is Question 41 as set out in the Consultation Document. See Section 4.5.4 of the Consultation Document for information to support answering this question.)

A: The system of management does not provide enough power or voice for the wider public.

Q64 (The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments? This is Question 42 as set out in the Consultation Document. See Section 4.5.5 of the Consultation Document for information to support answering this question.)

A: That the existing organisational structure be updated to have something akin to the Bee Network committee and that this has representatives of works, civil society, and participatory or public groups.

Q65 (The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this? This is Question 43 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.)

A: We strongly agree.

Q67 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 44 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: Support.

Q69 (Why do you say this?)

A: We strongly support this.

We support it because deregulation and Enhanced Partnerships have failed since 1986, partly as:

- Private companies are free to set up, run, and cancel whatever services they wish.
- They cherry-pick only the most profitable routes, cutting other services that are then either tendered or lost. Tendering is where the council pays operators a fee to run a route (but operators keep any money from ticket sales).
- Competition law obliges operators to offer tickets that only work on their services, reducing integration. This means best value tickets only work on some buses.
- Cross-subsidy, where profitable routes help pay for quieter but essential routes (e.g., profits from a commuter route support a hospital bus) is prohibited.
- Private operators maximise profits by shrinking the network and increasing fares.

These dynamics are significantly reverse by franchising.

There are several issues with partnerships, whether informal or enhanced — e.g.,

- Bad value-for-money. Partnerships rely on public investment. As it is still deregulated, any returns on investment (through increased ticket sales) are captured by private companies and paid out as dividends, rather than returned to the public.
- Voluntary. As all partnerships rely on operators making voluntary concessions. As soon as these stop being convenient, they will back out. As seen in June 2021, partnerships fall apart very quickly when operators feel they need to increase fares.
- Poor track record. Bus partnerships have been used for decades. They have failed to halt or reverse drops in service quality or passengers.
- Bad policy. The Centre for Cities describes them as a “fudge which stops mayors [or local councils] from delivering the quality bus networks their electorate rightly expect” while a former UN Special Rapporteur on Extreme Poverty has called for them to be “phased out.”

It is identified as being better on all cases than the EP through the WYCA assessment.

Q70 (Are there any changes that you think would improve the Proposed Franchising Scheme? This is Question 45 as set out in the Consultation Document. See Section 1.4 of the Consultation Document for information to support answering this question.

A: A key priority lies in ensuring that the Proposed Franchising Scheme effectively tackles the issues of unreliability and punctuality stemming from driver shortages. It's imperative to secure a guarantee that drivers will not experience adverse impacts on their pay, terms, conditions, seniority, or pensions due to changes in employers when franchise contracts are introduced or transferred.

Our aim is to secure equitable treatment for bus drivers in West Yorkshire. We firmly insist that the Proposed Franchising Scheme commits to standardizing pay, conditions, and pensions at a level that mirrors or surpasses the best standards existing under the current deregulated system. Depot variations should be eliminated, and precise pay structures and conditions must

be explicitly outlined in the franchise contracts to prevent any erosion of employment rights.

We oppose any proposal linking procurement of franchise contracts to the Fair Work Charter, as this could potentially enable operators to diminish pay and conditions for workers.

We advocate for all workers to be municipally employed, ensuring a single employer to safeguard against risks to their employment status during transitions in franchise contracts.

Moreover, we propose that the entire region, or a significant proportion of services, be brought under franchise service contracts simultaneously. This approach prevents disparities where some areas receive significantly improved services before others.

Accelerating the implementation timetable for franchising is crucial. This represents a pivotal area for the Mayor's delivery and a fundamental approach to address urgent concerns regarding the cost of living, the health of high streets, and the climate crisis.

Drawing inspiration from the newly franchised Bee Network in Greater Manchester, we aspire to empower the public in West Yorkshire to report operator-related issues and ensure a similar level of public oversight. Implementing a system that disciplines operators through fines or contract changes would provide redress to the public for poor service quality.

Crucially, establishing a public body to oversee the West Yorkshire transport network with direct participation from the public, workforce, political representatives, and experts is essential. This ensures comprehensive representation and oversight, aligning with the region's needs and priorities.

Q72 (Do you have any further comments? This is Question 46 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.)

A: Scheduling is a big bug bear and is the single biggest issue for drivers. Managers are felt to cut running time without reference to driving conditions and decreasing frequencies putting bus drivers under more pressure. This has had a very significant impact on the mental health of workers and thus on passenger safety and experience.

That a communication project take place to alert the public to what improvements the Mayor is aiming to deliver under franchising and when, e.g.

Day 1 Benefits — improved and integrated ticketing, cheaper fares, better timetables, some new vehicles, new single point of contact.

Month 6 Benefits — improved reliability through better labour market conditions and a removal of driver shortages.

Year 2 Benefits — significantly expanded network.

The consultation claims that: “The National Bus Strategy 2021 set out the requirement for LTAs to produce and publish a BSIP and make an enhanced partnership (other than Mayoral Combined Authorities that had already commenced the statutory franchising process under the Act) to continue to access central government funding. These are therefore the two bus reform options available to the Combined Authority.”

This has been disproved by FOIs from the DfT and the fact that Cambridgeshire, Liverpool, and Manchester all accessed funding without having implemented a franchising scheme or establishing an EP. They only had to be working towards franchising. By establishing an EP, the Mayor wanted 9 months that could have delivered franchising faster, as she was elected to do.

Q73 (The Combined Authority’s draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? See Section 5 of the Consultation Document for information to support answering this question.

A: We are reassured by the Equality Impact Assessment indicating a positive impact resulting from bus franchising.

Nevertheless, we urge the Mayor to ensure that the planning of bus routes, infrastructure, vehicles, and services is conducted collaboratively with our communities. This approach aims to guarantee that individuals of all genders, races, ages, sexual orientations, and disability statuses benefit from a transportation network that caters to their needs. Emulating the example set by Liverpool City Region, we propose making practice buses accessible to the public for feedback and allowing representatives from affected communities to participate in decision-making through a participatory Metro board. This inclusive approach ensures that the voices and concerns of diverse communities are integrated into the transportation design process.

Connexions Buses

Q5 (What is the name of your business or organisation?)

A: Connexionsbuses

Q6 (What is your position/title?)

A: Managing Director.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)¹

A: Long.

Q23 (Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region? This is Question 1 as set out in the Consultation Document. See Section 3.2 of the Consultation Document for information to support answering this question.)

A: If it is happening it should apply to the whole region.

Q24 (Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds? This is Question 2 as set out in the Consultation Document. See Section 3.3 of the Consultation Document for information to support answering this question.)

A: No opinion.

Q25 (Do you have any comments on the local services that are proposed to be franchised? This is Question 3 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.

A: Services have been missed off - certain tendered services.

School services operating to out of county schools shouldn't be included - WYCA washed their hands of these years ago, leaving operators to pick up the pieces. Its not fair on those operators for them to be taken into franchising now

Cross boundary - we need to know what the implications will be on the permits.

Q26: Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme? This is Question 4 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.

A: No - except that the cross boundary ,local bus and schools should also be exempt totally.

Q27 (Do you have any comments on the date on which the proposed Franchising Scheme is currently proposed to be made, 14 March 2024? This is Question 5 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.)ⁱ

A: No.

Q28 (Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026? This is Question 6 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.)

A: No just that enough time needs to be given to operators.

Q29 (Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)? This is Question 7 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: Operators need to be able to move systems, H&S, and maintenance upon the changeover. Realistically all vehicles need first use inspections by the new operator prior to use. Doing this overnight, as happened at Manchester isn't realistic. This is a legal responsibility.

Q30 (Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working? This is Question 8 as set out in the Consultation Document. See Section 3.6 of the Consultation Document for information to support answering this question.

A: Honesty - in the actual costs to the public, and future cost is the only way to get honest answers.

Q31 (The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this? This is Question 9 as set out in the Consultation Document. See Section 4.1.3 of the Consultation Document for information to support answering this question.

A: Much of the reason for poor performance is due to lack of priority measures - this will be the same under franchising.

Workplace parking levy as in Nottingham

Staffing issues will not change under franchising.

If The CA is going to magic up funding to solve both of these under franchising, why couldn't it be done before hand?

Q32 (The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this? This is Question 10 as set out in the Consultation Document. See Section 4.1.4 of the Consultation Document for information to support answering this question.

A: There certainly needs to be some sort of reform. Covid and the way it was handled has had long lasting effects on bus use.

However, use of an effective partnership could do this much more quickly and cost effectively than franchising using the commercial knowledge that people working in bus companies have.

The CA has admitted in the document that it doesn't possess people with these skills yet.

Despite what many left wing politicians might think - commercial companies need to provide a decent service to survive, and working in true partnership is the only way to do this.

Q33 (Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case? This is Question 11 as set out in the Consultation Document. See Section 4.1.5 of the Consultation Document for information to support answering this question.

A: The goals are correct, but the method of reaching them isn't the best way. However, the objective MUST be for passenger growth, not stagnation and decline.

Q34 (Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 12 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: As per above.

Q35 (Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 13 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: EP+ uses the knowledge of those in the industry, Actually operating buses, and planning routes and changes needs on the floor coalface knowledge, not Public servants in their offices looking at spreadsheets. EP+ has these experts already and through proper effective partnership will deliver the results quicker, less bureaucratically and cheaper than the Franchise.

Q36 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 14 as set out in the Consultation Document. See Section 4.1.8 of the Consultation Document for information to support answering this question.

A: There are lies damn lies and statistics..... Unfortunately when someone wants a certain outcome, anything can be massaged to say so. The questions asked by the consultants in the appendix have been glossed over and answered with woolly answers in a very non committal way. What a truly independent person thought would be interesting to know.

Q37 (Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case? This is Question 15 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: It is very disappointing to see that despite using hundreds of thousands of pounds of taxpayers money, passenger numbers are still forecast to fall. This is contrary to the forecast in Manchester. and should be considered a complete failure by all concerned.

Q38 (Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case? This is Question 16 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: It is very naive to say that the impact on operators will be minimal, when the reality is that you stand the very real chance of putting operators out of business causing real distress and suffering to the SME companies through this.

It is highly unlikely that any SME will now invest due to the uncertainty surrounding this.

I can't express in strong enough terms the anxiety that this causes and disappointment that the years of hard work that many SME in particular through personal toil is seen as worthless by the CA. Guaranteeing SME's continuation in the first period of franchising would go a long way to settling these fears.

Q39 (Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case? This is Question 17 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: Better attention to detail needs to be shown - the errors in the franchising document are laughable when you consider the costs involved in its production.

It is also likely to put financial strain on the other avenues of spending that the CA has, when it is realised that the franchising costs have been underestimated.

Q40 (Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case? This is Question 18 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: EP+ will provide the same, if not better benefits to passengers through more personal involvement from the companies.

Our aim as a company is certainly better than the franchise in that we aim to continue growing our patronage in contrast to the aims of the franchise.

The EP+ is also more responsive than the franchising to customer needs- less bureaucracy.

Q41 (Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case? This is Question 19 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: EP+ provides more certainly of continuity to operators- there is reason for continued investment and innovation, whereas it is likely to stop now with SME operators at least.

Q42 (Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case? This is Question 20 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: The EP+ will have far less demand on the CA in terms of staffing and funding. The CA will not need to find individuals with commercial knowledge to work in their team.

It builds on the relationship operators already have with the CA.

Q43 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 21 as set out in the Consultation Document. See Section 4.2.7 of the Consultation Document for information to support answering this question.)

A: I believe that these figures have been massaged to give the required answer.

Q44 (Do you have any comments on the Commercial Success Factors outlined in the Commercial Case? This is Question 22 as set out in the Consultation Document. See Section 4.3.2 of the Consultation Document for information to support answering this question.

A: If the first round of tenders eliminates SME's, as has happened in Manchester, you will not be driving competition between operators, as there won't be the operators left to compete. You will end up with services being provided by mainly foreign owned businesses. Should the CA be encouraging profit making by foreign owned businesses?

Q45 (Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case? This is Question 23 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: The lots need to be suitable for all size businesses - taking into account that many small businesses do not operate on evenings or Sundays as this puts too much pressure personally on the principals.

The tender forms need to be no more onerous than the current WYCA bus tender forms - this put many SME' off bidding in Manchester.

SME businesses may not want to expand beyond where they are now, so this needs to be taken into account also.

Q46 (Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 24 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: Why are smaller lots only going to be for 5 years when larger ones will be for 7? Smaller operators need security too.

Q47 (Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 25 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: You must be aware that many SME depots can't support electric vehicles, so this must be taken into consideration when planning the lots.

Supply chain issues must also be taken into account - many vehicles have upwards of 6 months delivery times.

You also need to understand that mechanics at certain companies are type specific - and will need retraining if different vehicle types are allocated to them.

Q48 (Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 26 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: It is very ideological, and not very realistic to believe that depots are interchangeable between operators.

All operators have different union agreements, Health and Safety policies and maintenance policies.

There is no mention of operators based outside of West Yorkshire, and what will happen to their depots, should they be unsuccessful.

Q49 (Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 27 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: I think I've answered this in previous questions.

Q50 (Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 28 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No.

Q51 (Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case? This is Question 29 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: See other answers for this,
Lots need to be the right size, area, and days/hours of operation.
Electric buses may not be an operating option for SME.

Q52 (Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case? This is Question 30 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No.

Q53 (Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case? This is Question 31 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: TUPE will be the biggest impact on this.

Q54 (Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case? This is Question 32 as set out in the Consultation Document. See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

A: As I've said previously - predicting continued loss of passengers isn't any sort of success in my books.

Q55 (Do you have any comments on how the EP+ could support the Commercial Success Factors? This is Question 33 as set out in the Consultation Document. See Section 4.3.6 of the Consultation Document for information to support answering this question.

A: The EP+ as per your prediction, is almost as commercially successful, at a far smaller cost.

Q56 (The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this? This is Question 34 as set out in the Consultation Document. See Section 4.3.7 of the Consultation Document for information to support answering this question.

A: As I said previously, figures can be manipulated to suit results required. The EP+ remains the best value in my view, and certainly the quickest and most reactive one.

Q57 (The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments? This is Question 35 as set out in the Consultation Document. See Section 4.4.4. of the Consultation Document for information to support answering this question.

A: This relies on the government providing the amount of money assumed and also 'future sources of government funding'. This is non-specific. The risk of borrowing money is on the taxpayer, it must be remembered, not the CA.

Q58 (The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments? This is Question 36 as set out in the Consultation Document. See Section 4.4.4. of the Consultation Document for information to support answering this question.

A: Based on the current forecasts this may be the case, but the way interest rates are currently increasing, and the pressure on wages we are currently seeing, would this be sustainable if this continues?

A forecast made 2 years ago would never had assumed wages would increase by nearly 25% over this period.

Q59 (Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+? This is Question 37 as set out in the Consultation Document. See Section 4.4.5 of the Consultation Document for information to support answering this question.

A: The EP+ puts the least risk on the CA and the taxpayers. Granted, there will have to be tenders for non-viable services, and this may increase, but all efforts will be made by the operators to ensure those services remain commercially viable that can be.

Q60 (The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk? This is Question 38 as set out in the Consultation Document. See Section 4.4.7 of the Consultation Document for information to support answering this question.

A: The CA isn't taking the risk- the risk is wholly being taken by the taxpayer as the taxpayer effectively funds the CA

Members of the public need this spelling out to them in laymans terms.

Q61 (The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments? This is Question 39 as set

out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: No -effectively similar to tendered services now,so fine.

Q62 (Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case? This is Question 40 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: The transition needs managing carefully taking into account the factors I have already stated - the supply chain and the transition from one company to the other.

Q63 (Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case? This is Question 41 as set out in the Consultation Document. See Section 4.5.4 of the Consultation Document for information to support answering this question.

A: No.

Q64 (The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments? This is Question 42 as set out in the Consultation Document. See Section 4.5.5 of the Consultation Document for information to support answering this question.

A: This is saying that the CA doesn't currently have the competency required? It doesn't say how and where these staff would be recruited. Franchising is new, so the numbers of people with existing knowledge are few and far between. People from the commercial bus world are needed to provide this competency.

Q65 (The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this? This is Question 43 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: Again, figures can be massaged to say what they want -I'd like to see a truly independent assessment of the two schemes.

Q67 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 44 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.) Oppose

A: Oppose.

Q69 (Why do you say this?

A: I believe in the free market - and I believe that in partnership with the CA, the CA's objectives can be met at least as well.

I believe in route branding and individuality, but I also believe in joint fares and ticketing, which is already achieved thro the ticketing company and the tickets the CA already sell.

The plethora of complicated tickets would be more easily overcome than introducing a full franchising scheme to achieve this.

Q70 (Are there any changes that you think would improve the Proposed Franchising Scheme? This is Question 45 as set out in the Consultation Document. See Section 1.4 of the Consultation Document for information to support answering this question.)

A: SME's need protecting fully with guarantees of continuation, or failing that, a re-imbursment for the confiscated services and intellectual property.

Q72 (Do you have any further comments? This is Question 46 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.)

A: Further time is needed before this is pushed through.
As Manchester has only just gone live, time should be allowed to see how it plays out, and the full costs involved before jumping in gung ho.

Q73 (The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? See Section 5 of the Consultation Document for information to support answering this question.)

A: No.

Dales Bus and Bowland CIC

Q5: What is the name of your business or organization?

A: Dales and Bowland Community Interest Company

Q6: What is your position/title?

A: Director

Q7: Please select whether you would like to respond to the short questionnaire or long questionnaire?

A: Long

Q23: Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region? This is Question 1 as set out in the Consultation Document. See Section 3.2 of the Consultation Document for information to support answering this question.

A: We are supportive of a consistent approach across the entire West Yorkshire region, whichever approach is taken.

We are however concerned that the proposed approach does not adequately reflect the importance of cross-boundary links to and from neighbouring areas, particularly within the Leeds City Region (including the City of York and the Craven, Harrogate and Selby districts of North Yorkshire) and with South Yorkshire/Lancashire. These links are important both socially and economically, and should be fully integrated within West Yorkshire's bus network.

Q24: Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds? This is Question 2 as set out in the Consultation Document. See Section 3.3 of the Consultation Document for information to support answering this question.

A: It is unclear at this stage how cross-boundary and out-of-area services can be provided from within West Yorkshire under the proposed new scheme. For example, if the main bus depot in Keighley is allocated to a new franchise operator what happens to the cross-boundary services (e.g. 64 and 66) and out-of-area services (e.g. Skipton to Grassington service 72) which are currently operated by Transdev from that depot commercially or under contract to North Yorkshire Council? We are concerned that such services which need to be enhanced could end up being cut as a result of the implementation of franchising.

Q25: Do you have any comments on the local services that are proposed to be franchised? This is Question 3 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.

A: The presentation of the services to be included is unclear in the consultation. Various errors in the first draft have now been corrected, but it would have been helpful to include a full list of numbered services to help explain some of the network rationalisation proposals later in the document.

Our main concern is that cross-boundary services may be neglected in terms of both² development and funding through not being considered as part of the main network. As has

been mentioned by the Metro Mayor herself it is critical that bus services are provided into the adjacent Yorkshire Dales and are integrated into the West Yorkshire bus network.

Q26: Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme? This is Question 4 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.

A: Any new regime should also include flexibility to easily allow the provision of additional bus services for special events such as Leeds Festival and Leeds Light Night including events “over the boundary” for example in the Yorkshire Dales National Park or Nidderdale National Landscape where there is significant demand from populations within the WYCA area, and also for seasonal leisure services

There should also be flexibility to enable the continuation of special Christmas Day etc, services.

Q27: Do you have any comments on the date on which the proposed Franchising Scheme is currently proposed to be made, 14 March 2024? This is Question 5 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: No.

Q28: Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026? This is Question 6 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: Such an implementation date could cause issues in two ways:

- It is close to the end of the school year – it may be much easier to manage the provision of school services for the implementation date to be delayed until the end of school summer holidays for the relevant areas.

- DalesBus services managed by Dales and Bowland Community Interest Company operate on a winter/summer seasonal basis – so any major changes occurring mid-season in June could be problematic for operational and promotional reasons.

Q29: Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)? This is Question 7 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: No, other than to highlight the importance of ensuring that service levels are maintained during this period. For example, mitigation measures will be needed to minimise loss of key employees from existing operators who are unsuccessful in winning franchise work.

It is also important that bus service network development is not neglected in the period before the start of the new arrangements – WYCA should be working to improve services, publicity and bus priority in the interim period, and not allow all resources to be diverted to planning for the new regime.

Q30: Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working? This is

Question 8 as set out in the Consultation Document. See Section 3.6 of the Consultation Document for information to support answering this question.

A: The design of the franchised network should be subject to public consultation before it is finalised, followed by ongoing consultation at six-monthly intervals from its implementation. Lessons learnt from Greater Manchester's network design should be fully reflected.

Q31: The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this? This is Question 9 as set out in the Consultation Document. See Section 4.1.3 of the Consultation Document for information to support answering this question.

A: The Strategic Case correctly identifies several challenges facing the local bus system, but does not highlight that the most significant issues are those of congestion and the lack of bus priority – and the fact that the proposed franchising system does not include measures or funding to tackle them.

It should also be noted that whilst the Strategic Case highlights many shortcomings of the current network, there are relatively few actions within the proposed franchise to deal with these, and the numbers of journeys made by bus is forecast to continue to decline.

Many of the problems regarding the cost and complexity of bus fares have been dealt with by the current fare cap initiatives, so do not require a change to the operating model to continue provided the fare cap is maintained.

Many of the issues regarding information provision are already within WYCA's remit, in particular the provision of information at bus stations and bus stops. This is often inaccurate and out of date.

A further challenge is that there has been insufficient financial investment in supporting the operation of non-commercial bus services, with the Transport Levy having been held at the same level despite large increases in the cost of providing services. The proposed franchise option offers little to change this.

Q32: The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this? This is Question 10 as set out in the Consultation Document. See Section 4.1.4 of the Consultation Document for information to support answering this question.

A: Change is indeed necessary to address the challenges facing the local bus market, but the proposed franchising option is not addressing the most significant issues of congestion and bus priority, nor the level of investment required to deliver an effective public transport network.

Q33: Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case? This is Question 11 as set out in the Consultation Document. See Section 4.1.5 of the Consultation Document for information to support answering this question.

A: We are supportive of the objectives, but they should include quantified time-bound targets, starting from the first year of implementation – particularly for the mode share targets which should be the main measure of success.

Q34 (Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform

objectives? This is Question 12 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.)

A: Franchising could go some way to delivering the objectives, but as highlighted previously to effectively deliver the key objectives it is necessary to tackle congestion, bus priority and the level of spend on service delivery. The proposed franchising option does not include anything to address these issues.

Other concerns with the proposal for moving to franchising include:

- The timescales for implementation recognise the process needed however action is needed immediately not in two years' time on these key issues that need addressing.
- The high level of spend on transition
- The high level of disruption during transition, potentially seriously impacting service delivery
- The high level of ongoing spend on administration and contract management

Q35: Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 13 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: The EP+ could go some way to delivering the objectives, but as highlighted previously to effectively deliver the key objectives it is necessary to tackle congestion, bus priority and the level of spend on service delivery. The proposed EP+ option does not include anything to address these issues.

Q36: The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 14 as set out in the Consultation Document. See Section 4.1.8 of the Consultation Document for information to support answering this question.

A: It is a major concern that neither of the presented options includes a plan to increase bus use or achieve other strategic objectives for bus in the region.

To achieve these objectives substantial resources need to be deployed to tackle congestion, improve bus priority and increase the level of spend on service delivery.

Q37: Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case? This is Question 15 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: Mention is made of "increasing service frequencies on existing routes, and the introduction of new routes", which is welcome. However the supporting documentation seems to suggest that such interventions will be relatively small scale, with frequencies generally no better than those operating pre-Covid, and that on some corridors services will be rationalised, possibly leading to increased journey times.

The projected continued decline in passenger numbers is at odds with the objectives of Bus Reform. We consider that a crucial part of the plan should be to propose how to provide better bus services to support modal shift to public transport.

Q38: Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case? This is Question 16 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: The transfer of revenue risk away from operators creates a risk of reduced service delivery standards by the operators, which will need to be mitigated by a strict contract management regime together with appropriate financial incentives .

There is much to learn from the model of franchising in UK rail and early evidence on bus franchising from Greater Manchester regarding the change in risk allocation from private operators to the public authority. We would urge WYCA to thoroughly assess what level of financial and management resource is necessary to ensure that the franchising contracts and how they are performed meets the objectives and expected outcomes. The cost of transferring the financial risk on revenue and the administration costs is considerable for WYCA so needs to be robust in planning and implementation to justify value for money.

As mentioned earlier, it is unclear how cross-boundary and out-of-area services can be provided from within West Yorkshire under the proposed new scheme. For example, if the main bus depot in Keighley is allocated to a new franchise operator what happens to the cross-boundary services (e.g. 64 and 66) and out-of-area services (e.g. Skipton to Grassington service 72) which are currently operated by Transdev from that depot commercially or under contract to North Yorkshire Council? We are concerned that such services which need to be enhanced could end up being cut as a result of the implementation of franchising.

Q39: Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case? This is Question 17 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: The document notes that there will be substantial public sector costs in delivering franchising, which is a concern. The number of corridors where multiple operators compete is quite limited, so the gains from rationalisation in those areas must therefore be quite limited in the context of the whole Combined Authority area.

Q40: Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case? This is Question 18 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: Mention is made of network enhancements which is welcome. However these are described as "limited" and the supporting documentation seems to suggest that such interventions will be relatively small scale, with frequencies generally no better than those operating pre-Covid.

The projected continued decline in passenger numbers is at odds with the objectives of Bus Reform. The statement that "The network is assumed to reduce over time in line with reduced passenger numbers and increased costs." Is unsatisfactory, and suggests that additional interventions are required.

It is understood that the proposed options reflect the base case however it cannot be justifiable to make such a change to the provision of bus services without the ambition and plans to turn round the decline to then grow public transport use. We believe this should be a key part of the proposal.

Q41: Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case? This is Question 19 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: No.

Q42: Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case? This is Question 20 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: No.

Q43: Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 21 as set out in the Consultation Document. See Section 4.2.7 of the Consultation Document for information to support answering this question.

A: We would question the use of a 40-year timeframe for the analysis, given the high degree of uncertainty about the future economic and environmental situation, and that the objectives have been set over no more than a 15-year period. The use of such a long time period will of course favour options with high up-front costs, such as franchising, in the comparison.

We note that the EP+ option offers a higher benefit to cost ratio (BCR) than the franchising option.

We note that Grant Thornton's letter states that "The results of a sensitivity test to halve the uplift in demand resulting from fares simplification broadly halves the NPV surplus of Franchising over the EP+ option", and assume this indicates that if none of the projected 2.5% demand uplift from fares simplification is achieved then the NPV of both options would be similar. Given that significant fares simplification has already been implemented with £2 single and £4.50 day ticket fares, this is a significant finding.

Q44: Do you have any comments on the Commercial Success Factors outlined in the Commercial Case? This is Question 22 as set out in the Consultation Document. See Section 4.3.2 of the Consultation Document for information to support answering this question.

A: No.

Q45: Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case? This is Question 23 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No, other than to highlight that consideration must be given to the operation of cross-boundary, out-of-area and other non-franchised services – particularly those currently operated from depots located within West Yorkshire. This is a matter of general concern, but particularly in relation to the DalesBus services linking West Yorkshire with the Yorkshire Dales which are currently managed by Dales and Bowland Community Interest Company.

Q46: Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 24

as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No.

Q47: Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 25 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No.

Q48: Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 26 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No.

Q49: Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 27 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: We note that the transfer of revenue risk to the Combined Authority represents a significant risk for WYCA.

Q50: Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 28 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: It is not clear from the proposal how WYCA intend to include and then manage the development and tendering of cross-boundary bus services alongside the franchising contracts. We believe it is important that such services are improved to help people travel easily between West Yorkshire and surrounding areas, including the Yorkshire Dales National Park and Nidderdale National Landscape.

Q51: Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case? This is Question 29 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: We are keen to see a competitive market for the operation of local bus services, as this should help to encourage high service standards and good value for money on the procurement of services for franchised or tendered services. Such a market is dependent on the participation of small and medium sized operators, so we welcome the inclusion of smaller lots within the lotting strategy. However we note that smaller operators do not appear to have fared well so far in the franchising undertaken by Greater Manchester, and are concerned to hear that the smaller operators in West Yorkshire are flagging serious concerns about many practical issues associated with the possible move to franchising. We believe that it is important that these issues are adequately addressed.

Q52: Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case? This is Question 30 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: We are concerned that the terminology around cross-boundary services is centred on facilitating their continuation – rather than pro-actively seeking to improve and develop them as a key part of West Yorkshire’s transport network.

We would like to see more attention paid to this area to facilitate inter-connectivity within the Leeds City Region and with other neighbouring authorities, including South Yorkshire and Lancashire.

We note there is some inconsistency between section 4.3.5 which suggests that some cross-boundary services may form part of the proposed franchise, whilst the updated Appendix 2 in Annex 5 now excludes all cross-boundary services from the proposed franchise.

We are keen to see that the objective to ensure that “conditions should not be particularly onerous as the general intention of the service permit regime is to facilitate the continued running of services to be permitted such as cross–boundary services rather than setting conditions which prevent them from operating in West Yorkshire.” is achieved.

We would also like to see the rapid development of improved cross-boundary/regional ticketing.

Q53: Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case? This is Question 31 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No, other than to note the risk of the loss of key personnel from the industry as the result of changes of operator at particular locations.

Q54: Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case? This is Question 32 as set out in the Consultation Document. See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

A: No.

Q55: Do you have any comments on how the EP+ could support the Commercial Success Factors? This is Question 33 as set out in the Consultation Document. See Section 4.3.6 of the Consultation Document for information to support answering this question.

A: No.

Q56: The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this? This is Question 34 as set out in the Consultation Document. See Section 4.3.7 of the Consultation Document for information to support answering this question.

A: The Commercial Success Factors should be viewed as secondary to the primary objective of maximising deliverability of the Combined Authority's Bus Service Improvement Plan by 2030.

Q57: The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments? This is Question 35 as set out in the Consultation Document. See Section 4.4.4. of the Consultation Document for information to support answering this question.

A: No.

Q58: The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments? This is Question 36 as set out in the Consultation Document. See Section 4.4.4. of the Consultation Document for information to support answering this question.

A: All three options include a reduction in bus services operated over time, and so do not represent a means of achieving the over-arching objectives. Therefore, the analysis does not provide a relevant view of the funding requirements or affordability.

Q59: Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+? This is Question 37 as set out in the Consultation Document. See Section 4.4.5 of the Consultation Document for information to support answering this question.

A: All three options include a reduction in bus services operated over time, and so do not represent a means of achieving the over-arching objectives. Therefore, the analysis does not provide a relevant view of the funding requirements or affordability.

Q60: The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk? This is Question 38 as set out in the Consultation Document. See Section 4.4.7 of the Consultation Document for information to support answering this question.

A: A more ambitious plan is needed to address the current wider challenges and attract more use of public transport.

Q61: The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments? This is Question 39 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: No.

Q62: Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case? This is Question 40 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: No.

Q63: Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case? This is Question 41 as set out in the Consultation Document. See Section 4.5.4 of the Consultation Document for information to support answering this question.

A: No.

Q64: The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments? This is Question 42 as set out in the Consultation Document. See Section 4.5.5 of the Consultation Document for information to support answering this question.

A: No.

Q65: The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this? This is Question 43 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: Change is indeed necessary to achieve the strategic objectives of the Combined Authority, but the proposals still need to address the most significant issues of congestion and bus priority, as well as the level of investment required to deliver an effective public transport network.

Q67 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 44 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: Neither Support nor Oppose

Q69: Why do you say this?

A: From our perspective of improving public transport into and within the Yorkshire Dales we aren't necessarily qualified to support or oppose franchising in West Yorkshire, but are keen to see progress on the Combined Authority's strategic objective of substantial modal shift towards public transport.

Q70: Are there any changes that you think would improve the Proposed Franchising Scheme? This is Question 45 as set out in the Consultation Document. See Section 1.4 of the Consultation Document for information to support answering this question.

A: Consideration of how to achieve passenger growth, including bus priority measures and increased revenue support.

Increased integration and development of cross-boundary services.

Q72: Do you have any further comments? This is Question 46 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: No.

Q73: The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? See Section 5 of the Consultation Document for information to support answering this question.

A: No.

Friends of Dales Bus

Q5 (What is the name of your business or organisation?)

A: Friends of Dales Bus.

Q6 (What is your position/title?)

A: Chairman.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)

A: Short.

Q8 (The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this? This is Question 1 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.)

A: Fares: 'day rover' bus and train was well received until complicated by the addition of rail 'evening peak' restrictions. It is the peak/off peak options which overcomplicate ticket options. Over standardised fares remove marketing options such as cheap evening fares for example. Operators need enough vehicles and drivers to provide services - there may be more of a timetable skill issue here, as well as the cash to support it.

Q9 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 2 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.)

A: Concept fine taken within central West Yorkshire, but falls apart nearer to the peripheries of the county where cross country boundary services become more of a part of normal passenger use. Franchising could damage those routes. Present system offers financial incentives to operators to 'drop' commercial services to avoid penalties failing to provide contact services could bring. Franchising makes all the services equal, but also takes away any incentive for marketing or improvement, detrimental in peripheral areas, or where an operator wants to attract new customers.

Q10 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 3 as set out in the Executive Summary. See Section 1.2.2 of the Consultation Document for information to support answering this question.)

A: It is difficult to accept that a continued decline in passenger numbers is real. Covid restrictions forced passenger decline - there is no reason to assume it will continue.

Q11 (The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this? This is Question 4 as set out in the Executive Summary. See Section 1.2.3 of the Consultation Document for information to support answering this question.)

A: Looks detrimental to peripheral West Yorkshire residents. How can an operator run better cross boundary services from a depot controlled by WYCA? It would appear to make this more complicated, more expensive and less attractive to an operator, putting services such as Dalesbus at greater risk than they are at present.

Q12 (The Financial Case shows that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this? This is Question 5 as set out in the Executive Summary. See Section 1.2.4 of the Consultation Document for information to support answering this question.)

A: No mention of the risk that local authority borrowing could be restricted in the future. It could possibly stop the franchising program before it could be completed. EP+ would be a less risky way forward.

Q14 (The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? This is Question 7 as set out in the Executive Summary. See Section 1.3 of the Consultation Document for information to support answering this question.)

A: Equality falls down at the periphery of the county in terms of service provision near to people's homes who live near boundaries. People will be channelled towards the urban centres, with less opportunity to access the countryside such as being almost excluded from places like Bolton Abbey or Skipton which are just across the boundary.

Q15 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 8 as set out in the Executive Summary. See Section 1.4 of the Consultation Document for information to support answering this question.)

A: Support in part.

Q20 (Why do you say this?)

A: Something needs to be done to improve reliability on many routes within the county, and franchising could help restore confidence in services when buses turn up as advertised because the operator is 'forced' to provide a 'service' instead of looking at maximising financial return regardless of how many buses they run at present. But where an operator is genuinely trying to provide a service and listen to its passengers, franchising is a disincentive, and as such affects its operations beyond the county boundary as its hands become too tied to change.

Q21 (Are there any changes that you think would improve the Proposed Franchising Scheme? This is Question 9 as set out in the Executive Summary. See Section 1.4 of the Consultation Document for information to support answering this question.)

A: Although requiring a separate consultation, it is important to secure cross boundary services with 'service permits' before franchising services along parts of the same route. eg secure Leeds to York and Leeds to Harrogate services in the N. Leeds area as these are important routes for W. Yorkshire ratepayers.

Without looking at cross boundary services now, building relations with the new North Yorks Combined Authority, and viewing transport holistically, services like Dalesbus are at risk, and

voters living near the boundary could see a big drop in their local services which presently travel in the wrong direction to be franchised within W. Yorks.

Q22 (Do you have any further comments? This is Question 10 as set out in the Executive Summary.

A: Success starting in any area of perceived poor service coverage - such as North Leeds for example. Safeguard through routes across the West/North Yorkshire boundary such as Leeds to York, Leeds to Harrogate, and Dalesbus services, then improve key internal routes such as Leeds to Wetherby or Leeds to Otley.

This is a combination of service permits and franchising targeting an internal West Yorkshire area covered largely by an operator with a perceived poor track record, and including cross boundary services with a better perceived operator.

How positive is this consultation? 'Managed decline' doesn't sound positive!

Peak District National Park Authority

Q5 (What is the name of your business or organisation?)

A: Peak District National Park Authority

Q6 (What is your position/title?)

A: Transport Policy Planner.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)

A: Long.

Q23 (Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region? This is Question 1 as set out in the Consultation Document. See Section 3.2 of the Consultation Document for information to support answering this question.)

A: It should cover the whole of the area, but allowance needs to be made for cross-boundary services. This is particularly important in relation to current and possible future services providing access to and from the Peak District National Park. Thought should also be given to the connections to the Yorkshire Dales National Park as well.

Q24 (Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds? This is Question 2 as set out in the Consultation Document. See Section 3.3 of the Consultation Document for information to support answering this question.)

A: This seems like a sensible approach.

Q25 (Do you have any comments on the local services that are proposed to be franchised? This is Question 3 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.)

A: Allowance needs to be made for cross-boundary services. This is particularly important in relation to current and possible future services providing access to and from the Peak District and Yorkshire Dales National Parks.

Q26 (Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme? This is Question 4 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.)

A: The exemptions provided are appropriate, but allowance also needs to be made for cross-boundary services.

Q27 (Do you have any comments on the date on which the proposed Franchising Scheme is currently proposed to be made, 14 March 2024? This is Question 5 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.)

A: No.

Q28 (Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026? This is Question 6 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: No.

Q29 (Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)? This is Question 7 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: This seems like a sensible length of time, it may be worth contacting TfGM to get an indication of any problems with timing that they may have encountered with their mobilisation period.

Q30 (Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working? This is Question 8 as set out in the Consultation Document. See Section 3.6 of the Consultation Document for information to support answering this question.

A: It's important to allow the new franchise to bed in, but equally, it's important to get an early indication of how the franchise is working in practice. Sometime after the first year of operation of each of the three tranches would be a reasonable time to consult.....but possibly earlier and targeted, if there are specific issues.

Q31 (The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this? This is Question 9 as set out in the Consultation Document. See Section 4.1.3 of the Consultation Document for information to support answering this question.

A: Franchising should allow a better oversight for understanding and meeting these challenges.

Q32 (The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this? This is Question 10 as set out in the Consultation Document. See Section 4.1.4 of the Consultation Document for information to support answering this question.

A: The issues facing the bus market as detailed in the EP Reference Case suggest a need for reforming the bus market, whether this is via franchising or EP+.

Q33 (Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case? This is Question 11 as set out in the Consultation Document. See Section 4.1.5 of the Consultation Document for information to support answering this question.

A: The objectives appear to be sensible and measured. As the proposed franchising will be rolled out in three phases, there is an opportunity to learn from the early tranche whilst implementing the later phases.

Q34 (Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 12 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: The proposed franchising scheme offers a holistic approach to delivering the impacts within the Strategic Case. Being able to set contracts, routes and fares should allow WYMCA to focus on the challenges to the bus system and to take an area wide approach to solving them.

Q35 (Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 13 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: The EP+ offers some opportunities to deliver the impacts, however, it is “subject to some interventions requiring further operator agreement and negotiation.” Whilst the results may be forthcoming, the reliance on a number of other commercial entities to achieve the impacts may delay or complicate the process. It also means that WYMCA has less certainty of delivery and outcomes than with franchising.

Q36 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 14 as set out in the Consultation Document. See Section 4.1.8 of the Consultation Document for information to support answering this question.

A: The Proposed Franchising Scheme appears to offer the best opportunity for delivering against the impacts in the Strategic Case.

Q37 (Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case? This is Question 15 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: Based on the assumptions within the Economic Case, if successful, the Proposed Franchising Scheme should benefit passengers.

Q38 (Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case? This is Question 16 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: The impact on operators is very much dependent of their willingness to participate in the franchise scheme and / or their ability to win contracts within the scheme.

Q39 (Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case? This is Question 17 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: WYMCA will benefit from franchising in that it gives greater certainty of service levels. Whilst more expensive than EP+, the general trend is for WYMCA to need to increase spend to maintain service levels with or without franchising. However, WYMCA will be assuming all of the risk in delivering services at a time when the ‘new normal’ following the Covid-19 pandemic

is somewhat unpredictable. What has become apparent recently is the parlous state of local authority finances in general, so franchising does come with risks attached.

Q40 (Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case? This is Question 18 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: Whilst the EP+ could benefit passengers, there is a distinct lack of certainty, when compared to the franchising approach.

Q41 (Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case? This is Question 19 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: Operators stand to potentially benefit from the EP+, and will still have the ability to concentrate on those routes that offer the best commercial outcomes for them. However, the current system isn't working; and every delayed or missing service potentially worsens passenger satisfaction and their willingness to use public transport. In the longer term, operators are dependent on passenger numbers or WYCMA's willingness to fund non-commercial services. It is unclear how much certainty EP+ gives to passengers or operators going forward.

Q42 (Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case? This is Question 20 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: It is likely that EP+ will increase the financial burden on WYCMA as operators contract their operations to those services offering the best financial rewards. WYMCA will be left to pick up the costs of an expanding portfolio of non-commercial but socially necessary services. All things being equal, the costs of running these compared to the revenue generated will mean that there is no significant financial returns on that spend to reinvest elsewhere in the network.

Q43 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 21 as set out in the Consultation Document. See Section 4.2.7 of the Consultation Document for information to support answering this question.

A: The overall benefits of providing a reliable and coordinated public transport system are apparent in London. Not only does this benefit travel, but the wider benefits are apparent, in terms of air quality, congestion, carbon reduction and economic growth. WYCMA should be able to generate similar benefits to TfL and (presumably) TfGM.

Q44 (Do you have any comments on the Commercial Success Factors outlined in the Commercial Case? This is Question 22 as set out in the Consultation Document. See Section 4.3.2 of the Consultation Document for information to support answering this question.

A: No.

Q45 (Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case? This is Question 23 as set out in the Consultation

Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: The approach appears to be sensible.

Q46 (Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 24 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: This approach offers some flexibility to operators and should encourage competition particularly in relation to new or small / medium operators. There needs to be a balance as letting contracts will be resource intensive for SYMCA (and operators) so allowing for different timescales across the different tranches should spread the load.

Q47 (Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 25 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: Again, the approach seems sensible, but there may be a case of a need for guarantees from operators as to vehicle maintenance / roadworthiness. There may also be a need for recourse if any bus is not returned in an appropriate condition at the end of the franchise contract. The question may also arise as to financial risk of older buses, at what point is it unreasonable for the operator to cover maintenance costs if a particular vehicle or group of vehicles becomes effectively operationally unsound / obsolete. As the move is made towards EV's or hydrogen, there should be fewer issues, but newer technology can also throw up unexpected teething troubles. Or there may just be a 'Friday afternoon vehicle'.

Q48 (Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 26 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: This seems to be a sensible approach, it might be useful to gain feedback from TfGM as to how this approach has worked under their franchising programme.

Q49 (Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 27 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: This approach should enable the development of a more reliable and attractive offer for passengers and deliver wider benefits across the WYCMA area. The responsibility of bus operators is also clear. What is unclear, is what measures are available should an operator be unable to meet the contract specifications; for example, if inflation means that they can no longer cover the costs of operation. Does WYCMA need to be able to step in to act as the operator of last resort until the contract can be re-let?

Q50 (Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 28 as set out in the Consultation Document. See

Section 4.3.5 of the Consultation Document for information to support answering this question.

A: Spreading the process over a number of months seems sensible (see previous response to Question 24).

Q51 (Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case? This is Question 29 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: The approach detailed should enable SMOs to compete for franchise contracts, encouraging their development. However, it is important that any flexible service arrangements do not compromise the overall aims of the franchising programme; or customer satisfaction. There may also be a need to ensure that large operators are not able to legally (or morally) challenge the approach taken for SMO's.

Q52 (Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case? This is Question 30 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: The Peak District National Park is the planning authority for the whole of the National Park. However, it does not have any transport powers. Instead, it's location at the heart of England means that it falls within the areas of six different constituent transport authorities; one of which is WYCMA. The National Park attracts approximately 26 million visits per annum, mainly day visits and predominantly by car (~84%). The majority of visits are made by regular visitors from our surrounding catchment.

The National Park offers significant health and well-being benefits for our visitors (including from West Yorkshire), whilst our residents benefit from access to employment, education and services in our surrounding urban catchment. Most journeys to the National Park invariably start in our surrounding catchment (or pass through it if travelling from further afield). These mainly car-borne journeys can negatively impact the surrounding area (air quality, congestion and carbon emissions). The availability of alternative non-car means of access is important in reducing these effects and in providing access for those without a car. Therefore, we are keen to see the number of services to / from West Yorkshire into the National Park to increase rather than decrease. The importance of cross-boundary services to residents of and visitors to the Peak District National Park should not be underestimated; particularly in our combined efforts to reduce carbon emissions.

Q53 (Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case? This is Question 31 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: No.

Q54 (Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case? This is Question 32 as set out in the Consultation Document. See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

A: Please see previous comments.

Q55 (Do you have any comments on how the EP+ could support the Commercial Success Factors? This is Question 33 as set out in the Consultation Document. See Section 4.3.6 of the Consultation Document for information to support answering this question.

A: The EP+ has the potential to support the Commercial Success Factors, but it is clear that there is risk in remaining reliant on negotiation with the operators to achieve this in a timely manner, if at all. The risk of WYMCA having to step in to cover off non-commercial services over time remains.

Q56 (The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this? This is Question 34 as set out in the Consultation Document. See Section 4.3.7 of the Consultation Document for information to support answering this question.

A: All of the information presented indicates that the Proposed Franchising Scheme performs better than the EP+ in delivering the Commercial Success Factors.

Q57 (The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments? This is Question 35 as set out in the Consultation Document. See Section 4.4.4. of the Consultation Document for information to support answering this question.

A: No.

Q58 (The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments? This is Question 36 as set out in the Consultation Document. See Section 4.4.4. of the Consultation Document for information to support answering this question.

A: The Covid-19 pandemic had a dramatic and potentially far-reaching effect on travel in general and on travel by public transport in particular. Has the possibility of future similar events been factored in to the risk assessment? If not, is the assumption that central government would take on the role of funding under such circumstances?

Q59 (Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+? This is Question 37 as set out in the Consultation Document. See Section 4.4.5 of the Consultation Document for information to support answering this question.

A: No.

Q60 (The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk? This is Question 38 as set out in the Consultation Document. See Section 4.4.7 of the Consultation Document for information to support answering this question.

A: Figure 9 does not include labels for the three lines, but it is assumed that red =EP, blue = EP+ and green = franchise.

The overall public benefit of the franchise model justifies the financial risk of this approach, assuming that the financial modelling is accurate.

Q61 (The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments? This is Question 39 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: The Management Case appears to be robust.

Q62 (Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case? This is Question 40 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: Again, this appears to be a well-thought-through approach.

Q63 (Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case? This is Question 41 as set out in the Consultation Document. See Section 4.5.4 of the Consultation Document for information to support answering this question.

A: The approach appears to be a more complex approach, because of the number of parties involved in managing the various strands of the EP+.

Q64 (The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments? This is Question 42 as set out in the Consultation Document. See Section 4.5.5 of the Consultation Document for information to support answering this question.

A: This would be sensible, ensuring a holistic approach.

Q65 (The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this? This is Question 43 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: All of the evidence and analysis presented supports the Franchise Approach over EP+ in relation to wider benefits and a holistic approach to delivering public transport for WYMCA.

Q67 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 44 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: Support.

Q69 (Why do you say this?

A: We support the Franchising scheme, subject to a retaining the scope to maintain or increase cross-boundary services into the Peak District National Park.

Q70 (Are there any changes that you think would improve the Proposed Franchising Scheme? This is Question 45 as set out in the Consultation Document. See Section 1.4 of the Consultation Document for information to support answering this question.

A: No.

Q72 (Do you have any further comments? This is Question 46 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: No.

Q73 (The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? See Section 5 of the Consultation Document for information to support answering this question.

A: The Proposed Franchising Scheme appears to have a positive affect on a number of people who have protected characteristics.

Squarepeg Buses LTD

Q5 (What is the name of your business or organisation?)

A: Squarepeg Bus LTD.

Q6 (What is your position/title?)

A: Director.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)

A: Long.

Q23 (Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region? This is Question 1 as set out in the Consultation Document. See Section 3.2 of the Consultation Document for information to support answering this question.)

A: I agree that it should cover the entire region and can think of no reason why areas shouldn't be included.

Q24 (Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds? This is Question 2 as set out in the Consultation Document. See Section 3.3 of the Consultation Document for information to support answering this question.)

A: I agree, zones help with phased starts. I assume there are already sufficient resources in each zone to deal with the routes to be operated, which was why they were drafted as such?

Q25 (Do you have any comments on the local services that are proposed to be franchised? This is Question 3 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.)

A: To control the bus network and encourage better connections it makes sense for all services to be included in the scheme, exceptions, apart from those listed, would add confusion to the travelling public.

Q26 (Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme? This is Question 4 as set out in the Consultation Document. See Section 3.4 of the Consultation Document for information to support answering this question.)

A: I agree with the exemptions proposed.

Q27 (Do you have any comments on the date on which the proposed Franchising Scheme is currently proposed to be made, 14 March 2024? This is Question 5 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.)

A: I agree with the date.

Q28 (Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026? This is Question 6 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: I agree with the proposed date.

Q29 (Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)? This is Question 7 as set out in the Consultation Document. See Section 3.5 of the Consultation Document for information to support answering this question.

A: How can we ensure a service continues to operate in the nine months if the current operator is not the successful bidder? I'm sure once franchises are awarded, there will be a framework to ensure a handover, however I'm not sure how you can ensure an operator will continue to operate a service that they know they have lost to someone else? How do we ensure they maintain a decent service in those nine months and don't simply use the time to drive passengers away?

Q30 (Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working? This is Question 8 as set out in the Consultation Document. See Section 3.6 of the Consultation Document for information to support answering this question.

A: I would prefer to see more emphasis on passenger opinion and less on the statutory stakeholders. I don't feel the statutory stakeholders always have the passenger in mind.

Q31 (The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this? This is Question 9 as set out in the Consultation Document. See Section 4.1.3 of the Consultation Document for information to support answering this question.

A: I think the delivery areas fall short. Missing is the need to change the current attitude of stakeholders towards passengers.

Even if the other delivery areas were met, if the attitudes don't change the scheme will fail. Whilst the BSIP ideas suggested are of merit, treating passengers as though they chose to travel, whilst cynically knowing that most have no choice, is why in part we are in this mess?

Network.

Currently buses have to be run to make a profit. Therefore it is sensible for new networks to be financially supported whilst they become established. It is not the case that there are simply hundreds of passengers, £2 in hand, massing at bus stops waiting to be scooped up, the route has to run, potentially empty at first, until such time as passengers become aware of it and start using it. The new service has to be well promoted, this is something that currently is not done very well, it has to be as reliable as possible and it has to be allowed time to grow. But the new route can't be everything to everyone. I think work has to be done to manage public expectations, a bus isn't a taxi.

I don't agree every service needs public funding, but I do feel that some operators are well aware of the lack of competition and seek to threaten service cuts to get a public subsidy?

Fares and Ticketing

An opportunity was missed in the BSIP proposal and the £2 fare. Instead all the £2 fare money should have been put into the Metro products. Any remainder should have been used to properly promote the scheme. I don't want to see adverts on buses or in bus stations, I want to see TV and hear Radio advertising. Metro cards should have been handed out for free in car parks around the region. The hardest part to get people to travel isn't the cost of the fare, its knowing the fare. I don't believe that the cost stops people from travelling, it's not knowing the fare? The £2 fare didn't make it more affordable, it made the fare structure simpler in my view. Nothing has been done to allow operators to link fares to demand, we should be more like Ryanair, the bus is empty the tickets are cheap, the bus is full or popular, then it's more expensive. But our fares affect our ENCTS rates, so if we slash the fares we reduce our payments. Its not just about supporting services financially, its about creating a more flexible approach to fares so that if we are still charging single fares, as opposed to multi journey tickets, the fares can be adjusted to get people onto buses or inflated when the buses are fuller, it's akin to peak and off peak fares but it should be more attention grabbing.

Customer Service and Satisfaction

There is no desire to fix anything, its all about appeasement. Getting people to moan and then having done so get rid. Metro should be in charge of complaints, but too often they just pass the customer over to the operator. The operator uses call centres and often these aren't even in the same part of the country. I think passengers with genuine concerns feel isolated and unheard. I think we should reintroduce conductors on buses. They would have time to interact with customers and answer questions about the service. The conductor would help customers feel safe by their presence. They could be moved around different services to respond to demand.

Bus Priority

Roadworks whether planned or otherwise seem to be a law unto themselves? The works either run over or operate at times outside of those publicised. Long after works have finished, traffic controls remain in place until that contractor returns for their equipment. Nothing is mentioned about changing the 6 minute window of compliance? At present a service can be no more than one minute early of five minutes late. If it falls outside of this it is deemed non-compliant. Larger operators seek to turn late running buses. This is not to get back them back on time, more so because a late running bus is deemed not to have run, therefore why continue? We always run and keep going, our passengers know we turn up. WYCA should work towards changing the rules so that all operators do the same, not just knock the late running bus off.

Green and better vehicles

Surely buses any bus carrying even a few passengers is more environmentally friendly than the same number of cars? I think it is naive to think people use buses because they are green. If asked whether the green credentials of the bus matter I suppose most say yes, but what if they weren't asked, do they suggest it? Do they go on to say that they won't travel on a bus that isn't green? Surely if they cared that much about the environment they would already be travelling by bus or cycle? Talking about green buses is watering down the argument about declining bus patronage. The green agenda just seems a way of funding buses. Getting people onto buses, regardless of their Euro rating should be the first priority and if these passengers are themselves car owners, isn't that a better way of obtaining the green credentials everyone hankers after?

Q32 (The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this? This is Question 10 as set out in the Consultation Document. See Section 4.1.4 of the Consultation Document for information to support answering this question.

A: The reality is that you cannot make operators do much if indeed anything under the current arrangement. Instead its all meetings and bartering to get some sort of a cobbled product. Bus numbers are falling in part because the system to run buses isn't working. Trying to fix things under the current system would be impossible. To see improvement, some things need to be imposed, not negotiated and watered down.

Q33 (Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case? This is Question 11 as set out in the Consultation Document. See Section 4.1.5 of the Consultation Document for information to support answering this question.

A: I had to read, and re-read this several times and like so many communications and pieces written about buses, its overcomplicated and wordy. Customers should be at the top of the lists, change your focus. Make the message simpler, get people on buses first, then the other objectives should follow. I found the wish list too long and I'm worried that this ambitious scheme is going to spend too much on admin and not enough on getting buses on the road filled with passengers.

Q34 (Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 12 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: I think control off the bus services is now the only way to see an improvement. Partnerships don't work as the parties involved usually want different things and often meet grudgingly in a halfway house outcome which is more about tinkering with the problem instead of dealing with it.

Q35 (Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? This is Question 13 as set out in the Consultation Document. See Section 4.1.6 of the Consultation Document for information to support answering this question.

A: I think this would be a bad idea. Things need fixing, not rolling in glitter.

Q36 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 14 as set out in the Consultation Document. See Section 4.1.8 of the Consultation Document for information to support answering this question.)

A: I agree. However, in order to achieve this WYCA need to realise that there are those within their own ranks who do not want this.

Q37 (Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case? This is Question 15 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.

A: I think the stability the franchise should bring once it is running should grow passenger numbers. My concern is the uncertainty that will exist in the period before a franchise is up and running? Will we see petulant operators and striking staff further reducing passenger numbers in this period?

Q38 (Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case? This is Question 16 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: I think good operators will see a bright future, those who are currently providing a sub standard service will struggle to come up to scratch and probably cease operation? However, I do think the prospect of a guaranteed income from a franchise will attract new operators to start up.

Q39 (Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case? This is Question 17 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: I think that there is work to do at WYCA to be ready for this role. There are some very capable people at the WYCA but it as to be said that there are a few who like the current system and are resistant to change.

Q40 (Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case? This is Question 18 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: I don't think an EP+ will stem the decline. Passengers on busy routes will continue to be catered for, whilst marginal routes will go.

Q41 (Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case? This is Question 19 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: An EP+ is what the larger operators want in order to maintain their current hold on the market. Failure to introduce franchising will embolden the larger operators and I believe they will start to stifle competition and be less customer focussed.

Q42 (Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case? This is Question 20 as set out in the Consultation Document. See Section 4.2.2 of the Consultation Document for information to support answering this question.)

A: I think EP+ will continue to make life hard for those trying to achieve improvements. It might suit some at WYCA to blame their inaction on the system, but it is clearly frustrating for those who want things to be better? WYCA run the risk of losing these good people who might well move on?

Q43 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is

Question 21 as set out in the Consultation Document. See Section 4.2.7 of the Consultation Document for information to support answering this question.

A: I think once established, the stability and growth of franchising should allow better financial outcomes for the public sector with more revenue from passenger tickets. EP risks the public purse being held to ransom when an operator withdraws a service and the WYCA are obliged to plug the gap at short notice.

Q45 (Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case? This is Question 23 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: I would have been interested to see what the three Leeds zones were?

Q47 (Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 25 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: I have grave concerns about the WYCA ability to ensure these vehicles are kept to an acceptable standard by the current franchise operator. Under Mybus, most vehicles were in a poor condition and not maintained properly with few exceptions. We know this having painted eighty of them. The Accessbus fleet, in most cases, suffered the same fate with vehicles in a dreadful state being operated. We refused to repaint these vehicles for WYCA because they were clearly not being looked after by the operator in question. However, our concerns were ignored and excuses were made for the operator in question by WYCA, The operator went bust in September of 2022. What steps will WYCA take to ensure vehicles are up to standard? Some operators fail to look after vehicles they own, I can't see that that they'll look after vehicles they don't?

Q49 (Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case? This is Question 27 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: I agree with the points made.

Q51 (Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case? This is Question 29 as set out in the Consultation Document. See Section 4.3.5 of the Consultation Document for information to support answering this question.

A: I agree with the points made.

Q56 (The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this? This is Question 34 as set out in the Consultation Document. See Section 4.3.7 of the Consultation Document for information to support answering this question.

A: I agree with the conclusion.

Q60 (The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk? This is Question 38 as set out in the Consultation Document. See Section 4.4.7 of the Consultation Document for information to support answering this question.

A: I agree with the conclusion.

Q61 (The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments? This is Question 39 as set out in the Consultation Document. See Section 4.5.3 of the Consultation Document for information to support answering this question.

A: I welcome the extra staff, but where will they all work from?

Q67 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 44 as set out in the Consultation Document. See Section 4.6 of the Consultation Document for information to support answering this question.

A: Support.

Q69 (Why do you say this?

A: Simply put, the current system isn't working, it needs an intervention, not tweaking. Somebody has to take overall control and make decisions on the bigger picture. Having control of the various pieces of the jigsaw means we should see a complete picture, not just a little bit of Arriva in one corner, Firstbus in another and so on.

Wakefield and District Trades Union Councils

Q5 (What is the name of your business or organisation?)

A: Wakefield and District Trades Union Council.

Q6 (What is your position/title?)

A: Secretary.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)

A: Short.

Q8 (The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this? This is Question 1 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.)

A: Our members include workers as passengers:

They report being unable to travel to jobs, take up training opportunities, need to pay for expensive taxis to get to shifts in hospitals for low wage jobs; Their children are unable to get to College or school on the bus with repercussions for their children's independence and outcomes, and their families financial resources as parents need to buy cars to drive young people about.

Our members include bus drivers who are distressed at providing inadequate services, frustrated by low wages, suffer ill health from traffic pollution caused by excessive car use, and want better terms and conditions for dedicating themselves to public services.

As a Trades Council we are particularly concerned about the need to decarbonise our economy in a just and fair way - for this a much better bus network is essential. We know from our extensive research across our networks that Better Public transport is crucial to the getting as many as possible of regular planned commuting journeys that people make onto publicly provided buses.

Q9 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 2 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.)

A: We strongly support the proposed Franchising scheme. We believe that public ownership would be best. The franchising scheme offers the best way to have more public control of bus services.

With franchising it is possible to have ticket improvements, with a single set of simple tickets. The Mayors fares debacle when the companies put fares up to the maximum £2, where they previously were below £2 - was a clear demonstration of how the operators sought to profiteer on the back of the disabled, elderly and vulnerable users who use the buses for shortest journeys.

The franchising option is more straightforward as operators can't find ways to get around the

rules.

The passenger customers become the focus of the services, not the profits of the companies.

Q10 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 3 as set out in the Executive Summary. See Section 1.2.2 of the Consultation Document for information to support answering this question.

A: We learnt in the consultation meetings that the franchising scheme proposed is estimated to generate over £200 million more for the economy.

We can back this up with evidence from our Trades Council meetings - delegates reporting that members on low wages without buses to depend on, have to take taxis to or from cleaning jobs on early shifts, and then as a result become dependent on food banks.

With no money for the essentials like food, there is certainly no spare cash: their children cannot take advantage of social, educational and sporting activities, new clothes, or clubs. They cannot afford cafe stops, or any additional expenditure to boost the economy.

Affordable public transport would drive a well-being economy.

It would be healthier for our members, they can walk short walks to bus stops and keep active.

The air they breathe, and that the bus drivers breathe, would be less polluted with health benefits for passengers and drivers, and for the public purse with less expenditure on health services.

It would be better for the planet, fewer emissions, more electric bus vehicles ensuring swifter transition away from fossil fuels. Fewer cars means that less land is needed for car parking - saving biodiversity as land can be saved for wildlife without incurring further costs to restore nature. The planet needs life support and better bus service is an essential part of the planet's recovery plan

Q11 (The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this? This is Question 4 as set out in the Executive Summary. See Section 1.2.3 of the Consultation Document for information to support answering this question.

A: As a Trades Council, and as part of the TUC we firmly believe that public ownership of public transport system is an essential part of encouraging more people to make the transition to use public transport; in addition to maintaining and developing the current network.

We believe that Direct Labour Organisations would offer the best option to protect the current terms and conditions of the bus drivers and other employees of the operators, and build in their participation in the enhancement of the running of the services.

We firmly believe that Trade Union membership and involvement with employers brings improvements in terms and conditions for members. TU also involvement with employers also improves service through better understanding of issues, better wages, and health and safety benefits particularly with regard to drivers health. (there are many health and safety issues that have been ignored by the current operators). These include air pollution induced respiratory problems, issues around enforced sitting, for many hours each day, and long shifts without comfort breaks with health repercussions for kidneys, bladders etc).

We note the experience of the Rail Operators where the government as Operators of Last Resort have provided better service than their previous profit-driven providers. We think this provision must be written into the franchise so that cancellations and poor services are not allowed to continue for lack of alternative.

Q12 (The Financial Case shows that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this? This is Question 5 as set out in the Executive Summary. See Section 1.2.4 of the Consultation Document for information to support answering this question.

A: The financial case seems to understate the positive financial case for franchising, perhaps because the financial advantages will be felt wider than WYCA. With a better local well-being economy the crisis expenditure of local councils should also benefit. For example, services to the elderly suffering the effects of isolation, will be less as people can get out, or visitors travel more easily. We identified in the economic case, many widespread advantages as workers were less dependent on financial support, if they were able to travel more easily by bus.

The point must be made that even with the current poor services hampering the lives of people of all ages across West Yorkshire- there have still been extensive profits made by the bus companies. These private profits are not reinvested into West Yorkshire's transport system, but instead are the profits for foreign owned companies taking the money out of our local economy.

With additional financial responsibility for the bus services the WYCA has additional opportunity to reinvest income generated in further improvements. The money in West Yorkshire would circulate multiple times within West Yorkshire, adding value each time rather than being diverted to the balances of private companies overseas.

Q13 (The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this? This is Question 6 as set out in the Executive Summary. See Section 1.2.5 of the Consultation Document for information to support answering this question.

A: We support the Management case, and would go further to suggest further participation in an ongoing way for the public and the staff in a Transport Committee or Board. Bus transport needs to be integrated with other forms of transport, and this needs to be planned and developed as circumstances change. When new workplaces open (or close) there needs to be new bus services to get workers to their employment, hopefully without further car usage. The Climate Emergency requires us to reduce car and road transport massively, this needs to be planned and consulted on with all members of the travelling community, and the workers who provide those services. The transport Board would be the ideal place for the discussions.

We believe that trade unions need to be involved as representatives of large numbers of workers (we represent thousands), but we also feel that other representatives of businesses, Councils and passengers need to be included along with Bus drivers and employed transport planners etc.

Q14 (The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? This is Question 7 as set out in the Executive Summary. See Section 1.3 of the Consultation Document for information to support answering this question.

A: Equality implications for bus transport are particularly important as bus transport is the only means of travel for some of the most disadvantaged members of the community. There are many for whom car ownership and driving are simply not an option and the terrible state of current bus services mean that they are currently totally disadvantaged by the lack of

services, and lack of confidence in the possibility of a return journey.

That these include the elderly, the young, the injured, the disabled, demonstrates the iniquitous market-driven current partnership model of bus service delivery.

The proposed transport board we suggested in the previous answer must include groups that are from all sectors of society. I know many women are reluctant to travel on buses in the evenings, precluding evening shifts at work etc. The young need access to College courses and social activities through bus transport. We need to listen to what they need and where they wish to travel

It is essential that we build in as much representation as possible so that services can be developed to encourage as much bus use as possible for the sake of economic Well-being and the Planet.

Q15 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 8 as set out in the Executive Summary. See Section 1.4 of the Consultation Document for information to support answering this question.

A: Support.

Q20 (Why do you say this?)

A: We strongly support the franchising model, we believe in public ownership. We believe firmly believe it would be better for the Economy of West Yorkshire as whole and for each of the Districts. We firmly believe that franchising would believe deliver much greater economic well being for all the people of West Yorkshire: as travel would be easy and cheap, and underwrite further economic development of the Metropolitan Authority which would lead to increased prosperity with further employment opportunities coming from this.

We believe that this would enhance the environment of West Yorkshire with less congestion on roads, less air pollution and better health outcomes for the people notably the bus drivers. But the effect would be wider still, better bus networks delivered by Franchising would encourage more people to use the bus network and really start the switch to public transport that is an essential element for planned commuter journeys to save the Planet.

In the conurbations like West Yorkshire we need to show what is possible to develop the alternative modes of transport we need for a future without carbon.

A zero carbon future is possible, but we will only get there, with the best possible bus networks that West Yorkshire can deliver.

Q21 (Are there any changes that you think would improve the Proposed Franchising Scheme? This is Question 9 as set out in the Executive Summary. See Section 1.4 of the Consultation Document for information to support answering this question.

A: As a Trades Council with Bus driver representation, we feel it is essential that Bus drivers must have their terms and conditions increased and protected in any negotiations and changes to mode of delivery of services. Enhancement of services must come, with enhancements of terms and conditions not decreases.

For this there needs to be proper representation of bus drivers by trade unions and encouragement so that all bus drivers join a union. We discussed in earlier responses the possibility of Direct Employment of bus drivers, or very strong worker involvement written into franchise contracts.

We have also suggested provision of a Transport Board or Committee so that any issues with current services, and failures to deliver the services could be addressed in timely manner. We feel that it would be essential to have a board so that any or proposals for enhancement can be built into future services and routes with effective consultation with all parties.

Q22 (Do you have any further comments? This is Question 10 as set out in the Executive Summary.

A: We would really like to see a publicly owned bus company, because Public owned bus companies deliver better services: in Germany the public own almost all local bus services, in the UK in the last 7 years 5 times public bus companies have won the prestigious Bus operator of the year awards. We need to have public owned bus services.

We also need clear accesible timetable of enhanced bus services. These timetables need to be at Bus stops and Stations, and online so that all users weather digital confident, or relying on paper copies have access.

West Yorkshire County Association of Trade Unions Council

Q5 (What is the name of your business or organisation?)

A: West Yorkshire county association of trades union councils.

Q6 (What is your position/title?)

A: Chair.

Q7 (Please select whether you would like to respond to the short questionnaire or long questionnaire?)

A: Short.

Q8 (The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this? This is Question 1 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.)

A: Our members overwhelmingly believe the problem is privatisation.

Q9 (The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? This is Question 2 as set out in the Executive Summary. See Section 1.2.1 of the Consultation Document for information to support answering this question.)

A: We agree.

Q10 (Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector? This is Question 3 as set out in the Executive Summary. See Section 1.2.2 of the Consultation Document for information to support answering this question.)

A: It will help our local economy and our members ability to get to work cheaply and on time.

Q11 (The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this? This is Question 4 as set out in the Executive Summary. See Section 1.2.3 of the Consultation Document for information to support answering this question.)

A: We would prefer to see buses renationalised.

Q14 (The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it? This is Question 7 as set out in the Executive Summary. See Section 1.3 of the Consultation Document for information to support answering this question.)

A: Buses are a particular lifeline for our older and disabled members - their needs are very important to us and must be fully considered.

Q15 (Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? This is Question 8 as set out in the Executive Summary. See Section 1.4 of the Consultation Document for information to support answering this question.

A: Support.

Bus Reform Assessment in West Yorkshire

Arriva Yorkshire Response

Covering Comments

The test of the franchising model, versus other options (including an Enhanced Partnership, EP+ or retaining a commercial model), must be whether it can be shown to increase passenger numbers through providing reliable, high quality and value for money bus services. The most significant measure that can improve services for passengers is to tackle congestion. This in turn would shorten journey times, making bus a more convenient choice which in turn increases passenger numbers. Shorter journey times would mean less resource required to maintain services at the same frequency, which in turn reduces the need to increase ticket prices or provides opportunities to enhance services through newer vehicles, enhanced frequencies or wider network coverage. The ability to achieve this is available to the CA under the existing model and does not require either reform option.

Bus Reform - Long Questionnaire

Long Questionnaire: Description of the Proposed Franchising Scheme

1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

Arriva Yorkshire operate cross boundary services into North and South Yorkshire, along with services into East Riding. Services operating into other counties, particularly Selby in North Yorkshire may be placed at risk if our operations in the surrounding area were reduced as many of these services are only sustainable through the existing cross subsidy of overhead costs. This may result in a decrease in services to key employment locations outside of West Yorkshire where residents from West Yorkshire travel to such as Sherburn. Some of these challenges are already seen to a lesser extent with the Mayor's Fares where West Yorkshire residents travelling cross boundary are unable to benefit from cheaper fares.

West Yorkshire is a complex geographical area with a mix of urban and interurban services operating across the region, consequently there is no single service solution that is appropriate throughout.

2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

Many existing depots operate service across the suggested boundaries and therefore the assumptions on grouping services may not be aligned to existing operations. This could cause issues relating to TUPE for existing employees, particularly where rotas or workload cover multiple services. As such, any operator winning a tender may not inherit sufficient staff to allow it to be operated.

3. Do you have any comments on the local services that are proposed to be franchised?

We look forward to understanding the routes and depots within each lot in more detail to be able to provide further insight into any risks associated with the proposal.

4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

Services operated for large events should also be excluded due to their irregular and demand responsive nature.

5. Do you have any comments on the date on which the proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

It is important that operators are given sufficient time to respond appropriately to tenders if franchising is progressed. Previous experience of short turnarounds required for tender submissions has precluded some operators from being able to participate and the CA therefore potentially not receiving the best value bid. Should this occur in a franchised environment it may not meet the requirements for open and fair competition.

6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

No

7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

This will be heavily influenced by the level of detail available relating to fleet and property, along with confirmation of driver numbers. It would be extremely difficult in the current environment to be able to recruit and train large volumes of drivers in this time; with an average of 16 weeks between someone applying for the role, obtaining their provisional licence and medical certification, passing their driving tests, route learning and vehicle familiarisation along with standard customer service training etc. There are a limited number of in-house delegated examiners and a further limited number of test spaces with DVLA centres.

8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

The proposal appears to focus on those who are currently impacted by the existing bus network and doesn't seek to understand the views of those who do not. To truly generate modal shift, it is important to understand the views of users of other modes such as private car, taxi, rail, bicycle.

9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

The decline in bus patronage is closely aligned with the increase in private car ownership, a trend that can be seen prior to deregulation. Where this trend has not been the same as in West Yorkshire, this has been achieved through other complimentary measures such as bus priority, parking restrictions, employer parking levies, and significant subsidy above the commercial model. All of these measures are outside of the control of bus operators and could be addressed through the existing model but would be further enhanced via an EP+ where operators and authorities would have legally binding complimentary measures to take.

One of the biggest barriers to travelling by bus is journey time; it is already within the authorities control to determine whether buses receive priority which directly impacts on patronage. Patronage decline also has a correlation to increasing traffic and changes in working patterns following the

pandemic. It is important to note that bus will never be a solution that 'serves all customer needs' and that whichever model is chosen, the private car, taxis, rail, bicycles and walking all have a role to play in even the best fully integrated transport systems.

Operators have already delivered in partnership with WYCA cheaper and simplified fares and operators are committed to progressing this further. This is delivered via the West Yorkshire Ticketing Company. Operators have also worked with WYCA to successfully win funding for electric buses and have for many years committed many millions of pounds in fleet investment. We recognise a desire to align on the onboard experience which can be achieved via the EP+ at no cost to WYCA.

10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

As above

11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

As above

12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

The Scheme's deliverability will be heavily reliant on the ability of operators to recruit and train PCV drivers to achieve the numbers required for the enhanced network.

The ownership of Wakefield Bus Station does not appear to have been considered but is intrinsically linked to the ownership of the neighbouring depots, both financially and operationally. We would urge that this is given greater consideration.

13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

The EP+ offers a quicker means of achieving the objectives with less financial risk for the Combined Authority and ultimately residents of West Yorkshire.

14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

The limited funding required to achieve all the objectives via the EP+ model in a timely manner is included fully within the Franchise model. Operators have already confirmed their commitment to the proposals which would be formalised via the legally binding agreement which could be delivered far quicker than Franchising. The ability to achieve objectives has been demonstrated by operators through existing fares and ticketing schemes and operator investments in Tap On, Tap Off technology which is a key enabler to enable seamless multi-operator ticketing.

15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

The EP Reference Case assumes that there are no changes to the way that buses are currently run, however this does not reflect the current situation. Operators are actively working with the CA to

enhance the network and patronage recovery continues following the pandemic. Operators have worked with the CA to ensure that the remaining network is sustainable for the future and that further growth can be achieved. Project Coral which would enable operators to provide Tap On, Tap Off ticketing regardless of operator continues to progress and West Yorkshire operators are already capable of the rollout once access to the back office solution is made available.

16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

There is concern that business may be taken away from operators without appropriate compensation. Furthermore the economic impacts will only be favourable if the indexation process detailed in the contract appropriately reflects inflation, so we urge this to be given further consideration.

As has been seen in TfGM, whilst franchising aspires to increase competition, there is a real risk that it will have the opposite effect with the cost of tendering combined with high-risk clauses effectively removing smaller operators from the market in some cases. Due to the reductions in passenger numbers seen through the pandemic, there are very few services where direct competition remains as most services could not sustain the costs with depleted passenger numbers.

17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

It is noted that the most fundamental economic impact is the assumption of a reduced operating margin, however the bus industry has seen significant losses in recent years and therefore if this trend continued, this cost would be passed directly to the CA with a guaranteed margin built into operator contracts. As has been seen in TfL, this in turn places significant financial uncertainty on the Franchise system which requires additional revenue or network reductions to maintain the existing network. There is a concern that the extent of cost removal from competition may have been overestimated in the assessment.

18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

The EP+ would see passengers benefitting from the outcomes of Bus Reform much quicker than under franchising.

19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

Extensive consultation with operators has taken place during the process of producing the EP+ via the Confederation of Passenger Transport and, as evidenced in the supporting letters, operators are supportive of the proposal. Conversely, smaller operators have expressed serious concerns around the impact Franchising will have on the viability of their businesses going forward.

20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

The EP+ offers the lowest financial risk option to the CA and the greatest incentive to operators to deliver due to the direct correlation to revenue.

21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

Both options are considered to deliver very high value for money, however the level of financial uncertainty around the cost of franchising appears to be understated.

22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

The success factors do not seem appropriately focussed on customer satisfaction and passenger growth / modal shift.

23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

It is difficult to comment fully without further detail. However, we would highlight that there are a significant number of cross-boundary services given the geographical split of the areas in the rounds. This may destabilise service provision during the transitional phase as operators take actions to stem losses from commercial services as they face competition from franchised services operating on a gross-cost contract model with potentially subsidised fares and fare structures.

Once any franchise market becomes established, we urge that consideration is given to procuring franchises at a route level with appropriate procurement processes in place to ease the burden of administration as per the example from the London franchise market. We also encourage a system for pre-qualification to reduce the burden on all parties during each round of tendering.

24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

We believe that a 5+2 model would be a more suitable model to follow which both incentivises and rewards high performance, while providing opportunities for growth. The lengthier the contract, the greater the risk involved with accurately predicting inflationary changes which can have a significant impact on an operator's cost base. Compounded wage increases in particular can have a significant impact on costs and the ability to make a return on investment. A balance must be found between a sufficiently long contract that secures operational efficiencies and optimum performance, together with ensuring that the market is dynamic and open to competition with limited barriers to entry and the ability to make a suitable return. We believe that a 5+2 model achieves the appropriate balance.

Risks can be reduced through having a basket of indices that is adjusted annually to mitigate bidding risk. Given the smaller scale of any WYCA franchising scheme, it will lead to higher costs with less benefits from competition than has been delivered via the larger scale of the TfL model.

25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

Due to the potential lack of knowledge and experience working with the provided fleet, operators would need to build in a level of financial security into their bids, increasing the costs estimated by the CA. Additionally training costs may be incurred for familiarisation and type training for unfamiliar vehicle types. Currently large operators can pull on group wide fleet resource in the event of vehicle unavailability, however this may not be possible if a specified vehicle requirement were in place.

Operators have longstanding relationships with manufacturers which allows them to leverage their size to reduce costs when purchasing vehicles. Experience and knowledge relating to vehicle

specifications, performance and customer expectations is extensive within the bus industry and this knowledge could be lost under the proposed model if operators are not consulted.

We acknowledge that WYCA procuring the fleet would remove some challenges faced by operators, particularly if a standard fleet is introduced. WYCA would be able to leverage the scale of fleet investment planned over a prescribed period to negotiate fleet costs.

26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

Bus depots are often complex sites which have operated for many decades with site abnormalities which require close management, achieved through years of experience of requirements. Due to the uncertainty regarding potential sites, operators will need to build some level of financial risk into their bids for site maintenance, consequently potentially increasing costs for the CA.

New depots can be very difficult to develop with long lead times due to difficulty identifying and obtaining appropriate sites, obtaining planning permission with long operating hours, to building and commissioning. As such, this may impact on the deliverability of the operating depot beyond those estimated in the assessment.

Existing sites are normally located in areas with minimal dead running time to route start points; any new sites would need to consider additional dead mileage incurred which would increase operational costs costed into bids.

27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

In relation to TUPE Transfers and Groupings, the consultation document states that the decision on which employees are principally connected to services is to be reached by agreement with operators of affected local services following a consultation process. It is not clear whether this would be factored into the timescales and procurement process. We would urge this is considered further and discussed with bus operators.

We agree that if a franchising scheme is introduced, WYCA should be responsible for design and specification of all aspects of the bus 'product', including brand, marketing, approach to customer relations and product development as per the successful approach deployed in London. However, the benefits from marketing and customer communications will be harder for WYCA to deliver than in London due to the smaller nature of a less dynamic market and the higher costs. We would be concerned that the ability to replicate TfL successes would be compromised through the smaller scale of the market and disproportionately higher costs, while much of the best practice expertise and innovation of the commercial sector drawn from running national bus operations, such as marketing to consumers, could be lost under a franchise scheme.

28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

We agree that a performance regime that incentivises operators to deliver high performance is welcome. We urge that any such performance regime be transparent, objective, and measurable. For example, punctuality measures meet this criterion but anonymous passenger surveys, for example on cleanliness of buses, are subjective and may be undertaken on very small sample sizes which are not fully reflective of an operator's performance. We agree with collecting evidence against delivery

of such 'soft' measures through, for example, surveys, but suggest that this feeds into published tables (which can be considered as part of retendering) rather than directly linking them to performance payments.

Transport Focus research echoes our own research that passengers particularly value punctuality, so this should be a clear focus. An emphasis on driving and measuring punctuality and performance must also be supported through bus priority measures and steps to boost bus speeds, so that journey times are predictable and travelling by bus is consistently and clearly quicker than travelling by car. This not only enhances the passenger experience and delivers the maximum economic and environmental benefits of mass transport, but it is also integral to supporting the objectives of Bus Reform. Under a franchising model, it is appropriate for WYCA to protect operators from events and circumstances outside their control, such as excessive traffic congestion. Safety must, of course, be given full and appropriate consideration.

29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

Restriction over who can bid for each lot may provide competitive advantage to smaller operators, but in doing so could also enable smaller operators to increase their prices knowing that there is a smaller pool of operators bidding.

As outlined in the EP+ proposal, it is clear that operators can work with the CA to deliver standardised ticketing across operators. This has already been achieved for under 19's where all operators offer the same 3 stage single fare and only one multi-operator day ticket. Bus Reform is not required to achieve this objective.

The consultation document talks about primary barriers to entry being fleet and depots but does not appear to take into account the granting of operator's licences by the Office of the Traffic Commissioner which require sufficient financial standing, expertise (Transport Managers) and repute. These factors need to be considered when determining the likelihood of new entrants in the market.

30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

If differing terms are applied to the permit system between neighbouring authorities, this may reduce the number of cross boundary services being maintained. We would urge the CA to continue to work closely with neighbouring authorities to ensure any requirements are aligned.

Please also refer to the answer to question 1.

31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

Please refer to the answers to question 2 and 27.

In relation to Pensions, the consultation document states that it will remain the obligation of incumbent operators to put in place the necessary arrangements to address any shortfalls that exist and to manage the pension funds that relate to the past service of their employees. This cost would be significant and need to be factored into operators' bids (in so far as it can be understood) and will likely mean that operators have to establish new, onerous schemes in franchise areas solely for the purposes of receiving employees from particular employers each time a service contract is awarded

to it. The risk and costs arising from having to establish or close a number of different pension schemes each time a service contract is awarded or lost is significant and may lead to small and medium sized operators being unable to participate in the franchise bidding process due to the liabilities associated with pensions. We would urge detailed consideration of these issues.

32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

The additional resource in the CA would duplicate resources in operators and therefore in their nature will be less efficient than the alternative options. Operators will not be able to remove this resource as it will still be required for bidding and operating the franchise. The CA would carry the additional cost, either through direct payroll related costs but also through the tender prices.

33. Do you have any comments on how the EP+ could support the Commercial Success Factors?

Although negotiation have been noted as time consuming, it would remain significantly quicker to deliver than franchising. The consultation document refers to operators being able to stop running services at 6 weeks' notice, yet the statutory requirement for notification to LTA's is 10 weeks' notice and therefore this is not correct. Operators are also open to extending this period as has been agreed in EP's elsewhere.

34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

As noted in the consultation document, the Proposed Franchising Scheme does carry significant implementation activity, a high-level scale of change and risk transference to the Combined Authority in enabling all the benefits articulated.

35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

The Transport Levy is made up of contributions from the Local Authorities and therefore comes directly from residents of West Yorkshire, any increase in the levy would likely need to be realised by an increase in local taxes. The Transport Levy has been held at its current level for a number of years during which unprecedented levels of inflation have been seen, resulting in a real term cut in the Levy. Additionally, as a number of Local Authorities are facing critical budget challenges, it seems unrealistic for this levy to be maintained in line with inflation in future years.

BSOG and Government Funding are also expenditure from the public purse, and similarly any increase in these funds would need to come from there. This is a significant shift from an operator led revenue risk, to a public financial risk. Under the EP+ model, the financial risk remains with operators, as has been seen in recent years.

Transitional costs of £15.1m and management costs of £5.3m over 4 years, plus an ongoing £2.9m management cost are all avoidable public expenditure via the EP+ model. The estimated £252m for fleet and £85.5m for depots is a significant expenditure for the public purse and does not appear to account for additional investments such as infrastructure to develop depots to be suitable for zero emission vehicles, or for the acquisition of other assets such as bus stations not already owned by the CA. We would suggest that as an alternative, WYCA may consider establishing an Enhanced Partnership + for 12-24 months and assess the benefits delivered from such a scheme before taking the decision to incur hundreds of millions of pounds in the franchise scheme proposed.

We do not agree that the transition to, and ongoing expense of maintaining, a franchised bus market given the current and longer-term trends across the sector, will offer value for money to the public sector. It will expose the CA to revenue risk and there is no comparable evidence in the English regions which supports the assumption that a franchised bus network will deliver an increase in patronage demand and recovery. In the event that central government financial support is required to maintain a franchising scheme, it is likely such critical funding may have significant conditions attached to it such as those seen in London (expansion of ULEZ, commitments on fares etc.).

36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

The consultation document notes that in some years, specifically 2028/29, more budget is forecast to be required than is available. It states that it's options to address this shortfall include for service levels to be adjusted which seems contrary to the objectives of Bus Reform. The affordability of the scheme makes many assumptions about the ability to draw down on additional funding and the public purse.

37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

The conclusion appears contradictory to itself as it states that there would need to be a reduction in service, which will lead to a reduction in passengers carried. However it also acknowledges that the number of passengers carried is greater under the EP+.

38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

No

39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

It has been assumed contact centre resources will be transferred from operators, however this will not be possible from our perspective as we operate a shared service contact centre that is not located in West Yorkshire. The same applies to the assumption for management of facilities and assets.

Additional training modules for drivers would incur additional cost both in terms of payment to attend training, and additional establishment levels required to cover their duties whilst training is undertaken. This does not appear to have been considered.

40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

The consultation document references ensuring the procurement and implementation of required system enhancements but does not talk about a transition away from or integration of existing systems used by operators. There may be additional costs or delays associated with this activity as operators currently use a variety of systems across their businesses.

The document also assumes that some employees will transfer into the CA which is unlikely given that operators will be required to maintain their resource to support both bidding and operating in West Yorkshire, along with wider group support responsibilities.

41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

This sections suggests that EP+ would see duplication of roles between operators and CA, however this is unlikely. As described above, from experience in other franchise markets, we believe there is a greater risk of this through franchising.

42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

Recruitment in the bus sector can be challenging with a limited number of people with bespoke expertise; with several areas exploring bus reform the pool of people available to support both the operators and the CA will be limited and may prevent a risk in the recruitment of those with the additional competencies. The EP+ option provides a solution that utilises the existing expertise within the industry.

43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

As we have discussed, we believe that a partnership model, with operators and WYCA working together, can deliver improved services more quickly and with greater flexibility while incentivising investment and maximising value for money for the taxpayer.

The significantly reduced scale of any WYCA scheme compared to the TfL model, which would cover considerably fewer buses, would lead to higher costs and overheads from operating a franchise model and would be disproportionately higher on per capita/passenger and per vehicle basis. With a smaller scale total franchise market together with franchise packages issued for tender less frequently than in London, it will be more difficult to achieve the efficiencies and value that have been delivered in London, while the option to cross-subsidise on the same scale with other forms of transport are not available. Such costs, combined with WYCA taking on revenue risk (against a nationwide trend of falling patronage), presents poor value for money and a high level of risk to the taxpayer, especially when contrasted against the benefits of partnership that can be delivered cost-effectively and quickly.

44. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? Why do you say this?

Neither support or oppose

Arriva is a pan-European transport operator with a strong track record for delivery across a wide range of transport modes and different regulatory and operating frameworks. We are keen to share our experience and work with the West Yorkshire Combined Authority to deliver a shared objective of encouraging modal shift by increasing bus patronage and improving bus services, supporting communities and the economy while delivering environmental benefits.

Arriva's continued sustainable growth, backed by strong support from our parent company, means we can invest and pass benefits to our customers. We bring a culture of delivering reliable and

innovative transport approaches, finding solutions to transport issues and setting new standards in the industry. We want our customers – passengers, commissioning bodies and partners – to choose Arriva every time because they trust us to deliver high quality, reliable and sustainable services. We want to make bus travel an even more attractive choice for passengers and help tackle barriers to growth.

45. Are there any changes that you think would improve the Proposed Franchising Scheme?

As WYCA considers the commercial proposition of franchising, there are many useful lessons to learn from other markets, including from London where we operate. We draw from our extensive experience of London within our response and, if WYCA concludes that it wants to proceed with a franchising model, we would urge that the many successful features of the London franchising model are considered and would be pleased to contribute our views and expertise.

While there are many successes of the franchise model in London, it is also important to consider the differences between the cities and the implications for the development of any WYCA franchising scheme and market.

46. Do you have any further comments?

In terms of international comparisons of franchising models, we note that the level of public funding and subsidy is often a key part of franchising and publicly tendered schemes in European public transport markets, so any comparisons as part of decision making should take this into account.

47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

No

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.

Yes, I have read and understood the privacy notice

X

How are you responding to this survey? (Please tick one box only)

I am a member of the public, giving my views as an individual

I am responding on behalf of, or as a representative of, a business or organisation

X

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

Bus Users UK
Lydia Horbury – Director for England

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

Pros:

1. **Consistent Services:** Applying the Franchising Scheme to the entire West Yorkshire region would ensure a uniform and consistent approach to managing bus services across the entire area. This could lead to standardised levels of service quality and efficiency.
2. **Integrated Planning:** Managing the entire region under a single scheme allows for integrated planning and co-ordination of bus services. This could potentially result in better connectivity, optimised routes and improved overall transportation efficiency.
3. **Economies of Scale:** By applying the scheme to the entire region, there may be opportunities for economies of scale in terms of procurement, administration and management. This could lead to cost savings and more efficient use of resources.

Cons:

1. **Diverse Needs:** Different areas within West Yorkshire may have unique transportation needs. A one-size-fits-all approach might not address the specific requirements of each zone adequately. Tailoring solutions to local demands could be challenging.
2. **Complex Implementation:** Implementing the scheme across the entire region involves significant logistical and administrative challenges. Co-ordinating such a large-scale transition requires careful planning, resources and time.
3. **Local Operator Impact:** Small and medium-sized operators in certain zones might find it challenging to compete in a system that applies uniformly to the entire region. This could potentially affect local businesses and limit diversity in the market.

Q2 Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

Pros:

1. **Phased Implementation:** Splitting the implementation into three rounds allows for a phased and more manageable transition. This can help in addressing challenges one step at a time, ensuring smoother integration and minimising disruptions to existing services.
2. **Focused Procurement:** Procuring zones in rounds will allow the local authority to focus on specific regions at different times. This approach may facilitate a more detailed and careful consideration of the unique characteristics and needs of each zone during the procurement process.
3. **Resource Management:** The phased approach may help in more effective resource management, both in terms of administrative resources and the capacity of operators to adapt to the changes.
4. **Learning from Early Rounds:** Implementing the scheme in phases allows authorities to learn from the earlier rounds and make adjustments or improvements in subsequent rounds based on actual experiences and feedback.

Cons:

1. **Fragmented Services:** Splitting the geographical area into zones might lead to fragmentation of services, especially if there are significant differences in how each zone is managed or operated. Ensuring seamless connectivity across zones could be a challenge which could cause confusion and upset among passengers.
2. **Inequality in Timing:** The phased approach may result in disparities in service quality and standardisation across different zones, especially if some areas undergo franchising earlier than others and passengers will not know what to expect nor when.
3. **Logistical Complexity:** Co-ordinating the procurement process for ten zones across three rounds is a complex logistical task. It requires precise planning and execution to ensure a smooth transition without major disruptions to services and passengers' needs.
4. **Operator Adaptation:** Operators might face challenges in adapting to a phased implementation, especially if they operate in multiple zones. Coordinating changes across different zones could be demanding for both large and small operators.

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

Considerations:

1. **Accessibility and Inclusivity:** It's crucial to ensure that the franchising of local services does not compromise accessibility for all members of the community, including those with mobility challenges or other accessibility needs. The franchising model should be designed to maintain or enhance inclusivity.
2. **Service Quality and Efficiency:** The primary goal of franchising local services is stated as necessary to improve service quality and efficiency. The proposal should outline how the franchising model will achieve these objectives, including plans for route optimisation, improved frequency and overall better passenger experience in a manner which is markedly better than an Enhanced Partnership, especially given the significant additional cost to the public purse.
3. **Stakeholder Engagement:** Involving local communities, passengers, and other stakeholders in the decision-making process is essential. Understanding the unique needs and preferences of each locality can help tailor the franchising approach to better suit the community.
4. **Operator Diversity:** While the franchising scheme may involve larger operators for certain categories (Category A Lots), it's important to consider how the proposal encourages diversity in the market, allowing opportunities for small and medium-sized operators (Category B and C Lots) and ensuring Community Transport is involved.
5. **Feedback Mechanisms:** Establishing mechanisms for ongoing feedback from passengers and communities can help monitor the effectiveness of the franchising scheme. Regular reviews and adjustments based on actual experiences can contribute to the success of the system. An **independent** complaints system needs to be in place and clearly advertised.
6. **Integration with Other Modes of Transportation:** The franchising proposal should consider how local bus services integrate with other modes of transportation, such as trains or trams. Seamless connectivity enhances the overall effectiveness of the transportation network and builds confidence in passengers and potential service users.
7. **Environmental Impact:** Assessing and addressing the environmental impact of franchised services, including considerations for fuel efficiency and emissions reduction, aligns with broader sustainability goals. Increasing passenger numbers because services are planned to be more reliable and integrated will contribute to meeting climate change targets and improving health through pollution reduction.

8. **Economic Impact:** Analysing the economic impact of franchising on local businesses, especially smaller operators, is important. Balancing the benefits of standardised services with the potential challenges faced by local businesses is crucial.

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

General Considerations:

1. **Clear Definitions:** It is important for the proposal to provide clear and specific definitions of the exempted services to avoid ambiguity and ensure consistent application.
2. **Communication:** Clear communication to the public, stakeholders, and operators about the rationale behind exemptions is crucial. This helps build understanding and support for the proposed franchising scheme.
3. **Review Mechanism:** Including a mechanism for periodic review of exemptions ensures that the list remains relevant over time. Changes in circumstances or operational requirements may necessitate adjustments to the exemptions.
4. **Collaboration with Stakeholders:** Engaging with stakeholders, including school authorities and railway operators, during the development and implementation of the franchising scheme is essential. Collaborative decision-making can lead to more effective outcomes.

In summary, the proposed exemptions seem reasonable, recognising the unique characteristics and operational requirements of closed school services and rail replacement services. Ensuring clarity, communication, and periodic review will contribute to the successful implementation of a Proposed Franchising Scheme.

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

Two and a half months between the consultation closing and the analysis of the feedback suggests that there is no expectation of a change of decision as to the way forward, which in turn suggests that this is a consultation into how a franchising scheme would be accepted rather than whether it is the right mechanism for providing buses in the region.

In terms of communicating the decision, you should note that accessibility is key and you should take into account how you inform interested parties who are digitally excluded.

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

The timeline allows for a structured planning process. If the decision is made to proceed with the Franchising Scheme, the period between the decision date and the start of the first franchised services allows for planning, procurement and coordination.

This time gap between the decision date and the initiation of franchised services offers a transition period. This will be crucial for operators, the local authority and the community to adjust to the upcoming changes gradually.

It should be noted that an Enhanced Partnership scheme would be significantly faster to set up and the public should see benefits more quickly. The costs of a franchising scheme are also far higher to the public purse and services would be at risk of being cut if local authority budgets come under pressure, so this seems like a higher-risk option which offers more jeopardy to passengers, an issue not addressed in the document.

In our view, nothing in this consultation demonstrates that the benefits to be accrued could not be achieved by a well-managed Enhanced Partnership scheme which would give control to the local authority while spreading the risk.

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

Pros:

1. **Operational Readiness:** Allowing a nine-month mobilisation period provides operators with a reasonable timeframe to prepare for the commencement of services under the franchise contract. This period is crucial for logistical planning, staffing, equipment acquisition and other operational considerations.
2. **Smooth Transition:** A longer mobilisation period would contribute to a smoother transition from the existing model to the franchised services. It would allow for a phased approach to changes, reducing the likelihood of disruptions and ensuring a more seamless transfer of responsibilities.
3. **Operator Engagement:** A longer mobilisation period would provide operators with sufficient time to engage with the franchising requirements and make any necessary adjustments to their operations. This could lead to a more co-operative and effective implementation.

Cons:

1. **Extended Transition Period:** While a longer mobilisation period offers advantages, it also means a more extended transition period before the franchised services become operational. This may impact the realisation of benefits believed to be and promoted as associated with the franchising scheme within the community.

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

Inclusivity of Stakeholders: The list of statutory stakeholders is broad, covering a range of perspectives, including local bus operators, employees, passengers, affected local authorities, regulatory bodies and any other relevant bodies or individuals. However, it would be wise to contact all West Yorkshire representative bodies for people with specific needs or accessibility requirements which should be known to the Authority and involved in ongoing consultation as to the success or challenges of the scheme. This level of inclusivity should ensure a reasonable understanding of the scheme's impact.

Regular Engagement: The requirement to consult with users of local bus services within 24 months from the start of franchised services reflects a commitment to ongoing engagement. Regular feedback collection will allow for adjustments and improvements based on real experiences and needs.

This should include analysis of complaints and comments sent to an independent body which meets the Trading Standards legal requirement of a registered Alternative Dispute Resolution body.

Comprehensive Approach: The proposed approach, as detailed in section 8 of Appendix 5 and section 5 in the Management Case of the Assessment, suggests a comprehensive strategy for consulting on the operation of the Proposed Franchising Scheme. This could include surveys, public meetings, focus groups, and other mechanisms to capture diverse opinions.

Elements for consideration

Clear Communication: It's important to communicate the purpose and outcomes of the consultation effectively to all stakeholders, ensuring they understand how their input contributes to the evaluation and potential improvements of the franchising scheme. Perhaps a 'You Said, We Did' strategy?

Accessibility of Feedback Mechanisms: Ensure that the mechanisms for providing feedback are accessible and user-friendly for a broad audience with diverse needs. This may include online surveys, but also strategies to reach the digitally excluded such as community meetings in various locations, local radio and newspaper segments and other strategies to reach a diverse range of participants.

Balancing Perspectives: While gathering feedback from various stakeholders is crucial, it's important to balance conflicting interests and opinions. In particular passenger forums need to be representative of the local population and include bus passengers with a range of characteristics in order to obtain thorough and

comprehensive feedback. Often utilising a volunteer method encourages feedback from a narrow sector of the bus-using society, so cannot be relied upon to give the full picture. The consultation process should aim to find common ground and address concerns constructively.

Transparent Reporting: The results of the consultation should be transparently communicated to the public, stakeholders, and decision-makers. This transparency fosters trust and accountability in the decision-making process. It is also an opportunity to celebrate any improvements to services.

Iterative Evaluation: Consider adopting an iterative evaluation approach, allowing for continuous adjustments to the franchising scheme based on feedback received over time.

Learning from Experience: The consultation process can serve as a valuable learning experience. WYCA can gather insights into challenges faced by users, operators, and other stakeholders and use this information for ongoing refinement.

Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

Based on the information provided, it is clear that the West Yorkshire bus system is facing significant challenges that impact both customers and the wider market. However, the majority of the challenges identified are not unique to West Yorkshire, but national bus system problems.

Customer Challenges:

1. **Declining Patronage:** The long-term decline in bus patronage, exacerbated by the COVID-19 pandemic, indicates challenges in attracting and retaining customers. It's crucial to address local factors contributing to this decline, including the impact of transport poverty, especially in more rural areas of West Yorkshire.
2. **Affordability:** The rising cost of bus travel over the past decade may act as a barrier for potential customers. While recent initiatives like the Mayor's Fares aim to address this, ongoing efforts are needed to ensure affordability.
3. **Customer Satisfaction:** Variability in customer satisfaction levels, particularly dissatisfaction with value for money and inconsistent service experiences, highlights the need for a more standardised and customer-centric approach. Within this challenge there is also a greater need to work

with disability groups to ensure that the bus system in West Yorkshire is accessible and inclusive.

4. **Safety and Inclusivity:** Ensuring safety and inclusivity for all customers is essential. Addressing issues that impact people with protected characteristics will be a positive step towards creating a more inclusive transportation system.

Market Challenges:

1. **Financial Sustainability:** The reliance on public funding to maintain the network underscores financial challenges. The identification of routes deemed not financially viable raises concerns about the sustainability of the current model but restrictions on Authority budgets could also be a significant challenge to the future success of a scheme wholly reliant on public funding.
2. **Tendered Services Pressure:** The increasing pressure on tendered services budget necessitates careful consideration for maintaining essential, socially necessary but uncommercial services.
3. **Operator Challenges:** Financial pressures on operators, compounded by external factors like inflation, rising costs of operation and driver shortages, contribute to the overall strain on the bus market. In particular, recently drivers have moved away from the region because of the offer of higher wages elsewhere.

Network Challenges:

1. **Unequal Network Access:** The unequal access to the bus network across West Yorkshire, especially for core services, highlights the need for a more inclusive and strategically planned network.
2. **Risk to Services:** The potential risk of declining services and bus mileage due to a lack of long-term financial stability poses a threat to the overall network's sustainability.

Operational Challenges:

1. **Bus Priority and Reliability:** Inconsistent bus priority measures contribute to poor punctuality and reliability, impacting customer satisfaction and overall effectiveness of the bus service. This in turn impacts on the trust of passengers, some of whom may find alternative modes of transport, which further reduces ridership.
2. **Green and Better Vehicles:** Challenges in achieving a zero-emission fleet and addressing inconsistent customer standards for green and better vehicles require targeted efforts and huge investment. The requirements of the Accessible Information Regulation will also increase the purchase cost of new vehicles.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

The challenges outlined in the document, such as declining patronage, financial sustainability, and network inefficiencies, support the need for significant changes to the existing bus market structure.

1. **Customer-Centric Approach:** Reforming the bus market is an opportunity to address customer challenges, including affordability, inconsistent service experiences and complex ticketing. A more customer-centric approach could lead to improved satisfaction and increased ridership. Our primary goal is to ensure that bus passengers receive the best value, reliable and quality service.
2. **Greater Influence on Green Initiatives:** reforming the bus market may provide the Combined Authority with greater influence in promoting zero-emission fleets and sustainable practices.
3. **Reform model:** There is nothing in the documentation that clearly explains why the Franchising model is deemed more likely to provide the desired outcomes than an Enhanced Partnership model. There are concerns about the ongoing viability of services if the only funding available has to come from the public purse. Our understanding suggests that any new Labour government is also unlikely to provide additional, ring-fenced funding for local transport, which we feel would be required to give confidence in this proposal. We also would like to see an exit strategy laid out in the event that the model chosen is not as successful as planned. While this is built in to an EP model, there does not seem to be anything on this topic in the Franchising model.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

Transportation is a fundamental aspect of daily life and societal well-being.

1. Social Inclusion and Equality:

- **Access to Opportunities:** Adequate transportation enables access to essential services such as education, healthcare, employment, and social activities. Eradicating transport poverty ensures that everyone has equal opportunities to participate in society.

2. Employment Opportunities:

- **Job Access:** Accessible transportation is essential for people to reach their workplaces. Lack of affordable and efficient transport options can limit job opportunities, particularly for those living in economically disadvantaged areas. Entry level jobs require transport to be available very early and very late, so a traditional 9-5 approach would not be useful.

3. Health and Well-being:

- **Access to Healthcare:** Transportation is critical for accessing healthcare services. Individuals facing transport poverty may struggle to reach medical appointments, resulting in delayed or inadequate healthcare, impacting overall health outcomes. Research shows that social isolation is more damaging to health than smoking and transport is a key factor in overcoming isolation.

4. Education:

- **School Attendance:** Adequate transportation is necessary for students to attend schools regularly. Transport poverty can lead to absenteeism, limiting educational options and achievements and perpetuating cycles of disadvantage.

5. Community Cohesion:

- **Social Interaction:** Reliable transportation facilitates social interactions, reducing social isolation. Research shows that social isolation is more damaging to health than smoking. A well-connected community promotes cohesion, and transport poverty may hinder community engagement and connections.

6. Economic Impact:

- **Local Economic Development:** Accessible transportation is vital for local economies. Lack of transport options can isolate communities from economic activities, hindering local development and growth.

7. **Environmental Sustainability:**

- **Reduced Car Dependency:** In many cases, transport poverty forces individuals to rely on personal vehicles, contributing to traffic congestion and environmental pollution. Affordable and efficient public transportation can reduce dependency on private vehicles, promoting environmental sustainability.

8. **Quality of Life:**

- **Overall Well-being:** Adequate transportation contributes significantly to an individual's overall quality of life. The ability to travel easily and affordably enhances well-being by providing a sense of independence and freedom.

9. **Social Justice:**

- **Equitable Access:** Eradicating transport poverty aligns with broader principles of social justice. Everyone, regardless of socio-economic status, should have equal access to transportation options that enable them to lead fulfilling lives.

10. **Government and Policy Goals:**

- **Sustainable Development:** Addressing transport poverty is often aligned with broader government goals related to sustainable development, poverty reduction and social inclusion.

Efforts to eradicate transport poverty typically involve developing and improving public transportation systems, ensuring affordability and addressing disparities in access across different communities. These initiatives contribute to building more inclusive, equitable and sustainable societies.

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

1. **Network Enhancement:** The ability to set routes and frequencies, along with an enforceable performance regime for franchise contracts, is a positive aspect, (although not exclusive to a Franchising model). This could lead to a more coordinated and efficient network, addressing challenges related to network design and planning outlined in the challenges section. A wider and more efficient network, with greater accessibility, connectivity and convenience for bus passengers would be welcome.
2. **Fares and Ticketing Simplification:** The proposed Franchising Scheme's capacity to set fares and simplify the customer offer through a single retail channel is advantageous, though also achievable by other means. It aligns with the objective of improving the customer experience by streamlining the ticketing process and reducing complexity. People who are not regular bus passengers have identified that the current complexity is actually a barrier to travel and to them using buses.
3. **Unified Customer Service:** The prospect of having a single brand, app, and point of customer contact under the proposed Franchising Scheme is beneficial although this could have (and, in our view, should have) been achieved under the current Enhanced Partnership. However it is very important that accessibility is taken to account as part of the design process and we would recommend the involvement of some disabled passengers and disability advocate groups in the design of customer contact services.
4. **Bus Priority and Traffic Flow:** The scheme's potential to better align with planned bus priority through network powers, along with improving traffic flow, would have a positive impact. It complements Key Route Network (KRN) powers, presenting opportunities for better bus priority and reduced congestion. If local authorities work on creating bus priority, using intelligence from bus operators, this will have a positive impact on journey times and punctuality. This in turn will make using the bus a more attractive option to the general public.
5. **Sustainability Goals:** The ability to set standards and specifications, along with a Combined Authority-led transition to a zero-emission fleet, aligns with sustainability objectives. This addresses the challenges related to greener and better vehicles by providing a framework for a more environmentally friendly bus fleet. In turn this has lots of positive connotations for health.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

1. **Integrated and Reliable Bus Network:** The EP+ proposes an integrated, more reliable bus network with enhanced connectivity. This is a positive step towards reducing the reliance on cars and shaping the network through public consultation. The emphasis on reduced dependence on public funding is commendable and aligns with the goal of achieving a financially sustainable public transportation system.
2. **Cost-Effective Fares and Ticketing:** The commitment to cost-effective fares and ticketing with capped ticketing that is flexible for the customer is a positive impact. Achieving best value capped ticketing can contribute to making bus travel more affordable and attractive to a wider range of passengers.
3. **Improved Service Quality and Standards:** The focus on improved service quality and standards, streamlined customer contact, enhanced safety and security, and rewards for loyalty is beneficial. This addresses challenges related to customer service and information, making the overall experience better for bus customers.
4. **Faster Journey Times and Improved Reliability:** The goal of faster journey times and improved bus network reliability under the EP+ is commendable. This addresses the challenge of bus priority and contributes to making bus travel a more efficient and viable alternative to private cars.
5. **Environmental Benefits:** The EP+ emphasises the potential for environmental benefits, including improved air quality, lower carbon emissions, and job creation. This aligns with the broader objectives of sustainability and environmental responsibility.
6. **Stakeholder Collaboration:** The proposed new working groups with operators to aid joint decision-making is a positive step. Collaborative efforts between WYCA and bus operators can lead to more effective and inclusive decision-making processes.

Elements for further consideration:

1. **Operator Agreement and Funding:** The successful implementation of EP+ is contingent on operator agreement, negotiation, and funding availability. Clear communication and alignment of interests between WYCA and bus operators will be crucial to overcoming potential challenges.
2. **Public Consultation:** While the EP+ emphasises shaping the network through public consultation, the document should provide details on how the public will be engaged, ensuring their input significantly influences decisions related to the bus network.

3. **Monitoring and Evaluation:** A robust monitoring and evaluation framework should be in place to assess the effectiveness of the EP+ interventions over time. Regular feedback mechanisms and adjustments based on performance data will be crucial for continuous improvement.
4. **Flexibility and Adaptability:** The EP+ should allow for flexibility and adaptability to changing circumstances. As the transportation landscape evolves, the EP+ should be capable of adjusting its strategies to meet emerging challenges and opportunities.

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

Overall, it is unclear if it is the right thing to do as the proposal is based on projections.

Additionally, the Franchising scheme would be run by local government which itself has seen huge economic disparity in recent years and could be greatly impacted by which political party is in power.

Decline in bus patronage and the withdrawal of operators is something happening across the country and is not specific to West Yorkshire and so in itself does not give a case for franchising. In fact in areas such as the West Midlands, where there is no franchise agreement but a strong Enhanced Partnership, there has been a rise in bus patronage.

What is more important is whether the strategic case is executable. No bus operator plans to have a decline in bus patronage, so the real question is; can the strategic objectives actually be achieved and if so, by what means and at what cost?

Equally beneficial outcomes for passengers: It is difficult to see any obvious additional benefit to passengers from a franchised model rather than an Enhanced Partnership version but it does appear that the financial and political risks are more widely spread in an Enhanced Partnership model.

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Positive Impacts:

1. **Increased Bus Services:** The assumption of a reduced operating margin allowing for an increase in the number of bus services is a positive aspect. This can lead to more choices for passengers, improved service coverage, and better accessibility to various destinations.
2. **Reduction in Journey Times:** Existing bus users would benefit from a reduction in journey times through increased service frequencies on existing routes and the introduction of new routes. This is a significant improvement, especially when compared to the Enhanced Partnership Reference Case.
3. **Network Enhancements:** Passengers would experience network enhancements through franchising, leading to improved interchange between bus and other modes. This can contribute to a more seamless and integrated transportation experience.
4. **Fare Capping and Ticketing Initiatives:** The introduction of fare capping and ticketing initiatives is a positive move. It can make bus travel more affordable and convenient for passengers, potentially attracting more people to choose buses as their mode of transportation.
5. **Improved Connectivity:** The proposed franchising scheme aims to enhance connectivity by improving existing routes and introducing new routes. This is crucial for passengers, as it increases their options and provides better access to different areas.
6. **Attracting New Bus Users:** The interventions outlined in the franchising scheme could attract new bus users by presenting a more attractive and accessible travel mode. This is a positive step toward increasing public transportation ridership.

Challenges and Considerations:

1. **Network Reduction Over Time:** The acknowledgment that the network is assumed to reduce over time due to fewer passengers and increased costs raises concerns. Public policy requires the opposite to be the case, so planning should be for an increase in ridership over time. It's important to carefully manage this to ensure that essential services are maintained, especially in less profitable or remote areas.
2. **Mitigating Passenger Impact during Network Reduction:** The strategy should not be to reduce the network. All the societal benefits of a thriving public transport network will be lost if this is assumed to be the case and no effort is made to improve or maintain the network. A reduction in the network could result in much higher social services costs because of social

isolation and lost opportunities for self-improvement via education and work. Ensuring that communities remain adequately served is crucial.

3. **Communication and Transition Planning:** Clear, accessible communication and effective transition planning are essential to inform existing passengers about changes in services, routes, and frequencies. A well-executed communication plan can help manage expectations and facilitate a smooth transition.
4. **Equitable Access:** The document should emphasise the importance of maintaining or improving equitable access for passengers. Ensuring that public transportation remains accessible and inclusive to diverse communities is vital.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Positive Impacts for Operators:

1. **Stable Revenue Source:** The franchising model, with full fare box control and revenue risk on all contracts, could provide a stable revenue source for operators. This can be beneficial for their financial planning and sustainability.
2. **Gradual Fleet Transfer:** The staged investment in full asset ownership, including bus depots and a 100% zero-emission bus fleet, can be seen as a positive move. It encourages a gradual transition to a more environmentally sustainable and modern bus fleet, potentially with financial support.
3. **Mixed-Sized Contract Bundles:** The consideration of mixed-sized contract bundles in the franchising model facilitates competition and allows smaller-to-medium-sized operators to participate. This could contribute to a diverse and competitive market.
4. **Social Value Consideration:** The inclusion of social value as part of the contracting strategy is a positive aspect. It encourages operators to contribute to the community and broader societal goals beyond providing transportation services.

Challenges and Considerations for Operators:

1. **Risk Transfer:** While the franchising model transfers revenue risk to the Combined Authority, it also transfers all financial risk to the Combined Authority and ensures that any blame for any changes seen as detrimental falls squarely on the shoulders of the politicians. This has the potential to

politicise public transport leading to uncertainty and diminishing confidence on the part of potential passengers.

2. **Transition and Fleet Investment:** The staged transition with lots in each District area and the requirement for a zero-emission fleet by 2036 may pose challenges for some operators which could mean that some contracts cannot be fulfilled, given the current difficulties in sourcing new vehicles.
3. **Communication and Collaboration:** Clear communication and collaboration between the Combined Authority and operators are crucial during the transition period. The expertise of existing operators will need to be tapped to ensure robust decision-making processes, and their input should be considered to address operational challenges effectively without reinventing the wheel.

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Positive Impacts for the Combined Authority:

1. **Enhanced Control and Coordination:** The franchising model provides the Combined Authority with increased control over the bus network, including the ability to set routes, frequencies, and enforceable performance regimes. This enhanced coordination could lead to a more efficient and integrated public transportation system.
2. **Revenue and Risk Management:** The shift to a franchising model allows the Combined Authority to have full fare box control and revenue risk on all contracts. This offers a more predictable and stable revenue stream, but requires significant ongoing priority in the annual budget.
3. **Alignment with Policy Objectives:** The franchising model aligns with the Combined Authority's policy objectives related to environmental sustainability, service quality improvement, and achieving social goals. The ability to set standards and specifications for greener and better vehicles supports these objectives.
4. **Social Value Inclusion:** The consideration of social value as part of the contracting strategy reflects a commitment to broader societal benefits beyond transportation. This aligns with the Combined Authority's role in fostering community well-being and development.

Challenges and Considerations for the Combined Authority:

1. **Financial Implications:** The transition to a franchising model involves substantial initial and ongoing costs, including investment in assets such as bus depots and a zero-emission bus fleet. The Combined Authority needs to carefully assess the financial implications and ensure that the model remains economically viable.
2. **Negotiation and Collaboration:** Successful implementation of the franchising scheme requires collaboration with bus operators. Negotiations on route requirements, fleet transfer, and other aspects must be conducted effectively to ensure a smooth transition and maintain a positive working relationship, if public confidence is not to be lost in the transition.
3. **Public Consultation and Engagement:** The franchising model, impacting the entire bus network, necessitates thorough public consultation and engagement. The Combined Authority needs to ensure that the community is well-informed, and feedback is fully considered in decision-making processes.
4. **Operational Competence:** The Combined Authority needs to develop or enhance its operational competence to effectively manage and coordinate

the bus network. This includes expertise in route planning, scheduling and performance monitoring.

In summary, while the Proposed Franchising Scheme offers opportunities for increased control and alignment with policy objectives, addressing financial implications, fostering collaboration, and ensuring effective **public engagement** will be critical for the success of the Combined Authority in implementing and managing the scheme.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Positive Impacts for Passengers:

1. **Improved Frequency and Connectivity:** The limited network interventions under the EP+ could lead to improvements in frequency on specific corridors, enhancing the overall reliability and convenience of bus services. This could result in reduced waiting times for passengers, potentially making bus travel a more attractive option.
2. **Fare Reduction and Cap Implementation:** The possibility of reducing fares for multi-operator tickets, implementing additional fare capping, and introducing new concessionary schemes is a positive step. Lower fares and improved ticketing options can contribute to increased affordability for passengers, encouraging greater use of bus services.
3. **Route Reorganisation:** The ability to undertake route reorganisation under the EP+ provides an opportunity to optimise bus routes, ensuring they align better with passenger demand. This can result in more direct and efficient services, benefiting passengers by reducing travel times and improving overall service quality.

Challenges and Considerations for Passengers:

1. **Limited Network Interventions:** The EP+ is described as having a limited number of network interventions, subject to operator agreement. This has not been the case in other Enhanced Partnership areas, such as the West Midlands and Warwickshire. A partnership requires discussion and negotiation but the needs are led by the local authority so this document suggests that the way in which Enhanced Partnerships work has not been fully understood.
2. **Assumed Network Reduction:** The Economic Case assumes that the network under EP+ may reduce over time in line with decreased passenger numbers and increased costs. This assumed reduction in the network could

impact passengers by limiting service coverage and accessibility, especially in areas with lower demand, but where operators share the financial risk, they could also trial new solutions to identified problems, at their own financial risk.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Not completed as this falls outside the remit of our organisation

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Considerations for the Combined Authority:

1. **Long-Term Funding:** The EP+ model highlights the need for long-term funding to support and sustain improvements to the network. This is a far greater risk for a franchising model.
2. In either case, this suggests a commitment to investing in the bus system to achieve broader objectives beyond immediate financial returns. The sustainability of this long-term funding commitment will be crucial for the success of the EP+ model.
3. **Supported Service Basis:** The Economic Case indicates that the EP+ may lead to an increase in services operated on a "supported service" basis. This implies that, over time, more services may require financial support from WYCA to remain operational. The implications of this shift, including budgetary considerations and the ability to allocate resources effectively, need careful examination. However, under a franchising model, ALL services would be reliant on financial support from WYCA.
4. **Central Government Funding:** The reliance on central government funding is emphasised as a crucial element for the EP+ to be effective. However, under a franchising model, ALL services would be reliant on

financial support from a combination of locally raised revenue and government funding. In both cases, there will need to be advocacy efforts, effective communication, and collaboration with central government authorities to secure the necessary financial support for sustained improvements to the bus network.

- 5. Integration with Overall Transport Strategy:** The EP+ model should align with the broader transport strategy and policies of the Combined Authority. This integration is essential to ensure that bus services contribute to the overarching goals related to the region's economy, environment, and the well-being of its residents.

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

It is important to note that the calculations are all based on assumptions and guesstimates. The quality of this data is crucial to the accuracy of these projections, therefore our comments reflect this.

Both bus reform options, the Proposed Franchising Scheme and EP+, could offer good value for money to the public sector. The Economic Case indicates that the Proposed Franchising Scheme has a higher Net Present Value (NPV) and generates a wider range and scale of non-monetised benefits compared to the EP+. There seems to be no evidence for this conclusion other than assumptions and an inherent preference.

Both options are forecast to generate economic benefits considerably higher than the costs required for their implementation. Franchising requires much higher funding from the public purse so the risk is far higher for that option.

The advantages of the Proposed Franchising Scheme are highlighted, particularly in terms of the greater control it provides to the Combined Authority over specifying the bus network, service frequencies, and the rollout of Zero Emission Buses (ZEBs). However, the Economic Case acknowledges some uncertainty associated with the short-term impacts of the Proposed Franchising Scheme, as the actions of operators during the transition phase are uncertain.

On the other hand, the impacts of the EP+ are considered by this analysis to be more uncertain in the long term, as any agreement would require negotiation between the Combined Authority and operators. The evidence available from other Enhanced Partnership Schemes which have been up and running for some time

does not suggest that negotiation has been especially hard to carry out and has resulted in clear benefits for passengers along the same lines as are desired for this scheme.

The overall conclusion of your analysis is that both options are deemed to provide good value for money, aligning with the Department for Transport (DfT) guidance. The Economic Case emphasises that the economic benefits of both options are robustly higher than the costs involved, although this is not evidenced clearly.

The feedback from passengers is that they do not care deeply about the model used to run the buses. What they care about is reliability, affordability and connectivity. Therefore, as an advocate for passenger views, we have no strong preference as to which model is best, just that they deliver the best service possible for passengers as swiftly as possible and that it has a long-term, ring-fenced pledge of sufficient funding to maintain a good level of service.

Section 3: Assessment Summary- Commercial Case

Not completed as this falls outside the remit of our organisation

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

Section 4: Assessment Summary- Financial Case

Not completed as this falls outside the remit of our organisation

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

Section 5: Assessment Summary- Management Case

Not completed as this falls outside the remit of our organisation

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

As previously stated, the feedback from passengers is that they do not care deeply about the model used to run the buses. What they care about is reliability, affordability and connectivity. Therefore, as an advocate for passenger, we have no strong preference as to which model is best, just that it delivers the best service possible for passengers as swiftly as possible and that it has a long-term, ring-fenced pledge of sufficient funding to maintain a good level of service.

Our main concerns with the proposed franchising model is that it will take a long time to be implemented, add another layer of bureaucracy between passengers and operators (as happens in London where the passenger is no longer the customer, TfL reports to the London Assembly and mostly ignore passengers) and put the network at risk owing to the lack of long term budgeting ability of local authorities. Bus services should not be politicised.

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support <input type="checkbox"/>	Support in part <input type="checkbox"/>	Neither support or oppose <input checked="" type="checkbox"/>	Oppose in part <input type="checkbox"/>	Oppose <input type="checkbox"/>	I don't know <input type="checkbox"/>
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Why do you say this?

Our aim is to see the best outcomes for passengers and local communities. Whilst we whole-heartedly support this consultation, it seems evident that users of public transport have so far not been consulted and therefore what they would like to see from any proposal has not been considered.

We are well aware that passengers want better, simpler fares and reliable services. But they also want drivers and staff who know what they are doing and can handle any issues presented efficiently and respectfully.

Increasingly they want buses which are better for the environment and can even 'give back' to air quality, through return of electricity or cleaning air as they travel.

It appears from the tenor of these documents that a franchising scheme has been decided upon and this consultation and its results may not have any impact on the decisions taken.

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

Continuous passenger and local community involvement now and throughout any scheme proposal

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.

Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

The Impact Assessment does not actually address how any of the needs highlighted will be met and therefore we cannot comment on its effectiveness.

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

These questions are optional and for individuals responding only. If you choose to answer these questions you will not be identified by the information provided. All information will be handled and dealt with in line with the Data Protection Act 2018, as detailed in our privacy notice.

We want to better understand who we are engaging with and hearing from. We are required to act in line with the [Equality Act 2010](#). By asking the following questions we can make sure our work reflects the diverse communities we serve.

What is your postcode?	
	<input type="checkbox"/> Prefer not to say

What is your sex?		
<input type="checkbox"/> Female / woman	<input type="checkbox"/> Male / man	<input type="checkbox"/> Prefer not to say

Is the gender you identify with the same as your sex registered at birth?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my gender identity as:		

Age: How old are you?									
<input type="checkbox"/> 0 - 15	<input type="checkbox"/> 16 - 24	<input type="checkbox"/> 25 - 34	<input type="checkbox"/> 35- 44	<input type="checkbox"/> 45 - 54	<input type="checkbox"/> 55 - 64	<input type="checkbox"/> 65 - 74	<input type="checkbox"/> 75 - 84	<input type="checkbox"/> 85+	<input type="checkbox"/> Prefer not to say

Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Chinese
<input type="checkbox"/> Any other Asian background, please state:	
Black, Black British, Caribbean, or African:	
<input type="checkbox"/> African	<input type="checkbox"/> Caribbean

<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White:	
<input type="checkbox"/> English, Welsh, Scottish. Northern Irish or British	<input type="checkbox"/> Irish
<input type="checkbox"/> Gypsy or Irish Traveller	<input type="checkbox"/> Roma
<input type="checkbox"/> Any other White background, please state:	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
<input type="checkbox"/> Yes, limited a lot	<input type="checkbox"/> Yes, limited a little	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Sexual orientation: How would you describe your sexual orientation?			
<input type="checkbox"/> Heterosexual or straight	<input type="checkbox"/> Gay man or gay woman / lesbian	<input type="checkbox"/> Bisexual	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
<input type="checkbox"/> No religion (including atheist)	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)
<input type="checkbox"/> Buddhist	<input type="checkbox"/> Hindu

<input type="checkbox"/> Jewish	<input type="checkbox"/> Muslim
<input type="checkbox"/> Sikh	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Other (specify, if you wish):	

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email <input type="checkbox"/> x	Post <input type="checkbox"/>
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Email: lydia.horbury@bus.users.org

Name: _____

Address line 1: _____

Address line 2: _____

Town/City: _____ Postcode: _____

How to mail your completed survey to us:

Please return your completed survey by the closing date of 7 January 2024 to:

Freepost CONSULTATION TEAM (WYCA)

Please note you do not need to pay for or add a stamp to the envelope you use when you post your survey back to us. The Royal Mail will deliver your post for free, and the cost is covered by the West Yorkshire Combined Authority.

Privacy Notice

For the purposes of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR), the 'controller' of the personal data which you provide in the attached form is the West Yorkshire Combined Authority ("the Combined Authority", "we", "us") of Wellington House, 40-50 Wellington St, Leeds LS1 2DE (Tel: 0113 251 7272). The Combined Authority is registered with the Information Commissioner's Office with registration number ZA051694.

The Combined Authority is collecting this data and will process it for the purpose of understanding and identifying information surrounding the future of Bus travel and Bus Franchising. The purpose of this engagement exercise is to meet, and exceed, the Statutory requirements of making a franchising scheme as set out in The Bus Services Act 2017.

Questions regarding some of your personal data and some special category data are asked as we recognise that the needs of different customer groups can vary and we are committed to improving transport services for all customers within the region. In addition, the online survey will capture your IP address when you complete an online survey, however we will not process this data further.

We publish comments/feedback you provide in the consultation's outcome reports available on the Your Voice page, to demonstrate the feedback we have taken into account. This does not contain any of your identifiable information.

The Combined Authority will share the data, comments, feedback and/or opinions obtained during the consultation with DJS Research who will provide analysis of the data for the Combined Authority Data for the purpose stated above.

Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court;
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings;
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g. if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.

As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g. marketing).

If you are unsatisfied with the manner in which we collect or handle your personal data you have a right to make a complaint to the Information Commissioner's Office. Information about how to make complaints can be found on the ICO's website at <https://ico.org.uk>

We act in accordance with our corporate privacy notice, which provides further information on personal data processing and how to contact us to make a request: <https://www.westyorks-ca.gov.uk/footer/privacy-notice-and-cookie-policy/>

The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk

West Yorkshire Bus Reform Consultation

The answers relate to the questions in the West Yorkshire Combined Authority Bus Reform Consultation Document 'Have your say on how buses are run in West Yorkshire', which start on page 43 of the document. [Bus reform: Have your say on how buses are run in West Yorkshire \(amazonaws.com\)](https://www.amazonaws.com)

West Yorkshire Bus Consultation, Calderdale Council replies to the Consultation Document Questions	
Question	Answer
1	Calderdale Council strongly supports that the Proposed Franchise Scheme applies to the whole of the West Yorkshire region. It would not make sense to have non-standard licensing systems operating alongside each other.
2	Calderdale Council understands and supports the logic of the proposed geographical zones to be tendered across three rounds. The transition period will be crucial to making a success of the phased rollout with the continued performance of existing operators, who may have missed out on previous rounds, and continuity of cross district services a key concern.
3	Calderdale Council believes franchising should apply to all services in West Yorkshire, as school services often interwork with scheduled services for example, making operational sense.
4	These exemptions make common sense.
5	Calderdale Council supports this date if it is achievable and works with the Bus Reform programme.
6	Calderdale Council supports this date if it is achievable taking account of all service planning, tendering and registration issues.
7	This period makes sense to ensure service stability. However, we want assurance and involvement on the management of the transition period and any relevant decisions.
8	This consultation list appears to include all key stakeholders relevant to the franchising operation.
9	<p>Bus patronage in the WYCA was declining before the pandemic, and as this has accelerated further, there is clearly a case for improvement. As outlined in the, Consultation document, the problem areas for bus transport are;</p> <ul style="list-style-type: none"> • Network planning, routes that go where people want to go. • Fares and ticketing • Bus priority • Greener vehicles <p>Calderdale Council considers that the Franchising proposals, will provide greater coordination of these key areas, which should grow the bus market, improve modal integration, and improve the case for mass transit in the district.</p> <p>London already has a franchised bus market, and accounts for around 52% of bus patronage in England, but amounts to less than 20% of the English population.</p> <p>Better access to public transport in West Yorkshire which franchising will increase bus patronage.</p>

	Franchising should hopefully improve the performance.
10	Bus franchising has been successful in growing bus patronage in London as described in question 9, while contributing to modal integration. With TFGM also following this system, there could be greater scope for improving cross boundary services into Calderdale.
11	The Combined Authority would appear to have a good mix of the wider strategic issues, combined with those affecting buses in particular, such as the development of the network, ticketing/fares, green issues and bus priority. From Calderdale Council's perspective, bus priority and green issues are particularly important. The district has challenging geography with some severe gradients which are a particular issue for buses powered by green technology. It is hoped these issues can be addressed in the longer term.
12	The bus franchising option, while more difficult and costly to set up, will provide longer term stability with a permanent change to the vehicle licensing system, underpinned by legally binding agreements with bus operators. This long-term stability will have a better chance of delivering the legal objectives.
13	EP+ can deliver many of the objectives set out in the strategic objectives and can contribute to the bus reform objectives. However, it does not provide long-term stability due to questions over its legal standing and duration. EP+ also does not provide a reform of the existing licensing system which is essential for better modal integration.
14	Bus Franchising is best for the Combined Authority in meeting its strategic objectives for the reasons already outlined above. The most important aspect of helping to meet these objectives is the long-term stability the system offers.
15	Franchising will provide better route planning, benefitting passengers. Better modal integration should also reduce overall journey times on public transport. The Franchising option from a district council point of view will also help plan transport infrastructure developments, thus helping passengers.
16	The bus market has been suffering long term decline but is vital for sustainable economic development. In the longer term it should improve the financial position of operators by growing the bus market and reducing costs. Competition will still exist through the franchising system.
17	The franchising system will enable the Combined Authority to better plan bus networks and public transport in general including integration with rail and MRT. The greater public sector costs will be well worth it in the longer term, with the socio-economic benefits it will bring to the region.
18	As already commented on above, EP+ will bring more benefits to passengers than the existing system. However, as it does not deliver a change to the licensing system, is of undefined duration, and may not be legally robust, it does not offer the long-term benefits passengers require.
19	While EP+ will give operators more commercial control than franchising, but in the longer term it will not grow the bus market as much as franchising, which would not be in operators interests. It is of course easier for operators to leave an EP+ agreement, but this would only benefit their short-term commercial interests.
20	EP+ would give the Combined Authority greater coordination powers than it currently has, but would not grow the bus network in the longer term as much as

	franchising. It could well be the case that more supported bus contracts would be required in the longer term, thus increasing public sector costs in the longer term.
21	While both systems have good economic benefits, franchising offers greater control for the Combined Authority over the bus network, and while being more costly to implement, gives much greater long-term benefits.
22	Calderdale Council supports the commercial success factors outlined in the Commercial Case.
23	The lotting strategy would appear to offer the best option in delivering bus franchising in West Yorkshire. The transition period will be the most problematical, but the full benefits of franchising will be felt once the process has been completed. It is good to see that there will be smaller lots which will encourage competition from smaller operators. We would appreciate assurance on how the lotting strategy will be managed.
24	The contract lengths would appear to make operational and economic sense, presumably there would be some flexibility in modifying contract length from experience learnt once the franchising system was more established.
25	The strategy would ensure that low emission vehicles would stay within West Yorkshire and would not be moved out of the area by a major bus operator. In the longer-term greater fleet standardisation would be possible, thus saving costs.
26	There could be longer term costs savings by merging depot assets, however the transitional phase acquiring assets could be problematical, but worthwhile in the long term.
27	There is a complex set of risks, however once again the longer term benefits should outweigh the short term risks.
28	The procurement timescale appears to implement franchising of bus services in West Yorkshire, in the shortest practical time, which should reduce disruption to passengers. As experience grows during the process, this can be amended as required.
29	Involving small and medium operators in the process should increase competition and lower costs.
30	A service permit system would make sense in handling cross boundary services. In the longer term as neighbouring areas such as Greater Manchester turn to franchising, could there be the possibility of joint franchising of cross boundary services with neighbouring transport authorities? In due course, we would appreciate further dialog on how cross-boundary services can be managed. Cross boundary services into Greater Manchester are of great importance to Calderdale.
31	Calderdale Council have been reassured that relevant processes will be followed on employment and pensions.
32	The basic headings on page 86, would appear to cover all the commercial success factors for franchising.
33	The EP+ option offers easier and faster implementation than franchising, thus possibly providing earlier commercial success, however this would be less of an advantage in the longer term in relation to franchising.
34	As stated above franchising will take longer to implement than EP+, however the longer socio-economic benefits to the region are greater.
35	Further clarification is required for franchising funding sources, however if EP+ results in further contraction of the bus network as stated, the additional short-term funding for franchising should be well worthwhile in the longer term.
36	If the Combined Authority can afford to operate a bus franchising system, then this option should be followed for the longer socio-economic benefit of the region.

37	EP+ is in the short term cheaper to implement than franchising and offers benefits over the EP reference case. However, franchising still provides longer-term benefits to developing the bus network and public transport in West Yorkshire.
38	It is for the Combined Authority to take on the greater financial risks associated with franchising, for the greater long-term benefits that franchising brings. However, these risks must be managed.
39	The additional staff required by the Combined Authority to operate the franchising system will be worthwhile for the long-term future of public transport in West Yorkshire, providing an efficient method of working is developed. We would like to be kept informed of the implications of the management process and any local impacts.
40	The transition and implementation of the franchising scheme would appear to make sense. It is hoped that district partners would still have a significant role to play in the process through the West Yorkshire Bus Alliance and be kept informed of developments affecting their districts.
41	In the short term the management of EP+ is simpler and less costly than franchising as would be expected, however this option provides fewer long-term benefits than franchising.
42	It is to be welcomed that that the Combined Authority can manage franchising through existing structures, this will be of great advantage during the transition period. We want to have a greater understanding of the proposed structure and the role of the Local Highway Authorities
43	If the Assessment concludes that franchising is the best option for bus services in West Yorkshire, this course of action must be followed through the proposed project plan.
44	Calderdale Council fully supports the implementation of Bus Franchising in West Yorkshire, as the Assessment has concluded this is the best long-term option for public transport in the region.
45	The franchising scheme as presented would appear to bring great benefits to bus services in West Yorkshire. Continued involvement of the district councils through the West Yorkshire Bus Alliance is a vital part of the process. We will not comment here on the network proposals but want assurance that we will be allowed to play a full and active part in ensuring that the service meet our social, environmental and economic requirements.
46	Referring to question 45, good partnership working across West Yorkshire is vital to the success of bus franchising.
47	We are happy with the Equality Impact Assessment for the proposed franchising scheme, however, as the scheme develops there may be a requirement to revisit the EIA to ensure that it meets the needs of all individuals.

Bus Reform Questionnaire – Short Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.

Yes, I have read and understood the privacy notice

How are you responding to this survey? (Please tick one box only)

I am a member of the public, giving my views as an individual

I am responding on behalf of, or as a representative of, a business or organisation

X

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

Campaign for Better Transport
Local Engagement Manager

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Short Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Section 1: Short Questionnaire

Q1. The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this?

See Section 1.2.1 of the Consultation Document for information to support answering this question.

The challenges facing the West Yorkshire bus market are clearly set out. The decline in travelling by bus with trips falling from 167.7 million in 2011/12 to 92.3 million in 2021/22 is clear evidence of the bus market not adequately performing. It is important that this decline in bus use is reversed, if the region is to meet its objectives for economic growth, net zero and addressing health and social inequalities.

Q2. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 1.2.1 of the Consultation Document for information to support answering this question.

We support this conclusion, although we should stress that to be successful the longevity of funding sources is paramount. We note that the Enhanced Partnership Plus (EP+) option offers a higher benefit cost ratio than franchising, and it still provides significant benefits for a lower level of investment. Should the levels of investment needed for franchising prove untenable, EP+ would still prove a viable option for slowing down the decline in bus use. If additional funding is available, the Combined Authority should implement the policy interventions required to grow patronage outlined in the consultation document.

Q3. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 1.2.2 of the Consultation Document for information to support answering this question.

We agree the investment involved in the Proposed Franchising Scheme can deliver value for money in the public sector, and if coupled with other policy interventions, such as an increase in bus priority measures, could lead to the decade long decline in bus use being reversed.

Q4. The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this?

See Section 1.2.3 of the Consultation Document for information to support answering this question.

Evidence suggests that, for a franchise model to work well, it requires sufficient investment, high network demand and at least two strong commercial operators capable of bidding for the work in a competitive manner. With 26 bus operators already operating in the West Yorkshire area, there is a real opportunity for a high level of competition between operators, leading to better quality of service provision and better value for money for the Combined Authority.

Q5. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this?

See Section 1.2.4 of the Consultation Document for information to support answering this question.

Under the Proposed Franchising Scheme, there are significant additional costs, associated with changes in the current way buses are run and the different role of the Combined Authority. In addition to transition costs, there are also upfront costs associated with the capital investment in fleet and depots. It is vital that long-term funding is maintained to secure the full delivery of the Proposed Franchising Scheme, and that fare revenue raised is invested back into the public transport network. In addition to the sources of revenue outlined in the financial case, the Combined Authority might need to consider additional options, such as a mayoral precept, a workplace parking levy or road tolling.

Consideration should also be given to mitigating operating risks by the adoption of policies to encourage modal shift and help ensure an uplift in passenger use and fare income. Policies relating to adjusting car parking charges can play a vital role in nudging people to make greater use of buses. A full evaluation of a workplace parking levy, as exists in Nottingham, should also be undertaken – both with revenue raising and modal shift in mind.

Overall, however, the benefits of implementing the scheme would outweigh the costs. Well-implemented franchising can create a more integrated and coordinated bus system, with more reliable and frequent services. This makes buses more attractive to residents and makes an increase in bus use away from cars more likely. This in turn leads to additional benefits such as reduction in congestion, air and noise pollution and increased access to education and employment and in economic productivity. The high economic, social, health and environmental gains mean high value added for the public investment.

Q6. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this?

See Section 1.2.5 of the Consultation Document for information to support answering this question.

Due to some difficulties in recruiting suitably qualified staff, there is merit in additional staff being introduced gradually over a four-year transition period allowing the Combined Authority to incrementally take on its new and greater responsibilities.

Q7. The Combined Authority’s draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 1.3 of the Consultation Document for information to support answering this question.

We endorse the EqIA conclusion that the Proposed Franchising Scheme would have a positive impact on younger and older people and people with physical and sensory impairments but also women and parents. This is largely due to the fact that these social groups are more likely to have no access to a private car and rely on buses. By delivering improved bus services for passengers, the Proposed Franchising Scheme would benefit people who rely on buses and attract more passengers. The scheme could also bring improvements in affordability, customer information, onboard bus standards and accessibility. The Proposed Franchising Scheme provides an important opportunity for the network to control frequencies and routes which could help resolve some of the issues such as safety and difficult interchange which were identified in the EqIA.

Q8. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

Support x	Support in part <input type="checkbox"/>	Neither support or oppose <input type="checkbox"/>	Oppose in part <input type="checkbox"/>	Oppose <input type="checkbox"/>	I don't know <input type="checkbox"/>
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Why do you say this?

The Proposed Franchising Scheme offers an array of potential benefits. Though unifying and integrating the network it can provide a consistent, affordable and frequent services, which customers will find simpler and more reliable than the fragmented and often confusing system currently in place. A Proposed Franchising Scheme could be vital ingredient in ensuring bus passenger number increase, especially if combined with an extensive range of bus priority measures and measures to promote modal shift such as adjustments to car parking charges and consideration of a workplace parking levy.

Q9. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

As already mentioned, the Proposed Bus Franchising Scheme is a critical policy, but it must be combined with other policies to encourage bus use and the delivery of modal shift. Large marketing campaigns promoting the service improvements would also be required to draw people to buses. This would generate greater fares revenue from fares and reduce reliance on public funding. Integration with other public transport and active travel, including safe cycle paths is also required.

Q10. Do you have any further comments?

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email <input checked="" type="checkbox"/>	Post <input type="checkbox"/>
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Email: mark.morris@bettertransport.org.uk

Short questionnaire – West Yorkshire Police

1. The Strategic Case sets out the challenges facing the West Yorkshire bus market and says it is not performing as well as it could. Do you have any comments on this?

There are currently areas within West Yorkshire where the Police Helpdesk that have public access do not have sufficient bus service provision to them, I would see this as a key area to meet the requirements you have set out in the Strategic Case.

2. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

It would appear from the detail available that the proposed franchising scheme would be the best option for the Strategic Case, as set out by WYCA, due to the greater freedoms to achieve it.

3. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

There is insufficient detail for me to be able to robustly comment on this and you have had external consultants look in detail.

4. The Commercial Case sets out how the Proposed Franchising would be ran commercially. Do you have any comments on this?

No.

5. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this?

Not from a West Yorkshire Police point of view no.

6. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments on this?

No.

7. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

No.

8. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? Why do you say this?

We would support any plans that increase the safety of the public on public transport and also any plans that increase accessibility to our West Yorkshire Police public access helpdesks.

9. Are there any changes that you think would improve the Proposed Franchising Scheme?

I do not feel I have sufficient information or background to comment, the points of key importance to West Yorkshire Police are shown above.

10. Do you have any further comments

No.

Statutory Consultation on Bus Reform

CBMDC Consultation Response to *Bus Reform: Have your say on how buses are run in West Yorkshire*, January 2024

Preamble

The City of Bradford Metropolitan District Council (CBMDC) has been working in partnership with the West Yorkshire Combined Authority (WYCA) on plans for bus improvements through a voluntary partnership since 2019 and an Enhanced Partnership for Buses since 2022. This is the Council's formal response to WYCA's statutory consultation on the authority's plans for Bus Reform.

Response

Consultation Questions

A response to the questions in the consultation is provided as an *Appendix*.

Options Presented

The consultation presents two options for consideration: a Franchising Scheme, and an alternative Enhanced Partnership Plus Scheme (EP+).

Franchising Scheme

The Franchising Scheme would entail WYCA taking on powers to regulate and determine the provision for the bus network within West Yorkshire, extending to routes, fares and customer service; bus operators would compete for the right to run services for pre-defined markets.

CBMDC notes that the Franchising scheme will:

- enable the bus network to be managed in a more controlled manner,
- enable the bus network to be shaped to reflect local priorities,
- lead to a more efficient use of resources, and
- achieve a better return on investment, by returning dividends from investment to the public purse.

However, the scheme will also:

- cost more up front, with transitional arrangements in place until the first contracts are let, and
- require considerable management by WYCA and require the Authority to integrate additional functions.

Enhanced Partnership Plus Scheme

The Enhanced Partnership Plus scheme would be an evolution of the existing arrangements, whereby competition would still exist within the market, and bus companies who are signatories to the EP would be bound to achieving certain outcomes.



CBMDC notes that the Enhanced Partnership Plus scheme will:

- enable some benefits to be delivered more quickly, subject to agreement with operators, and
- cost less up front to deliver, with assets remaining outside the hands of the private sector,

However, the scheme will also:

- not be immune to negative impacts of competition in the bus market, and
- be unlikely to achieve sufficient alignment between partners to achieve the aims of the Combined Authority and Council for improvement to services.

Decision

CBMDC supports the proposed Franchising Scheme as set out as the preferred option in the consultation.

Commitment to Cooperation

CBMDC is committed to its continued partnership arrangement with WYCA to develop a public transport network which will improve outcomes for people and businesses across our district.

Signed,

Cllr Alex Ross-Shaw

Portfolio Holder for Regeneration, Planning and Transport

David Shepherd

Strategic Director for Place

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.	
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Yes, I have read and understood the privacy notice
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X

How are you responding to this survey? (Please tick one box only)	
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I am a member of the public, giving my views as an individual

<input type="checkbox"/>

I am responding on behalf of, or as a representative of, a business or organisation

X

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?
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There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

No, CBMDC make no comment on this.

Q2 Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

CBMDC makes comment as follows:

- **The division of the Keighley and Bradford franchising zones should reflect the service geography in the Wharfedale area.**
- **The division of the Keighley and Bradford franchising zones should reflect the service geography in the Wharfedale area.**

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

CMBDC offers no comment.

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- Permitting regimes lead to additional work for bus operator planning teams, increasing pressure on their resources. The permitting regimes should be light touch in nature and only used where strictly necessary.

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The timing of the date for making the Franchising Scheme is immediately before the planned date for buses switching to new routes as part of the TCF City Centre scheme on the 17th of March.
- The decision to make the Scheme will likely impact on operator willingness to register service changes and will extend the timescales for registration, which would affect areas such as Bradford Interchange where services need to be re-registered to coincide with completion of resurfacing works in May 2024.
- There is no perfect date to introduce the Scheme, but CBMDC is seeking assurances that the decision will not impact the operation of the bus network.

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC has concerns that the long timetable for implementing the Franchising scheme will lead to a penalising situation whereby few service increments can be made in the 2024-2027 period and will seek assurances that WYCA will make mitigations for this.

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

CBMDC offers no further comment on this.

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

CBMDC offers no comment. The Council will continue to be a statutory consultee to the Scheme.

Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The Council agrees with the position as set out on the bus network's performance.
- The Council's position on bus priority design is that this is not likely to contribute to variability in journey times.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC agrees that reform is needed to make the bus network more responsive to local objectives.
- CBMDC agrees that reform is needed to achieve the right impacts across the BSIP delivery areas.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- Agree with the objectives as set out in the Strategic Case, as these align closely with the Council's own and the West Yorkshire Transport Strategy.

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The Franchising Scheme offers a strong alignment with delivering on the impacts as set out in the Strategic Case.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The EP+ offers a less strong alignment with delivering on the impacts as set out in the Strategic case

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC agrees that the Strategic Case shows that the Franchising Scheme performs better against the objectives set out.

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC agrees that the Franchising Scheme will bring benefits for passengers by increasing the number of services that can be run with the same level of support.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC notes that the EP+ will deliver some benefits for passengers, dependant on agreement with operators on schemes to introduce.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC agrees that the Franchising Scheme as proposed will offer value for money for the public sector, and constitute a good investment.

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The commercial success factors are appropriate for the assessment.

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC has no opposition in principle, to Bradford featuring in the last round of lots.
- CBMDC wishes to receive assurance however, that services in Bradford District will not be penalised for being tendered last.

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The rail sector may not be a good model of franchising system.
- There are trade-offs in having shorter or longer tenders.
- Shorter tenders would lead to more administration effort; WYCA should consider ensuring that there is a lotting timetable which ensures a consistent workload for their team.
- Longer tenders may lead to private sector taking on more risk, with greater up-front investment, although as WYCA will invest in fleets and depot, this may only apply to more limited areas, e.g. staff.

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC will wish to be involved in decisions relating to fleet and depot based within the Bradford District, and the extent to which these are compliant with the Clean Air Zone.
- CBMDC is targeting a swift deployment of zero emission buses within the District, supported by investment in charging facilities and hydrogen storage and fuelling infrastructure.

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC will wish to be involved in decisions relating to fleet and depot based within the Bradford District, and the extent to which these are compliant with the Clean Air Zone.
- CBMDC is targeting a swift deployment of zero emission buses within the District, supported by investment in charging facilities and hydrogen storage and fuelling infrastructure.

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers no further comment.

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- Cross-boundary services appear to be an area where the Franchising Scheme will not lead to improvement.
- CBMDC has concerns that cross-boundary services could be negatively impacted, as private operators have an incentive to run services where there is demand irrespective of boundaries, yet WYCA would not have the same incentive.
- The areas in Bradford District that could be most impacted are the Skipton Road corridor in Keighley, at Airedale General Hospital, and Ilkley. Direct services from Bradford to Harrogate may also be affected.
- CBMDC will seek assurance that service levels in these areas will be maintained.

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC supports the assertion that the Franchising Scheme maximises the chances of meeting the Commercial Success Factors.

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC believes that the EP+ would support some of the Commercial Success Factors, but to a lesser extent than the Franchising Scheme.

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC concurs with the conclusion that the Franchising Scheme better enables WYCA to meet the Commercial Success Factors than under the EP+.

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- WYCA should aim to diversify the sources of investment for the proposed Franchising scheme, and avoid relying on Local Authority rate contributions, especially when there is an opportunity cost to using these for that purpose.

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

CBMDC offers no further comment.

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC accepts that it may be beneficial to take on the greater financial risk caused by Franchising.

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The proposals appear appropriate, but WYCA should ensure that the Bus Services team incorporates roles where individuals will have sufficient experience in bus network change to adopt the proposals as set out.

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- Although a steady transition is assumed, WYCA should ensure that if the Franchising Scheme is adopted, resource will be available from the date the Franchising Scheme is made, to assist in the development of highways schemes as would have been provided by the bus operators.

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

CBMDC offers no comment.

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC agrees that WYCA would be able to manage the Franchising Scheme through the existing operational structure.

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- CBMDC agrees that, on balance, the Proposed Franchising Scheme is the best way to achieve WYCA's strategic objectives.

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support	Support in part	Neither support or oppose	Oppose in part	Oppose	I don't know
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Why do you say this?

CBMDC supports the introduction of the Franchising Scheme, and offers the following comment:

Franchising would

- enable better alignment between bus operation and local policy ambitions, such as ensuring better bus service for areas in social need of this,
- assist with planning highways interventions such as bus priority, and ensuring the public purse can make a return on these investments,
- ensure that plans for the future evolution of the bus network can be made and funded in a transparent way.
- ensure that passengers are presented with a coherent, cohesive network.
- enable scarce public funds to be better spent in the long term

Conversely, the main benefits of the EP+ are:

- the speed at which it can be introduced, with operators committing to in-year improvements from 2024.
- the reduced reliance on public sector funding in the set up,
- the lack of transitional arrangements during the set up.

Based on a balanced assessment CBMDC supports the introduction of the Franchising Scheme.

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

CBMDC offers no further suggestions.

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.

CBMDC offers no further comment.

Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

CBMDC offers the following comment:

- The Council agrees with the EQIA's assessment that accessibility should improve as a result of implementing the Franchising Scheme, as there would be more consistency across the network, as policy with respect to protected characteristics can be harmonised and centrally enforced.

Privacy Notice

For the purposes of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR), the 'controller' of the personal data which you provide in the attached form is the West Yorkshire Combined Authority ("the Combined Authority", "we", "us") of Wellington House, 40-50 Wellington St, Leeds LS1 2DE (Tel: 0113 251 7272). The Combined Authority is registered with the Information Commissioner's Office with registration number ZA051694.

The Combined Authority is collecting this data and will process it for the purpose of understanding and identifying information surrounding the future of Bus travel and Bus Franchising. The purpose of this engagement exercise is to meet, and exceed, the Statutory requirements of making a franchising scheme as set out in The Bus Services Act 2017.

Questions regarding some of your personal data and some special category data are asked as we recognise that the needs of different customer groups can vary and we are committed to improving transport services for all customers within the region. In addition, the online survey will capture your IP address when you complete an online survey, however we will not process this data further.

We publish comments/feedback you provide in the consultation's outcome reports available on the Your Voice page, to demonstrate the feedback we have taken into account. This does not contain any of your identifiable information.

The Combined Authority will share the data, comments, feedback and/or opinions obtained during the consultation with DJS Research who will provide analysis of the data for the Combined Authority Data for the purpose stated above.

Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court;
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings;
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g. if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.

As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g. marketing).

If you are unsatisfied with the manner in which we collect or handle your personal data you have a right to make a complaint to the Information Commissioner's Office. Information about how to make complaints can be found on the ICO's website at <https://ico.org.uk>

We act in accordance with our corporate privacy notice, which provides further information on personal data processing and how to contact us to make a request: <https://www.westyorks-ca.gov.uk/footer/privacy-notice-and-cookie-policy/>

The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk

CMA RESPONSE TO WEST YORKSHIRE COMBINED AUTHORITY BUS REFORM PROPOSALS

Background

1. The Competition and Markets Authority (CMA) is the UK's principal competition and consumer authority. It is an independent non-ministerial government department, and its responsibilities include carrying out investigations into mergers and markets and enforcing competition and consumer law. The CMA helps people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.¹
2. The CMA has a role in providing advice and recommendations to government and public authorities.² The CMA's advice and recommendations are made with a view to ensuring that policy decisions take account of the impacts on competition and on consumers.
3. The CMA is responding to West Yorkshire Combined Authority's (WYCA) consultation on bus reform in West Yorkshire (WY) as a statutory consultee on bus franchising proposals in England. The CMA is a statutory consultee to any proposed new Enhanced Partnership (EP) or variation, under the Transport Act 2000 (as amended) (herein "the Act"). The CMA has previously responded to Liverpool City Region Combined Authority's (LCRCA)³ and Greater Manchester Combined Authority's (GMCA)⁴ consultations on franchising under the Act.
4. The CMA's overarching views on franchising remains the same as that set out in our response to the LCRCA consultation.⁵ The CMA recognises that franchising is an important policy option for Combined Authorities (CAs) who intend to secure better outcomes for passengers, residents, local economies and taxpayers. It is the CMA's position that it is for CAs and local transport

¹ The CMA's statutory duty is to promote competition, both within and outside the UK, for the benefit of consumers.

² Under Section 7(1) of the Enterprise Act 2002, the CMA has a function of making proposals, or giving information and advice, "on matters relating to any of its functions to any Minister of the Crown or other public authority (including proposals, information or advice as to any aspect of the law or a proposed change in the law)."

³ [CMA response to Liverpool City Region Bus Franchising Consultation](#), CMA.

⁴ [Stakeholder responses](#), pg.1236-1253, GMCA.

⁵ [Proposed franchising scheme for Liverpool \(publishing.service.gov.uk\)](#) pg 3

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authorities (LTAs) more generally to decide on the appropriate policy approach for their area. The CMA's advice is focused on how to design and implement that policy to both harness and facilitate the benefits of competition for the benefit of passengers.

CMA Enhanced Partnership (EP) observations

5. The CMA has a dual role in relation to EPs: first it is a statutory consultee to any proposed new EP or variation of an existing EP, and second, the CMA can conduct an investigation if it considers that an EP may not meet the bespoke competition test.
6. The CMA has engaged extensively with different LTAs on the implementation of EPs. The CMA has also published advice for LTAs: [Bus Enhanced Partnerships – CMA advice for Local Transport Authorities](#). This advice aims to consolidate competition insights and reflections from the CMA's review of EPs to date and to assist LTAs as they develop, monitor or vary their plans and schemes over time. The purpose of the advice is to enable good policy, and to ensure that LTAs are not discouraged from pursuing new and innovative approaches.
7. WYCA introduced an EP in April 2022 and proposes the option to build on the current EP to form an EP+ in their bus reform proposals.⁶ The EP+ is governed by the same legislation as the existing EP. In its consultation WYCA sets out its view that it would aim to drive the partnership further, make further use of policy levers and powers, and create the most ambitious EP that could be delivered in WY within the funding available.⁷
8. The different options to manage local bus markets (EP, franchising, or otherwise) have their own benefits and risks, and it is for policy makers to judge and balance those risks and benefits, both in relation to the impacts on competition and consumers, and in relation to wider policy objectives within their local areas. When deciding whether to pursue franchising, policy makers should consider the benefits against the possible costs associated with moving away from 'on-road' competition, including the potential exit of competitors and assets from the local bus market and the impact of this on passengers. Paragraphs 4-7 of the [CMA's consultation response to One network, one timetable, one ticket: planning buses as a public service for Wales](#), set out further views on the potential benefits, risks and risk mitigations of bus franchising.
9. This response does not engage further on the specifics of WYCA's EP+ proposals. The CMA encourages WYCA to examine the CMA's published advice

⁶ WYCA full assessment para 1.4.2

⁷ WYCA full assessment para 9.5.3

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on EPs in the first instance but the CMA is open to discussions with WYCA, and LTAs more generally, on its published advice and on the competition implications of particular measures under consideration.

CMA observations regarding WYCA bus franchising proposal

10. The response to this consultation builds on the CMA's views set out in its responses to the GMCA and the LCRCA consultations on bus franchising. Where relevant to WYCA's proposals we reproduce text from the LCRCA response below, for the purposes of consistency and ease of use by WYCA.
11. Franchising changes the fundamental nature of competition for the duration of a franchise award but also the long-term structure of the market and potentially the number and size of operators in each area. In this response we outline at high level some relevant considerations on the design of franchising.
12. The CMA has previously highlighted four key areas for LTAs and CAs to consider when consulting on franchising. The four key areas are outlined below:
 - a. **Design of individual franchises:** Franchise design should best enable competition amongst a range of potential operators now and in the future.
 - b. **Access to fleets and depots:** Infrastructure represents a high barrier to entry and expansion for new or growing firms in the market. A well-designed asset strategy may allow new entrants into the market without being hampered by the high fixed costs of purchasing infrastructure.
 - c. **Impact on fares and ticketing:** By taking control of fares and ticketing the LTA or CA will be able to affect the cost of bus services directly. Care needs to be taken to ensure that passengers benefit directly through a combination of lower or simpler fares and ticket types.
 - d. **Supporting ongoing innovation:** For franchising to continue to be successful, it must be able to identify and respond and adapt to changing patterns of passenger demand, finding ways to identify signals from the market and making periodic change in response to passenger needs and demands.

Design of individual franchises

13. The introduction of bus franchising will effectively end competition *in* the market and will replace it with competition *for* the market. Therefore, if benefits are to flow from competition, it is the design of the individual franchises and the competition to win the franchise contracts that is most important. The number and the size of the franchises will have significant impacts on an operator's

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ability and incentive to bid for contacts, and the outcome of franchising awards may in turn dictate the number of operators left competing in the market. However, structuring franchising in a way that intentionally maintains market structure or protects incumbents may lead to a reduction in intensity of competition. This could manifest itself through a lack of pressure on operators in future franchise rounds (leading to higher costs for the LTA and ultimately passengers or taxpayers) and a lack of pressure to innovate and keep quality of service high for passengers.

14. Our observations on the design of individual franchises are broken down into three separate areas:
 - a. Size of the franchise. As well as considering the specific dynamics of a local region, LTAs must ensure that franchise lots are of the right size to encourage competition from multiple potential operators.
 - b. Length of the franchise. If franchises are tendered too frequently this may blunt an operator's incentive to invest in the network, whilst too long between tenders could lead to stasis in the market.
 - c. The ability for the LTA to oversee franchising and take remedial action. Effective scrutiny of operators is essential in ensuring franchised agreements are adhered to and passengers are getting the benefits committed to.

Size of the franchise

15. WYCA proposes to use eight franchised areas representing ten franchised zones. These areas are to be rolled out sequentially across three rounds, with each round/area containing a set number of lots varying in size and commercial value.⁸ The consultation indicates at present there are three major commercial operators that control 85% of bus mileage across WY.⁹ Given that the three largest operators control the 13 largest depots, many based in strategic areas, there is a risk that an operator with a high market concentration in a franchised zone could deter other firms from competing in the tendering process.
16. Good franchise design should ensure that the largest firms are forced to compete against each other and that smaller firms have opportunity to bid for a range of lots. Should smaller firms be unable to compete for enough lots, there

⁸ Noting that the Leeds zone is split into three larger contracts.

⁹ WYCA Commercial case 3.3.3

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is an increased risk that smaller operators could potentially exit the market resulting in a further lessening of competition for future franchises.

17. WYCA proposes that as the first franchise round is awarded there will be a transition period for the later rounds and areas to become franchised. The franchising scheme provision plans to revoke the existing EP in areas that the franchising scheme operates. There are several network and passenger risks that have been highlighted in the commercial case with the addition of how these risks can be mitigated.¹⁰ It is important that the CA engages with operators and plans accordingly to minimise risks and maximise the proposed mitigations. Further points regarding passenger impacts related to the proposed phased transition of franchising are discussed in the fares and ticketing section.
18. WYCA has included consideration of small and medium operators (SMOs) when designing its lotting strategy.¹¹ The smaller B and C lots present existing operators and potential new operators with opportunities to enter new, smaller markets.¹² However, the scale of franchises for lot A contracts is considerably larger than for smaller lot B and C contracts.
19. WYCA have set out potential proposals to allow SMOs to consolidate and grow in the market to be able to eventually compete successfully for a lot A franchise.¹³ This includes offering larger packages under B lots which would intend to allow a phased level of growth, which could be facilitated through combining B lots or moving certain services from A lots to B lots.¹⁴ Such consideration of ways to facilitate future competition is welcome, and the CMA encourages monitoring of the impact of these proposals on the ability of SMOs or other operators to effectively compete.
20. Our understanding is WYCA intends to take a different approach to the use and provision of depots for the smaller B and C lots compared to the larger A lots, partly with the intention to manage competition for the smaller lots. We understand that for the larger category A lots, WYCA would seek to provide operators with a publicly owned/leased depot for the term of the franchised contract, reducing the impact of existing depot ownership on the ability of firms to effectively compete for those franchise lots. WYCA is considering proposals such that lot B and C franchise winners would not be able to operate from strategically owned franchised depots provided to lot A franchise winners. This

¹⁰ WYCA Commercial case para 5.7.6

¹¹ WYCA Commercial case para 5.5.5

¹² Noting lot B and C franchises are smaller based on Peak Vehicle Requirement (PVR) sizes. Lot A 45-100 PVR, lot B 1-45 PVR, lot C 1 PVR (school contracts)

¹³ Commercial case para 5.5.13

¹⁴ WYCA Commercial case para 5.5.14

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increases the impact of existing depot ownership on the ability of firms to effectively compete for B and C franchise lots. With regards to this proposal:

- a. The CMA's understanding is that the exclusion of the strategically owned depots for lot B and C contracts is intended to make it easier for depot owning SMOs currently operating in WY to compete against larger operators for these contracts.
- b. Given that a strategic depot cannot be used for lot B franchises, an SMO must own or have access to their own depot close to the franchised area. Owning a depot in WY is therefore likely to be critical to winning lot B and C contracts. A potential new entrant without existing access to a depot could struggle to compete in the bidding process if having access to an existing depot is one of the tendering criteria.¹⁵ This may deter entry for SMOs that do not currently operate in the region.
- c. As set out in paragraph 13, the CMA encourages policymakers to avoid structuring franchising in a way that maintains market structure or protects incumbents, as it may lead to a reduction in intensity of competition. This could manifest itself through a lack of pressure on operators in future franchise rounds (leading to higher costs for the LTA and ultimately passengers or taxpayers) and a lack of pressure to innovate and keep quality of service high for passengers.
- d. We understand, however, that this particular proposal intends to mitigate against the risk that the first rounds of tendering across WY leads to considerable structural change and exit of operators in a way or scale that would undermine competition *for* the market in future franchising rounds.
- e. The CMA would therefore encourage WYCA to see this proposal as smoothing the transition to a franchised market structure and have the intention in future franchising rounds to more actively facilitate wider competition and potential operator entry or expansion across lot sizes.

Length of the franchise

21. Tendering higher numbers of smaller packages of lots could give more flexibility and stronger competition in the future.¹⁶ Given the proposed seven-year franchise length, there is a risk of significant change in the structure of the market in each area of WY region by the time of the next franchising round, and that some operators may have left the market. The proposed shorter-term

¹⁵ Our general views on depots is outlined in the fleets and depots section of this response

¹⁶ GMCA, Doing Buses Differently: Greater Manchester Consultation on a Proposed Franchising Scheme, Stakeholder Responses, pg. 1246.

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contracts for smaller lots should mitigate some of the risk of operator exit by providing greater flexibility and reducing the levels of risk for SMOs.¹⁷

The ability of the LTA to oversee franchising and take remedial action.

22. WYCA has included a performance regime calibrated to reflect the specific performance requirements of different contracts.¹⁸ It is crucial that operators are consistently held to certain standards contained in the franchise. It is also important that WYCA has the capacity to monitor these standards and implement measures and penalise operators that do not meet these standards swiftly and effectively. WYCA should utilise the benefits of providing commercial incentive schemes to reward high achieving operators. Having a franchised agreement, in place of a deregulated market, can allow LTAs to reward investment and innovation which benefits passengers.
23. Understanding operator performance is essential and WYCA's proposal to manage all central customer service functions will provide a single point for passengers to provide their views on operators' service.¹⁹ Passengers will be able to outline poor performance as well as offer suggestions. This timely information on customer satisfaction should help WYCA to respond quickly to passengers' demands, holding operators to account.
24. WYCA consulted operators in its market engagement process when designing the lotting strategy and wider franchising proposals.²⁰ As part of its ongoing market management, WYCA should consult and engage with operators of all sizes including SMOs to understand how franchise design will affect the nature of competition now and in the future.

Access to Fleets and Depots

25. To operate a franchise, an operator needs both vehicles and appropriate garaging/depot space to store and maintain buses. The ability for operators to acquire or access these assets, potentially at short notice, will affect the intensity of competition for franchises. WYCA's intention to purchase the bus fleet and

¹⁷ WYCA Commercial case para 5.2.26 – contract lengths for B and C categories will be determined on a contract by contract basis and may be shorter in length (e.g., 3-5 years)

¹⁸ WYCA Commercial case para 5.3.25

¹⁹ WYCA Commercial case para 5.3.23

²⁰ [Microsoft Word - Appendix 3.4 Aggregated Market Engagement Supporting paper for comms \(amazonaws.com\)](#)

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lease these to franchised operators should help operators compete on a level playing field.²¹

26. WYCA does not expect to own the entire bus fleet from the start of the franchised scheme and will gradually progress towards complete fleet ownership over time.²² The proposed scheme may include a residual value mechanism (RVM) for additional fleets which guarantees the price at which fleets will be sold should an incumbent operator exit the market, reducing a given operator's financial risk.²³ We encourage WYCA to monitor whether the RVM is having its intended effect, and particularly whether it is encouraging new operators to enter the market. There are approximately 1,800 buses operating in the CA region with an average age of 11 years.²⁴ Given the average age of the fleet operators may need to invest in upgrading or replacing buses in the intervening period before WYCA owns the entire bus fleet.²⁵ The fact that operators will not have certainty that they will win future franchise rounds increases the importance that any RVM works well and enables such investment, or that an alternative approach is taken to fleet replacement during any transition phase towards WYCA fleet ownership.
27. CMA engagement with stakeholders on bus markets over the past 5 years suggests that acquiring existing depots or land in suitable strategic locations with necessary planning permission can be difficult. The ability to acquire a depot in the time between the initial franchise being awarded and when the bus provision starts can be challenging. We therefore recommend a sufficient period to ensure depot acquisition is achievable.
28. There is a risk that if incumbent operators were to exit the market, they may choose to dispose of depots for a purpose outside the bus market which would reduce depot capacity. While there may be scope for WYCA to acquire land through greenfield or brownfield sites to build new depots,²⁶ or through compulsory purchase options, this may affect timeframes in which franchising can be delivered. Early engagement with current depot owners to determine the future of depots and clear communication of WYCA's intentions may help to mitigate this risk of WYCA being unable to find suitable depots at the start of the franchising scheme.

²¹ If operators are required to finance and acquire a fleet, larger operators may be at a competitive advantage if they can use existing fleet from other parts of their business to smooth any transition.

²² WYCA Fleet strategy

²³ WYCA Fleet strategy preferred option strategy.

²⁴ WYCA assessment para 3.3.5 and 3.3.6.

²⁵ Noting that the average lifetime of a bus is 14 years.

²⁶ WYCA depot strategy approach 1.2 – noting that this is not the preferred approach.

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29. Innovation through entry and expansion may be limited if WYCA restricts access to strategic depots to a single large lot A franchisee. If instead there was an opportunity for two or more smaller operators to have access to the same WYCA-owned depot, a wider range of operators might be willing to participate for B and C lots. This approach for depot sharing among WYCA strategic depots should be considered if practical arrangements can be established.
30. Affording preference to incumbent operators in the WY region based on fleets or depots could exclude bids from new entrants or existing operators looking to expand who may lack similar advantages in infrastructure. WYCA should therefore consider how it may acquire depots and fleets to, ideally, line up with the commencement of the franchise.
31. As with GMCA and LCRCA, WYCA are seeking to acquire strategic depots throughout the franchised area. These depots would then be made available to operators who win lot A franchised contracts. As previously discussed, lot B and C franchise winners may not be allowed to operate these services from strategically owned depots in which lot A franchises will be operated from. There may be a risk that the SMO depots would be more challenging to upgrade than future WYCA strategically owned depots because of the potential commercial constraints on SMOs to upgrade operating depots. This may impact how Zero Emission Buses (ZEB) can be rolled out across lot B and C franchises if the depots lack the technology to facilitate such buses. In subsequent franchising rounds the assumption that fleets will be a lesser barrier for SMOs is less likely to hold if ZEB are not rolled out proportionally across franchise types due to depot technology constraints.

Impact on Fares and Ticketing

32. In a franchised market the LTA has control of the fare structure. This gives the ability to affect fares and ticketing in two ways, first through setting the level of individual fares and second the potential to implement network-wide through-tickets, leading to potentially simplified and potentially cheaper ticketing.
33. WYCA notes in the consultation that under current provisions the region has complex ticketing offers with a wide range of ticket options available across multiple operators.²⁷ Under a franchised system, WYCA will be able to develop a simplified ticketing system. WYCA already has the MCard system in place as the core multi-ticketing platform available for passengers across bus and rail services. We note WYCA proposals to offer customer services through a single

²⁷ WYCA Strategic case para 6.4.1

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CA brand and supported by a single ticketing scheme, building on the success of the MCard product.²⁸

34. As noted in para 17, should franchising be rolled out across WY in phases meaning some areas will be under a franchised ticketing system before others. During the transition period WYCA proposes establishing specific conditions relating to fares and ticketing that would maintain the benefits of the existing EP in regard to fares and ticketing, helping minimising the impact on passengers in non-franchised zones.²⁹ WYCA should be mindful of any risks and confusion to passengers travelling across franchised and to be franchised areas.

Supporting ongoing innovation

35. Through its work and engagement on bus markets and franchise awards more generally, the CMA has found innovation and knowledge are two key determinants of successful franchised operations, especially in boosting passenger numbers.
36. As touched on above, as well as ensuring that franchising works for the initial round, attention needs to be paid to the shape of future franchise awards. This should include ensuring that routes and services adapt to changing needs of passengers and communities over time. In addition, franchising should ensure that operators feel that they are able to return to a region and bid for franchises in future rounds, even if previously unsuccessful, which may be most effectively supported by an evolving asset strategy.
37. Ultimately, any steps to reduce the fixed costs and barriers to entry and expansion (and to a lesser extent exit) of operating a franchise will help SMOs enter the market more easily and we advise that 'lot design' continues to consider these issues in future.
38. From the CMA's experience in other markets, if WYCA can provide open access to fares, timetabling, and live bus location data to third parties, such as app developers, this can lead to further insights on passenger demand and travelling habits. The UK government requires bus operators and local transport authorities to openly publish information about routes and timetables but there may be scope to go further with data on passenger use, common routes, and congestion, for example.³⁰

²⁸ WYCA Strategic case para 9.6.26

²⁹ WYCA Commercial case para 5.7.15 and para 5.7.16

³⁰ DfT, Bus Services Act 2017: bus open data.

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39. The ability of WYCA to access and interpret data coming out of franchising rounds will play an important role in determining the long-term effectiveness of the franchise. Bus passenger data should be used to assess the performance of the current network and hold operators to account. The CMA would encourage WYCA to consider what skills and monitoring it needs in place to collect and analyse such data to aid long-term franchise improvements. WYCA should also consider what additional feedback or information operators may have that could be used to improve the network over time.
40. The consultation includes the intention to use a service permit regime for cross-boundary services that connect the WY region with surrounding areas.³¹ WYCA intends to facilitate the continued running of cross-boundary services rather than setting conditions which prevent them from operating in WY,³² which may help the transition to franchising. However, WYCA will need to consider how to minimise any potential negative impacts arising from differences in ticketing, pricing or service levels between the franchised and non-franchised services.
41. There may be scope to extend the use of a service permit regime for the purpose of facilitating innovation. New providers may use passenger data provided by WYCA to propose new routes which could increase ridership. This should mean new routes would not take passengers away from existing franchised ones, subject to an assessment by WYCA.
42. The CMA would encourage WYCA to engage with other CAs that are pursuing franchising as well as CAs that may consider proposals in the future. Sharing best practice regarding innovative solutions such as network design and data interpretation, will aid a stronger franchised market across regions that is likely to be mutually beneficial across CAs.

Concluding remarks

43. The Bus Services Act (2017) has empowered LTAs to shape their local bus markets. The CMA recognises that franchising – whether in the WY Region or elsewhere – has the opportunity to deliver significant benefits to passengers and local economies.
44. The introduction of franchising will have potentially long-lasting effects on the local bus markets in the region. Therefore care needs to be taken to ensure that franchise schemes are designed to succeed not only following the first rounds of awards, but in future rounds to come. The competitive pressure between operators that exists now will need to be nurtured to ensure continued

³¹ WYCA Commercial case para 5.8.2

³² WYCA Commercial case para 5.8.7

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performance, through active market management and monitoring. WYCA will need to manage the systems it puts in place to understand passenger demands and ensure that a sufficient range of operators are able and willing to participate in future competitions for awards, helping to provide benefits for the passengers of today and into the future.



WEST YORKSHIRE COMBINED AUTHORITY CONSULTATION ON BUS REFORM CONFEDERATION OF PASSENGER TRANSPORT RESPONSE

About CPT

We help a dynamic bus and coach industry to provide better journeys for all, creating greener communities and delivering economic growth.

We do this by representing around 900 members from across the industry be they large or small, bus or coach, operator or supplier. We use our influence to campaign for a supportive policy environment, give our members practical advice and support to run their businesses safely, compliantly and efficiently and bring the industry together to share ideas and best practice. We are ambitious to make things better for passengers, inclusive in seeking out different perspectives and we are always there when our members need us.

Buses and coaches are at the heart of the nation's economic and social life and 207,000 journeys a day¹ are made by bus in West Yorkshire to get locals to work, education and to access essential services.

The bus sector is well placed to help West Yorkshire Combined Authority (WYCA) deliver on key priorities such as helping people with the cost of living, economic growth, levelling up, air quality, combatting social exclusion, and achieving net zero carbon.

Executive Summary

We thank West Yorkshire Combined Authority for the opportunity to respond to this consultation. Bus operators support the outcomes that WYCA want to achieve: to provide an improved bus network; to make the bus as affordable as possible and the most sustainable mode of transport in the area. Operators want to work in partnership with WYCA to deliver these outcomes regardless of the delivery model taken forward.

It is important to place the role of the operating model - in this case franchising - within the context of the wider bus ecosystem. Franchising changes who is responsible for the operating model for bus services; it does not change the fundamental economics of running a bus service, which are dictated by many factors that are quite often independent of any individual bus operator.

The most significant single policy measure that can make improvements for passengers is to tackle congestion. This would shorten journey times, making travelling by bus more attractive, thus increasing passenger numbers and fare revenue.

At the same time, costs would fall as fewer vehicles and drivers would be needed to maintain services at the same frequency. This would mean services are economically viable at a lower fare level, again improving demand and taking more cars off the road.

The challenges and risks associated with the delivery of bus services are here to stay, regardless of the delivery model adopted. Neither an Enhanced Partnership (EP), EP+ model, nor franchising will solve the issues around reliability, punctuality and speed. Decisions that affect these issues – primarily bus priority measures – can be taken forward at any stage by WYCA, regardless of the delivery model taken forward.

¹ [bus01.ods \(live.com\)](https://bus01.ods.live.com)



Franchising will pose a significant financial risk to WYCA, while the Assessment does not contain evidence that the outcomes will be significantly better compared to an EP or EP+ model.

There are huge transitional costs involved in the move to a franchising model, none of which deliver direct service improvements to bus passengers, but which are a risk to local tax payers. Local people should not have to fund the cost of regulatory change.

CPT and bus operators are ready to work with WYCA to implement the delivery model taken forward, and hope to collaborate in partnership to achieve joint aims and the best outputs for the local passengers in the West Yorkshire Region.

The Proposed Franchising Scheme

1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

West Yorkshire is a complicated mix of towns/cities and rural/urban which are not easily comparable to each other, with inconsistency across patterns and passenger types. It would be difficult to franchise parts of the network which would create additional challenges in cross boundary by adding artificial boundaries.

2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

We have no comment on the geographical areas presented, but would be interested to see more specific detail on route and depot lot allocations as there can be unintended consequences by lack of efficient service and operating centre matches. Further, we would like to better understand the decision making process to determine the sub regions.

3. Do you have any comments on the local services that are proposed to be franchised?

The network detail is fairly vague and we suggest that there could be a presentation of suggestions of the proposed network and detail.

4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

Clarity is required on cross boundary services and permit details.

5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

No.

6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

Evidence from elsewhere shows that taking time to introduce a scheme properly has benefits. For instance, in Singapore the Land Transport Authority introduced a gradual



transition to franchising over a three year period, with the first bundle of routes including 20% of vehicles².

Similarly, Manchester moved in phases with different areas going through a tender exercise at staged intervals across a three year process. We are pleased to see that WYCA has set a clear and realistic timescale for moving towards a franchise, with manageable areas undergoing tender processes on a staged basis.

We would suggest that WYCA undertake a rapid review of practice at the end of each tendering phase before moving on to the next area or round of contracting. This would allow for all parties involved to learn from the previous exercise and undertake a due diligence process in order to improve the process and its outcomes.

Away from the broader transition to franchising, consideration also needs to be given to the timescales involved in each individual tender exercise. It is important that operators are given adequate time to formulate their bids for a tender. In practice, this means a minimum of 3 months to pull together a well-informed bid in circumstances where there are good levels of information shared with operators.

A key reason for this is that it gives operators the time to better understand the operating environment, such as data on route performance over a longer timescale, that in turn helps to manage risk. Risk that is better managed leads to better informed bids and more competitive pricing which is in WYCA and the operators' interest.

It is vital that WYCA does not accelerate timescales by cutting corners in the tender process and rushing operators through the process. Similarly, frequent delays can cause operators to lose confidence and therefore interest in a tender process, where bid teams could be redeployed to other areas that are franchised.

7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

This would be dependent on the scale of the franchise lot and we need to reflect on any feedback from operators and combined authorities in Greater Manchester and Liverpool City Region.

8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

In the event of a franchise scheme, the Combined Authority should constantly evaluate the available data such as passenger figures, journey time data, reliability and punctuality and trends. User feedback would also be important such as customer surveys, volume and trends shown in passenger feedback and work with stakeholders.

² Land Transport Authority. 2014. Transition to a Government Contracting Model For the Public Bus Industry



The Strategic Case

9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

COVID recovery has been an issue for all operators across the UK, with the concessionary numbers being the slowest to recover.

Research examining Scottish and English bus patronage trends reinforced that, despite bus industry efforts to boost passenger numbers and develop services, operators are hampered by a range of factors including rising car use, congestion, changing shopping habits and reduced public sector investment. The study found that 75% of the decline in bus passenger numbers can be attributed to factors outside of the operators' control³.

It is important to place the role of the operating model - and in this case franchising - within the context of the wider bus ecosystem. Franchising changes who is responsible for the operating model for bus services; it does not change the fundamental economics of running a bus service, which are dictated by many factors that are quite often independent of any individual bus operator.

In terms of performance of bus services, the biggest issue is punctuality. Congestion, management of highways, and management of roadworks, especially at peak times hinders reliability, punctuality and speed of bus service delivery; as does the provision of bus lanes. These are political decisions that are having a knock-on effect on the performance of the bus sector, and operators (or the delivery model in place) cannot influence this.

Some of the external factors faced by the bus sector that affect punctuality and reliability of services, and number of passengers are:

- Consumer behaviour and reasons for travelling (or not)
- Rates of car ownership
- Competition with other modes
- Demographic factors
- Local rates of economic growth
- Broader transport policies such as around car parking.

None of the above would change with the introduction of franchising. In terms of helping operators to improve performance, WYCA could at any time decide to introduce bus lanes and other bus priority measures, and encourage people to use buses through favourable car parking policies, adverts and campaigns, and could ensure operator involvement in this through an Enhanced Partnership or EP+ model.

More positively for the sector is the assessment presented in the current WYCA Local Transport Plan predicting a material reduction in car ownership within the region. That position is likely to see acceleration as a result of the cost of living crisis with for example impact of an ageing population and two car families increasingly reducing ownership to a single car.

10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

³ Trends in Scottish Bus Patronage, KPMG, 2017 & Trends in English Bus Patronage, KPMG, 2018



It is important to place the role of the operating model - and in this case franchising - within the context of the wider bus ecosystem. Franchising changes who is responsible for the operating model for bus services; it does not change the fundamental economics of running a bus service, which are dictated by many factors that are quite often independent of any individual bus operator. It neither addresses other strategic issues such as congestion, driver shortages and wider economic and inflationary pressures.

In terms of the performance of bus services, one of the biggest issues is punctuality. Congestion and management of highways, especially at peak times hinders reliability, punctuality and speed of bus service delivery; as does the provision of bus lanes. These are political decisions that are having a knock-on effect on the performance of the bus sector, and operators (or the delivery model in place) cannot influence this.

Some of the external factors faced by the bus sector that affect punctuality and reliability of services, and number of passengers are:

- Consumer behaviour and reasons for travelling (or not)
- Rates of car ownership
- Competition with other modes
- Demographic factors
- Local rates of economic growth
- Broader transport policies such as around car parking.

None of the above would change with the introduction of franchising. In terms of helping operators to improve performance, WYCA could at any time decide to introduce more bus lanes and other bus priority measures, and encourage people to use buses through favourable car parking policies, adverts and campaigns, and could ensure operator involvement in this through the EP model or in an EP+ model.

There are also recent West Yorkshire examples where change has been delivered quickly and effectively through partnership in both Bus 18 and the current Bus Alliance. Such examples include child fares, implementation of Mayors Fares, the school uniform policy and operation Huskey which was an operator developed agreement. There are also examples such as Leicester which show a high performing partnership can deliver transformative change at quick pace.

11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

Most, if not all of the interventions could be delivered through an Enhanced Partnership model with political support:

Network: Whilst we accept that under an EP+ model these changes would not be directly under the control of WYCA, changes could be made to existing commercial routes in negotiation with operators.

Fares and Ticketing: Multi operator ticketing is being delivered in places without franchising already and Project Coral is working on the ability to do it with tap on tap off, which is currently being trialled. We therefore do not see how it is valid to say this could only be delivered through franchising. Simplified ticketing could also be



pursued through EP+, and through franchising would have to be budgeted and paid for.

Bus Priority: Congestion and management of highways, especially at peak times hinders reliability, punctuality and speed of bus service delivery; as does the lack of bus lanes. These are political decisions that operators cannot influence this, regardless of the delivery model adopted.

Green Vehicles: Increase in number of zero emission buses working towards a zero emission fleet by 2036: Large bus operators already have their own commitments for transitioning their fleets to zero emission and we predict that by 2025 over two thirds of all new bus purchases in England will be zero emission, provided government funding is continued.

Government funding is needed in order to make the purchase of zero emission buses financially viable, and this is the same regardless of whether the delivery model is franchising, EP or EP+.

12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

Please see answers above, we believe that the bus reform objectives could be delivered regardless of delivery model adopted.

13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

Please see answers above, we believe that the bus reform objectives could be delivered regardless of delivery model adopted.

14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

We believe that the bus reform objectives could be delivered regardless of delivery model adopted.

The Economic Case

15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

The difference in impact on passengers between EP+ and franchising is nominal.

16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

We would like to make the following comments:

- **there is real concern that business may be taken away from operators without any compensation**
- **in terms of the length of contract, the longer they are, the more investment operators can and will want to make**



- we request that combined operator bids be allowed to offer best value to WYCA and local customers
- finally, the economic impacts will only be favourable if the indexation process during the contract itself properly reflects the inflation experienced in industry costs, so this needs to be carefully considered by WYCA.

17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

Franchising is an expensive economic model (as set out in the consultation paper and Assessment). WYCA must be confident that they have the funds available over the franchise period to ensure the successful delivery of the model.

Greater risk and cost to WYCA are associated with a franchise scheme, and we would reiterate that the majority of objectives of the scheme can be met through an Enhanced Partnership or EP+ model, minus the financial risk to WYCA.

The financial risk proposed for WYCA to take on, is a huge burden on the Combined Authority and local tax payers.

Our biggest concern is that with a franchising model, the operator numbers could decrease, should SMEs be unsuccessful in the process. This would in turn decrease competition in the market.

It is clear that a franchising option poses a high risk to WYCA's current and future finances.

The revenue risk in the model of franchising being proposed will be borne by the WYCA. WYCA has further indicated that they would invest in ZEBs and depots, which would mean operators would pay for the delivery of services in a relatively low risk environment, with the costs accruing to WYCA.

Gross cost contracts also make changes to key behavioural aspects as it changes the balance of incentivisation. Any franchising arrangement should incentivise continual improvement and passenger growth.

This can be overcome with the right performance management regime but is a significant change compared to how operators work in a commercial or net cost environment where operators have to be sensitive to passenger demand to remain viable.

A comprehensive change mechanism is required to ensure that certain risk does not fall solely to operators that could end up with contract defaults (i.e. increases or decreases in mileage due to changes in market conditions).

18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

We believe that the passenger benefits outlined in the Assessment could be delivered at least equally through an EP or EP+ model, and in these models the risk would stay with operators and change could be implemented at a faster pace.



19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

Under an EP+ model, operators have a larger incentive to improve as the quality of service and performance has a direct correlation to passengers and thus revenue.

The current model uses the existing expertise and relationships and as described and the knowledge, trust and experience is not lost. The issue of highways management has a direct effect on performance and efficiency of services so this can be better improved in the existing Enhanced Partnership or and EP+ model, but requires strong policy interventions and imaginative thinking.

20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

With an EP or EP+ model, the revenue risk remains with operators and the system is based on competition between operators.

An EP or EP+ model would retain and develop the existing expertise so there would be no need for WYCA to recruit significant additional resource.

The Commercial Case

21. Do you have any comments on the conclusion of the Commercial Case that the Proposed Franchising Scheme will offer value for money to the public sector?

When considering the commercial objectives, as franchising is a more material change than Enhanced Partnership, it would require more significant resource and financial costs to implement. It also introduces a range of additional ongoing risks for WYCA to manage, needing significant additional capability in-house to deliver.

Transport Authority Influence: Franchising would provide WYCA with influence over bus network outcomes, but this would also be achieved through a collaborative EP model.

Driver of Competition between operators: A franchising model would be a different form of competition - competition for the market rather than in the market; so the competition finishes as soon as the contract is awarded.

The current system is built on competition between operators, and public sector procured services have a large element of competition from operators of all sizes, ensuring the best value for money to local tax payers.

Our biggest concern is that with a franchising model, the operator numbers could decrease, should SMEs be unsuccessful in the process. This would in turn decrease competition in the market.

Appropriate risk allocation: The revenue risk in the model of franchising being proposed will be borne by the WYCA. WYCA has further indicated that they would invest in ZEBs and depots, which would mean operators would pay for the delivery of services in a relatively low risk environment, with the costs accruing to WYCA.



But gross cost contracts also make changes to key behavioural aspects. Firstly, for operators there is little incentive to improve services or grow passenger usage beyond those set out contractually because the benefit does not accrue to them.

This can be overcome with the right performance management regime but is a significant change compared to how operators work in a commercial or net cost environment where operators have to be sensitive to passenger demand to remain viable.

We welcome the performance based rewards regime as a constructive way of delivering constant improvements to service delivery. However this has got to go hand in hand with infrastructure improvements that allow for congestion, punctuality and reliability improvements. The performance regime should be simple and reflect what customers want - reliability and punctuality; anything too draconian may increase risk and impact on pricing.

A comprehensive change mechanism is required to ensure that certain risk does not fall solely to operators that could end up with contract defaults (i.e. increases or decreases in mileage due to changes in market conditions).

Ease of Implementation of Option: Franchising would be the most complex, costly and time consuming option to implement.

22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

There is no mention of 'improved passenger' outcomes, the proposals manage decline and do not offer a significant or exciting proposition to increase patronage.

23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

There is insufficient detail to input from an operator perspective, operators understand their operating territory but could not comment on wide ranging detail.

Lots would need to take into account current operating profile i.e. some smaller operators do not run evenings/Sundays for example – this would help retain operators in the market who run such service profile and not lose staff from the overall system unnecessarily.

24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

The document states that the length of the contracts in Categories B and C will be a shorter length (3-5 years) and be agreed on a case by case basis. This does not afford SMEs bidding for these contracts the same long term certainty that the Category A contracts will provide – we would request that this be revisited and that all contracts are dealt with consistently.



25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

There are a number of options outlined and it is recognised that these could not be achieved before the launch of the franchise; more clarity and a confirmed option is required – operators would be keen to take part in discussions on this to get the balance and timescales right.

Engineering staff are typically type trained on vehicles operated by their employer, if the combined authority was to own vehicles it would need to factor in the need for operator and staff familiarisation on type training.

Operators also have significant expertise on vehicle preferences to suit the operating environment and topography. In any approach to fleet, the combined authority should ensure such knowledge and detail is not lost otherwise they may be costly consequences.

We would request that for smaller franchise lots, insofar as possible there should not be a mixed fleet resulting in operators managing multiple different vehicle types in a small contract.

WYCA recognises the current West Yorkshire fleet to be 1755 buses and that 893 would feature in the lotting strategy with 868 zero emission buses to be purchased over a 15 year period. This would surely mean from day 1 there is a significant gap in fleet requirement as the ZEBs will be purchased over 15 years and we seek further clarity on this point at an early date.

26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

The Assessment suggests that WYCA may buy depots – this would be at huge financial cost to the tax payer (£85.5m is stated in the Assessment).

Depots are essential for the delivery of a bus service. In the existing market, depots are typically owned by operators and have developed over time as locations that enable the efficient delivery of bus services, with control on issues such as dead mileage.

In delivering a franchise, an authority has a range of options in relation to depots, and it is positive to see that WYCA are considering a mix of operators bidding with their own depots, and WYCA providing depots where required.

There would obviously be no requirement on operators to sell their depot should they no longer be required. In some cases, it may be more rational to sell the land for other uses such as housing, leaving WYCA with an operational challenge, or facing higher acquisition levels than planned for.

If EV infrastructure is included in WYCA owned depots, we would seek assurances that this would not be a disadvantage to operators who want to tender for a particular lot and use their own depots, but do not have EV infrastructure.

As WYCA is considering depot ownership, there is a risk that decisions it makes could have direct consequences on operating costs. For instance, a depot relocation



undertaken by the authority could increase dead mileage. This would need to be reflected in the contractual arrangements through the tender process.

It should also be noted there is limited space in West Yorkshire with sufficient existing planning consent sufficiently close to service operation. Smaller operators have in particular, experienced hostile opposition from nearby neighbours at the prospect of having a bus operator neighbour operating buses potentially 19 hours a day with early and late run offs and run ins.

27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

WYCA will face much larger risk allocation under a franchising model, taking on all revenue risk, and capital responsibility for depots and ZEBs (£85.5m is stated in the Assessment).

If franchising is taken forward, timetables will be set by WYCA and will have to reflect prevailing traffic conditions. Operators will therefore face a contractual risk of failing, despite being due to an issue out of their control.

28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

No comment.

29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

We are pleased to see that WYCA recognise the challenges and concerns of small and medium sized operators.

There is however, insufficient reassuring detail. The detail outlined is based around possible ideas and factors which are currently present anyway. A minimum percentage of SMO recognised market awards based around current estimated market share would be more reassuring overall.

In March 2019 there were 41 SME operators active in the Greater Manchester commercial and supported bus market, accounting for around 7% of all mileage. To date in tranche 1 and 2 awards Vision is the sole SME represented in existing awards so far in Greater Manchester winning six home-to-school franchise contracts from the first round of reregulation⁴.

It is also important to note that smaller operators often bid keenly for school services and then make profit in separate infill work (but often for the same schools, usually procured directly, such as sports/culture/swimming etc). The proposed franchise scheme would push up cost of both home to school contract work and infill work and may push many coach operators out of this market while burdening the public purse to a greater extent overall.

⁴ <https://www.route-one.net/news/tfgm-awards-franchising-second-tranche-home-to-school-contracts/>



Smaller operators have advised that the current bus reform proposals are the single biggest risk to their businesses and livelihoods.

30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

In Greater Manchester we have seen evidence that some operators who have been displaced from Greater Manchester by the award of Tranches 1 and 2, have then looked nearby and are competing for contracts which has significantly increased competition for drivers, and also has threatened incumbent operators in neighbouring areas.

Service permits can protect cross border services but there can be an impact that decisions taken in West Yorkshire can have a direct effect on neighbouring networks which are interlinked.

It should be noted that passengers do not solely travel within local and combined authority borders so there should not be any artificial barriers to buses operating more widely and such services must also be able to visually and operationally not look out of place either in or out of West Yorkshire.

31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

WYCA should communicate its expectations clearly with regard to staff transfers; including being clear to employees that they will be transferred across to a new operator under the TUPE regulations. This will ensure staff have confidence to remain in employment and in the sector if the operating model changes to a franchised regime.

In asserting this point there are a number of risks to the operator that should be considered. The first is around pension liability. Much like depots and vehicles, existing liabilities are not always clear to a new operator that is inheriting staff and this risk needs to be managed. The Assessment states that staff pension protection will be provided – this will require close working with operators.

Similarly, terms and conditions may differ between operators and therefore a clear process is needed to ensure that both staff and operators are aware of the implications of a transfer.

Staff wages are another key consideration for an LTA. Staff costs typically comprise up to 70% of operating costs for bus services. They are therefore a significant axis of competition between operators in a tendering round. Evidence from New Zealand and the initial experience with tendering in London suggest that where a franchising regime is introduced, there may be downward pressure on wages and a number of drivers leave the industry. This should be included as a clear risk in the Assessment, given the issues around driver numbers over the past three years.

There are two key considerations that result from this. From WYCA's point of view a reduction in costs and lower bids may be desirable as it will reduce the total cost of operation.



However, it will also be important to ensure transport authorities can protect terms and conditions of existing staff in the sector. Some authorities set minimum wage rates in the contract process or specify terms and conditions in the tender documentation to avoid unscrupulous or ill-advised corrections. This could potentially add cost to the tender process and therefore warrants careful consideration.

For the incumbent operator, competition on wage rates can be challenging with significant risk of being undercut if an incumbent operator's cost base is historically high. By contrast, a new entrant can use this competition to good effect in its tender pricing.

We would strongly suggest that WYCA allocate the appropriate HR TUPE specialist resource to be available to fully support operators and staff through the process.

32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

When considering the commercial objectives, as franchising is a more material change than Enhanced Partnership+, it would require more significant resource and financial costs to implement. It also introduces a range of additional ongoing risks for WYCA to manage, needing significant additional capability in-house to deliver.

Transport Authority Influence: Franchising would provide WYCA with influence over bus network outcomes, but this would also be achieved through an EP or EP+ model.

Driver of Competition between operators: A franchising model would be a different form of competition - competition for the market rather than in the market; so the competition finishes as soon as the contract is awarded.

The current system is built on competition between operators, and public sector procured services have a large element of competition from operators of all sizes, ensuring the best value for money to local tax payers.

Our biggest concern is that with a franchising model, the operator numbers could decrease, should SMEs be unsuccessful in the process. This would in turn decrease competition in the market.

Appropriate risk allocation: The revenue risk in the model of franchising being proposed will be borne by the WYCA. WYCA has further indicated that they would invest in ZEBs (£252m over 15 years) and depots (£85.5m), which would mean operators would pay for the delivery of services in a relatively low-risk environment, with the costs accruing to WYCA.

But gross cost contracts also make changes to key behavioural aspects. Firstly, for operators there is little incentive to improve services or grow passenger usage beyond those set out contractually because the benefit does not accrue to them.

This can be overcome with the right performance management regime but is a significant change compared to how operators work in a commercial or net cost environment where operators have to be sensitive to passenger demand to remain viable.



We welcome the performance based rewards regime as a constructive way of delivering constant improvements to service delivery. However this has got to go hand in hand with infrastructure improvements that allow for congestion, punctuality and reliability improvements. The performance regime should be simple and reflect what customers want - reliability and punctuality; anything too draconian may increase risk and impact on pricing.

A comprehensive change mechanism is required to ensure that certain risk does not fall solely to operators that could end up with contract defaults (i.e. increases or decreases in mileage due to changes in market conditions).

Ease of Implementation of Option: Franchising would be the most complex, costly and time consuming option to implement. Enhanced Partnerships can deliver quicker and with far lower risk to the public purse, and come with an increased passenger focus while the franchise scheme does not talk in detail about passenger benefits.

33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

When considering the commercial objectives, the EP+ model would require less significant resource and financial costs to implement.

Transport Authority Influence: Any network changes could be achieved through a collaborative EP or EP+ model

Driver of Competition between operators: An EP and the EP+ model are built on competition between operators, and public sector procured services have a large element of competition from operators of all sizes, ensuring the best value for money to local tax payers.

Appropriate risk allocation: The revenue risk in an EP or EP+ model would be borne by operators, which would mean that tax payers would not be liable – WYCA would not have to pay out £85.5m for depots or £252m for ZEBs.

Ease of Implementation of Option: An EP+ model would be much quicker to implement, and would not place the huge financial burden associated with franchising on WYCA.

34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

Please see answers to Qs 32 and 33 above; we believe that an EP or EP+ model would deliver against the commercial success factors at least as well as a franchising model.

The Financial Case

35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

- **Transport Levy**

A key challenge facing WYCA is that the amount of Transport Levy that WYCA's constituent authorities can afford has been reducing in real terms over recent years. Table 2 in section 2.2.4 shows that in FY 2020/21 and 2021/22 the Transport



Levy has remained at £92.2m, equivalent to a real term reduction. This would add additional pressure to the budget in respect of maintaining bus services.

- **Government funding**

The Assessment suggests that WYCA may be eligible and/or have the ability to apply for Government funding in the form of grants, subsidies or funds. Following a franchising decision, the Assessment suggests that there may be the ability for WYCA to apply for Government funding initiatives which will be available at that time, including ZEBRA funding.

None of the above has any certainty attached to it, and therefore should not be taken into account. Further, it is likely that any such Government schemes would be open for an EP/ EP+ to bid for, undermining the differentiation between the models made here.

- **BSOG**

The Assessment suggests that BSOG would remain with operators, so makes no difference in terms of delivery model.

- **Borrowing**

Borrowing, even with low interest rates, is costly and a huge burden for WYCA to take on.

36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

Under the proposed Franchising Scheme, the Combined Authority will have an additional funding source (a much higher level of farebox, across all franchised services). However, it will also have greater ongoing obligations (the costs of contracting for all franchised services and additional management costs) and additional upfront costs which will need to be funded and potentially financed including the purchasing of assets and transitional costs.

The total transitional costs are estimated to be £15.1 million over a four year period to 2027/28; additional management costs associated with transition of £5.3m over a four year period and after transition there is forecast to be an additional management cost of £2.9 million per annum; and the overall required investment in the fleet is assumed to be £252m in real terms with the overall requirement for upfront investment in depots is assumed to be £85.5m, including acquisition and fit out for zero emission buses.

The Assessment states that WYCA has determined that only IT systems costs in transitional costs would be able to be financed, and made the decision that all transitional costs should be assumed to be funded through the Combined Authority's Single Investment Fund.

In addition, in some years, specifically 2028/29, more budget is forecast to be required than is available, this will have to be carefully managed.

With investment of £357.9m required, this is a huge financial risk proposed for WYCA to take on. We would reiterate that the majority of objectives of the Scheme can be met through an Enhanced Partnership or EP+ model minus the financial risk to WYCA.



According to the assessment, franchising would only deliver 3.8% more passengers over 15 years compared to an EP+ model (with both models suggesting an overall fall in passengers) - WYCA should carefully consider the cost/ benefit analysis to this end.

Finally, the affordability is based on a current operator margin of 12-13%, we would be interested to see how that assumption has been calculated as latest published accounts of operators show the levels are 6%-8%.

37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

Under an EP or EP+ model, the Combined Authority would not finance capital investment in fleet and depot – this would mean that investment to the sum of £337.5 would not have to be provided by WYCA.

38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

The revenue risk in the model of franchising being proposed will be borne by WYCA. WYCA has further indicated that it would invest in ZEBs (£252m) and depots (£85.5m), which would mean operators would pay for the delivery of services in a relatively low-risk environment, with the costs accruing to WYCA.

But gross cost contracts also make changes to key behavioural aspects. Firstly, for operators there is little incentive to improve services or grow passenger usage beyond those set out contractually because the benefit does not accrue to them.

With huge investment of well over £300m required, this is a huge financial risk proposed for WYCA to take on. We would reiterate that the majority of objectives of the Scheme can be met through an EP or Enhanced Partnership+ model minus the financial risk to WYCA.

Franchising would only deliver 3.8% more passengers over 15 years compared to an EP+ model - WYCA should carefully consider the cost/ benefit analysis to this end.

Future risks and costs are of course uncertain and can have significant influence on cost i.e. energy and fuel; further the full life cost of Zero Emission buses also is not fully known at this stage.

The Management Case

39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

There is an estimated significantly increased staffing requirement to in essence operate a system which currently runs, with no direct tangible outcomes for passengers created by this additional level of resource.

We are aware that Mass Transit is a major policy intention of the Combined Authority but we do not see reference to the effect mass transit would bring, both to passenger



levels and subsequent resourcing, this does not appear to be modelled despite WYCA projecting passenger forecasts in a period where mass transit is aimed to be operational.

40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

No comments.

41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

We do not recognise the claimed number of additional WYCA staff to support an EP+ proposal which lacks of evidence over claims of additional cost over the current standard EP.

Simplified fares and integrated ticketing is already underway as an industry through project Coral which is designed to increase efficiency not import additional cost.

42. The Management Case concludes that with the additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

The Combined Authority are better judged to make decisions on their structure and how they manage their own workforce and competencies, we do have concern at the level of increased bureaucracy the franchise scheme will require. We would however question how the existing structure can remain the same with the addition of 68.5 new posts. Recruitment of new posts does bring a risk of new people requiring a significant learning and development programme with existing knowledge already in the industry not always being utilised.

We would reiterate that an EP or EP+ model utilises the experience, competencies and knowledge that is already present with opportunity to develop this further.

Conclusion of the Assessment

43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

As outlined above, we believe that all of the strategic objectives could be achieved through an Enhanced Partnership or EP+ model, without the financial risk to WYCA. However, operators are committed to working with WYCA to make a success of local bus services, regardless of the delivery model pursued.

44. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? Why do you say this?

Operators will make a success of whatever political decision is taken in regards to the delivery of bus services. But we would caution that pursuing franchising will put a huge financial burden on the WYCA, and politicians should be acutely aware of the risks involved.



We also believe that almost every benefit set out in the papers that would be achieved through moving to a franchise model, could also be achieved through a successful Enhanced Partnership or EP+ model.

Further, in relation to franchising, this paper only considers a Gross Cost Franchise, modelled on the approach taken in London and Greater Manchester, in which the public sector specifies the service they require and award a contract to operators by competitive tender. The revenue risk then sits with the contracting authority.

There are other models of franchising, including a Net Cost Franchise model, where the revenue risk sits with the operator. One example of such a net cost contract is that in Jersey, which combines public sector specification of a minimum network with some element of commercial risk remaining with the operator:

- Shared risks, with a minimum subsidy contract. The LTA is obliged to subsidise the operator if the fare revenue falls below the costs of operation, but the operator shares any revenue upside with the LTA above a certain level
- An initial seven year period, with the possibility of extensions depending on performance at trigger points during the contract (designed to avoid mid or late contract complacency)
- Specification of smart ticketing and trackable vehicles, plus open book accounting allowing government access to patronage data and full cost data
- Consultation on network changes and/or enhancements with both the LTA and passengers
- A fail safe mechanism, allowing the LTA to step in in the event of service or organisational failure.

If WYCA does decide to pursue a franchising model, we would encourage the CA to consider all options evaluated against the same set of objectives for completeness, and to ensure decision makers are in receipt of all options available to them.

We do not currently have a preferred model of franchise delivery for WYCA, and would very much like to be involved in that consideration should franchising be taken to the next stage to ensure the best outcome for customers, operators and WYCA.

45. Are there any changes that you think would improve the Proposed Franchising Scheme?

Please refer to previous answers.

Equality Impact Assessment

46. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

No comments.



Conclusion

We thank WYCA for the opportunity to respond to this consultation, and we reiterate that bus operators support the outcomes that WYCA want to achieve and want to work in partnership with WYCA to deliver these outcomes regardless of the delivery model taken forward.

The challenges and risks associated with the delivery of bus services are here to stay, regardless of the delivery model adopted. Neither an EP, EP+ nor franchising model will solve the issues around reliability, punctuality and speed. Decisions that affect these issues – primarily bus priority measures – can be taken forward at any stage by WYCA, regardless of the delivery model taken forward.

As the Assessment outlines, franchising will pose a significant financial risk to WYCA, and the Assessment does not contain evidence that the outcomes will be significantly better compared to an EP model (particularly given that the difference in passenger numbers between an EP+ and franchising model will be negligible (3.8% over 15 years). This “benefit” of franchising needs to be set against the finance and risk that WYCA will have to take on to achieve this.

In addition to the £85m that would be spent on depots and the £252m that would be spent on ZEBs, there are huge transitional costs (£20.4m) involved in the move to a franchising model, none of which deliver direct service improvements to bus passengers, but which are a risk to local tax payers. Local people should not have to fund the cost of regulatory change.

CPT and bus operators are ready to work with WYCA to implement whatever delivery model is taken forward, and hope to collaborate in partnership to achieve joint aims and the best outputs for the local passengers in West Yorkshire.

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To whom it may concern
West Yorkshire Combined Authority

5th January 2024

By email

First West Yorkshire's response to West Yorkshire Bus Reform Consultation

On behalf of First West Yorkshire ("First"), and as a statutory consultee, I am pleased to submit our response to the above consultation for your consideration.

First wants the best outcomes for the people of West Yorkshire and is supportive of further improvements to bus operations within the Authority area. We value our strong partnership with the West Yorkshire Combined Authority ("WYCA") and wish to build on this going forward.

Our response is set out as follows:

- This letter provides a summary of key points.
- Annex A is the report by Oxera Consulting LLP, appointed by First to support in our consideration of the published Assessment. In view of commercial sensitivities, a redacted version is provided here for publication. In the spirit of openness, a full version will be provided to you under separate cover. This full version will be provided commercially in confidence.
- Annex B is our response to the 47 questions of the published 'Bus Reform Questionnaire – Long Version'.

Our response takes into account the consultation documentation published on 10th October, as well as First's subsequent correspondence and clarification with WYCA, including Simon Warburton's letter to me of 3rd January 2024. I have also responded separately to that letter. For consistency, some of the points are repeated here.

Summary of Key Points

We have identified a number of critical deficiencies in the consultation, which should be addressed by WYCA now to ensure a fair and compliant consultation. If these shortcomings are not addressed, the franchising proposals would not meet the criteria set out in the Transport Act 2000 and may be challenged. We consider that WYCA has failed to disclose sufficient detail of the Assessment such that the requirements of the Transport Act 2000 are not met, and this results in consultees being unable to make definitive responses to the consultation.

The key shortcomings are summarised below.

1. Margins

As shown in section 3.2 of Oxera's report, there is strong evidence to suggest that margins earned from commercial bus operations in West Yorkshire lie considerably below those published within the Assessment, with the Assessment estimating commercial EBIT margins of 12%–13% in West Yorkshire.

Data from statutory accounts indicates that total margins for the three biggest operators in the region have margins which lie considerably below these levels. Further these cannot be explained by accounting for losses made on supported service contracts.

Where this is indeed an error, we conclude that it is likely to materially distort the potential for savings which might be secured through lower margins within a franchising scenario. The Net Present Value ("NPV") of the franchising option could be reduced by £200m to £250m.

We understand from Simon Warburton's letter of 3rd January that adjustments have been made to operator data to account for patronage recovery and growth since the period the data covers, and to allow for the end of Bus Recovery Grant payments. However, we consider this cannot explain the difference between Oxera's estimates of commercial margins and those assumed in WYCA's Assessment, given confirmation provided by your advisers during our meeting on November 24 that the impact of these adjustments on operator margins lies within 1%.

2. Fleet requirements

The Assessment underestimates the current peak fleet requirement and accordingly, the number of zero-emission buses that WYCA is expected to purchase under Franchising. In turn this means that the Capital Expenditure requirement on WYCA could be under-estimated by up to £223m and could be even higher if WYCA's assumption around ZEBRA funding does not come to fruition. Whilst we acknowledge that when we met on 24th November, you provided some clarification on figures relating to the size of the fleet used in the Assessment, including the proposed fleet strategy and the approach to the acquisition of vehicles, your responses have not addressed the discrepancy between the current fleet size of 1,755 and the 893 buses assumed in WYCA's lotting strategy. We refer you to section 4.2 of Oxera's report.

3. Network enhancements

We are concerned that the timetable coordination, service rationalisation and removal of duplicate services proposed within the Assessment are unlikely to collectively deliver material efficiencies. We note that you have confirmed that the costs of operating the additional service frequency are included in the Assessment. However, based on analysis contained within section 3.3.1 of Oxera's report, we remain concerned that the frequency enhancements proposed of between 20 - 50% across 51 routes, based on

Oxera's findings and First's operational experience, will likely come at considerable additional costs, including many more drivers, and we cannot see that these have been adequately accounted for within the Assessment.

4. Impact of fares and ticketing simplification

Whilst the 2013 Nexus Simplified Ticketing Research Report is not explicitly cited in the Quality Contract Scheme Board Report on the Proposal for a Quality Contracts Scheme in Tyne & Wear, there are nevertheless several methodological issues with this report that Oxera's report highlights in section 3.4.1. The survey sample and sub-sample were not representative, the results were based on leading questions, and the study employed arbitrary assumptions to estimate results. As a result, the Assessment's estimate of the NPV of franchising is biased upwards – this has a material impact on the conclusions made in the Economic Case (see section 3.4 of Oxera's report for more details).

In addition, we have significant concerns about the fares and ticketing sensitivity analysis on the basis of the NPVs provided to us on 3rd January, specifically in relation to the outcomes for EP+, which appear to demonstrate that the model is not functioning correctly.

We understand from Simon Warburton's letter of 3rd January that the result of a sensitivity to halve the impact of fares and ticketing simplification on demand assumed for Franchising (i.e. from 2.5% to 1.25%) and for EP+ (i.e. from 1.25% to 0.625%) results in NPVs of £624.0m for Franchising and £511.0m for EP+. This compares to NPVs of £728.2m and £506.3m for these two options under the central case, respectively.

As noted in section 3.4.4 of Oxera's report, the NPVs of the options considered in the Assessment are a function of both the user and non-user benefits expected to arise under each option. Accordingly, these NPVs should be directly proportional to the levels of bus demand and patronage forecast under each option. However, the fact that the NPV of EP+ increases in response to a reduction in demand is highly counter-intuitive, and suggests that something within the modelling suite is not functioning correctly.

In Simon Warburton's letter of 3rd January, it is explicitly noted that this sensitivity has a greater proportional impact on the NPV of Franchising than it does on the NPV of EP+. However, it is not explicitly noted that the NPV of EP+ actually increases in response to the lower levels of demand assumed under the sensitivity. Instead, it is stated that:

“Under EP+ the model uses accumulated savings from some less-used (under this test) subsidised services being cut, to provide additional years of a service in an area where consideration of whether there is sufficient budget remaining to subsidise that service is tested subsequently within the process. The benefit resulting from this additional service offsets the NPV effect of reducing the impact of ticketing simplification.”

The implication of this statement¹ is that when the fares and ticketing sensitivity is run, the service pattern which can be delivered with less revenue under EP+ (i.e. due to lower levels of demand) is actually more economically beneficial than the service pattern which can be delivered with higher levels of revenue. This suggests that the ‘trimming’ and ‘cutting’ process within WYCA’s modelling suite is operating irrationally, with WYCA’s budget for bus services being spent on sub-optimal services under EP+.

Given the critical importance of this process in driving the results of the Economic and Financial Cases, this raises wider concerns about whether the results of the Assessment can be relied on. We note that Grant Thornton did not raise these concerns in its published Audit report, so it would be useful to understand whether Grant Thornton commented on the counter-intuitive nature of this sensitivity (i.e. the fact that the NPV of EP+ appears to increase following a reduction in demand), when presented with this evidence.

It is noted that this sensitivity was not reported alongside other sensitivities outlined in section 12.4 of WYCA’s Economic Case, because it was produced upon request of the Auditor. Nevertheless, we note that the results of this sensitivity were not initially shared with us in response to our explicit request during our meeting on 24 November, and instead have only been revealed at this very late stage in the process, i.e. with only two full working days remaining of the consultation period.

In addition to the specific modelling concern we outline above, it is also unclear to us how you are able to draw the conclusion regarding the offsetting impacts you describe in your response. On several previous occasions, you have asserted that it is not possible to provide precise details of service patterns from WYCA’s models. This includes your recent letter of 3 January, where you state:

“we confirmed that the model does not consider or use specific service frequencies other than for those services subject to network interventions.”

If this is correct, it is unclear to us how you can assert with confidence that the reason for the NPV of EP+ increasing under this sensitivity is driven by certain services being retained for longer in response to other specific services being cut. If further information is indeed available on the service patterns for each modelled year, we request that you to make this available to consultees to enable us and other respondents to scrutinise this evidence as well.

5. Risk

The assessment significantly underestimates the risk and the impact on the deliverability of Franchising for WYCA. Specifically: i) there are over-optimistic assumptions on the speed with which bus companies are able to demobilise during the initial phases of

¹ We note however that your text on this point is unclear, and we would appreciate a clearer response on this specific point as soon as possible to avoid any mis-understandings. We note, for example, that the text seems to suggest that a number of less used services are cut to fund one single service. It seems unlikely that introducing a single service could have such a dramatic impact on the NPV. We therefore suspect that this is not what you meant by this text, and that – in practice – more than one service has been introduced.

franchising; ii) the Assessment fails to recognise the asset utilisation risk; iii) that WYCA is unlikely to have sufficient provision for risk within its earmarked reserve commensurate with its exposure; and iv) that the risk assessment is based on pessimistic forecasts for which limited details are available.

Simon Warburton's letter of 3rd January invited us to present evidence to support our assertion that the Assessment underestimates risk. As outlined in section 5 of Oxera's report, our conclusion is that the Assessment of the risks WYCA would bear under franchising is fundamentally flawed.

We note, in particular, that the overly simplistic risk analysis assumes that – faced with a revenue shortfall – WYCA can opt to discontinue services within 6 months at no extra cost. This assumption is unrealistic, particularly during the early phase of the franchising programme when operators would need to procure their own buses for franchised services (given WYCA's limited fleet ownership in these years) and commit these to franchises for up to 7 years. In addition, as highlighted in Oxera's report, the analysis presented in the Assessment:

- does not consider the risks it would bear under Franchising if it owned assets which could not be easily deployed or re-sold in the event of a demand shortfall; and,
- does not adequately consider the size of its proposed risk reserve commensurate with the risks it would face under Franchising. We maintain this position despite your recent correspondence on this matter.

We also note that the risk analysis was only produced in response to concerns raised by Grant Thornton. This further suggests that the analysis in this area has been rushed, and that the Authority has failed to adequately consider risk in its Assessment.

First West Yorkshire's consultation response

My letter of 5th January to Simon Warburton sets out a number of areas where we believe that further analysis and engagement are required. This includes on demand forecasting as presented in the Assessment, and we reserve the right to make further submissions on this and other issues highlighted in our correspondence.

This response to the consultation is therefore submitted on the basis of the information that has been provided to date. We consider the consultation so far is incomplete and has not provided sufficient information or opportunity to analyse and make submissions to comply with the requirements. We expect that you will, as part of reviewing the consultation responses, consider any identified omissions or new information arising from responses (including ours) and undertake further steps in the consultation to address them and allow appropriate submissions.

Concerns on the shortcomings of the consultation

I must advise that we remain of the view that WYCA has failed to disclose sufficient detail of the Assessment such that the requirements of the Transport Act 2000 are not met, and this

results in consultees being unable to make definitive responses to the consultation. Where we have seen detail (such as on the fares sensitivities) we have material concerns about its analytical credibility.

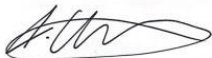
We are also of the view that based on the information that has been published, the requirements under the Transport Act 2000, to demonstrate that the franchising option is affordable and provides value for money, have not been demonstrated as being met. Indeed, based on what we have seen of the analysis that has been carried out for you, it is apparent that the franchising option:

- offers worse value for money than EP+;
- is unaffordable, given the budget available;
- poses significant risks to taxpayers, passengers and operators in West Yorkshire in its current proposed form.

We are therefore of the view that a decision made by the Mayor on the basis of the current Assessment, cannot be supported by the evidence presented.

First remains committed to working in partnership with WYCA to deliver the best possible services for the people of West Yorkshire. We hope that you will consider our response in that spirit.

Yours sincerely

A handwritten signature in black ink, appearing to read "A. Cullen".

Andrew Cullen

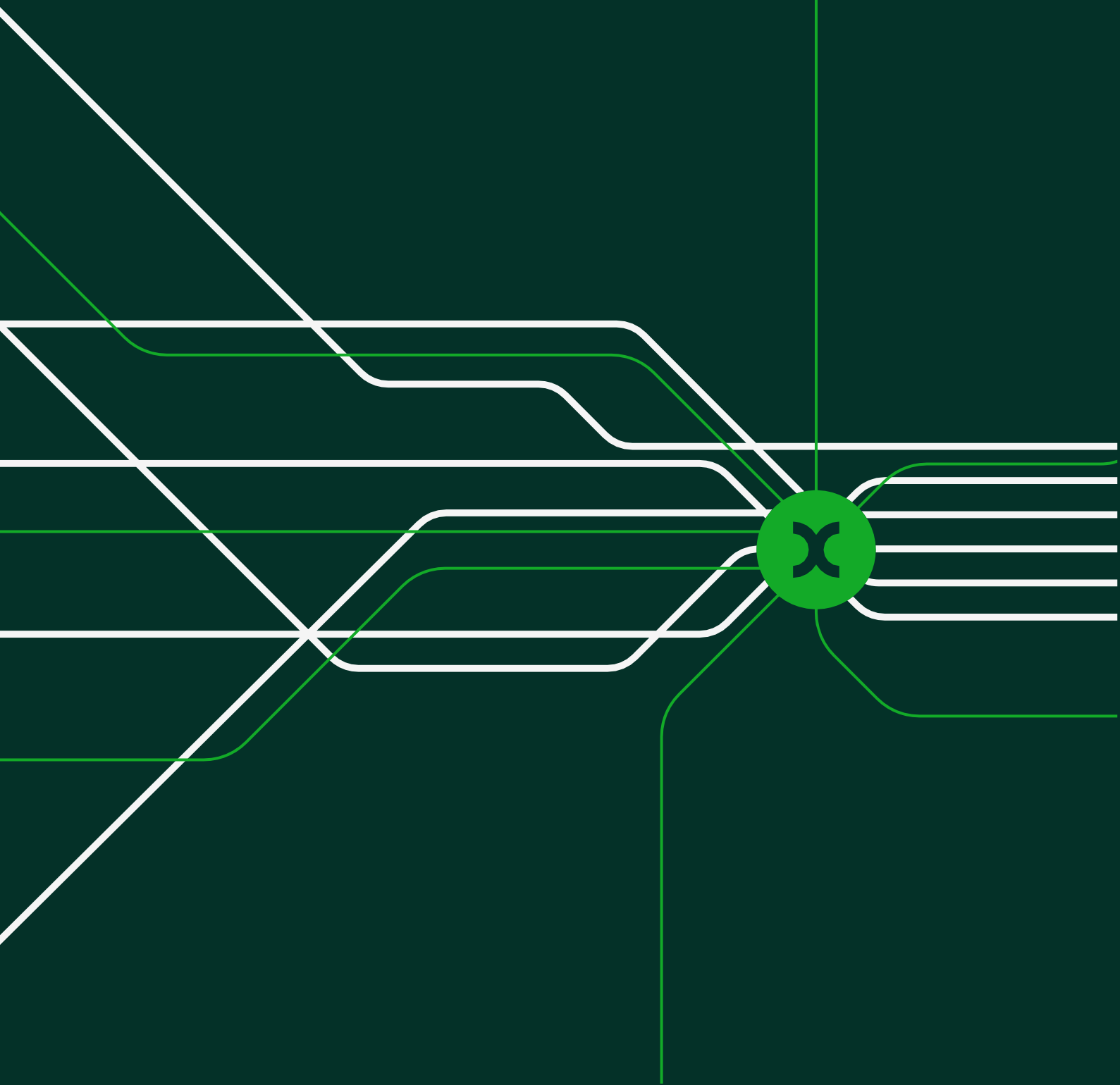
Managing Director

First Bus North and West Yorkshire

WYCA Bus Reform Assessment Review

—
Final report prepared for First Bus
REDACTED

15 December 2023



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Executive summary

The West Yorkshire Combined Authority (WYCA) is consulting on the following options for the reform of the bus market in West Yorkshire:¹

- **Franchising**—the current Enhanced Partnership (EP) model² would be replaced with WYCA's Proposed Franchising Scheme, with WYCA bearing full farebox revenue risk and owning depots and vehicles.
- **Enhanced Partnership Plus (EP+)**—operators would retain revenue risk and fleet and depot ownership, and the market would remain deregulated. However, operators would work with WYCA to deliver a range of service improvements, and WYCA would have additional control over network design and development.

WYCA finds that Franchising and EP+ deliver benefits relative to the current EP scheme—with net present values of £728m and £506m respectively.³ However, the Authority concludes that Franchising is the preferred option, predominantly on the basis that:

- average margins would be lower under Franchising, and these savings could effectively be 'recycled' to increase service provision;
- WYCA would have greater control of the network under Franchising, allowing it to optimise service provision and implement a greater degree of fares and ticketing simplification.

First Bus commissioned Oxera to undertake an independent review of WYCA's Bus Reform Assessment. Although much of the Assessment lacks detail, and responses to questions raised by First Bus have often been either partial or contradictory, we conclude that there are a number of material issues with WYCA's Assessment. These issues distort the Assessment in favour of Franchising, while masking considerable risks to taxpayers, passengers, and operators in West Yorkshire. The issues identified and their impact are summarised below.

¹ West Yorkshire Combined Authority (2023), 'Bus reform – Have your say on how buses are run in West Yorkshire', 10 October.

² EP bus agreements in England are voluntary partnerships between local transport authorities (LTAs) and bus operators. They are designed to improve bus services for passengers by setting out a shared vision and plan for how the partners will work together.

³ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September.

WYCA have overestimated savings from lower operator margins under Franchising.

Under WYCA's Assessment, a significant benefit of Franchising stems from the assumption that operators will earn lower margins from franchised services compared with commercial services—with commercial service margins assumed by WYCA to be 12–13%. However, based on publicly available operator accounts, we estimate average EBIT margins from commercial operations in West Yorkshire of 6.3–8.6%. Therefore, it appears that WYCA has overestimated the savings from lower margins under Franchising by £24.8m–£28.3m over a ten-year period.⁴ **Correcting this will reduce the net present value (NPV) of Franchising from £728m to potentially between £478m–£528m, bringing it in line with the NPV of EP+ or below, and making EP+ the more attractive option.**⁵

WYCA has likely under-estimated the fleet requirements for Franchising, potentially by up to 50%.

In its Assessment, WYCA assumes a peak vehicle requirement (PVR) of c. 890 buses for Franchising. This compares with the existing fleet of c. 1,760 vehicles. WYCA provides limited evidence for the estimation of this PVR, and does not explain this discrepancy. Since WYCA rather than bus operators would purchase buses under Franchising, **this discrepancy suggests WYCA has failed to budget for bus purchases by up to £223.3m.** Alternatively, it is unclear how WYCA will deliver the Proposed Franchising Scheme with a fleet of this size without substantial cuts in existing services.

WYCA bases the impact of fares simplification on outdated and discredited evidence.

WYCA proposes to introduce a single channel or app for ticket sales under Franchising and assumes a 2.5% uplift in demand as a result. In contrast, ticketing simplification measures under EP+ are assumed to lead to a 1.25% uplift in demand—half that of Franchising. Little evidence is provided to substantiate these assumptions, while the evidence which is used is outdated and suffers from multiple design and analytical flaws.⁶ As a result, **the demand uplift assumed is likely to have a**

⁴ Figures shown in 2021/22 price base (non-discounted). Note that this analysis is conservative, as it relies on our 'upper' estimate of commercial margins (i.e. 8.6%).

⁵ Figures shown in 2010 PV terms. Note that the margin savings presented in the previous sentence are not directly comparable with these figures, since our estimate of the potential NPV impacts is derived from WYCA's reported sensitivity analysis (and therefore also takes into account the resulting impacts of different levels of service provision on demand, revenue, costs and economic benefits).

⁶ See section 3.4 for more information.

significant upward bias on the NPVs of the options examined, with a more acute impact on Franchising—we note that the gap in the NPV between Franchising and EP+ reduces from £222m to £111m when the demand uplift assumed under both options is halved.⁷

The network enhancements assumed by WYCA will likely lead to substantially higher costs, or large cuts to existing services.

WYCA assumes that Franchising will enable: (i) frequency uplifts of 20–50% on 51 routes; (ii) rationalisation and timetable coordination across 56 routes; (iii) removal of route duplication on four routes; (iv) contract consolidation on 25 routes. However, operational evidence suggests these measures are unlikely to deliver resource savings or generate significant additional demand, and would entail substantial additional costs or large cuts to existing services to implement. **As a result, the proposed network enhancements are unlikely to be deliverable within the budget available.**

WYCA’s analysis of the financial risks of Franchising is fundamentally flawed.

Under Franchising, WYCA would bear all revenue risk associated with bus operations. However, WYCA’s Assessment significantly underestimates this risk and the impact on the deliverability of Franchising. Specifically, WYCA (i) makes over-optimistic assumptions on the speed which bus companies can demobilise operations during the initial phases of franchising; (ii) fails to recognise asset utilisation risk; (iii) is unlikely to have sufficient risk provision in place commensurate with its risk exposure; (iv) bases the revenue risk assessment on questionable demand forecasts. As a result, **there are significant risks to WYCA and its ability to deliver Franchising that have not been accounted for.**

⁷ Figures shown in 2010 PV terms.



Taken together, these issues suggest that the Proposed Franchising Scheme would likely:

- **offer worse value for money** than EP+;
- **be unaffordable**, given the budget available;
- **pose significant risks** to taxpayers, operators and passengers in West Yorkshire.

If these issues were accounted for, EP+ would compare considerably more favourably to Franchising within WYCA's Assessment.

We also note that WYCA seeks to justify its Proposed Franchising Scheme on the grounds that it best enables the Authority to meet its strategic objectives for buses in the region. However, in practice we find that WYCA's Assessment is flawed in this regard, since **Franchising is unlikely to deliver the strategic benefits envisaged by WYCA**. In particular:

- Franchising is unable to achieve WYCA's wider transport targets for increased bus patronage;
- WYCA likely underestimates the impact of implementation risks on the deliverability of strategic benefits;
- WYCA provides limited evidence on how the additional 'control and certainty' under Franchising will be used to deliver better outcomes for passengers.

This raises further questions about the suitability of the Proposed Franchising Scheme, particularly as WYCA states that the strategic benefits are central to the identification of Franchising as its preferred option:

...the Proposed Franchising Scheme delivers the greatest strategic benefits and best aligns to the Combined Authority's strategies for buses and the wider transport system in West Yorkshire largely due to the certainty and control it gives to the Combined Authority in delivering bus services.⁸

Finally, it is important to note that **much of WYCA's Assessment lacks clear and transparent detail, and WYCA's responses to questions raised by First Bus have often been incomplete or contradictory**. Indeed, the

⁸ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 24.

independent auditor commissioned by WYCA to scrutinise its Assessment raised a number of observations that appear to be material, but which WYCA seems to not have addressed in its responses or Assessment.⁹ This brings into question whether WYCA has provided sufficient detail to enable an informed decision to be taken, and WYCA's compliance with the requirements of the Transport Act 2000 (as amended by the Bus Services Act 2017).¹⁰

As a result of the issues identified, we conclude that **the additional costs and risks associated with WYCA's Proposed Franchising Scheme relative to EP+ are unlikely to be justified by the potential benefits.**

⁹ The Bus Services Act 2017 Franchising Scheme Guidance states 'The auditor should not report or pass judgement on the decisions taken by the authority or authorities or the outcomes of the assessment – their role is purely to consider the process that has been followed, the accuracy and robustness of the information that has been used in the analysis, and that the mechanics of the process have been carried out correctly'. As a result, the independent auditor has a narrow role and they specifically are precluded from making a judgement on the decision taken. Department for Transport (2017), 'The Bus Services Act 2017 Franchising Scheme Guidance', para 1.87.

¹⁰ Under the Transport Act 2002 (amended by the Bus Services Act 2017), authorities 'should ensure that the assessment of the proposed scheme contains sufficient detail to enable an informed decision to be taken'. Department for Transport (2017), 'The Bus Services Act 2017 Franchising Scheme Guidance', para 1.22.

1 Introduction

On 10 October 2023, WYCA launched a public consultation on bus reform within West Yorkshire. In its consultation, WYCA explores two options for how the bus market could be structured in West Yorkshire in the future.

- **Franchising**—this would replace the existing deregulated, commercial model, with WYCA bearing full farebox revenue risk. WYCA would also own depots and vehicles, with a gradual transfer to a region-wide Franchising Scheme over a number of years.
- **Enhanced Partnership Plus (EP+)**—an option developed by West Yorkshire Operators (WYOs) and WYCA as a means to deliver additional control to WYCA, though while retaining the existing commercial, deregulated market structure. This means that revenue risk, fleet and depot ownership are each operator's responsibility.

According to WYCA's Assessment, both Franchising and EP+ deliver improvements relative to current arrangements.¹¹ Nevertheless, the authority concludes that:

... the Proposed Franchising Scheme delivers the greatest strategic benefits and best aligns to the Combined Authority's strategies for buses and the wider transport system in West Yorkshire largely due to the certainty and control it gives to the Combined Authority in delivering bus services.¹²

Against this backdrop, First Bus has commissioned Oxera Consulting LLP (Oxera) to provide an expert review WYCA's Assessment. Specifically, we have been asked to:

- 1 undertake a detailed review of WYCA's Assessment, in particular the methodology and assumptions underpinning the strategic, economic and financial cases;
- 2 where possible (and appropriate), to produce supplementary analysis using more robust assumptions to help inform the

¹¹ As we explain later in this report, the status quo arrangements against which WYCA evaluates the impacts of the EP+ and Franchising schemes.

¹² West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 24.

Mayor of West Yorkshire's decision on bus reform in West Yorkshire.

Where relevant, our analysis has been supplemented with evidence from the former Bus Managing Director of Stagecoach UK, Robert Montgomery. Mr Montgomery has over fifty years' experience covering the bus industry in the UK, Ireland, Western Europe, Central Asia and the Middle East, and we have sought his input on several operational questions pertinent to our review.¹³

The opacity regarding key assumptions underpinning WYCA's analysis means that—in some cases—it is difficult to say with certainty how the results of its analysis would change if more robust assumptions were used. However, even where we have been unable to estimate the impact with a more robust assumption, we have nevertheless sought to assess whether a revised assumption is likely to increase or decrease the estimated value of a particular option (i.e. whether the Net Present Value would be higher or lower than shown in WYCA's economic case) and the potential magnitude of this impact.

The remainder of this report is structured as follows:

- section 2 provides a **summary of the economic case underpinning WYCA's Assessment**, including details on the options considered and the methodology used by the authority to assess the costs and benefits of each option;
- section 3 considers WYCA's Assessment of the **value for money** of the two options considered, and explains why the Authority's Assessment is likely to overstate the benefits and understate the costs of introducing bus franchising in West Yorkshire;
- section 4 examines the **affordability** of WYCA's Proposed Franchising Scheme, and explains why the scheme proposed does not appear to be affordable;
- section 5 considers the **financial risks** that WYCA would be exposed to under bus franchising, and demonstrates that its Assessment of the additional financial risks it would bear under Franchising is inadequate;
- section 6 considers **the strategic case** for Franchising, and highlights how there is insufficient evidence to support the strategic benefits that Franchising is expected to deliver, and why the proposed scheme is unlikely to deliver WYCA's wider transport policy objectives;

¹³ For more details, see busreinvented.com

- the **conclusion** of our review is outlined in section 7.

We also provide a series of appendices to supplement the analysis presented in our report. This includes Appendix A1, which outlines the information requests that First Bus has submitted to WYCA—which we have reviewed to help inform our analysis, and set out, in our opinion, where responses are either incomplete or still outstanding as of 4 December 2023.

2 Background: summary of WYCA's Assessment

Before examining the issues with WYCA's Assessment, it is important to understand how WYCA's analysis is structured and how it has estimated the costs and benefits for each of the options considered in its appraisal. Accordingly, in this section we explore the main features of WYCA's Assessment, before outlining the most fundamental issues with WYCA's approach in later sections.

It should be noted, however, that **this section does not attempt to provide a comprehensive summary of the entirety of WYCA's Assessment.**¹⁴ Rather, it is intended to provide the reader with the necessary context to understand the major issues we have identified with WYCA's Assessment of its Proposed Franchising Scheme, which we outline later in this report.¹⁵

Furthermore, as highlighted in the independent auditor's report, WYCA's Assessment presents only a high-level summary of the principles applied in its modelling to establish the services which are operated commercially—or continue to be provided as 'supported services'—and which are discontinued, with the auditor noting that:

... a wide range of detailed assumptions are embodied in the calculations of the Budget Model, some of which are significant but are not (and could not reasonably have been) sourced in any official guidance.¹⁶

Accordingly, since WYCA has not made their models available to consultees for review, **it is not possible to know with certainty how each single process within WYCA's modelling suite operates.**¹⁷

The implication is that when reviewing WYCA's Assessment, in some areas (where modelling processes are unclear), we have had to apply our expert judgement to establish how the model is likely to have generated the results reported in the documents published by the Authority. It is therefore possible that in some areas, there may be slight

¹⁴ In particular since the entire assessment (including the strategic, economic, financial, management and commercial cases) is over 900 pages long.

¹⁵ See sections 3–6

¹⁶ Grant Thornton LLP (2023), 'Observations on West Yorkshire Combined Authority's (WYCA) Assessment of a Bus Franchising Scheme', 20 September, p. 4.

¹⁷ For the same reason, we are unable to establish whether WYCA's models are operating as described by the Authority in its published documentation.

deviations between the way WYCA's modelling suite operates and our summary provided below. Nevertheless—in spite of this uncertainty—we are confident in the validity of our substantive observations outlined in this report, based on the information published by WYCA.

2.1 The options considered within WYCA's Assessment

2.1.1 The enhanced partnership 'reference case'

WYCA structures its Assessment by first defining the existing regulatory arrangements governing bus service provision in West Yorkshire. This arrangement, known as the **Enhanced Partnership (EP) reference case** is assumed to apply in future, in the absence of bus reform in the region: the costs and benefits delivered by the bus reform options considered in WYCA's Assessment are therefore measured against this reference case scenario.¹⁸

EP bus agreements in England are voluntary partnerships between local transport authorities (LTAs) and bus operators.¹⁹ They are designed to improve bus services for passengers by setting out a shared vision and plan for how the partners will work together. This can include a wide range of measures to improve bus services.

Under the EP model, local bus services remain deregulated (i.e. in an open contestable market), with bus operators generally retaining revenue earned from fares. As operators are exposed to full revenue and cost risk,²⁰ they continue to make independent decisions about how their services are run. However, **once an EP Plan and Scheme has been agreed, all local bus operators are legally required to follow them.** If an operator fails to meet the requirements set out in the EP it can be subject to enforcement action, including cancellation of its registration, such that it would no longer be permitted to operate.²¹ The West Yorkshire EP is delivered through the West Yorkshire Bus Alliance (the Alliance). This is a legal Voluntary Partnership Agreement (VPA) between the West Yorkshire Combined Authority, the five West Yorkshire Districts

¹⁸ In economic appraisals, this 'reference case' is more commonly referred to as a 'do nothing' or a 'counterfactual' policy scenario.

¹⁹ The Department for Transport's 2021 National Bus Strategy encouraged LTAs to implement EPs, in part by making access to bus funding conditional on implementation of EP or—where it could deliver demonstrable benefits—bus franchising. See Department for Transport (2021), 'Bus Back Better—National Bus Strategy for England', December, p. 11.

²⁰ It should be noted however that operators receive England National Concessionary Travel Scheme (ENCTS) funding to reimburse them for the cost of carrying passengers with concessionary bus passes. In addition, under the existing EP arrangements some supported services are provided by operators under publicly tendered contracts.

²¹ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 13.

and all local bus operators. Under the VPA, the West Yorkshire EP has achieved:

- the introduction of a 'Fare Deal for Young People' to provide cheaper travel for young people (under 19 years of age) travelling on any service in the region;
- secured funding and managed the delivery of over 400 retrofitted buses to make local buses cleaner and greener;
- collaborative working through the COVID-19 pandemic, which ensured services ran for essential travel and supported passengers to stay safe—including the publication of new bus capacity information;
- improved passenger information through the Network Navigation project, giving people greater visibility of the region's core, high-frequency bus network and better supporting them in understanding, accessing and navigating their travel;
- new and enhanced Park & Ride schemes;
- a refreshed Passenger Charter.

In addition, we understand that West Yorkshire benefits from a statutory ticketing scheme that enables the existing MCard multi-operator, multi-modal smart ticketing offer in West Yorkshire.²² MCard is the largest smart ticketing scheme outside London.

In October 2021, WYCA submitted its Bus Service Improvement Plan (BSIP) to the Department for Transport, outlining a long-term ambition for bus services in West Yorkshire in response to the Government's 'Bus Back Better' National Bus Strategy.²³ A Notice of Intent was then issued by WYCA in April 2022, setting out that an Enhanced Partnership Plan and Scheme had been made. Following this, WYCA's 'Bus Service Improvement Plan' (BSIP) Enhanced Partnership Scheme was developed with operators in order to access central government funding for the delivery of BSIP interventions.²⁴ WYCA approved the draft EP Scheme, and the statutory objection period and consultation process for operators concluded in October 2022. In November 2022, operators received Notice that WYCA had developed an Enhanced Partnership Scheme for West Yorkshire.

²² West Yorkshire Combined Authority (2018), 'Pay As You Go available on buses throughout West Yorkshire with MCard', 1 January.

²³ Department for Transport (2021), 'Bus Back Better—National Bus Strategy for England', December.

²⁴ West Yorkshire Combined Authority (2022), 'Bus Service Improvement Plan', October.

In line with the BSIP, between 2022 and 2027 the West Yorkshire EP aims to deliver:

- an enhanced and more cohesive bus network—which takes people where they need to go, when they need to go;
- clear and simple fares—to make paying for bus travel more affordable, easier, convenient and flexible;
- improved, more inclusive customer service and support—so passengers have the tools to travel with confidence and the help they need if their journey does not go to plan;
- priority for buses on our road—so journeys by bus are quicker, with less time spent stuck in traffic, and are a viable alternative to the private car;
- more green and better vehicles—to improve the onboard experience and make bus the sustainable choice for travel in West Yorkshire.

2.1.2 Enhanced Partnership plus

The first option considered in WYCA's Assessment, **Enhanced Partnership plus (EP+)**, would provide WYCA with more control regarding network design and development. While the model builds on existing arrangements, EP+ would enable the delivery of additional initiatives and co-ordination designed to deliver improved outcomes for passengers.²⁵

New initiatives under EP+ not covered in the EP reference case include:

- the creation of a WYCA-led **Network Management Group (NMG)** comprising WYCA officials and WYOs, which would: recommend network development and changes; agree the approach to reinvestment of saved resources; jointly address performance issues;
- commitment to supporting the **development of mass transit proposals**, and to support WYCA in designing the optimum scheme;
- **proactive data sharing** with WYCA, creating transparency of route performance and patronage levels;
- the introduction of **Qualifying Agreements and route requirements**, allowing for route rationalisation and deployment of buses into new or more frequent services elsewhere;

²⁵ In its assessment, WYCA describes EP+ as 'the most ambitious Enhanced Partnership that could be delivered in West Yorkshire, within the legal restrictions of the model and the funding available'. West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 19.

- delivery of **multi-operator contactless capping** as an early adopter of Project Coral rollout and a new, **funded 'Passenger Incentive Programme'**;
- a new **Bus Priority Oversight Group** to identify and prioritise interventions supported by enhanced data sharing and provision of resource into the Urban Traffic Control to better manage disruption;
- delivery of **improved information provision** and **enhanced customer services** under a unified brand for bus services in West Yorkshire;
- **simpler fares** and **integrated ticketing**, with a new simplified ticket range (based on U19 fares model) and a fares structure that would be implemented by all WYOs;²⁶
- **acceleration of transport decarbonisation** through multi-partner collaboration, building on the shared operator expertise and experience supported by substantial financial backing; new 'Green Excellence Transport Hubs' to promote multi-use charging and support for green skills and employment; a Green Team Taskforce to work with academic partners to support analysis and shared practice;
- a **common, new vehicle standard** agreed with WYCA.

EP+ was jointly developed by WYCA and WYOs, with engagement between the parties to understand the interventions operators could introduce to deliver a more ambitious enhanced partnership agreement. In its Assessment, WYCA states that the EP+ option considered in its analysis reflects both initial work undertaken by the Authority and additional interventions that came out of partnership discussions with operators.²⁷ For example, under an EP+, First Bus would commit to an accelerated fleet decarbonisation programme that would deliver a zero-emissions fleet in Leeds by 2030, and a minimum Euro VI emissions fleet across West Yorkshire by 2024. Under an EP+, First Bus would also commit to a split of annual profits beyond a 10% EBIT, speeding up fleet re-branding, additional investment in smart information and extra resources to support bus priority and decarbonisation initiatives.

It should be noted however, that some of the changes to fares and network enhancements proposed by WYCA under the EP+ option do not align with the content of the discussions held with and proposals put

²⁶ West Yorkshire Combined Authority (2023), 'Appendix 1.3: West Yorkshire Bus Operators Enhanced Partnership Plus Proposal', 16 August, p. 30.

²⁷ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 19.

forward by operators.²⁸ For example, we understand from First Bus that the frequency enhancements that WYCA has assumed would be implemented under EP+ were not agreed with WYOs.²⁹

2.1.3 How WYCA forecasts demand, costs and revenues under each option

WYCA's economic modelling is undertaken over a 40-year appraisal horizon.³⁰ Accordingly, an important part of WYCA's modelling relates to its forecasts for demand, costs and revenues, and how these parameters are expected to vary over time.

In essence, there are three steps to WYCA's forecasting process.³¹

- 1 **Forecasting 'unconstrained' demand, costs and revenues.** The starting point in WYCA's forecasting process is to take base-year data on demand for the bus network in 2021/22, and then—through use of an elasticity model—forecast how this would be expected to vary based on changes in exogenous factors (such as GDP, population, car ownership and car operating costs).³² The resulting demand forecast is then combined with assumptions about ticket types and yields to generate an unconstrained revenue forecast, as well as unit costs to generate an unconstrained cost forecast.^{33, 34}
- 2 **Trimming.** WYCA's modelling then considers (for the reference case and EP+ options) what level of demand would actually be

²⁸ West Yorkshire Combined Authority (2023), 'Appendix 1.3: West Yorkshire Bus Operators Enhanced Partnership Plus Proposal', 16 August.

²⁹ This point was later confirmed in discussions with WYCA held on 24 November 2023.

³⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 84.

³¹ It should be noted however that the process outlined in WYCA's economic case is in fact a modelling abstraction since—in practice—under existing arrangements, supported services cannot be tendered to compete directly with private operators. However, supported services can be tendered to complement commercial services (subject to compliance with competition law). See Department for Transport and Office of Fair Trading (2009), 'Guidance on the application of competition law to certain aspects of the bus market following the Local Transport Act 2008', March, pp. 50–52.

³² We are unable to comment on the robustness of WYCA's approach to modelling the impact of changes in exogenous drivers on bus demand, due to insufficient information being provided in WYCA's economic case. This is because while WYCA does summarise the outputs of its unconstrained demand forecast (i.e. with a chart showing the forecast evolution of passenger journeys from 2021/22–2045/46), no information is given regarding the contribution of individual exogenous drivers to this forecast. This contrasts with the approach taken by the GMCA in its Bus Franchising Assessment, which provides a detailed overview of the specific impact each individual driver of demand was expected to have over the forecast period. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 53; and Greater Manchester Combined Authority (2019), 'Bus Franchising in Greater Manchester Assessment', September, p. 182.

³³ The unconstrained operating cost forecasts are projections of the potential cost of bus delivery required assuming that the 2021/22 West Yorkshire bus network was retained.

³⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 49–60.

serviced by private bus operators in practice, taking into account WYO's need to (i) cover their costs; (ii) earn their required margin. Where the desired margin is not being achieved due to a fall in revenue or increase in costs, the modelling assumes that the sector takes corrective action by 'trimming' services until the required margin is restored.³⁵

- 3 **'Cutting'**. The final step in WYCA's modelling is to determine which of the services that were 'trimmed' will be provided as supported services, and which will be 'cut' from the bus network. This is based on the net cost³⁶ of the services/periods in scope and the budget remaining available for contracting supported services. The bus budget for supported services is assumed to be allocated between different zones within the West Yorkshire region on a per-capita basis, to ensure that the process of 'cutting' is balanced across areas (i.e. to avoid cuts being concentrated in the areas where bus operations are least profitable).³⁷

It should be noted that the unconstrained demand, cost and revenue forecasts apply equally across the EP reference case, EP+ and Franchising options, since the same exogenous forecasts underpin each of these scenarios. In addition, under the Franchising option only steps 1 and 3 outlined above are applied, as the lack of any commercial operators within West Yorkshire under this option means there is no 'trimming' by WYOs (only 'cutting' by WYCA).^{38, 39}

It is important to note that **according to WYCA's modelling, bus demand—and therefore revenues—are expected to decline under the EP reference case, the EP+ option and WYCA's Proposed Franchising Scheme**. This is demonstrated in Figure 2.1, Figure 2.2 and Figure 2.3 below, which show how based on WYCA's forecasts:

³⁵ Note that in the modelling, a single assessment to establish the commercial target margin is conducted for all services collectively, rather than separate assessments for each operator's portfolio. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 34.

³⁶ The 'net cost' of these services to WYCA includes the margin applied to the gross operating cost by the contracted operator less any farebox revenue that the service generates.

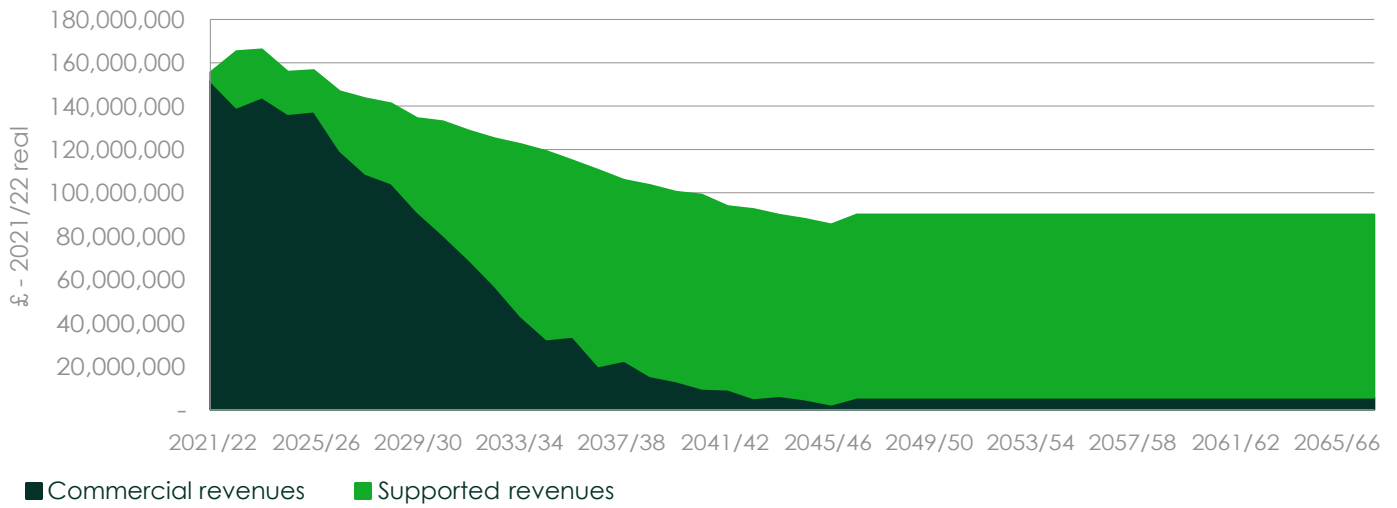
³⁷ See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 35–37.

³⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 40.

³⁹ It should also be noted that the process described above represents a modelling abstraction used for mathematical simplicity, rather than an attempt to accurately depict how decisions on service provision are likely to be made under either EP+ or Franchising.

- **revenues are expected to decline across all scenarios** for both commercial and supported services over the course of the 40-year appraisal period;
- **almost no commercial services are expected to operate after 2040** under the EP reference case and EP+.

Figure 2.1 Revenues for Reference Case

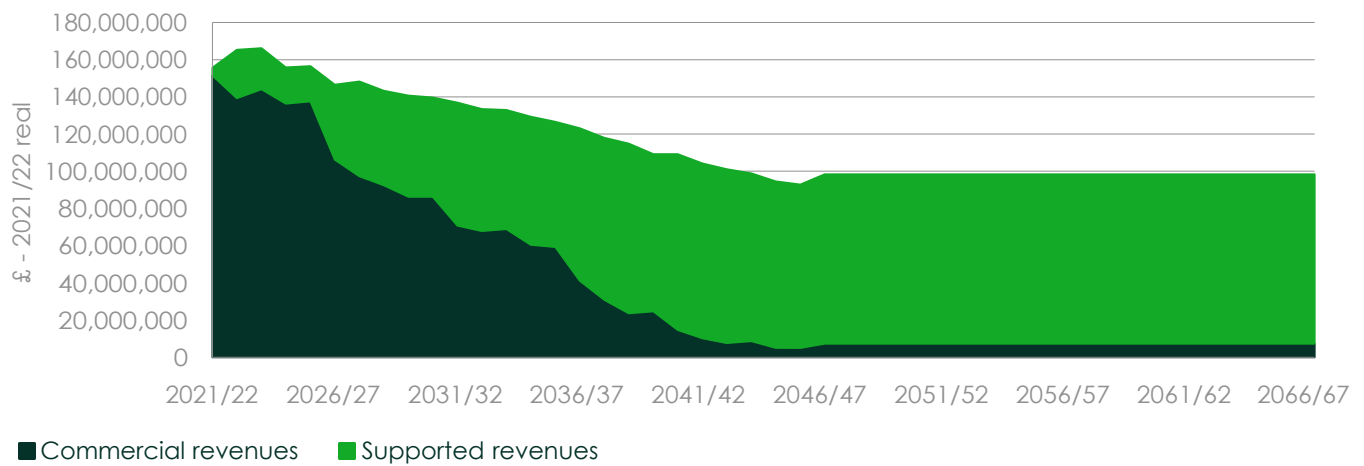


Source: Economic Case Charts Data provided by WYCA and Oxera calculations.⁴⁰

Note: Following 2045/46, revenues are equal to the average of the last five years of the 20-year forecast, and remain constant until the end of the 40-year appraisal period (in line with WYCA's methodology set out in para. 7.3.1 of the Economic Case).

⁴⁰ See West Yorkshire Combined Authority (2023), 'Economic Case Charts Data (203 KB) (xlsx)', excel file available at <https://www.yourvoice.westyorks-ca.gov.uk/busreform> (last accessed 4 December 2023).

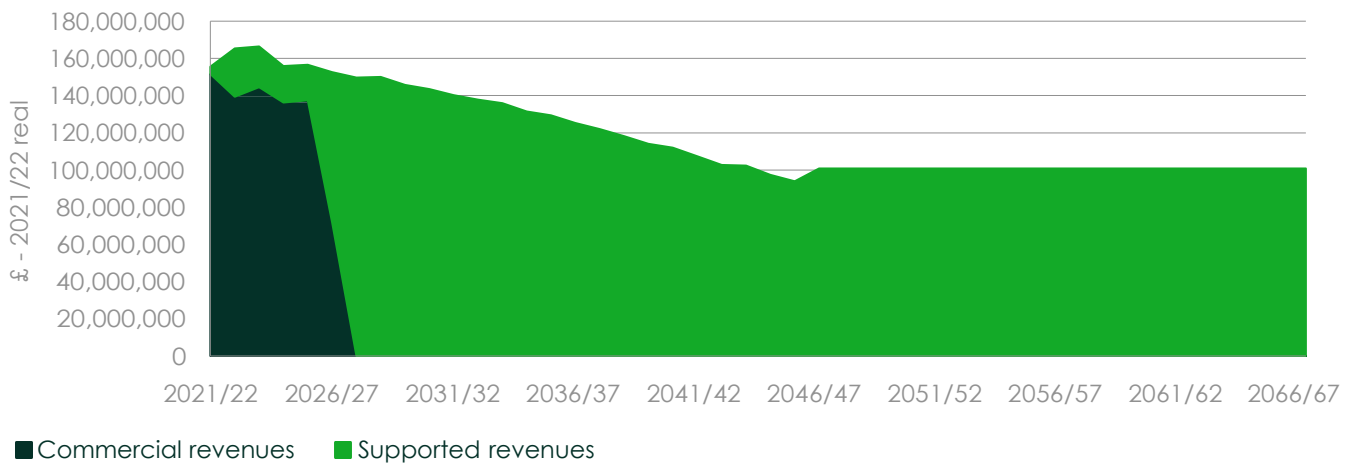
Figure 2.2 Revenues for EP+ option



Source: Economic Case Charts Data provided by WYCA and Oxera calculations.⁴¹

Note: Following 2045/46, revenues are equal to the average of the last five years of the 20-year forecast, and remain constant until the end of the 40-year appraisal period (in line with WYCA's methodology set out in para. 7.3.1 of the Economic Case).

Figure 2.3 Revenues for Franchising option



Source: Economic Case Charts Data provided by WYCA and Oxera calculations.⁴²

Note: Following 2045/46, revenues are equal to the average of the last five years of the 20-year forecast, and remain constant until the end of the 40-year appraisal period (in line with WYCA's methodology set out in para. 7.3.1 of the Economic Case).

⁴¹ See West Yorkshire Combined Authority (2023), 'Economic Case Charts Data (203 KB) (xlsx)', excel file available at <https://www.yourvoice.westyorks-ca.gov.uk/busreform> (last accessed 4 December 2023).

⁴² See West Yorkshire Combined Authority (2023), 'Economic Case Charts Data (203 KB) (xlsx)', excel file available at <https://www.yourvoice.westyorks-ca.gov.uk/busreform> (last accessed 4 December 2023).

2.1.4 Franchising

The second option evaluated against the EP reference case is **WYCA's Proposed Franchising Scheme**.

Under Franchising, potential operators would be required to bid for the right to operate bus services via a tender process. These rights would be contracted under gross-cost contracts, with any farebox revenues earned by operators passed back to WYCA. Accordingly, under the Proposed Franchising Scheme:

- **WYCA would bear full revenue risk;**
- **operators would bear cost risk over the contract term**, with cost overruns in excess of those forecast by the operator when bidding for the contract absorbed by them (and likewise underspends retained by the operator until the contract ends);
- **WYCA would bear cost risk over the medium to long term**, since cost shocks affecting the sector would be priced in by operators at the point of contract re-tendering;
- **operators' performances would be incentivised** and measured through a contractual performance regime.

As tendering authority, **WYCA would retain full control of the bus network**, including control over routes, frequency, fares and service standards. However, we understand that (as is the case under EP and EP+), in its Assessment WYCA does not assume any impact from bus priority in the appraisal of Franchising, since there will be 'limited or no difference in outcomes' between options.⁴³

Importantly, **the Franchising Scheme proposed envisages the authority owning the bus fleet**, with a gradual fleet transfer and investment in fleet ownership by WYCA over time. These assets would be provided to successful franchise bidders, without charge or for a peppercorn rent.⁴⁴ In addition, WYCA's Assessment treats the transition time and costs to zero emissions buses (ZEBs) as option agnostic—that is, it does not consider there would be differences between options in terms of the rollout of ZEBs.⁴⁵

⁴³ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 21 and 60.

⁴⁴ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 78.

⁴⁵ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 24.

WYCA's proposed scheme would cover all bus services within West Yorkshire, including school services.⁴⁶ The only exception would be services covered under the service permit regime, including: cross-boundary services (i.e. services not originating from West Yorkshire) and services due to be franchised but still running as deregulated services during the transition period.⁴⁷

WYCA envisages that there would be a gradual transition over several years before all bus services in West Yorkshire are franchised, with the first franchise contracts entering into force in April 2027.⁴⁸ Contracts would be procured in mixed-sized bundles to drive competition, and to help small- and medium-sized bus operators (SMOs) compete for contracts. WYCA has proposed fixed seven-year contract terms for franchises covering 'Category A Lots' (single large lots that are likely to provide opportunities for large operators). In contrast, WYCA has proposed that contracts for category B and C lots⁴⁹ will be determined on a case-by-case basis, though generally ranging between three and five years in duration.⁵⁰

2.2 WYCA's modelling framework

2.2.1 Outputs, enhancements and interventions assumed under each option

When examining the value for money of the options examined, WYCA assumes that both the EP+ and Franchising options will facilitate changes which in turn will deliver economic benefits. For example, WYCA considers that Franchising will enable improvements in journey quality, resulting from changes proposed to enhance customer experience under the BSIP, and through better integration with other public transit modes resulting in a small travel-time benefit to bus users.⁵¹ WYCA also claims that both of the options 'will have a positive distributional impact on bus users by making services more affordable',⁵² albeit with a larger

⁴⁶ One exception to this rule relates to school services that are run on a 'closed basis', since only students, teachers and supervisors are allowed on these buses.

⁴⁷ According to WYCA, another service category covered by the service permit regime would be 'any other services which are identified by operators which do not adversely affect the franchised services, and which are not wholly exempted from the franchising scheme'. See West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', pp. 45–46.

⁴⁸ West Yorkshire Combined Authority (2023), 'Appendix 4.1: Franchising Assessment—Financial and Data Model Databook', June, p. 19.

⁴⁹ These would be smaller lots, aimed at promoting competition within the market, including creating opportunities for SMOs to enter the market and/or grow.

⁵⁰ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 45.

⁵¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 125–126.

⁵² West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 127.

positive impact expected for Franchising than for EP+. We discuss these non-monetised impacts in section 2.3.2 below.

In addition, WYCA assumes that **the budget available to it for bus service provision in West Yorkshire is broadly equivalent across the EP reference case, EP+ and Franchising options.**⁵³

Critically however, **there are three drivers within WYCA's model which generate different quantified outcomes across the reference case, EP+ and Franchising options.** These are as follows.⁵⁴

- 1 **Required Margins.** WYCA assumes that higher average operator margins are required under both the reference case and EP+ than under Franchising. This assumption translates into more funding being available for bus services under Franchising, which would otherwise be earned by operators through higher margins.
- 2 **Network Enhancements.** WYCA's modelling reflects the assumed network enhancements that it considers can be delivered without requiring additional budget. It assumes the same frequency uplifts for EP+ and Franchising compared with the reference case, but assumes additional service rationalisation under Franchising compared with EP+.
- 3 **Fares and Ticketing Interventions.** WYCA assumes differing levels of fares and ticketing simplification across the reform options, which would generate additional demand for bus services. In addition, WYCA assumes that the resulting demand increases would—in turn—enable fares to be reduced by an equivalent amount: specifically, that a 2.5% demand increase assumed under Franchising through simplification would enable a reduction in average fares of 2.5%, while an increase in demand of 1.25% under EP+ would enable a reduction in average fares by 1.25%. WYCA assumes these fare reductions can be achieved in a manner which is revenue neutral.

These drivers are fundamental in explaining the difference in WYCA's Assessment of the value for money of the reform options considered. Given their importance in the economic case, we provide further

⁵³ There are minor differences in the budget available for bus services across the three options, driven by assumed administration costs of the EP+ and Franchising schemes. Specifically, the budget available for busses in West Yorkshire in 2027/2028 across the options (expressed in 2021/22 prices) are: £51.4m under the EP reference case; £50.5m under EP+, and; £49.0m under Franchising. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 44.

⁵⁴ This reflects our understanding based on: (i) information contained within the economic case; (ii) information received from WYCA in an email dated 9 November.

background to these drivers in section 3.1 before examining their impact on the economic case.

2.3 How WYCA evaluates costs and benefits

2.3.1 Monetised costs and benefits in WYCA's Assessment

WYCA uses the outputs from its modelling as the basis for assessing the value for money associated with each of the two options considered, relative to the outcomes which would otherwise be expected under the reference case.

The Authority's appraisal framework seeks to quantify the impact that each option is expected to have on different groups of users, including:

- **existing bus users**, which are expected to benefit from: reduced journey times through increased service frequencies on existing routes; the introduction of new routes;⁵⁵ and changes to fares and ticketing;
- **new bus users**, including those switching to bus from other modes and new passenger journeys previously not undertaken;
- **bus operators**, which will incur costs associated with additional service provision, while also earning additional revenues under EP+ and contract payments under Franchising;
- **society and the environment**, with expected benefits including lower greenhouse gas emissions, improved air quality and reduced levels of congestion and accidents (compared with levels expected with greater use of private vehicles);
- **the wider economy**, through improvements in productivity associated with agglomeration effects.⁵⁶

The appraisal summary metrics estimated by WYCA are shown in Table 2.1. This demonstrates how, according to WYCA's Assessment:

- 1 **the net benefit of both EP+ and Franchising as measured by the NPV is positive**, albeit the NPV is higher for the Franchising option;

⁵⁵ It should be noted that despite WYCA making a reference to 'new routes' within its summary of the benefits accruing to bus users under the reform options considered, in practice WYCA does not outline any new routes within section 2.2 of its economic case. We therefore assume that WYCA's reference to 'new routes' may be a reference to routes which continue to exist in the reform options but which would otherwise be discontinued in the reference case. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 12-16.

⁵⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 17-21.

- 2 **the benefit cost ratio (BCR)⁵⁷ for each option is considerably higher than 1 (falling within the ‘very high’ value for money category),⁵⁸** albeit higher for EP+ than for Franchising;
- 3 the inclusion of wider economic impacts (WEI) within the appraisal serves to increase the NPV and BCRs of both options.

Table 2.1 WYCA's economic case key appraisal outputs

2010 PV	Unit	EP+	Franchising
Present Value Benefits (PVB)	£m	620.30	950.10
Present Value Costs (PVC)	£m	114.00	221.90
Net Present Value (NPV)	£m	506.30	728.20
Benefit Cost Ratio (BCR)	–	5.40	4.30
PVB including WEI	£m	878.80	1,355.00
NPV including WEI	£m	764.70	1,133.10
BCR including WEI	–	7.70	6.10

Source: West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 138.

2.3.2 Non-monetised costs and benefits in WYCA's Assessment

In addition to the monetised costs and benefits mentioned earlier, in its Assessment WYCA also considers the non-monetised costs and benefits that might be expected under Franchising and EP+. These include, for example, the below.

- **Journey quality.** WYCA assumes that there will be benefits accruing to passengers under Franchising from the changes proposed in the BSIP to enhance customer experience, while the same benefits would be less likely to materialise under EP+ given the comparative difficulty of introducing changes proposed under the BSIP under this option.
- **Reliability.** WYCA notes that both EP+ and Franchising provide opportunities for reliability improvements to be made via

⁵⁷ It should be noted however that the BCRs estimated by WYCA is in fact a 'social BCR', which includes all benefits and revenues in the PVB and all costs in the PVC. This is distinct from traditional BCRs used in economic appraisal, in which the PVC only includes costs to the broad transport or bus budget.

⁵⁸ Established transport appraisal guidance on value-for-money assessments indicates that an option with a BCR below 1 is categorised as offering 'poor' value for money, while an option with a BCR above 4 is considered to offer 'very high' value for money. See Department for Transport (2015), 'Value for Money Framework', p. 25.

implementation of bus priority, or other measures aimed at reducing journey time variability.

- **Affordability.** WYCA argues that changes to regulation have the potential to affect the cost of travel on bus services across West Yorkshire. The Authority contends that the reduction in fares and changes to ticketing assumed under Franchising will have a positive distributional impact, particularly in deprived and low-income areas. It expects similar benefits in the case of EP+, albeit on a smaller scale.
- **Access to services.** WYCA argues that improved connectivity will enable improved bus services for West Yorkshire residents, enhancing their quality of life by improving their connectivity to education, healthcare, and other amenities. It considers that the impacts are likely to occur under both Franchising and EP+. ⁵⁹

WYCA's economic case concludes:

Both reform options, EP+ and Franchising, are shown to generate more benefits and revenue than the cost required to implement and operate them, when compared to the Reference Case. The forecasting and appraisal underpinning this Economic Case suggest that Franchising has a higher NPV (meaning a higher level of overall monetised impact) than EP+, and the Case has also concluded that the Franchising option generates a wider range and scale of non-monetised benefit [...] the EP+ option has a slightly higher BCR than Franchising – due to a lower net investment, but both options represent High Value for money, including when the DfT BCR approach is used. ⁶⁰

⁵⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 124–27.

⁶⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 150–51.

3 WYCA's value-for-money Assessment overstates the benefits and understates the costs of Franchising

Under the Transport Act 2000, WYCA is required to consider whether its Proposed Franchising Scheme would represent value for money.⁶¹ Value-for-money assessments usually include the computation of appraisal summary metrics such as NPVs or BCRs.

As noted in section 2.3.1, WYCA's economic case indicates that the NPVs of Franchising and EP+ are both positive, indicating that each scheme would deliver greater economic value compared with the EP reference case. In addition, WYCA's Assessment also suggests that the NPV of Franchising exceeds that of EP+.

However, **our assessment has revealed that there are material errors in WYCA's value-for-money analysis.** This is because WYCA's modelling:

- 1 over-estimates margins for commercial services in West Yorkshire;
- 2 makes unrealistic assumptions regarding service patterns;
- 3 overstates the impact that fares and ticketing simplification is likely to have from Franchising in West Yorkshire.

These errors mean that **WYCA's analysis overstates the benefits and understates the costs of introducing bus franchising in West Yorkshire.**

Furthermore, our analysis suggests that—when these errors are corrected—the Franchising Scheme as proposed is likely to offer worse value for money than the alternative EP+ option.

We now provide more details on the three key drivers of modelled outcomes in WYCA's economic case, then examine these issues in turn.

3.1 The main drivers of modelled outcomes in WYCA's economic case

As noted in section 2, **there are three drivers within WYCA's model which generate different quantified outcomes across the reference case, EP+**

⁶¹ See Transport Act 2000, Part II Bus services: franchising schemes.

and Franchising options. These relate to different assumptions between the three options regarding:⁶²

- average operator margins;
- network enhancements;
- demand and revenue impact of fares and ticketing interventions.

We provide further details on WYCA's assumptions across these three areas below.

3.1.1 Required margins

The required margins assumed for bus operators play a key role in determining outcomes within WYCA's modelling. This is because within WYCA's models, **operator margins represent an additional cost of service provision.** The implication is that (all else being equal):

- a lower operator margin will reduce the cost of service provision, such that a greater number of services can be provided for the same level of cost;
- a higher operator margin will increase the cost-of-service provision, such that fewer services can be provided for at the same level of cost.

Importantly, **WYCA assumes that higher average operator margins are required under both the reference case and EP+ than under Franchising,** due to the different revenue risks which operators would be exposed to under the different assumed market structures.⁶³ WYCA highlights the criticality of this assumption in its business case, noting that:

A key assumption in the modelling and forecasting of the Franchising option is that the profit margin of operating services on which the Combined Authority takes revenue risk, is lower than the margin which operators take where they retain revenue risk in the Reference Case and the EP+ option. Franchised services are assumed to have a margin of 7.5%, with this figure being based on a number of factors, such as level of competition, risk, and reward balance as well each operator's wider portfolio [...] This margin is lower than the existing operating margin on commercial services, estimated from operator data to average between 12% and 13% for West Yorkshire [...]

⁶² This reflects our understanding based on both: (i) information contained within the Economic Case; (ii) information received from WYCA in an email dated 9 November.

⁶³ Note, however, that WYCA assumes that the operators require the same margin for supported services under the EP reference case and EP+ as they would under franchised contracts.

[...] **This assumption, which applies to the Franchising option only, translates into funding being available for more bus services to be provided that otherwise would form part of operators' margin.** This is a result of funding being available for the Combined Authority to contract franchised services instead of being in operator margins for either of the EP options.⁶⁴ [Emphasis added]

3.1.2 Network enhancements

A second driver of differences in modelled outcomes between the options relates to network enhancements which can be delivered under EP+ and Franchising.

More specifically: under both options, WYCA would have a greater ability to secure enhancements to the bus network (relative to that which can be achieved under the EP reference case). Accordingly, the authority assumes that it will use this increased influence to implement changes which are beneficial from the perspective of the overall network, including reducing route duplication (which can lead to 'oversupply' of buses) and addressing uneven headways between services.

WYCA's modelling reflects the assumed network enhancements that it considers can be delivered without requiring additional budget. These interventions are not included in the Reference Case option, and therefore drive differences in the value of options being appraised.⁶⁵

In terms of specific differences between the two options:

- **EP+.** This option includes rationalisation and improved timetable coordination on various corridors across the region that are currently served by more than one operator, as well as service frequency improvements on a number of routes, which the Assessment assumes could be successfully negotiated with operators.
- **Franchising.** This option includes all of the service rationalisation/coordination and service frequency enhancements assumed under EP+, along with: (i) further service rationalisation and coordination improvements for specific

⁶⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 12.

⁶⁵ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 13.

routes; (ii) reduced service duplication enabling resources to be used elsewhere on the network.^{66, 67}

3.1.3 Fare and ticketing interventions

A third driver of differences in modelled outcomes between the options relates to assumptions regarding the impact of fares and ticketing interventions.

Under the EP reference case, there would be no change in the range and validity of tickets, with no resulting demand or revenue changes reflected in WYCA's modelling.

In contrast, under WYCA's Proposed Franchising Scheme a number of measures are assumed to improve and simplify bus ticketing in West Yorkshire. WYCA's Assessment assumes that these initiatives result in an increase in demand—the Authority cites a 2013 study by Nexus,⁶⁸ and notes that:

When evaluating comparable proposals, research for Nexus found that passengers perceived a willingness-to-pay benefit that would equate to an uplift in demand of 2.5% for extensive ticket simplification.⁶⁹

On the basis of this study, WYCA assumes a 2.5% increase in demand as a result of fares simplification under Franchising (relative to the EP reference case). In contrast, the Authority assumes only half of this demand increase would occur under EP+ (i.e. an increase of only 1.25% relative to the reference case).

In both cases, WYCA assumes that the demand increases resulting from fares simplification would—in turn—enable fares to be reduced by an equivalent amount (i.e. an average fare reduction of 2.5% under Franchising and 1.25% under EP+), and that this can be achieved in a manner which is revenue net neutral.⁷⁰

⁶⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 12–16.

⁶⁷ It should be noted that under the Franchising option, WYCA assumes that further network adjustments are made such that certain services that are currently tendered by WYCA (as supported services) would no longer need to be contracted separately.

⁶⁸ Nexus (2013), 'Simplified Ticketing Research'.

⁶⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 12–56.

⁷⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 56.

3.2 WYCA has overestimated the margins for commercial operators

3.2.1 The significance of operator margins in WYCA's modelling

As set out in section 3.1.1, the level of operator margins assumed is a key determinant of outputs in WYCA's modelling. This is because WYCA's modelling assumes the below.

- 1 Operators require a higher margin for operating commercial services than they do for operating franchised (or supported) services, since—under franchised (and supported) contracts—operators are not exposed to revenue risk.⁷¹
- 2 All else being equal, a lower margin serves to reduce the cost of bus-service provision. Because of this, a move from existing arrangements (i.e. EP reference case) to Franchising means that any assumed network configuration can now be delivered at a lower cost than under existing regulatory arrangements, or EP+.⁷²
- 3 Under the Proposed Franchising Scheme, WYCA assumes that savings secured from lower operator margins (following the move to Franchising)⁷³ allow for additional services and improved frequencies to be supported for a longer period.

This connection between lower margins and greater service provision plays a critical role in driving the estimated benefits of bus franchising in WYCA's model, including those accruing to bus users and non-users alike. This is because the quantified benefits (and costs) estimated in WYCA's appraisal are directly proportional to the degree of demand and service provision estimated to be delivered over the 40-year appraisal horizon for the EP+ and Franchising options.

The significance of this connection is summarised in WYCA's consultation document, which notes the following:

[...] the most fundamental economic impact [of Franchising] is the assumption of a reduced operating margin that will allow an increase in the number of bus services operating, bringing a variety of passenger benefits. Compared to the EP Reference Case existing bus users would

⁷¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 37.

⁷² It should be noted however that the scale of the potential saving from moving to existing arrangements to Franchising declines over time within WYCA's model, since the bus sector is expected to contract in future (irrespective of the regulatory arrangements assumed).

⁷³ In WYCA's modelling, these savings are expected to arise under franchising, as services which previously operated commercially by private operators are now provided as franchised services under tendered contracts.

see a reduction in journey times through increasing service frequencies on existing routes, and the introduction of new routes.⁷⁴ [Emphasis added]

The significance of margin assumptions within WYCA's modelling is also highlighted by the outcome of the Authority's sensitivity testing at the end of its economic case. This demonstrates how, for example, an increase in the assumed margin by 1.5 percentage points for franchised services within WYCA's model serves to reduce the estimated NPV of its Proposed Franchising Scheme by 15% (from £728.2m to £618.2m).⁷⁵

3.2.2 Operator margins assumed by WYCA

For franchised services

As outlined in section 2.2.1, WYCA assumes operator margins of 7.5% under Franchising contracts, as well as under contracts for supported services under EP+ and the reference case.⁷⁶ While WYCA does not explicitly state in its Assessment how this margin is actually defined, we understand through subsequent discussions with the Authority that this is an EBIT (operating profit) margin.^{77, 78}

WYCA indicates that this 7.5% assumption is based on data from the Bus Industry Performance Report 2020, which states that the average EBIT margin for operators outside London is between 7.5% and 8.5%.^{79, 80} We note, however, that this is an inappropriate use of this data given the policy context that WYCA is seeking to model within its analysis: this is because the 7.5–8.5% range cited within the Bus Industry Performance Report 2020 relates to profits required by bus operators which are exposed predominantly to farebox revenue risk (in contrast to the commercial structure envisioned by WYCA under its proposed Franchise contract model).

⁷⁴ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 67. As noted in footnote 55 however, we see no evidence within WYCA's Assessment that it intends to introduce new routes under Franchising.

⁷⁵ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 141.

⁷⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 39.

⁷⁷ EBIT is defined as earnings before investments and taxes. It is an accounting term which is used to measure a company's operating profits by measuring the percentage of revenue generated that was profit.

⁷⁸ Email from WYCA dated 1 December 2023.

⁷⁹ Bus Industry Performance Report, Table 11, p. 33.

⁸⁰ While it is not explicitly stated whether the EBIT margins considered in the Bus Industry Performance Report deduct operating leases used by operators for their fleets, we have assumed that this is deducted as operating lease costs appear in the calculation of operating costs shown in Table 8 of the report.

Nevertheless, WYCA also justifies the use of a 7.5% margin for franchised services in its modelling with reference to the Greater Manchester Combined Authority (GMCA) Bus Franchising in Greater Manchester Assessment, which also assumed a margin of 7.5% for franchised services. Although WYCA's suggest that data from the Bus Industry Performance Report corroborates their assumed margin constitutes an erroneous use of evidence, **we have reviewed the Manchester assessment—which draws on extensive analysis—and are comfortable that the 7.5% assumption is appropriate on this basis.** We summarise our understanding of the approach undertaken for the Manchester assessment in Box 3.1 below.



Box 3.1 Margins analysis for franchised services in Manchester

For the Manchester assessment, a benchmarking analysis of operator EBIT margins was undertaken by GMCA's external advisers.⁸¹ The advisers considered the London bus market to be the 'most appropriate comparator',⁸² since the contracting model applied in London was deemed to be 'closely aligned with the assumptions for the Transport for Greater Manchester franchise model'.⁸³ In particular, GMCA's advisers highlighted similarities in terms of (i) the allocation of risks between private operators and GMCA; (ii) the length of franchise contracts; (iii) the fact that operators in the London market would likely be bidders in Manchester's franchised market.⁸⁴ The analysis concluded that a 6–9% EBIT margin was appropriate under Franchising.⁸⁵

In order to account for differences between franchising in London and Manchester, GMCA's advisers studied various aspects of the Manchester scheme, including performance regimes, fuel costs, investment in fleet and depot, and the fleet leasing model.⁸⁶ Since these factors were only expected to have a neutral or slightly upward impact on the margin resulting from the benchmarking assessment,⁸⁷ GMCA's advisers concluded that an EBIT margin of 7.5% was appropriate for franchising.⁸⁸

While we do not have access to the study produced by GMCA's advisers, the methodology reported in the assessment appears reasonable and in line with the standards usually adopted when carrying out studies of this nature. Since WYCA has not undertaken an equivalent exercise to estimate the likely EBIT margins under its Proposed Franchising Scheme, we consider the use of GMCA's 7.5% assumption to be reasonable, especially in light of similarities between Manchester's and West Yorkshire's Proposed Franchising Schemes in terms of (i) allocation of revenue and cost risks; (ii) the length of franchising contracts.

Source: Oxera.

For commercial services

In contrast, WYCA's analysis assumes a higher operator margin for commercial services under EP+ and the reference case. Specifically, the Authority notes that while it has assumed a margin of 7.5% for franchised services:

This margin is lower than the existing operating margin on commercial services, **estimated from operator data to average between 12% and 13% for West Yorkshire.**⁸⁹ [Emphasis added]

It is unclear from WYCA's Assessment what specific margin is assumed for commercial operators under EP+ and reference case. Nevertheless, it is likely that WYCA has assumed an average value of somewhere within this range, since the range is repeated later on in the Assessment when WYCA asserts that:

the average margin assumed for supported services (assumed to be 7.5%) is generally lower than commercial services which average between 12%–13% for West Yorkshire (but vary by zone).⁹⁰

Accordingly, absent additional clarifications from WYCA, for the purposes of our assessment **we have assumed that WYCA has used an EBIT margin for commercial operators of 12.5%.**⁹¹

⁸¹ The benchmarking analysis undertaken is described in Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September. The described analysis largely relies on an external study prepared by external consultant and cited throughout the document: EY (2018), 'Operator Profit Margin'. This study is not publicly available.

⁸² Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September, p. 14.

⁸³ Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September, p. 14.

⁸⁴ Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September, p. 14.

⁸⁵ Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September, p. 15.

⁸⁶ Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September, p. 16.

⁸⁷ Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September, p. 16.

⁸⁸ The 7.5% margin is obtained by using the average margin resulting from the benchmarking analysis (7.1%), and adding 0.4 percentage points accounting for the differences between the proposed Manchester franchising scheme and the London scheme. Greater Manchester Combined Authority (2019) 'Bus Franchising in Greater Manchester Assessment—Financial Case Supporting Paper', September, p. 16.

⁸⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 12.

⁹⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 35.

⁹¹ Absent further information from WYCA we have had to assume what specific figure WYCA has assumed for commercial services within its modelling, as this informs the analysis presented later in this report.

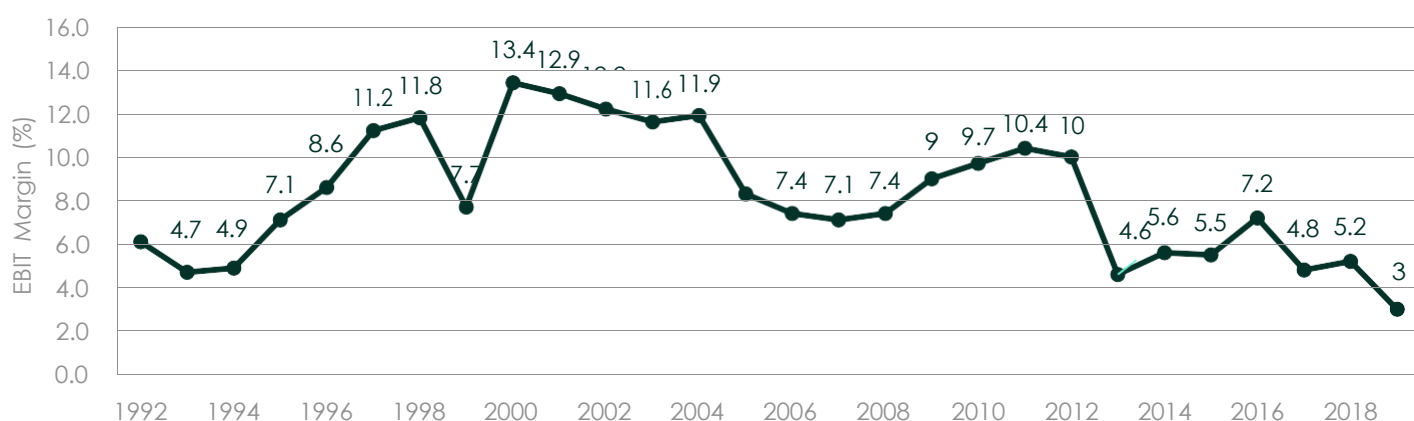
3.2.3 Why WYCA has over-estimated margins for commercial operators

As noted earlier, we have assumed that WYCA has used an EBIT margin for commercial operators within its modelling of 12.5%. WYCA claims this figure is based on estimates from operator data, with adjustments made 'to represent patronage recovery which has occurred since the data period, and allowing for the end in Bus Recovery Grant payments'.^{92, 93}

By analysing data on margins for local operators, **it is unclear how an average commercial operating margin this high could have been estimated.**

According to the latest Bus Industry Performance Report, the only period between 1992 and 2019 during which commercial EBIT margins in Yorkshire exceeded 12.5% was in 2000 and 2001. In contrast, from 2013 to 2019 inclusive,⁹⁴ operator margins ranged between 3.0% and 7.2%.⁹⁵ This is shown in Figure 3.1 below.

Figure 3.1 Operating Profits (EBIT) Margins in Yorkshire (1992–2019)



Source: Bus Industry Performance Report 2020, and Oxera analysis.

These margins represent those earned by operators in Yorkshire more broadly—rather than those in West Yorkshire specifically—and include

⁹² West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 12.

⁹³ We understand from WYCA that the net effect of these adjustments is to increase its estimate of commercial margins, though 'in the less than 1% range'. See WYCA's response to written questions from First Bus, issued 1 December 2023.

⁹⁴ Note that 2019 is the last year for which data is available.

⁹⁵ Bus Industry Performance Report 2020, Figure 7–9, p. 68.

non-commercial activities as well as commercial operations. Nevertheless, it is notable that margins observed across the broader region lie considerably below those estimated by WYCA for commercial services.

To estimate commercial margins for WYOs, we followed a three-step process:

- **Step 1**—estimated margins earned by WYOs across the totality of their operations in West Yorkshire;
- **Step 2**—estimated margins earned on supported services;
- **Step 3**—calculated commercial margins earned by WYOs by ‘stripping out’ margins earned on supported services from total operator margins.

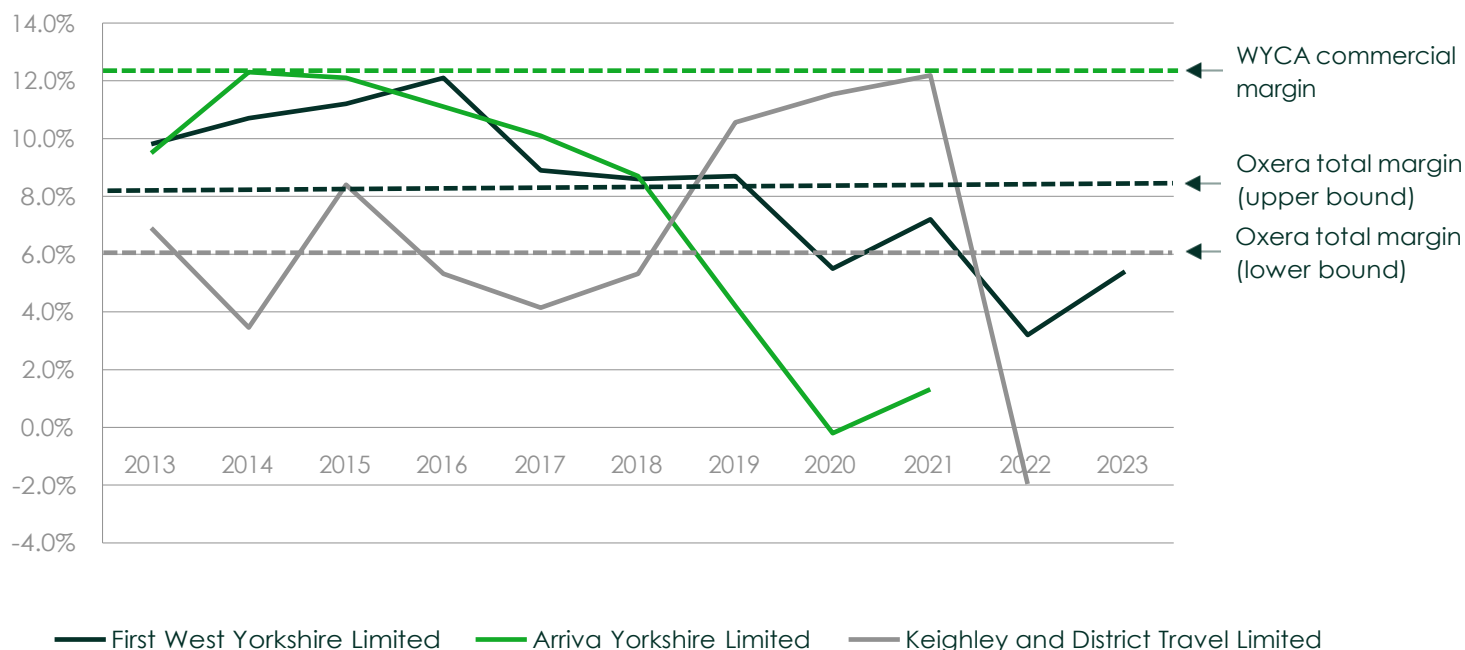
Step 1—estimating total operator margins

To estimate total margins for operators in West Yorkshire, we have used statutory accounts to estimate margins earned by the three largest bus operators within the region, namely: First West Yorkshire Limited, Arriva Yorkshire Limited, and Keighley and District Travel Limited. These three companies collectively carried approximately 98% of all passenger journeys in West Yorkshire during 2021/22, such that their margins should provide a reasonable approximation of margins earned by operators in West Yorkshire.⁹⁶

The operating margins generated by these three operators over the 2013–2023 period are summarised in Figure 3.2 below. We include WYCA's assumed margin for commercial operators here for reference.

⁹⁶ West Yorkshire Combined Authority (2023), ‘Bus Reform Assessment Economic Case—Final Economic Case’, September, p. 25.

Figure 3.2 Operating (EBIT) margins for private bus operators in West Yorkshire



Source: Oxera analysis based on Refinitiv and Companies House data.

Note: Oxera's lower (upper) bound estimate is equal to the three private operators 2018–2022 (2013–2022) average operating margin weighted by each operator market share in 2023.⁹⁷ The 2023 datapoint for First West Yorkshire Limited was provided by First West Yorkshire Limited. The 2022 datapoint for Arriva Yorkshire Limited was not available, and weighted averages shown above were calculated including this missing datapoint. The market shares of the three companies have been adjusted so that their aggregate market share equals 100%.

As our analysis shows, average operator margins for WYOs across all operations were:

- 6.0% over the last five-year period (2018–2022);
- 8.3% over the last ten-year period (2013–2022).

Step 2—estimating margins earned from supported services

The next step is to estimate margins earned by WYOs in connection with provision of supported services. We have relied on data provided to us by First Bus for this exercise, as we do not have equivalent information

⁹⁷ 2023 market share for First West Yorkshire Limited, Arriva Yorkshire Limited and Keighley and District Travel Limited are provided in West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 10.

for the other two operators within our sample (i.e. Arriva Yorkshire Limited and Keighley and District Travel Limited).

More specifically: First Bus has provided us commercial data across 17 groups of supported service routes during the first half of 2023/24.⁹⁸ This includes:

- revenues for each route;
- costs for each route, including a **CONFIDENTIAL [...]** overhead (we understand this is a standard figure used by First Bus for internal accounting purposes, based on year-to-date cost data);
- the proportion of mileage on the route which First Bus operates on a tendered basis.⁹⁹

First Bus' dataset includes routes for which the tendered mileage is equal to or greater than 20%. We understand that this dataset is representative of the supported services operated by First Bus, as the omitted routes (i.e. those where tendered mileage lies below 20%) are immaterial.¹⁰⁰

Using this data, we have estimated the margins earned from the provision of supported services by:

- 1 weighting revenues and costs for each route by the proportion of mileage operated on a tendered basis;
- 2 summing together the weighted revenues and weighted costs;
- 3 summing these two values together and dividing them by weighted revenues.

Using this approach, **we estimate an EBIT margin for supported services in West Yorkshire of -21.8%.**¹⁰¹

⁹⁸ Our initial data request for First Bus covered a time period commensurate with that used for our estimate of total operator margins (i.e. ten years). First Bus informed us that they do not hold historic data going back over such a time period, but also confirmed that there has been limited change in these figures year-on-year.

⁹⁹ We consider 'tendered mileage' in our analysis since—in practice—most of the routes that are tendered in West Yorkshire are part-tendered, with substantial parts of the route still run commercially (for example, a service which runs commercially throughout the day, but which requires subsidy to continue operating beyond 21.00).

¹⁰⁰ Email from First Bus dated 25 November 2023.

¹⁰¹ It should be noted that this is a conservative estimate, since we have excluded from this calculation revenues and costs which First Bus has earned from the provision of tendered school services. Since First Bus's margins are higher (or more specifically, less negative) for these school services than for other supported services it provides, the effect of excluding these from the calculation serves to lower our estimate of supported service margins. This—in turn—raises our estimate of commercial service margins (we estimate that including school services within this calculation would have served to reduce our estimate of commercial margins by 0.1%).

Step 3—estimating margins earned for commercial services

The final step in our analysis is to ‘strip out’ the effect of supported services from WYO’s overall margins, using our estimate of supported service margins obtained from step 2. To do this, we require an estimate of the ‘weight’ which supported services have within operators’ overall margins.

We estimate the ‘weight’ which supported services have within First Bus’s overall margin based on service kilometre data.¹⁰² We use service kilometre data rather than revenue data for this exercise, because—as explained earlier—we do not have revenue data covering all of First Bus’s supported services.¹⁰³ These calculations are shown in Table 3.1 below.

¹⁰² Note that this service kilometre data excludes tendered school services, to ensure consistency with our estimates of margins for supported services in step 2.

¹⁰³ Nevertheless, we consider weighting by revenue data is unlikely to materially change the figures, since we understand from First Bus that the value of omitted routes from the dataset (i.e. routes where tendered mileage is below 20%) is immaterial.

Table 3.1 Number of kilometres delivered by First Bus for commercial and supported services in West Yorkshire during FY23/24

	FY 23/24
Number of kilometres delivered for commercial services	33,200,926
Number of kilometres delivered for supported services	407,953
Total	33,608,879
Kilometres delivered for supported services (percentage of total kilometres delivered)	1.2%

Source: First Bus.

Table 3.1 Number of kilometres delivered by First Bus for commercial and supported services in West Yorkshire above shows that, during FY23/24, approximately 1.2% of kilometres travelled by First Bus's fleet related to the provision of supported services.

Based on this analysis, we estimate that commercial services carry a 'weight' of approximately 98.8% within operators' overall margins. We use this estimate—combined with the outputs of steps 1 and 2—to estimate operator margins for commercial services only. This is shown in Table 3.2 below.

Table 3.2 Private operators EBIT margins for commercial services only

	2018-2022 average	2013-2022 average
EBIT margin (incl. commercial and supported services)	6.0%	8.3%
EBIT margin (for commercial services only)	6.3%	8.6%

Source: Oxera analysis.

Notes: This analysis assumes that the proportion of 'supported service' kilometres to total kilometres is the same for Arriva Yorkshire Limited and Keighley and District Travel Limited as for First Bus. Our approach similarly assumes that the margins earned for supported services are the same for these two operators as they are for First Bus.

As shown in Table 3.2, **we estimate that average EBIT margins from commercial operations in West Yorkshire range between 6.3% and 8.6%**. These estimates lie considerably below the 12–13% range which WYCA has assumed in its Assessment.

3.2.4 WYCA's over-estimation of commercial margins means a substantial part of the value-for-money Assessment is flawed

As demonstrated in section 3.2.3, WYCA has over-estimated margins for commercial bus services within West Yorkshire. Our analysis suggests that a reasonable range of estimates for margins from commercial operations in West Yorkshire is 6.3%–8.6%: **the implication is that existing margins for operators in West Yorkshire may actually lie below the margins that WYCA assumes bus operators would earn from operating franchised services.**

WYCA's misestimation of commercial margins means **the Proposed Franchising Scheme offers considerably worse value for money** than outlined in WYCA's Assessment. This is because many of the presumed benefits of Franchising within WYCA's Assessment flow directly from the lower margins, which operators are assumed to earn for franchised services compared with those they would otherwise earn by running commercial (deregulated) services. The implication is that:

- the benefits which WYCA expects to deliver under Franchising—such as greater service provision—will cost more than it anticipates;¹⁰⁴ or,
- absent additional funding, the presumed benefits of Franchising (which are assumed to derive from lower average margins) will not, in practice, be delivered.

Without access to WYCA's models, it is not possible to quantify with precision the impact which a change in assumed margins would have on the NPV of WYCA's Proposed Franchising Scheme. This is due to the existence of interactions between margins and other drivers of demand within WYCA's modelling suite.

Nevertheless, **we can use outputs from WYCA's sensitivity analysis to produce a rough estimate of the extent to which the NPV of Franchising might change** if a more appropriate commercial margin assumption were used.

More specifically: in its Assessment, WYCA reports the results of a sensitivity test which examines how modelled outputs change if the margin for franchised services were increased by 1.5%. WYCA reports the result of this change as reducing the NPV of Franchising by 15% from

¹⁰⁴ We consider the scale of this additional funding requirement due to the over-estimation of commercial margins in section 4.1 below.

£728.2m to £618.2m.¹⁰⁵ Note that—based on an assumed margin for commercial services of 12.5%—**increasing margins for franchised services in WYCA’s modelling by 1.5% would be analogous to reducing the gap between franchised and commercial margins to 3.5%.**

Our review of the available evidence, however, suggests that—even using our upper estimate of commercial margins in West Yorkshire of 8.6%—**the gap in margins between commercial and supported services is in practice closer to 1%: this is three times smaller than the gap WYCA assumed in its sensitivity test.**

It is important to note that reducing the ‘margin gap’ by this amount will not necessarily have a proportional impact. That is, a reduction in the margin gap of three times as large will not necessarily lead to a reduction in the NPV surplus of Franchising by a factor of three. This is because there are likely to be complex interactions between margins assumed within WYCA’s analysis and other drivers of demand.

However, it is reasonable to assume that use of a more appropriate commercial margin within WYCA’s model would have resulted in a considerably larger decline in the estimated NPV of Franchising (i.e. a larger decline than 15%). This is because a more realistic assumption for commercial margins would have required a considerably larger change in the ‘margin gap’ than was implemented by WYCA when it produced this sensitivity. Accordingly, **we consider it reasonable to assume that use of a more realistic commercial margin estimate would result in a reduction in the NPV of Franchising at least twice as large as that reported by WYCA in its sensitivity test—or somewhere in the region of £200m to £250m—in 2010 PV terms.** Were this the case, the NPV of Franchising would be approximately in line with—or possibly below—the NPV of EP+ (which WYCA has estimated at £506.3m).

In summary, while it is not possible with the information provided to determine the exact impact that WYCA’s over-estimate of commercial margins has on its appraisal outputs, it is clear that the impact on the estimated value for money of Franchising would be substantial. Indeed, it is possible that use of a more accurate assumption for commercial margins would actually reduce the NPV of Franchising by such an amount that the NPV of EP+ would exceed it.

¹⁰⁵ West Yorkshire Combined Authority (2023), ‘Bus Reform Assessment Economic Case—Final Economic Case’, September, p. 141.

3.3 Service patterns and network enhancements

In its economic case, WYCA assumes that network enhancements—including significant frequency uplifts—will be delivered under both EP+ and Franchising, notwithstanding existing budget constraints.¹⁰⁶

It should be noted that WYCA does not provide details of the expected cost of these service enhancements in its Assessment, nor which specific services are assumed to be trimmed and cut over the appraisal period under each of the options considered. WYCA has also not provided additional clarifications on these points in response to written requests from First Bus.¹⁰⁷

Nevertheless, in spite of limited transparency regarding the assumptions underpinning WYCA's Assessment, **there is evidence to suggest that WYCA's assumed network enhancements are underpinned by optimistic assumptions** for at least the following reasons:

- The frequency uplifts assumed by WYCA under both EP+ and Franchising would appear to require substantial additional costs and many more drivers and buses to implement. Despite this, **WYCA has confirmed that in its modelling, 'Peak Vehicle Requirements (PVR) and headcount does not increase'**.¹⁰⁸
- Our analysis of First Bus data suggests that **the opportunities for efficiencies assumed from greater service co-ordination/rationalisations—particularly under Franchising—would be limited**.¹⁰⁹

The need for additional resource to deliver the enhancements assumed in WYCA's modelling would appear to suggest that either:

- this resource would be diverted from delivering other bus services elsewhere in West Yorkshire, such that a material number of existing services would need to be suspended (i.e. trimmed and cut) in order to deliver these enhancements;

¹⁰⁶ As noted in section 2.2.1, WYCA's modelling assumes that the budget available to it for bus service provision in West Yorkshire is broadly equivalent across the EP reference case, EP+ and Franchising options.

¹⁰⁷ Email from First Bus dated 3 November 2023.

¹⁰⁸ Email from West Yorkshire Combined Authority dated 1 December 2023.

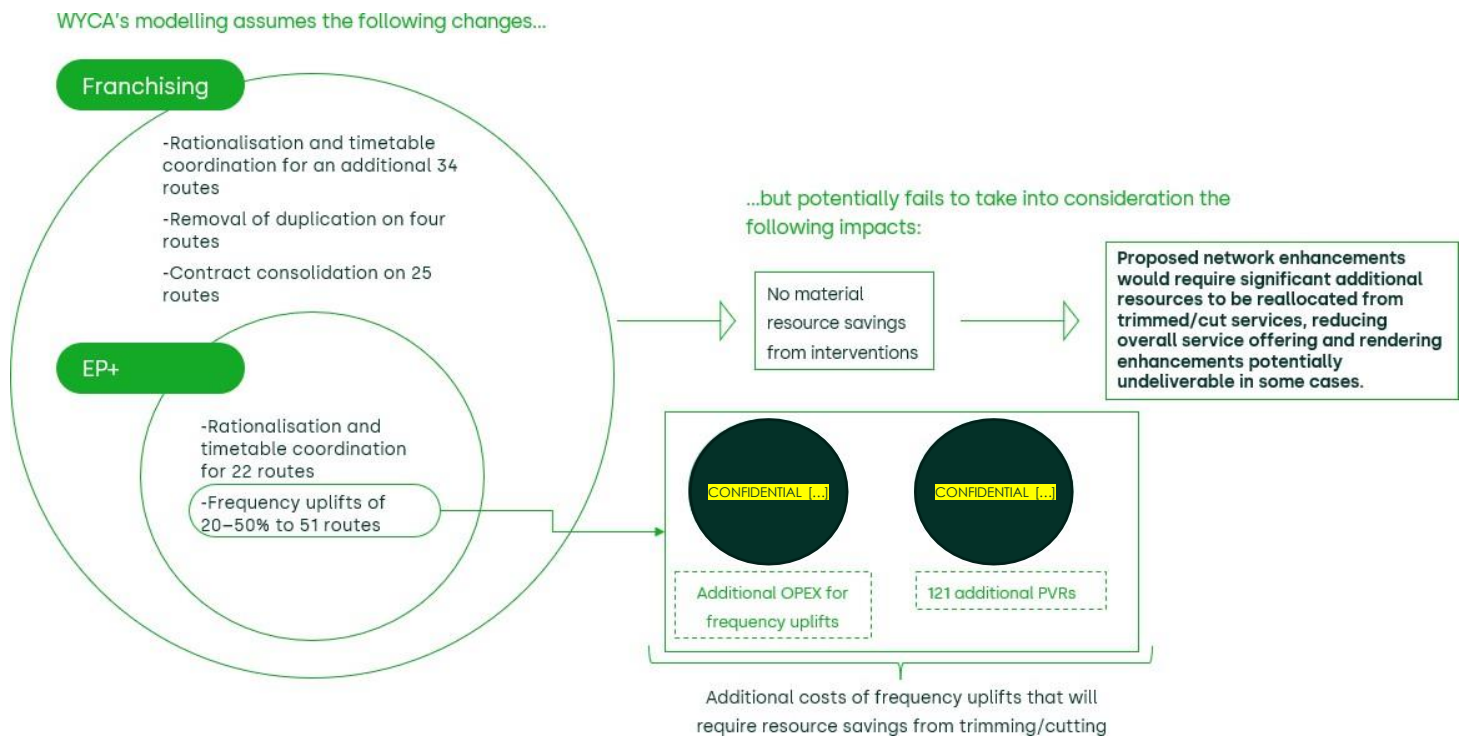
¹⁰⁹ Oxera's analysis was supplemented by additional analysis undertaken by Busreinvented, which has provided technical expertise to help inform Oxera's review of the operational and commercial assumptions underpinning WYCA's Assessment.

- these enhancements would simply not be delivered, since WYCA's modelling would instantly cancel (i.e. via trimming and cutting) the proposed additional services.

The opacity surrounding WYCA's modelling means it is not possible to determine which of these mechanisms (or some combination of both) has been modelled in practice. Nevertheless, it is reasonable to assume that **if WYCA's modelling made use of more realistic assumptions, this would have a substantial negative impact on the estimated value for money of the reform options considered.**

In Figure 3.3 below, we summarise how WYCA's optimistic assumptions likely distort WYCA's value-for-money Assessment of its Proposed Franchising Scheme and EP+.

Figure 3.3 How WYCA's optimistic assumptions distort its value-for-money Assessment



Source: Oxera.

In light of the above, **we consider that the information on network enhancements presented in WYCA's Assessment is misleading.** In particular, the Assessment appears to not fully articulate the impact of

introducing WYCA's proposed frequency uplifts on other bus services in West Yorkshire, which could be substantially reduced to accommodate these enhancements. Due to the lack of information made available, we are unclear whether the full impacts have been taken into account in WYCA's value-for-money analysis.

Below, we outline the analysis we have undertaken which underpins these conclusions.

3.3.1 It is unclear whether the costs of the frequency uplifts proposed have been fully accounted for within WYCA's Assessment

Under the EP+ option, WYCA proposes two types of enhancement:

- 'rationalisation'¹¹⁰ and improved timetable coordination'¹¹¹ on 22 key routes that are currently served by more than one bus operator;
- frequency uplifts (of 20–50%) for 51 routes.

WYCA's Assessment assumes these enhancements are also implemented under Franchising. However, in addition to these changes, under Franchising WYCA also assumes that:

- there would be improved coordination and rationalisation on an additional 34 routes;¹¹²
- service duplication could be removed on a further four routes;¹¹³
- an additional 25 routes would no longer need to be contracted as separate services.¹¹⁴

It should be noted that it is unclear how the frequency uplifts proposed under EP+ and Franchising have been determined.¹¹⁵ **We understand through discussions with WYCA that the routes identified were not agreed in advance with either the operators or the Authority's own**

¹¹⁰ While 'rationalisation' can have different definitions depending on context, we understand rationalisation in this context to be defined as optimising the network by reinvesting cost savings from bus reform. This can include reducing or increasing service supply on individual routes. It can also include reallocating services from more lucrative routes to undersupplied routes, improving headways, establishing a hierarchy of routes, changing bus stop locations to better reflect density, etc. See Niger, M. (2011), '[Rationalizing Public Transport: A Euro-Asian Perspective](#)', University of Twente, The Netherlands, p. 3.

¹¹¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, para 2.2.5.

¹¹² West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, para 2.2.8.

¹¹³ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, para 2.2.9.

¹¹⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, para 2.2.10.

¹¹⁵ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, Table 2.

technical advisers,¹¹⁶ which raises questions regarding the feasibility of these assumed network enhancements.

It is also unclear what costs WYCA considers would be incurred to deliver these frequency improvements.

In its Assessment, the Authority states that:

The cost of service frequency improvements is represented based on the proportional change in service kilometres (based on the change in frequency), and change in PVR estimated by the Combined Authority's bus services team.¹¹⁷

However, while WYCA has published details of its cost forecasts for each of the options considered, one cannot infer from these the costs associated with delivering these frequency uplifts alone. This is because the cost data provided by WYCA is published in an aggregated format, and shows modelled outturn costs after the effects of trimming and cutting have taken place.¹¹⁸

Nevertheless, in spite of the opacity surrounding WYCA's cost assumptions, **we have produced a high-level estimate of the costs associated with delivering these frequency improvements**, based on First Bus data.

Our approach—which is summarised in appendix A4—involves applying a proportional increase in bus hours that would be required to operate this level of service. For example, for a route on which services are expected to increase from once every 15 minutes to once every ten minutes, the modelling assumes that an uplift in bus hours of 50% will be required.¹¹⁹ This uplift would result in an additional **CONFIDENTIAL [...]** hours per route on average, and up to **CONFIDENTIAL [...]** additional PVR, as shown in Table A4.1 of appendix A4.

Our analysis suggests that **the cost of delivering these additional frequencies for only First Bus' routes proposed by WYCA would be**

¹¹⁶ Discussion with WYCA on 24 November 2023, subsequently confirmed in writing via email from WYCA dated 1 December 2023.

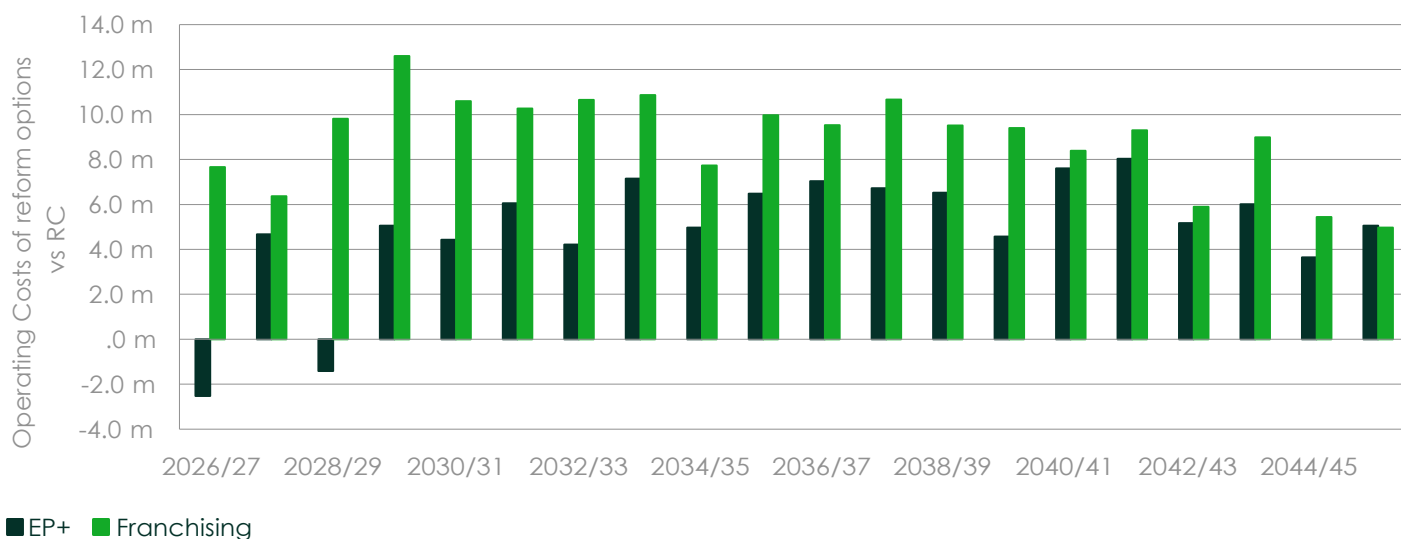
¹¹⁷ Economic Case, para 5.3.3.

¹¹⁸ West Yorkshire Combined Authority (2023), '[Economic Case Charts Data \(203 KB\) \(xlsx\)](#)' (last accessed 4 December 2023).

¹¹⁹ The data to undertake this calculation is commercially confidential, but we understand that First Bus is willing to provide this analysis in confidence to WYCA should they wish to verify this.

CONFIDENTIAL [...]¹²⁰ This substantially exceeds WYCA’s forecast of the increase in operating costs under Franchising in any given year—as shown in Figure 3.4 below, the maximum difference in operating costs under Franchising (relative to the EP reference case) is only £12.6m¹²¹ in 2029/30.

Figure 3.4 Franchising and EP+ operating cost estimates relative to reference case (£ 2021/22 prices)



Source: West Yorkshire Combined Authority (2023), ‘Bus Reform Assessment Economic Case—Final Economic Case’, September, figures 11–13. .

We cannot say with certainty based on this evidence alone that WYCA has underestimated the operating costs of these frequency increases. This is because there may be interactions in the model which mean that—even if the model assumes these frequency increases cost roughly **CONFIDENTIAL [...]** per annum to deliver—via the trimming and cutting process some of these (or other) services are removed to ensure WYCA’s budget constraint is respected. Nevertheless, given the considerable opacity surrounding the assumptions underpinning WYCA’s model (and absent further clarification regarding the costs and service

¹²⁰ In 2021–22 prices (or **CONFIDENTIAL [...]** per annum in nominal prices). See Bank of England, ‘Inflation calculator’, <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>.

¹²¹ In 2021–22 prices.

patterns assumed), this does raise questions regarding the robustness of the cost estimates used in WYCA's modelling.¹²²

There are also questions as to whether WYCA has underestimated CAPEX costs needed to deliver these frequency enhancements.

As outlined in appendix A4, we estimate that delivery of the frequency uplifts proposed by WYCA would require an additional 121 PVR, based on a 12% spare capacity requirement. Assuming a cost of £259,000 per vehicle (2021–22 prices) in line with WYCA's assumptions in the economic case,¹²³ **this implies a CAPEX cost of CONFIDENTIAL [...] ¹²⁴ to WYCA under Franchising** (or to operators under EP+).

In response to a question from First Bus regarding the interactions between operating costs and PVR requirements within WYCA's modelling, the Authority indicated that due to the trimming and cutting processes, no additional PVR or headcount is required, and that 'the modelling [in the Assessment] illustrates a reallocation of present resources onto these services'.^{125, 126} On the basis of this response, it is reasonable to assume that:

- no account has been taken of the additional PVR requirement for running these services (or if it has, this means an immediate and considerable decline in service provision elsewhere in West Yorkshire);

¹²² We note that in response to a question from First Bus regarding the costs of individual services assumed within WYCA's modelling, the Authority responded indicating that 'revenue and cost information for individual services cannot be provided without breaching confidentiality requirements or affecting the operation of the model'. See email from WYCA to First Bus dated 31 October 2023.

¹²³ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, para 5.4.2. This assumes ZEBs are purchased to run these additional services and that they are purchased under the ZEBRA scheme where DfT part funds the costs. Note ZEBRA is a competitive fund, and there is no commitment that it will run beyond the current spending review period that ends in 2024/25. Therefore, there is no guarantee that these contributions will be made by the DfT. Nevertheless, the costs to DfT should also be included in the Present Value of Costs, NPV and BCR calculations as they are costs to the Broad Transport Budget. If the full per-vehicle cost of £434,677 is used (see West Yorkshire Combined Authority (2023), 'Bus Reform Assessment— Appendix 3.2: Franchising Case Fleet Strategy', September, p. 6), the total costs for the additional 121 PVRs required is CONFIDENTIAL [...] in nominal terms or CONFIDENTIAL [...] in 2021–22 prices.

¹²⁴ In 2021–22 prices

¹²⁵ WYCA email to First Bus dated 1 December, 2023.

¹²⁶ It should be noted however that this point appears to be contradictory to WYCA's economic case, which states that: 'Most of the frequency uplifts to services [...] [assumed] are uplifts back to the service provided pre-Covid-19. It is therefore a reasonable assumption that there is sufficient depot capacity to accommodate these changes.' The implication of this statement is that WYCA has assumed that a higher PVR would be needed to deliver these increases in service frequencies. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 17.

- WYCA's modelling also does not account for the increase in depot capacity which would be required to accommodate additional vehicles, since it assumes there is sufficient capacity.

As outlined in section 3.3.2, there appear to be no opportunities to deliver material efficiencies through the other network changes WYCA has identified (i.e. through service co-ordination and rationalisation).

The implication is that **the costs of the frequency enhancements proposed—which amount to CONFIDENTIAL [...] per annum in OPEX and CONFIDENTIAL [...] in CAPEX¹²⁷—cannot be delivered within WYCA's assumed budget for bus services.** If WYCA has assumed material efficiencies from network changes, it follows that either:

- the proposed frequency enhancements will not be delivered; or,
- (assuming the budget for bus services cannot be increased) delivery of these services will require offsetting cuts to other services within West Yorkshire—which are not presently accounted for within WYCA's modelling.

These issues affect both reform options considered. However, the effect is likely to be more pronounced for the Proposed Franchising Scheme, given the greater degree of assumed network enhancements.

It should also be noted that **WYCA's Assessment does not appear to consider the impact which increasing traffic flows might have on costs of delivering frequency improvements.**

More specifically: WYCA's decreasing bus patronage forecast implies a corresponding increase in car use and congestion. Because of this—absent provision being made for bus priority schemes to manage this congestion—it is likely that the frequency uplifts assumed by WYCA will result in slower and more variable services, with additional operating costs required for extra fleet and drivers to maintain headway. It is unclear how, if at all, this has been treated by WYCA in its Assessment as there are no relevant references to traffic or congestion in its economic case.

3.3.2 The other network enhancements proposed provide negligible opportunities for resource savings

Information from First Bus suggests that **in practice, no material resource¹²⁸ savings are likely to be achieved through the timetable**

¹²⁷ This includes both the OPEX and CAPEX costs identified, and is expressed in 2021-22 prices.

¹²⁸ Resources that determine operational feasibility include drivers, fleet, depot utilisation, etc.

coordination and rationalisations assumed by WYCA under EP+ and

Franchising (i.e. the other network enhancements proposed by WYCA).

This is shown in Table 3.3 below, which outlines the 22 routes for which WYCA proposes greater timetable co-ordination or rationalisations, and our understanding of the actual scope for efficiencies.

Table 3.3 Impact of WYCA's timetable coordination and rationalisation along proposed routes

Area	Proposed	Service	Operator	Route	Additional details	Potential Resource Savings (drivers, fleet, depot, etc.)
Kirkstall Corridor	Coordination	60	Transdev (Keighley)	Keighley–Leeds	Interworks with 60A. Sun frequency dependent on stop	No resource savings identified
		A1	Transdev (Flyer)	Leeds–Bradford Airport		
		33	First Bus	Leeds–Otley		
		34	First Bus			
Harrogate Road	Coordination	36	Transdev (Harrogate)	Ripon & Harrogate–Leeds	Interworks with 3A	No resource savings identified
		2	First Bus	Thorpe Lane–Harehills		
		3	First Bus	White Rose Centre–Harehills		
Bradford Road	Coordination	328	First Bus	Balmoral Avenue–Bradley	Service does not exist	No resource savings identified
		327				
		360	Transdev (Team Pennine)	Bradley–Huddersfield		

Area	Proposed	Service	Operator	Route	Additional details	Potential Resource Savings (drivers, fleet, depot, etc.)
		549	First Bus	Halifax–Huddersfield	Incorrectly identified by WYCA—this route does not operate on Bradford Road	
Hipperholme Rationalisation		548	First Bus	Halifax–Rastrick	WYCA aiming to uplift to	No resource savings identified
		549	First Bus	Halifax–Huddersfield	4bph with BSIP+ funding (+3 PVR)	
		255	Arriva	Leeds–Brighouse/ Halifax	Proposed uplift to 30 min in 2.2.6	
Illingworth	Rationalisation	502	Transdev (Team Pennine)	Keighley–Halifax		No resource savings identified
		526	Transdev (Team Pennine)	Halifax–Bradshaw, Queensbury & Shelf		
Pellon Lane	Coordination	20	Transdev (Team Pennine)	Halifax–Rye Lane		No resource savings identified
		509	First Bus	Halifax–Mixenden Circular	Interworks with various	
		510	First Bus	Halifax–Mixenden Circular		
		512	First Bus	Halifax–Mixenden Circular		
		513	First Bus	Halifax–Mixenden Circular		
		21	Transdev (Team Pennine)	Halifax–Highroad Well		

Note: WYCA's modelling assumes these interventions take place under both EP+ and its Proposed Franchising Scheme.

Source: Oxera based on data provided by First Bus.

As Table 3.3 shows, WYCA's modelling assumes that greater timetable co-ordination can be achieved across 17 of the 22 routes identified. However, **timetable coordination itself does not lead to any individual operator being able to reduce their respective buses per hour.** This is because the same number of buses would still be required to be operated in most cases, just with slightly different schedules. As such, these interventions result in little or no savings to operating costs, or reductions in PVR.

In addition, several of these 17 routes are subject to interworks.¹²⁹ **Where interworks are applicable, any attempt to improve timetable coordination—with a view to reducing or transferring resources elsewhere—will have knock-on effects on the efficiency of the other connected route.** While a relatively minor change would be expected to have a limited (most likely negative) impact, a major change would require all connected routes to also be rescheduled, to restore the original efficiency level. This level of complexity does not appear to have been considered in WYCA's Assessment, suggesting that the efficiency realisations it assumes will be achieved through timetable coordination are unlikely to materialise in practice.

The remaining five routes that WYCA proposes to rationalise result in no changes to the resources required, and thus do not lead to material cost savings. In a few instances, such as routes 548, 549, and 255 in Hipperholme, there are limited opportunities for rationalisation, particularly in light of the fact that WYCA are simultaneously proposing rationalisation and frequency uplifts on route 255.¹³⁰ While these interventions may deliver improved headways¹³¹ on those routes, they are unlikely to lead to material cost savings.

Under Franchising, we understand that there are some limited opportunities for cost savings. Specifically, there is scope to reduce one PVR and three drivers by consolidating parts of routes 19, 19A, and 164 along York Road in East Leeds, as well as along routes 616 and 619 in Bradford—a fraction of the PVR and driver totals required for those routes. **We understand that these changes could be expected to deliver savings of only around £400k per annum,¹³² and that no savings should be expected from the remaining 29 routes identified.**

¹²⁹ We understand interworks in this context to refer to bus routes that operate together, often because they link two separate, heavily utilised routes through important connections.

¹³⁰ Economic Case, para 2.2.6.

¹³¹ Headways are defined as the time between bus arrivals at a given bus stop.

¹³² In 2021–22 prices. This assumes that one PVR results in savings of approximately **CONFIDENTIAL** [...] bus hours.

In addition to these proposed rationalisations, under its Proposed Franchising Scheme, WYCA also assumes it will:

- 1 remove duplicate services;
- 2 amend tenders for supported services such that some services would no longer need to be contracted separately.¹³³

On the first point, WYCA states that:

for interventions on routes where two or more operators are currently competing, a reduction in PVR is assumed to represent the efficiency gained from avoiding duplication of the network.¹³⁴

However, we understand that while in some areas there may be service duplication between operators (such as along York Road in East Leeds), in practice there are limited opportunities for resource savings, as these services cover unique areas along the same route. In other cases, service duplication exists only along a small part of a much longer route, such that removal of duplication cannot occur without making more substantial changes to the network.

It is also unclear how incorporation of supported services contracts into wider franchise contracts would reduce resource requirements.¹³⁵ WYCA states that the resource saving is modelled 'through an estimated reduction in PVR on that of the tendered service'. However, as the existing services would adjust or extend their route to cover the tender, no reduction in mileage is assumed.¹³⁶

A lack of transparency in WYCA's Assessment means we cannot verify how a reduction in PVR with no reduction in mileage has been modelled as a net saving. However, **absent additional information, this necessarily raises questions as to whether WYCA's modelling is accurately reflecting costs associated with the interventions it proposes under bus Franchising.**

¹³³ Economic Case, para 2.2.10.

¹³⁴ Economic Case, para 5.3.6.

¹³⁵ The incorporation of supported services contracts into wider franchise contracts may lead to some administrative savings through reduced tendering costs. However, it is unlikely that this intervention would result in material efficiencies in terms of resource savings.

¹³⁶ Economic Case, para 5.3.5.

3.3.3 WYCA's modelling does not appear to take account of transition costs associated with implementing these network enhancements

Any benefits stemming from the proposed network enhancements would take time to materialise. However, based on our review of the demand forecasts in the economic case and the cash flow tables in the financial case, it appears that **WYCA does not account for the lag between investment required for route development—i.e. new routes, or route alterations—and the realisation of increased demand and revenue** from these interventions.

There is well established evidence that completely new routes or major route revisions can take up to several years to build mature demand and revenue levels. For example, econometric evidence indicates that the long-run elasticity of bus demand with respect to service levels is roughly twice as high as the corresponding short-run elasticity—the implication is that **consumers are almost twice as responsive to service changes in the long-run.**¹³⁷ Pure frequency increases on existing busy routes will also have a lead time of several months to reach demand and revenue maturity.

WYCA does not appear to have considered the working capital required to fund new routes or frequency development to cover the time gap between when it would incur the operating cost of its proposed interventions, and when demand and revenue maturity would finally be reached. It is possible that the Authority's demand forecasts factor in a gradual increase in frequencies, to take account of this lag. However, the figures presented in WYCA's cash-flow tables suggest this issue has not been considered. This suggests WYCA's modelling assumes its proposed route and frequency increases will reach demand and revenue maturity immediately.

3.3.4 Conclusion on network enhancements

In reviewing the routes considered under WYCA's proposals for EP+ and Franchising, it appears that the frequency uplifts assumed under both reforms would likely result in substantial costs, and would therefore require patronage growth to be sufficiently viable to offset these costs. This is difficult to reconcile with WYCA's forecast of declining bus patronage forecast over the appraisal period. Furthermore, it is not clear that there are sufficient opportunities for rationalisation and

¹³⁷ Specifically, these elasticities have been estimated at 0.38 in the short-run and 0.66 in the long-run. The implication is that consumers are almost twice as responsive to service changes in the long-run. See TRL Limited (2004), [Report TRL 593: 'The demand for public transport: a practical guide'](#), Table 7.32.

improved coordination that would result in material cost savings that would have any bearing on the frequency uplift costs. Therefore, we conclude that the trimming and cutting necessary to offset the considerable OPEX (**CONFIDENTIAL [...]** per annum) and CAPEX (**CONFIDENTIAL [...]**) costs of the proposed frequency uplifts will be significant.

It is not possible to ascertain the magnitude of the impacts, since insufficient information has been made available. However, there is sufficient evidence to conclude that WYCA assumes significant network enhancements under EP+ without appearing to sufficiently consider the resource costs or implications on the wider network.

As a result, there are material concerns that the Assessment either understates the costs to deliver the proposed level of benefits and/or overstates the benefits of Franchising (and EP+) and therefore the network enhancements proposed are likely undeliverable for the fixed level of budget assumed. Since Franchising sees a further step change to the EP+ network enhancements, it is likely that these impacts are greater for Franchising. Although it is not possible to quantify the impact of these, it is possible that the **true NPV is substantially lower than reported for both EP+ and Franchising—with Franchising seeing a much larger fall in the NPV.**

3.4 Fares and ticketing simplification

As noted in section 2.2.1, WYCA's economic case sets out the assumed impact of simplified fares and ticketing on demand and revenues under Franchising and EP+.

WYCA defines 'fares simplification' under EP+ in terms of a reduction in the number of multi-operator tickets, additional fare capping and concessionary schemes. In contrast, under Franchising, simplification is assumed to be achieved through the introduction of a single fares channel or app.¹³⁸

It is important to note that **no further detail is provided of the impact on the actual fare paid under either option**, including the proportions of passengers who will see their fare rise or fall as a result of fares simplification. Instead, as noted in section 2.2.1, WYCA simply states that:

¹³⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 56.

- fares simplification increases demand by 2.5% for Franchising and 1.25% for EP+, thus leading to more revenue in aggregate;
- this increase in revenue enables a corresponding reduction in fares by the same magnitude, in a manner which is revenue neutral.¹³⁹

3.4.1 WYCA's assumptions regarding the impact of fares and ticketing simplification rely on questionable evidence

WYCA provides limited evidence to substantiate the presumed impacts of fares simplification arising under EP+ and Franchising. The exception is a single study by Nexus from 2013.¹⁴⁰

The Nexus study is based on the willingness-to-pay values for 'extensive ticket simplification', which are derived in reference to a baseline ticketing system (Tyne and Wear in 2012). It is important to note that, the willingness-to-pay values are sensitive to the baseline against which ticket simplification is compared. This is critical, because the baseline considered in the Nexus report is different from the baseline situation in West Yorkshire: a region which has already witnessed extensive fares simplification through 'the Mayor's Fares, which caps single fares at £2 and day tickets at £4.50.¹⁴¹ WYCA's failure to take this into account means it has likely overestimated the impact which fares simplification is likely to have on demand under Franchising.

In addition, this research by Nexus was conducted and published over a decade ago. **Given considerable developments in ticketing and payment methods which have been introduced since 2013, the Nexus study findings are unlikely to be applicable to current market conditions.** For example, cross operator contactless payments are now available in West Yorkshire¹⁴² and—as of 2018—the MCard smartcard has made Pay-As-You-Go bus use more accessible.¹⁴³

Indeed, even when analysis by Nexus on simplified ticketing was used as evidence to support a proposed Quality Contracts Scheme (QCS) in Tyne & Wear in 2015, the QCS Board reviewing the proposed scheme stated 'fares and ticketing is the fastest moving element of public

¹³⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 56.

¹⁴⁰ Nexus (2013), 'Simplified Ticketing Research'.

¹⁴¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case—Final Strategic Case', September, p. 82.

¹⁴² See, for example, Leeds City from First Bus website, '[Secure contactless payments are now available on all of our buses](#)'.

¹⁴³ West Yorkshire Combined Authority (2018), 'Pay As You Go available on buses throughout West Yorkshire with MCard', 1 January.

passenger travel'.¹⁴⁴ As a result, to reflect possible changes to ticketing and fares that could come into effect before the proposed QCS would be operational, the QCS Board required that a 12.5% discount was applied to the monetary benefit estimated to arise from simplified ticketing.¹⁴⁵ This shows that the relevance of Nexus' analysis on simplified ticketing to changing market conditions was being called into question back in 2015, at the time the proposed QCS was being assessed.

Furthermore, **a study in 2014 found that the 2013 Nexus Simplified Ticketing Research study suffers from several design and analytical issues.**¹⁴⁶

Specifically, the Nexus study involved a survey that drew on two methods: Method 1, which involved a face-to-face survey (800 interviews) conducted in and around Tyne and Wear, and Method 2 which involved a household survey (2,641 survey returns). Method 1 identified a positive 2.2% uplift to adult patronage, and Method 2 a 2.3% positive uplift to adult patronage. However, the 2014 review of the study found that Nexus' results were unlikely to be a realistic estimate of the demand impact of fares simplification for the following reasons.¹⁴⁷

- **The survey sample and sub-sample were not representative—** firstly, 50% of the responses to the household survey were from those aged over 60,¹⁴⁸ which was more than the proportion in that age group in the region at the time (22.7% in the 2011 census).¹⁴⁹ It is unclear whether this segment of the population was included in the later analysis, but the disproportionate representation of one demographic group (which does not pay for bus travel after 9.30) suggested that the sample was unlikely to be representative. Secondly, Nexus states that 'For a large part of the analysis, only those with adult single or day tickets were considered'.¹⁵⁰ This provided a sub-sample 848 responses, which is equal to a third of all responses.¹⁵¹ This does

¹⁴⁴ The Quality Contracts Scheme Board (2015), 'Proposal for a Quality Contracts Scheme in Tyne & Wear – Opinion', May, p. 44.

¹⁴⁵ The Quality Contracts Scheme Board (2015), 'Proposal for a Quality Contracts Scheme in Tyne & Wear – Opinion', May, p. 44.

¹⁴⁶ Oxera (2014), 'Tyne and Wear QCS proposal – An independent economic assessment of the supplemental consultation', 4 June.

¹⁴⁷ Oxera (2014), 'Tyne and Wear QCS proposal – An independent economic assessment of the supplemental consultation', 4 June.

¹⁴⁸ Nexus (2013), 'Simplified Ticketing Research', p. 7.

¹⁴⁹ Office for National Statistics (2011), '2011 Census: Age structure, local authorities in the United Kingdom', Table KS102UK.

¹⁵⁰ Nexus (2013), 'Simplified Ticketing Research', p. 8.

¹⁵¹ Nexus (2013), 'Simplified Ticketing Research', p. 8.

not appear to be a representative sample of users and non-users, excludes groups of respondents who are unlikely to have positive views regarding simplified ticketing, and will also exclude users of the current multi-journey tickets who would find no direct substitute for their chosen ticket in the zonal system proposed by Nexus.

- **The results were based on leading questions**—survey respondents were asked how simplified ticketing would affect their usage of local bus services on a scale of one to ten, with no other changes to the product offering (e.g. fares, ticket types, etc.).¹⁵² In reality however, simplified ticketing would make some passengers worse off, as there would be a reduction in choice and the ability for price discrimination would be more limited, such that the average fare charged by operators would be likely to increase. It is not surprising that when offered simplified ticketing for no change in fare, some respondents say that they would travel more by bus. However, this is not a realistic outcome as the potential cost of a simplified ticketing system was not shown to the respondents. A more realistic scenario would have been to ask respondents to trade-off a simplified ticketing system against other features, such as fares and waiting times in order to estimate consumers' willingness to pay for simplified ticketing. Offering such trade-offs is standard practice in market research.
- **The study employed arbitrary assumptions to estimate results**—as mentioned above, to quantify the impact of simplified ticketing, the survey asks 'on a scale of one to ten, how much more would simplified ticketing affect your usage?'¹⁵³ Nexus then arbitrarily assigned percentage increases in usage depending on the score given.¹⁵⁴ This means that Nexus arbitrarily decided how many extra journeys each passenger was likely to make under simplified ticketing, rather than asking them directly. Furthermore, for the two survey methods, Nexus uses very different magnitudes of uplift in usage. For frequent users, under Method 1 (i.e. face-to-face surveys), a score of ten is assumed to increase usage by 30%; whereas under Method 2 (i.e. household surveys), a score of ten is assumed to increase usage by only 5%.¹⁵⁵ This difference in assumptions is not explained in

¹⁵² Nexus (2013), 'Simplified Ticketing Research', p. 14.

¹⁵³ Nexus (2013), 'Simplified Ticketing Research', p. 14.

¹⁵⁴ Nexus (2013), 'Simplified Ticketing Research', pp. 22–23.

¹⁵⁵ Nexus (2013), 'Simplified Ticketing Research', pp. 22–23.

the report, and would reasonably be expected to lead to substantially different results than would otherwise be the case.

- **The results are likely to be biased upwards**—when analysing the results of the household survey, Nexus states that it restricted the analysis to respondents who identified ‘knowing how much the ticket will cost and which ticket to buy’ as a reason to encourage more bus usage.¹⁵⁶ This was just 7% of the total household sample. There is then no indication as to how (if at all) allowance has been made for the fact that 93% of respondents did not identify that ‘knowing how much the ticket will cost and which ticket to buy’ was a reason to encourage more bus usage. This likely results in a potentially severe upward bias, since these 93% of respondents would be more likely to not change their bus usage as a result of simplified ticketing. As an illustration of the scale of this impact, if these 93% of users would not change their bus usage following the introduction of simplified ticketing, the resulting estimate in demand uplift would be equal to 0.1%.¹⁵⁷ This is substantially below Nexus’ estimate of a demand uplift of more than 2%.

As a result of the above, the review concluded that the simplified ticketing research by Nexus did not allow for a quantification of the demand impact of simplified ticketing in Tyne and Wear.¹⁵⁸ The review concluded that at most, this study simply revealed a broadly favourable attitude towards simplified ticketing among the sampled group, with no indication of whether or how this might translate into changes in bus demand.¹⁵⁹

3.4.2 WYCA does not substantiate the assumption that the demand impact of fares simplification under EP+ is half that of Franchising

In its Assessment, WYCA limits the definition of fares and ticketing simplification under EP+ to the reduction in fare of multi-operator tickets and the implementation of additional fare capping and concessionary fares.¹⁶⁰ As a result, WYCA assumes that only a 1.25% increase in demand

¹⁵⁶ Nexus (2013), ‘Simplified Ticketing Research’, p. 23.

¹⁵⁷ Oxera (2014), ‘Tyne and Wear QCS proposal – An independent economic assessment of the supplemental consultation’, 4 June, p. 24.

¹⁵⁸ Oxera (2014), ‘Tyne and Wear QCS proposal – An independent economic assessment of the supplemental consultation’, 4 June, pp. 24–25.

¹⁵⁹ Oxera (2014), ‘Tyne and Wear QCS proposal – An independent economic assessment of the supplemental consultation’, 4 June, pp. 24–25.

¹⁶⁰ West Yorkshire Combined Authority (2023), ‘Bus Reform Assessment Economic Case’, September, paras 4.2.34–4.2.35.

can be achieved via simplification under EP+, exactly half the demand increase assumed from simplification under Franchising.

Importantly however, **WYCA provides no evidence to support the assumption that a lower level of simplification can be achieved under EP+ compared with that which can be delivered under Franchising.** Instead, the economic case simply states that:

Under EP+, where funding allows and subject to negotiation with operators, the fare for multi-operator tickets could be reduced, additional fare capping implemented and additional concessionary schemes introduced. A demand uplift of 1.25% has been assumed, representing around half the benefit achievable with the full fare simplification measures.¹⁶¹

If it is the case that extensive fares simplification would lead to a 2.5% uplift in demand across the network and an increase in revenue, it may be argued that WYOs would have a commercial incentive to achieve the equivalent level of fares simplification under EP+ as under Franchising, and to maintain this going forward. WYCA does not appear to take this into account, nor substantiate their assumed demand increase with evidence.

3.4.3 WYCA provides no evidence to suggest fares reductions enabled through simplification would be revenue neutral

Lastly, WYCA provides no evidence to substantiate its argument that fares reductions enabled through fares and ticketing simplification would be revenue neutral.

Importantly, as stated in section 3.4.1 above, fares and ticketing simplification may in practice result in an increase in average fares, due to limiting operators' ability to engage in price discrimination. It is unclear whether WYCA has considered this.

A more appropriate approach would be to consider how demand for different ticket types might change as a result of fares simplification, while taking into account potential increases in average fares—and changes in individual fares—which may occur alongside such changes.

¹⁶¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case', September, para 4.2.34.

3.4.4 Conclusion regarding fares and ticketing simplification

WYCA's economic case makes assumptions regarding the impact of fares and ticketing simplification on passenger demand. It then makes a further assumption regarding the reduction in average fares which can be delivered based on the assumed increase in demand, including that this reduction can be delivered in a manner which is revenue neutral.

Neither of these assumptions is satisfactorily evidenced, and no evidence is presented to substantiate the latter assumption.

It is apparent from how WYCA has constructed its appraisal that a greater assumed impact of fares simplification on demand will—all else equal—result in a higher NPV for any option considered, through the delivery of additional user and non-user benefits. As a result, the upward bias in the demand uplift used is likely to significantly inflate the NPV of Franchising.

This is highlighted by the fares sensitivity cited in the independent auditor's report, which shows that halving both the 2.5% demand uplift assumed under Franchising and the 1.25% demand uplift assumed under EP+¹⁶² broadly halves the NPV surplus of Franchising over EP+.¹⁶³ The implication is that halving the demand uplift for both options reduces the gap in the NPV of Franchising over EP+ from £222m to £111m (excluding wider economic impacts), and from £368m to £184m including wider economic impacts.

WYCA have not released the NPVs of Franchising and EP+ estimated under this sensitivity, nor explained why this information cannot be released, despite First Bus having formally requested this information in writing.¹⁶⁴ As a result, there is insufficient information available to enable estimation of how the NPV ranking of the options would change if both options reflected the same demand uplift arising from simplification. However, this sensitivity clearly indicates that the impact on the NPV of the options is likely to be material.

Nevertheless, our review of the evidence suggests that **WYCA's poorly evidenced assumptions on the demand impacts of simplification mean WYCA's estimate of the NPV of Franchising is biased upwards, and is likely to have a material impact on the NPV.** This is due to the below.

¹⁶² This was confirmed by correspondence with WYCA.

¹⁶³ Grant Thornton LLP (2023), 'Observations on West Yorkshire Combined Authority's (WYCA) Assessment of a Bus Franchising Scheme', 20 September, p. 3.

¹⁶⁴ Email from First Bus to WYCA dated 27 November 2023.

- WYCA relies on the findings of the 2013 Nexus study to inform its assumptions. This study is out of date, inapplicable to the West Yorkshire context and—in any case—was subsequently discredited through expert review.
- WYCA has likely under-estimated the extent of fares simplification which can be achieved under an ambitious enhanced partnership, which in turn distorts the appraisal in favour of Franchising.
- WYCA provides no evidence to substantiate its argument that fares reductions enabled through fares and ticketing simplification would be revenue neutral.

3.5 Non-monetised benefits

WYCA has confirmed that 'no other interventions in the network are assumed under EP+ or Franchising for the purposes of the Assessment'.¹⁶⁵ Despite this, in its economic case, WYCA also outlines its view of the non-monetised benefits expected from the two options considered. These impacts—and WYCA's Assessment of them—are set out in the Table 3.4 Non-monetised benefits in WYCA's below.

¹⁶⁵ Email from WYCA dated 9 November 2023.

Table 3.4 Non-monetised benefits in WYCA's Assessment

	Non-monetised benefit	EP+	Franchising
Economy	Reliability (business users)	Neutral	Neutral
	Regeneration	Neutral	Neutral
Environment	Landscape	Neutral	Neutral
	Townscape	Neutral	Neutral
	Historic environment	Neutral	Neutral
	Biodiversity	Neutral	Neutral
	Water environment	Neutral	Neutral
Society	Reliability (commuting & other users)	Slight beneficial	Slight beneficial
	Physical activity	Neutral	Neutral
	Journey quality	Neutral	Slight beneficial
	Security	Neutral	Neutral
	Access to Services	Slight beneficial	Slight Beneficial
	Affordability	Slight Beneficial	Beneficial
	Severance	Neutral	Neutral
	Option and Non-Use Values	Neutral	Neutral

Note: Emphasis added.

Source: West Yorkshire Combined Authority, Economic Case (Table 37), Section 7.5.

While WYCA considers the impact across many of the areas considered to be 'neutral', the Authority has assessed that some of the impacts across these areas will be 'beneficial' or 'slight beneficial' under the reform options.¹⁶⁶ These include:

¹⁶⁶ Based on DfT TAG's seven-point scale. See Appendix A of Transport Analysis Guidance, The Transport Appraisal Process.

- **access to services** or accessibility, as a result of a greater number of bus services enabled under Franchising than EP+;¹⁶⁷
- **reliability**, in terms of reducing variability in journey times and improving punctuality and reliability of service delivery;¹⁶⁸
- **affordability**, as a result of fare reductions and a 'willingness-to-pay benefit' from fare simplification;
- **journey quality**, as a result of better integration with other public transport modes and enhanced customer experience (particularly under Franchising).¹⁶⁹

It is important to note that the first three of these benefits are assumed to occur due to the same assumed changes which drive the monetised benefits within WYCA's appraisal, namely: (i) the expected savings from lower average operator margins, which are expected to enable an increase in bus service provision; (ii) changes in assumed service patterns enabled under EP+ and Franchising; (iii) a reduction in average fares, which WYCA assumes is facilitated via fares and ticketing simplification.

However, as demonstrated in earlier sections, there are material flaws with WYCA's assumptions across these areas. **This suggests that WYCA's Assessment of the non-monetised benefits of the reform options may also be biased**, in the same way that WYCA's flawed assumptions serve to bias the estimated NPVs of the two options (in particular, by biasing upwards the estimated NPV of the Proposed Franchising Scheme).

3.6 Summary of issues identified

In summary, **our Assessment has revealed that there are material errors in WYCA's value-for-money analysis.** This is because WYCA's analysis:

- over-estimates margins for commercial services in West Yorkshire;
- makes unrealistic assumptions regarding service patterns;
- overstates the impact that fares and ticketing simplification is likely to have from Franchising in West Yorkshire.

The individual impact of each of these issues is that **WYCA's analysis overstates the benefits and understates the costs of introducing bus**

¹⁶⁷ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 98.

¹⁶⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 125–26.

¹⁶⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 125–26.

franchising in West Yorkshire. Some of these issues also have an impact on WYCA's Assessment of the value for money of EP+.

Without access to WYCA's models, it is neither possible to quantify with precision the impact of each of these individual issues or the combined impact on WYCA's estimate of the NPVs for EP+ (£506.3m) and Franchising (£728.2m). This is in part due to the existence of interactions between the drivers of demand within WYCA's modelling suite, which means the combined impact of resolving these issues will not necessarily equate to summing together the individual impacts of rectifying each issue.

Nevertheless, to assess the scale of the impact which the issues we have identified are likely to have on the value for money of the reform options considered, we have produced rough estimates of the impact which correcting each issue individually is likely to have on the NPVs of EP+ and Franchising. These are summarised in Table 3.5 Estimated order of magnitude of Value-for-Money below.

Table 3.5 Estimated order of magnitude of Value-for-Money impacts

Issue	Potential impact on EP+	Potential impact on Franchising
Over-estimate of margins for commercial services	No direct impact ¹⁷⁰	£200m– £250m reduction in NPV. This is a conservative judgment, based on the scale of error identified and the reported results from WYCA's sensitivity test.
Unrealistic service pattern assumptions	There are material concerns that the Assessment either understates the costs to deliver the proposed level of benefits and/or overstates the benefits of EP+. Therefore, it is possible that the true NPV for EP+ is lower than reported. However, it is not possible to ascertain the magnitude of this impact, due to insufficient information being made available.	The same arguments apply to Franchising. However, since Franchising sees a further step change to the network than those assumed under EP+, it is likely that these impacts are even greater for Franchising, and could mean the true NPV for Franchising would see a larger fall than that of EP+.

¹⁷⁰ In practice, it is possible that there is a small impact due to the difference in the levels of demand between the EP+ and reference case resulting in different outcomes from the trimming and cutting process. It is unclear whether this would be a positive or negative impact on the EP+ NPV.

Issue	Potential impact on EP+	Potential impact on Franchising
Overstated impact of fares and ticketing simplification	Given the lack of robust evidence presented to substantiate the assumed demand response from simplification, it is likely the NPV for EP+ is overstated from this impact. However, we have been unable to estimate the scale of this over-estimate based on the available evidence.	WYCA assumes the demand response to simplification is substantially larger for Franchising, but there is insufficient evidence to justify this. As a result, it is likely the NPV for Franchising is overstated, with the resulting reduction in the NPV of Franchising being considerably larger than any resulting reduction in the NPV of EP+.

Note: All figures are in 2010 PV terms.
Source: Oxera.

Taken together, our analysis of these issues suggests it is reasonable to conclude that **Franchising is likely to offer substantially worse value for money than estimated by WYCA.** Our review of the evidence also suggests that Franchising is likely to offer worse Value-for-Money than EP+.

Furthermore, despite being unable to estimate the combined impact of correcting these issues with precision, our analysis suggests that **correcting WYCA's over-estimate of commercial margins on its own is likely to reduce the NPV of Franchising to a similar level to that of EP+.** We reach this conclusion based on conservative estimates of the magnitude of the potential impact.

Finally, we note that WYCA provides no evidence to suggest that the non-monetised benefits of the reform options identified would be sufficient to alter the relative value for money of the reform options considered, nor indeed that these impacts are likely to be material. More importantly, as we highlight in section 3.5, the same methodological issues leading to biased estimation of the NPV of Franchising are likely to considerably reduce the significance of the non-monetised benefits identified in WYCA's appraisal.

4 Evidence suggests WYCA's Franchising proposal is unaffordable

WYCA is required under the Transport Act 2000 (amended by the Bus Services Act 2017) to consider whether the Authority would be able to afford the Proposed Franchising Scheme.

However, our review has revealed that since WYCA's Assessment (i) **overstates the savings** which can be expected from the introduction of Franchising; (ii) **under-estimates the costs** of implementation, **the Franchising Scheme proposed by WYCA appears unaffordable**, based on the budget available for bus services in West Yorkshire. We explain the reasons for this in this section, by highlighting the below.

- 1 **How WYCA's estimates of commercial margins distorts its affordability Assessment**—since its over-estimate of commercial margins under the EP reference case means WYCA has over-estimated the savings that can be delivered through Franchising.
- 2 **Issues with fleet and depot costs**—including what appear to be missing costs in some areas of WYCA's Assessment, and inconsistent assumptions used across the Authority's economic and financial cases.

4.1 **WYCA's incorrect commercial margin assumption leads to a significant over-estimate in the savings which could be secured through Franchising**

As noted in section 3.2.3, it is unclear from publicly available data how WYCA has estimated commercial margins for WYOs between 12–13%. Accordingly, **absent further information from the Authority, we have assumed that WYCA's modelling assumes a 12.5% average EBIT margin earned by WYOs** for the provision of commercial services.

In Table 4.1 below, we compare this to our 'high' and 'low' estimates outlined in the previous section, based on outturn margin data for the three biggest operators in West Yorkshire.

Table 4.1 Difference between WYCA's assumed operating margin for commercial services and Oxera's estimates

	Lower-bound difference	Upper-bound difference
WYCA margin assumed for commercial services	12.5%	12.5%
Oxera estimates of margins for commercial services	8.6%	6.3%
Differential (percentage)	3.9%	6.2%

Source: Oxera analysis.

Our analysis indicates that **WYCA has over-estimated the margins earned by commercial operators in West Yorkshire by between 3.9% and 6.2%**. Given the Authority's assumption that the budget available for bus services is broadly fixed across the options considered,¹⁷¹ this over-estimate presents a risk that WYCA has materially over-estimated the savings which can be delivered under Franchising through lower average operator margins.

We now estimate the extent to which WYCA has over-estimated the savings expected from Franchising, due to its erroneous margin assumption. Our approach involves the following two steps.

- 1 We use WYCA's forecasts for commercial revenues expected between 2021/22–2066/67¹⁷² under the EP reference case (for our 'low' estimate) and EP+ (for our 'high' estimate).¹⁷³
- 2 We multiply the commercial revenue stream by our lower-bound estimate of the margin differential shown in Table 4.1 above (i.e. 3.9%).

¹⁷¹ As noted in footnote 53, though WYCA assumes there are some differences in budget available for bus services across the EP reference case, EP+ and Franchising options (driven by assumed administration costs of the EP+ and Franchising schemes), in practice these differences are relatively minor.

¹⁷² As per the approach described in section 2.1.3, since WYCA have only published revenue forecasts up to 2045/46, we have had to calculate commercial revenues for the remaining years of the 40-year appraisal period based on the methodology described in WYCA's Economic Case (i.e. revenues for remaining years are equal to the average of the last five years of the 20-year forecast period, and remain constant until the end of the 40-year appraisal period. See para. 7.3.1 of the Economic Case.

¹⁷³ See West Yorkshire Combined Authority (2023), '[Economic Case Charts Data \(203 KB\) \(xlsx\)](#)' (last accessed 4 December 2023).

Note that since our analysis relies exclusively on our lower bound estimate of the difference between WYCA's assumed commercial margin and Oxera's estimate—that is, our approach assumes the actual margin for commercial services in West Yorkshire is 8.6%, rather than our lower estimate of 6.3%—**our estimates of the extent to which WYCA has over-estimated the savings stemming from lower margins under Franchising are conservative.**¹⁷⁴

We present the results of our analysis over two distinct time periods:

- ten years, from the first year of the economic appraisal period (i.e. 2027/28);¹⁷⁵
- the full 40-year economic appraisal period, i.e. 40 years starting from 2027/28.^{176, 177}

The results of this analysis are reported in Table 4.2 below.

Table 4.2 WYCA's over-estimate of savings derived from lower margins under Franchising (£m)

	Low estimate	High estimate
10-year impact	24.8	28.3
40-year impact	32.7	39.4

Source: Oxera calculations.

Note: Figures shown are non-discounted, 2021/2022 price base.

¹⁷⁴ We considered producing another scenario using our estimate of margins for commercial services of 6.3%. However, we ultimately considered that this would be inappropriate, if combined with an assumed margin for franchised operators of 7.5%. However, there is a case for supplementing the analysis presented in Table 4.2 with an alternative scenario in which commercial margins are also assumed to be equal to 7.5% (such that there is no saving from lower operator margins under franchising).

¹⁷⁵ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 85.

¹⁷⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 85.

¹⁷⁷ Note that since revenues for commercial services beyond 2045/46 have not been published by WYCA, we have calculated the revenue streams for the remaining years based on the approach described in the economic case, i.e. 'with values remaining at the average of the last five forecast years'. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 85.

Based on our calculations we estimate that **for the first ten years of the Proposed Franchising Scheme, WYCA has over-estimated the savings it can expect from lower margins by anywhere between £24.8m–£28.3m.**

4.2 Issues with fleet and depot costs

WYCA assumes it will invest in fleet and depots in the Franchising option, whereas in the Reference Case and EP+ all fleet and depots are assumed to remain within the private sector.¹⁷⁸

Fleet and depots represent a major investment for WYCA in Franchising.¹⁷⁹ The expected CAPEX cost of this investment—is estimated to be approximately £252m in real terms for fleet costs and £85.5m for depot costs.¹⁸⁰ WYCA acknowledges the significance of these costs in the economic case by noting that:

As the cost to the Combined Authority of purchasing ZEB is significant, they are included within the appraisal.¹⁸¹

As a result, an important part of our review has been to consider whether these costs are sufficient to deliver the services assumed under the Franchising option. **We have identified a number of significant issues relating to the treatment of fleet and depots within the Assessment, which raise material concerns about whether sufficient costs have been accounted for in WYCA's Assessment, and therefore the deliverability of the Franchising option.**

It is important to note that the Assessment does not fully explain how WYCA's specific fleet and depot assumptions are reflected in its economic, financial and commercial cases. First Bus has sought greater clarity from WYCA regarding the nature of these assumptions, however, limited additional information has been made available (see Appendix A1).

¹⁷⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Financial Case', September, p. 43. In this section, we focus on fleet and depot costs to WYCA for Franchising only, as the fleet and depot cost impacts under EP+ and the Reference Case are not explicitly articulated in WYCA's Assessment.

¹⁷⁹ In this section, we focus on fleet and depot costs to WYCA for Franchising only, as the fleet and depot cost impacts under EP+ and the Reference Case are not explicitly articulated in WYCA's Assessment and fall on the private sector.

¹⁸⁰ This figure includes infrastructure costs. Fleet costs are provided in real terms, but it is unclear what the price base is. Oxera has assumed it is 2021–22 in line with the other real terms prices provided in WYCA's assessment. It is unclear if the £85.5m in depot costs are provided in real or nominal terms, but we note that the Depot Position paper states that the depot costs are £83.9m in 2023 real prices. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, pp. 62–64; and West Yorkshire Combined Authority (2023), 'Appendix 3.3: Bus Reform Depot Position Paper', pp. 5–6.

¹⁸¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 24.

Despite this, based on information outlined in its Assessment and WYCA's other published information, it is clear that WYCA's fleet and depot strategy under Franchising involves the following.

- Following a decision to proceed with Franchising, WYCA intends to acquire (either via purchase or lease) depots for the largest Franchising lots, whereas the smaller lots would be operated from other depots 'owned or secured by operators'.¹⁸²
- In the long term, WYCA intends to provide all the vehicles to operators under Franchising, and to replace the existing fleet with ZEBs, which WYCA would purchase.¹⁸³ WYCA will gradually acquire a fleet of 868 ZEBs over 14 years, with this full fleet purchased by 2040–41.¹⁸⁴
- During an initial transition period, WYCA would request all bidders to provide additional fleet to supplement the new ZEBs. As part of franchise contracts, WYCA would impose a residual value mechanism on operators, such that WYCA is obliged to buy fleet at the end of the contract.¹⁸⁵
- WYCA proposes to finance its fleet and depot investment through prudential borrowing.¹⁸⁶ The Authority assumes it will be able to borrow at a rate approximately two percentage points lower than private operators,¹⁸⁷ due to its ability to borrow from low-cost sources such as the Public Works Loans Board and the UK Infrastructure Bank.¹⁸⁸

4.2.1 There appears to be a significant discrepancy between the current fleet in West Yorkshire and the fleet assumed under Franchising

Despite the lack of transparency with WYCA's assumptions, **there appears to be a substantial issue regarding the fleet size assumed by WYCA for Franchising**. This raises material concerns regarding the costs—and therefore the affordability—of the Franchising proposal, and whether this option is in practice deliverable.

¹⁸² West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 16.

¹⁸³ West Yorkshire Combined Authority (2023), 'Appendix 3.2: Fleet Strategy', p. 4. West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 23 and 84.

¹⁸⁴ West Yorkshire Combined Authority (2023), 'Appendix 3.2: Fleet Strategy', p. 7. West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 84.

¹⁸⁵ West Yorkshire Combined Authority (2023), 'Appendix 3.2: Fleet Strategy', p. 4.

¹⁸⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 62.

¹⁸⁷ West Yorkshire Combined Authority (2023), 'Appendix 3.2: Fleet Strategy', p. 7.

¹⁸⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 22.

In the commercial case, WYCA estimates that there are currently roughly 1,755 buses in operation in West Yorkshire.¹⁸⁹ However, the Authority's 'lotting strategy' appears to indicate that only 893 PVRs are required in total to cover the different zones in West Yorkshire.¹⁹⁰ Similarly, WYCA's economic and financial cases assume a procurement of only 868 ZEBs over the first 15-year period.¹⁹¹

First Bus has requested clarity around the apparent discrepancies between these assumptions. In a written response, WYCA stated that the Lotting Strategy figure of 893 buses represents the 'estimate of the PVR that was anticipated to be let during the first phase of contracts at the time of developing the Lotting Strategy'.^{192, 193}

WYCA has also stated that 'while the Authority intends to acquire vehicles – it is not anticipated to acquire all vehicles' (see 7A1). However, we understand that this is in reference to WYCA not owning all vehicles during the transition period—a fact which is documented across the Assessment (see bullets above). Other statements within its Assessment, while opaque, explicitly indicate that WYCA plans to own the entire fleet in the long term.¹⁹⁴ Therefore, we have assumed that under Franchising there will, in the long term, be a transition to a fleet of ZEBs which is entirely owned by WYCA.

Crucially, WYCA's responses fail to directly address the discrepancy between the current fleet size of 1,755 and the 893 buses that are assumed to be required for Franchising (see 7A1). **The divergence between these figures raises questions as to whether consistent assumptions have been used across the Assessment.**

4.2.2 It appears WYCA may have failed to account for up to half of the cost of the ZEBs required under Franchising

We note, in particular, that the fleet size assumed in WYCA's Assessment for Franchising (i.e. 893 based on the lotting strategy and 868 based on the economic and financial cases), appears to be approximately half of the current fleet size presently in operation. We understand from First Bus that buses out of scope of WYCA's Proposed Franchising Scheme

¹⁸⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 10.

¹⁹⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 42.

¹⁹¹ Financial Case, Appendix – Fleet Capital Investment and Financing table, p. 89.

¹⁹² Email from WYCA dated 1 December 2023.

¹⁹³ This differs slightly from the commercial case which states that the lotting strategy reflects 'the total PVR and number of allocated services for each zone'. West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 42.

¹⁹⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Appendix 3.2—Fleet Strategy', September, p. 4.

are unlikely to account for this discrepancy.¹⁹⁵ This suggests that WYCA may have underestimated the total number of ZEBs it would need to acquire to replace the current WYO fleet over the first 15 years of Franchising by up to 50%, and has understated the assumed CAPEX requirement accordingly.

As an upper bound, using the difference between the full fleet size of 1,755 and the lotting strategy fleet estimate of 893 buses, **we estimate WYCA may have underestimated its CAPEX requirement for ZEBs by up to £223.3m** (based on WYCA's assumption of a per-bus cost of £259,000, in 2021–22 prices). In our view, this is still a conservative estimate, since the £259,000 per-bus cost used in the Assessment is based on the assumption that ZEBRA funding would be secured for the entire fleet,¹⁹⁶ which is highly optimistic given that this funding is subject to competitive tenders against other authorities (see section 4.2.1 for further discussion).

It is possible that the full fleet estimate of 1,755 in WYCA's Assessment includes all passenger-carrying vehicles (PCVs) in West Yorkshire, including school buses (acknowledged by WYCA in its Assessment), tour/hire coaches, taxi buses and minibuses, and is therefore an overestimate of the current fleet size. To account for this, we have taken a conservative approach to exclude the 458 buses attributed to all other operators, as shown in Table 4.3 below, to provide a lower bound fleet estimate of 1,297. Since the market share of First Bus, Arriva and Transdev is 98% in West Yorkshire, excluding all other bus operators is a reasonable assumption. Based on this adjusted fleet size of 1,297, we estimate that, **WYCA has underestimated the fleet size required by at least 458 buses, or £118.6m (2021–22 prices).**

Table 4.3 Fleet size estimates and market share, by operator

	Fleet size	Market share by passenger journey
First	748	69%
Arriva	309	23%
Transdev	240	6%
All other operators	458	2%

¹⁹⁵ Email from First Bus dated 5 December 2023.

¹⁹⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 65.

	Fleet size	Market share by passenger journey
Total	1755	100%
Total less all other operators	1297	98%

Source: West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, pp. 10–11.

In practice, we expect that **the fleet CAPEX costs missing within WYCA's Assessment will lie somewhere between £118.6m and £223.3m.** This is due to the fact that the upper bound estimate is likely an overestimate of the current fleet size, while the lower bound is likely an underestimate, given that the three major operators in the Table 4.3 operate 85% of bus mileage across West Yorkshire.¹⁹⁷

It is also worth noting that there are financial, operational and technical risks associated with the transition from diesel buses to ZEBs that do not appear to have been adequately considered within WYCA's Assessment. ZEBs may impact cash flows differently than diesel buses, as they require provisions for charging infrastructure, managing electricity tariffs, charging regimes and battery management and recycling. Successfully managing these risks requires a detailed understanding of bus operations. Under the EP reference case and EP+ these risks would sit with WYOs—however, under Franchising, these risks would be borne by WYCA during its gradual transition to full fleet ownership.

It is unclear from WYCA's Assessment whether—and if so, to what extent—these issues have been considered.

4.2.1 WYCA's assumptions regarding future ZEBRA funding are too optimistic

In its Assessment, WYCA states that:

Under all options central government is assumed to contribute 75% of the costs required for ZEB infrastructure through the equivalent of existing ZEBRA funding.¹⁹⁸

This assumption is based on the fact that WYCA has received DfT funding under the ZEBRA initiative to support the acquisition of 136 ZEBs,

¹⁹⁷ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 8.

¹⁹⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 44.

covering '75% of incremental costs of these vehicles and associated equipment, compared with an equivalent diesel vehicle'.¹⁹⁹

It is unclear why WYCA has assumed that this level of funding would be available for the full fleet required under its Proposed Franchising Scheme. Indeed, as WYCA notes in its own financial case: 'This funding needs to be sought in competition with bids from other authorities in rounds of funding'.²⁰⁰ This suggests that WYCA recognises that the funding is neither easy to access nor guaranteed. Despite this, WYCA appears to assume in its Assessment that funding would be available.

We note that, to date, the DfT ZEBRA scheme commitment was to support 4,000 buses across the UK,²⁰¹ while the total UK bus fleet comprises nearly 31,000 buses as of the financial year ending 2021.²⁰² Given that ZEBRA funding is also subject to competitive tenders against other authorities, **WYCA's assumption that its entire fleet of 868 buses under the Franchising option will receive ZEBRA funding is highly optimistic.**

Finally, we note that there is no sensitivity testing examining how the outputs of the financial case or economic appraisal would change should this assumed funding not be made available to WYCA. Any lack of access to assumed central government funding will have implications for the cashflow forecasts in the financial case, and the overall appraisal of the options in the economic case.

4.2.2 Lack of detailed depot costings

In regards to depot costs, WYCA's Assessment draws on costings from a Depot Position Paper.²⁰³ This document—published as an appendix to its Assessment—contains incomplete sentences and provides a table entitled 'Summary of assumed cost for purposes of assessment', which is largely blank. The table omits important cost estimates by zone/depot, providing only an aggregate figure instead.

WYCA stated in a response to a request for clarification on this point from First Bus that the zone/depot acquisition costs are provided in Appendix 4.1 Financial and Data Model book. While we have confirmed

¹⁹⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 32.

²⁰⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 20.

²⁰¹ Department for Transport (2023), '[Guidance—Apply for zero emissions bus funding \(ZEBRA 2\)](#)', 20 November (last accessed 4 December 2023).

²⁰² Department for Transport (2023), '[National statistics—Annual bus statistics: year ending March 2022 \(revised\)](#)', 14 March (last accessed 4 December 2023).

²⁰³ West Yorkshire Combined Authority (2023), 'Appendix 3.3: Bus Reform Depot Position Paper'.

that the zone/depot acquisition costs are included, there is no assumed capacity by depot or fit out cost by depot, which limits the extent to which we can consider the robustness of WYCA's depot cost assumptions. **This serves to further reduce confidence that the affordability analysis presented in WYCA's Assessment is of sufficient quality.**

4.3 Summary of issues identified

Our review of WYCA's Assessment has revealed what appear to be material oversights in the compilation of the evidence, which collectively serve to make the Franchising option appear more affordable than it may be in practice. In particular, it appears that:

- **WYCA has over-estimated the savings it can expect from lower margins** under Franchising by anywhere between £24.8m and £28.3m over the first ten years of all contracts being tendered (in 2021–22 prices);
- **WYCA may have underestimated its CAPEX requirement** for ZEBs by between £118.6m and £223.3m (also in 2021–22 prices).

Absent additional information from WYCA, it is challenging to establish how material CAPEX replacement costs excluded from the financial case may be in practice. However, our analysis suggests these costs are likely to be significant. It is unclear therefore on what basis a different timeframe for the financial case was selected relative to that which was used for the economic case.

These facts, combined with WYCA's optimistic assumptions regarding the future availability of ZEBRA funding, raise questions regarding the appropriateness of the analysis undertaken to inform WYCA's view of the affordability of its Proposed Franchising Scheme. Other oversights in WYCA's Assessment—such as the lack of a full, detailed depot strategy—serve to further reduce confidence that the affordability analysis presented in WYCA's Assessment is of sufficient quality.

5 WYCA's Assessment of the risks it would bear under Franchising is flawed

The earlier sections of this report highlight how, based on the evidence available:

- WYCA's Assessment appears to overstate the benefits and understate the costs of Franchising;
- WYCA's Proposed Franchising Scheme appears unaffordable.

Critically however, our review has also revealed that **WYCA has failed to adequately consider the risks it would be exposed to under Franchising**, in particular farebox revenue risk. We explore the issues with WYCA's Assessment of risk in this section.

5.1 WYCA's commentary on its exposure to farebox revenue risk under Franchising

5.1.1 WYCA's commentary on risk exposure within its Assessment

As noted in section 2.1.3, a key differentiating feature of WYCA's Proposed Franchising Scheme (relative to the EP reference case and EP+ option) is that under this option, WYCA would bear all revenue risk associated with bus operations covered by the scheme. Indeed, as highlighted in section 2.2.1, WYCA highlights the expected financial benefits which this new allocation of risk is expected to deliver.

For example, in its economic case, WYCA asserts that:

A key assumption informing the assessment is that operating margins under Franchising are expected to be lower as revenue risk is transferred from operators to West Yorkshire Combined Authority.²⁰⁴

WYCA does acknowledge that the increase in retained farebox revenue under Franchising will mean that the Authority would be exposed to a greater degree of revenue risk.²⁰⁵ However, **throughout its Assessment, WYCA argues that it is also exposed to a considerable degree of farebox revenue risk under the EP reference case, and that it would also be exposed to such risks under EP+**. For example, while commenting on

²⁰⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 29.

²⁰⁵ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 80.

the increasing cost of supported service provision within West Yorkshire over the last four years, WYCA notes that:

This trend is reflective of the level of support provided to Operators during the Covid-19 pandemic when demand for bus services was significantly reduced, and illustrates the fact that, while the Combined Authority may have limited direct exposure to revenue risk, the Combined Authority will normally have to reconsider its priorities for spending on supported services if a commercial service is withdrawn because of a fall in revenue. **Therefore, the public sector does indirectly bear material risk in respect of changes in revenue and the impact that this has on services.**²⁰⁶

Then, when assessing the performance of EP reference case relative to WYCA's 'Commercial Success Factors',²⁰⁷ the Authority notes that:

[Under the EP reference case], Operators are free to stop running services when they are no longer commercially viable. When this occurs, the Combined Authority will consider reinstating these as supported services, and this could mean that other supported services cannot be funded.

This results in the Combined Authority effectively holding a degree of revenue risk. The degree to which the public sector effectively bears revenue risk due to their statutory duty to consider which services should be operated where not provided commercially, has been highlighted by the c.25-50% increase in supported services costs relative to 2019/20 during and after the Covid-19 pandemic.

Therefore, while it appears that risks are managed and borne by the private sector, when revenue declines or network / market disruption occurs, the public sector has an effective risk allocation if it considers that a service should be provided.²⁰⁸ [Emphasis added]

Similarly, when commenting on EP+, the Authority argues that:

Operators are free to stop running services when they are no longer commercially viable. When this occurs, the Combined Authority will

²⁰⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 12.

²⁰⁷ As part of its Assessment, WYCA identifies a set of 'Commercial Success Factors' linked to its overarching objectives for Bus Reform. The aim of these is to identify which option 'best creates competition and enables a commercially attractive deal'. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 6.

²⁰⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 26.

consider reinstating these as supported services, and this could mean that other supported services cannot be funded[...] **Therefore, the Combined Authority will continue to effectively hold a degree of revenue risk.**²⁰⁹ [Emphasis added]

WYCA therefore appears to conclude in its Assessment that the difference in exposure to farebox revenue risk under the options proposed is one of degree rather than one of kind, noting in its financial case that:

As with the Reference Case and EP+ options, the Franchising Case is exposed to the risks of changes in demand and changes in funding.²¹⁰

5.1.2 Observations raised by the independent auditor and WYCA's response

In a letter outlining its observations on the Assessment, the independent auditor noted that WYCA's modelling implicitly assumed that—if faced with an adverse shock to revenues—under Franchising the Authority could immediately reduce service provision to ensure the total cost of franchised contracts did not exceed its available budget for bus services. Specifically, the auditor noted that:

The Assessment assumes that there is no time lag between the need to reduce services to remain within budget and the delivery of the reduction in services and hence reduction in costs.

In practice, it is likely that there will be scenarios which require changes to services and to achieve service cuts, the contracts put in place would need to be sufficiently flexible to enable such service changes to be implemented. **There would inevitably be a delay between identifying the need to cut services, gaining agreement/approval to remove services and the actual cutting of these services.**

This has the potential to cause affordability and budgetary challenges particularly if the change in services is driven by affordability constraints. **We would also note that it is unlikely that all costs relating to a service could be cut – for example, fleet and depot costs may continue to be incurred regardless of cut to services.**²¹¹ [Emphasis added]

²⁰⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 36.

²¹⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 67.

²¹¹ Grant Thornton LLP (2023), 'Observations on West Yorkshire Combined Authority's (WYCA) Assessment of a Bus Franchising Scheme', 20 September, p. 5.

In its response to the auditors' observations regarding the additional risk that WYCA would be exposed to under Franchising, the Authority noted that:

Revenue risk is recognised as an incremental risk under Franchising, and it is important to stress that under the other options, there are significant levels of supported services which the assessment suggests will grow in proportion over time (where the Combined Authority is also exposed to revenue risk).

The challenge of sudden reductions in demand and the need to manage service levels is one that affects all cases[...]²¹²

Alongside these written arguments, in its response to the auditor WYCA also included a short note which sought to illustrate the impacts on WYCA under Franchising of a sudden reduction in revenue. WYCA's illustrative example involved a scenario in which:

- 1 an adverse shock to demand resulted in a 5% drop in ridership on buses, which was not mitigated by UK government support;
- 2 WYCA responded by implementing changes in service provision, though **without being able to reduce its gross cost payments for an initial period of six months.**

WYCA justifies the second assumption on the following grounds:

Under the contracts as envisaged the operators would be required to accept some changes in provision, but it would be unlikely to be equivalent to the full 5%. Therefore the Combined Authority would need to make a variation to the contract and while operators may be required to mitigate and reduce their costs, **we have prudently assumed that there would be a six month period where the full cost of a franchise would still need to be paid, but farebox revenue would have reduced by 5%. After the six month period it is anticipated that the operators would have demobilised sufficient resource.**²¹³ [Emphasis added]

On the basis of these assumptions, WYCA then estimates that—if the shock took place in 2032—losing 5% of revenue for six months on a one-

²¹² West Yorkshire Combined Authority (2023), 'Combined Authority response to the Observations of the Independent Auditor', p. 11.

²¹³ West Yorkshire Combined Authority (2023), 'Combined Authority response to the Observations of the Independent Auditor', p. 14.

off basis under Franchising would cost the Authority £3.5m.^{214, 215}

However, the Authority then asserts that:

... in the equivalent scenario under the Reference Case and EP+ there would be a need for a significant amounts of supported services to respond to the impact on commercial operations, as well as the need to manage revenue loss on supported services and that they would have the same issue of reduced revenue on supported services but substantially fixed costs in the contract.²¹⁶

It then proceeds to provide estimates of an impact of the same 5% shock to revenue under the reference case and EP+, estimating these impacts at £2.4m and £2.6m respectively.^{217, 218}

5.2 WYCA's risk analysis is overly simplistic, and does not account for its fleet ownership assumptions

5.2.1 During the initial phase of the Franchising programme, a six-month demobilisation period appears unrealistic

Under WYCA's Franchising proposal, the Authority envisages that—in the long term—it would own the full bus fleet (and make this available to operators at little or no cost), as well as bus depots for the 'category A' lots.²¹⁹ WYCA would then provide the assets to successful franchise bidders without charge (or for a peppercorn rent), such that they would not be required to price these assets in their bids.²²⁰

WYCA envisages that depots would be purchased or developed before franchises are let. In contrast however, the Authority assumes a gradual fleet transfer and investment in fleet ownership over time, 'so that the

²¹⁴ West Yorkshire Combined Authority (2023), 'Combined Authority response to the Observations of the Independent Auditor', p. 14.

²¹⁵ It should be noted that it is unclear from the note provided by the Authority whether these figures are expressed in real or nominal terms.

²¹⁶ West Yorkshire Combined Authority (2023), 'Combined Authority response to the Observations of the Independent Auditor', p. 14.

²¹⁷ West Yorkshire Combined Authority (2023), 'Combined Authority response to the Observations of the Independent Auditor', p. 15.

²¹⁸ As before, it is unclear from the note provided by the Authority whether these figures are expressed in real or nominal terms.

²¹⁹ Under the Proposed Franchising Scheme, WYCA would invest in fleet ownership over time. The Authority's plans are less definitive with respect to depot ownership, with WYCA indicating that: 'Following any decision to make the Proposed Franchising Scheme, the Combined Authority would engage with existing bus operators in relation to accessing current depots. The approach to depots the Combined Authority could include two interventions: Access to current depots could be facilitated by acquisition from incumbent operators or leasing from incumbent operators.... where access to existing depots is not possible or new depot development is required due to existing depots not being suitable or in the desired location.' See West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', pp. 78–79.

²²⁰ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 78.

existing fleet is used for its useful life'.²²¹ The implication of this statement is that—during the initial years of the Proposed Franchising Scheme—WYCA would require that at least some bidders either:

- 1 provide their own fleets for the franchises they bid to operate;
- 2 purchase fleets off existing operators at their own commercial risk.

In both instances, operators would then need to price these fleets within their gross cost bids for contracts. The implication is that **during the initial phases of the Proposed Franchising Scheme, a six-month demobilisation period for franchises is unlikely to be realistic**. This is due to the following reasons.

WYCA proposes that the length of franchise contracts be seven years for Category A Lots, and between three and five years for smaller, categories B and C lots.²²² The Authority makes clear that, once an operator has successfully secured a franchise contract, it will be required to deliver the agreed service over the contract term with no scope for services to be removed. Specifically:

Since Operators will be contractually bound to provide services once they have entered into the franchise agreement, they will not have the flexibility to drop services which are no longer commercially viable (and they will have less incentive to do so as revenue risk will be held by the Combined Authority). It will be the Combined Authority's decision what to do with a service where revenues are not covering costs.²²³

As WYCA notes in its Assessment, the asset life of a bus is approximately 15 years.²²⁴ This means that if, during the initial period of Franchising (when operators are still operating their own fleets) WYCA requested that services be discontinued, operators would still be incurring depreciation costs associated with these assets.

In theory, under these circumstances it might be possible for the fleet to be productively re-deployed elsewhere. For example, operators may be able to deploy unused buses to other parts of their network, or

²²¹ West Yorkshire Combined Authority (2023), 'Bus reform: Have your say on how buses are run in West Yorkshire—Consultation Document', p. 17

²²² West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, pp. 45–46

²²³ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 51.

²²⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 43.

alternatively sell (or sub-lease) these assets to other operators.

Crucially however:

- 1 it is unlikely that operators can easily re-allocate unused buses to other parts of their own operations/network, since this would imply that they had structured their operation in a manner which resulted in them previously facing fleet capacity constraints;
- 2 insofar as any shock to demand were global in nature as opposed to localised,²²⁵ it is highly unlikely that buses the operator no longer required could be easily sold or re-leased to other operators;
- 3 even if operators could re-allocate unused fleets to other parts of their network or other operators, it is unlikely that this could be done at zero cost.

Accordingly, **where operators have committed their own fleets under a franchise contract and WYCA requests that a significant number of services be discontinued, it is unlikely that operators would willingly accept that gross-cost payments be reduced accordingly within the span of just six months.** Instead, a negotiation would likely ensue, regarding the terms needed to ensure the operator is adequately indemnified from any resulting contract changes. The end result of this negotiation might be expected to involve either:

- WYCA continuing to make full gross-cost payments to the operator as per the contract for a period considerably longer than six months; or,
- WYCA making a separate, one-off payment to the operator to cover the fleet depreciation costs that the operator would expect to incur over the remainder of the contract term, but which would no longer be covered by the gross-cost payments (once the gross-cost payments are reduced to a level commensurate with the new required service pattern).

WYCA might consider mitigating this risk by inserting clauses within franchise contracts that enable the Authority to adjust gross-cost payments based on amendments to service patterns of any scale within six months of notification. However, were this to be the case, it is

²²⁵ This is indeed the example which WYCA alludes to in its illustrative calculations: 'For the assessment, we have assessed a revenue shock that would be substantial, but not lead to government interventions. The example use is a sudden, 5% drop in ridership on buses. **This could be caused by (for example) an international health pandemic that had not yet reached the UK.**' [Emphasis added]. See West Yorkshire Combined Authority (2023), 'Combined Authority response to the Observations of the Independent Auditor', p. 14.

reasonable to assume that operators would price this risk in higher profit requirements (and therefore higher bid margins) for franchises.

A six-month demobilisation period during the initial phase of the Franchising programme therefore appears unrealistic. **Correcting this issue within WYCA's modelling would increase the estimated costs to WYCA of a 5% decline in revenues under Franchising, while leaving the costs borne by WYCA under the EP reference case and EP+ unchanged.**

5.2.2 While a six-month demobilisation period may be realistic in the 'steady state', in the long run it is WYCA which bears asset utilisation risk

As noted in section 5.2.1, it appears unlikely that operators that have provided (and priced) their own fleets for franchised operations can demobilise fleets within six months of notification from the Authority. In the long run, however—when all new franchises are tendered in a manner whereby WYCA provides the necessary fleet to winning bidders—it is possible that operators could successfully demobilise within six months of notification, since:

- there would be no need for operators to re-allocate unused fleets elsewhere;
- it may be that ongoing staff turnover enables surplus driving and engineering staff to be re-absorbed in the business.²²⁶

Importantly however, **if—following a 5% drop in demand—the Authority found it necessary to reduce service provision to preserve affordability, WYCA would face the same risk of under-utilised fleets** as those faced by operators during the initial phase of the Proposed Franchising Scheme. More specifically, the Authority would find itself paying the costs associated with the under-utilised fleet (including both principal and interest costs) while likely struggling to recoup these costs by re-deploying these assets to other parts of its own network, or selling/re-leading the assets to other operators.

The risk of WYCA-owned fleets being under-utilised is not addressed in WYCA's revenue risk analysis. This appears to be a major oversight, which significantly skews the perception of risk that the Authority would be exposed to under its Proposed Franchising Scheme.

²²⁶ This point was confirmed to us by our technical adviser, Robert Montgomery (former Bus Managing Director of Stagecoach UK).

5.3 WYCA's pessimistic demand forecast masks the risks it bears under Franchising

In its Assessment, WYCA forecasts the levels of demand, revenues and costs which are expected to materialise across the EP reference case, and the EP+ and Franchising options considered. The outputs of WYCA's modelling indicate that:

- demand and revenues are higher across both the EP+ and Franchising options than they would be under the EP reference case, albeit higher under Franchising than under EP+; but,
- despite this, bus demand—and therefore revenues—are expected to decline under the EP reference case, the EP+ option and WYCA's Proposed Franchising Scheme.

As noted in section 2.1.3, almost no commercial services are expected to operate after 2040 under the EP reference case and EP+. WYCA's modelling assumes that this decline in commercial service provision is partially offset by the provision of supported services paid for by the Authority. It is on this basis that WYCA describes the revenue risk it would bear under Franchising as 'incremental'.²²⁷

However, **WYCA's argument that it is exposed to revenue risk under all options rests entirely on the assumption that bus demand will contract considerably in future**, and that it would offset this through the introduction of gross-cost contracts.

It is self-evident that if WYCA's bus demand forecast were largely 'flat' (instead of declining significantly), the Authority would enjoy considerable additional flexibility under the other options regarding how it might respond to an unexpected shock to demand, which it otherwise would forego under Franchising. This is because **under the EP reference case and EP+, the Authority would not be tied into franchise contracts which require that it pays operators to provide services which it could no longer afford.**

Unfortunately, **we are unable to comment on the robustness of WYCA's unconstrained bus demand forecast.** This is due to a lack of transparency in WYCA's economic case. In particular, while WYCA summarises the outputs of its unconstrained demand forecast in a chart

²²⁷ West Yorkshire Combined Authority (2023), 'Combined Authority response to the Observations of the Independent Auditor', p. 11.

showing the forecast evolution of passenger journeys from 2021/22–2045/46,²²⁸ WYCA has not:

- published a detailed breakdown outlining the contribution of individual exogenous drivers to its overall demand forecast;²²⁹
- as outlined in Appendix A1, WYCA has not been forthcoming with additional information on the elasticities used within its modelling upon request.

Given the apparent significance which these forecasts have had in leading to WYCA's conclusion that the Authority bears revenue risk under all options (and therefore that the increase in risk under Franchising is 'incremental'), these forecasts should be subject to further scrutiny.

5.4 WYCA has not adequately considered provision for risk

5.4.1 WYCA's earmarked reserve

In its financial case, WYCA indicates that it will set aside savings expected from lower asset financing costs under Franchising to mitigate against financial risk. Specifically, it states that:

Under the Franchising option, the Authority assumes the use of UKIB financing for fleet and depot. This method of borrowing is expected to be less costly than private borrowing.

The expected savings from this lower cost of borrowing are assumed to be set aside in an earmarked reserve to cover unanticipated risks.²³⁰

WYCA then shows how—assuming no funds were withdrawn—this 'earmarked reserve' is expected to grow between 2026/27 and 2040/41 (in line with the Authority's assumed level of fleet and depot investment). While the reserve is effectively empty during the first years of the Franchising programme (with only £4.2m accumulated during the first five years of Franchising), by 2040/41 up to £24.3m would have accumulated in the reserve.²³¹

²²⁸ See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 53.

²²⁹ We note that this contrasts with the approach taken by the GMCA in its Bus Franchising Assessment, which provides a detailed overview of the specific impact each individual driver of demand was expected to have over the forecast period. See Greater Manchester Combined Authority (2019), 'Bus Franchising in Greater Manchester Assessment', September, p. 182.

²³⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 64.

²³¹ Both figures are nominal. West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 65.

WYCA does not make clear exactly what risks the earmarked reserve is intended to cover. However, WYCA notes in its consultation document that the earmarked reserve could be used to cover unexpected increases in the cost of fleet and depots. We also note that in response to observations raised by the auditor regarding the risk of a sudden reduction in revenue, WYCA noted that:

... while it may be beneficial for the Combined Authority to establish some additional specific reserves for this risk, doing so would not materially affect the cost of the options or the conclusions of the assessment.²³²

The implication is that **WYCA has made no provision for risk relating to unexpected reductions in revenue** within its earmarked reserve.

5.4.2 There is no logical connection between the size of the earmarked reserves and the risks WYCA would face under Franchising

Within its Assessment, WYCA makes no attempt to justify why the size of its earmarked reserve is considered proportionate to the scale of risk it would be exposed to under Franchising. As noted in Appendix A1, when asked in writing as to the rationale for the proposed size of the reserve, WYCA responded by noting that:

There is no requirement for the Authority to hold an earmarked reserve specifically linked to assets acquired. It is expected that the Authority would manage risk in line with its wider Treasury Management function[...] The reserve identified in the Financial Case is based on the savings the Authority can get by financing through public borrowing compared to private financing methods. **The Authority has determined that a prudent assumption would be to reserve any savings to cover unanticipated risks if they happened[...]**²³³ [Emphasis added]

It is self-evident that setting aside at least some money to cover risks is more 'prudent' than setting aside no money for such eventualities.

However, **what WYCA fails to do is consider whether the size of its proposed reserve is 'prudent', based on the risks it would face under Franchising.** To do this, WYCA would need to:

- 1 clearly identify the specific risks which the reserve is designed to mitigate against;

²³² Grant Thornton LLP (2023), 'Observations on West Yorkshire Combined Authority's (WYCA) Assessment of a Bus Franchising Scheme', 20 September, p. 9.

²³³ WYCA response to written questions from First Bus, issued 1 December 2023.

- 2 assess the financial impact which each of these risks could have on WYCA if they materialised;
- 3 assess whether the proposed reserve is likely to be sufficient to mitigate against these risks based on the likelihood of these risks materialising—both individually and collectively;
- 4 either increase or decrease the risk reserve accordingly based on the outcome of this assessment.

This is similar to the process undertaken by GMCA in its Bus Franchising Assessment for Greater Manchester, in which it estimated the degree of risk provision required to manage risk at a level it was comfortable bearing.²³⁴ We summarise this approach in Box 5.1 below.

²³⁴ More specifically, the GMCA sought to estimate the level of risk provision required in a manner which was 'reasonable but not unrealistically prudent'. See Greater Manchester Combined Authority (2019), 'Bus Franchising in Greater Manchester Assessment', September, p. 239.



Box 5.1 GMCA's approach to sizing risk reserve for Franchising

For its Bus Franchising Assessment, GMCA quantified the degree of risk provision it would require to mitigate against the specific risks it would be exposed to under bus franchising. GMCA's analysis was informed by a Monte Carlo simulation—an approach commonly used in finance to analyse risk.

GMCA's Monte Carlo model considered multiple types of risk, including:

- **'quantified risks'**—these were specific risks which GMCA identified through workshops (e.g. the risk that operators did not have the necessary information to price bids appropriately);
- **revenue risk**—GMCA considered the risks that outturn revenue were different from forecast (and which were considered in aggregate, since revenue risk is difficult to predict and the factors affecting revenue risk are often linked);
- **'system one' risk**—relating to potential lost revenue due to trips which were previously made on single tickets but that would no longer be purchased under Franchising (following the move to all-network tickets).

GMCA's modelling estimated the degree of risk provision needed to cover costs in 80% of scenarios: this was selected on the basis that it was consistent with the approach adopted to establish budgets and funding for other major TfGM projects. A sensitivity test at the 85th percentile is reported in the financial case.

The analysis indicated that **the cumulative level of risk provision required under Franchising up to 2051 was £272m**. This included £107.5m for quantified risk, £44.6m for revenue risk and £119.9m for 'system one' risk (in nominal, non-discounted prices).

The fact that no attempt has been made to undertake this type of exercise—and that its proposed reserve simply reflects savings expected through cheaper asset financing—means **there is no logical connection between the size of WYCA's earmarked reserve and the risks it would face under Franchising.**

5.4.3 WYCA's limited commentary on asset acquisition risks suggests the earmarked reserve may be insufficient

Despite the fact that WYCA fails to assess whether the size of the earmarked reserve is commensurate with the risks it would bear under Franchising, WYCA's observations on asset acquisition risk in its finance case suggest its earmarked reserve may be insufficient. This is based on the 'additional sensitivities' outlined towards the end of its Assessment—specifically:

- **depot cost risk**—WYCA appears to indicate²³⁵ that an increase in depot purchase costs of 30% would represent using an additional £6.9m (i.e. 28.5%) of the forecast closing balance of the earmarked reserve in 2040/41;
- **fleet cost risk**—WYCA appears to indicate that a rise in the cost of fleet of 10% that only affected the costs to the Authority (and not fleet costs for operators) would represent using an additional £21.2m (i.e. 87.1%) of the forecast closing balance of the earmarked reserve in 2040/41;
- **financing cost risk**—WYCA appears to indicate that an increase in UKIB interest rates of 1% would represent using an additional

²³⁵ We say 'appears to indicate' since the wording in WYCA's financial case on how these costs would be funded if the risks materialised is unclear. WYCA's exact wording is: 'an increase of 30% in depot costs would lead to a £0.03m increase in the draw on the Combined Authority budget over the appraisal period. This increase would represent using an additional £6.9m (i.e. 28.5%) of the forecast closing balance of the earmarked reserve in 2040/41.' West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 83.

£18.3m (i.e. 75.2%) of the forecast closing balance of the earmarked reserve in 2040/41.²³⁶

To begin with, it is important to note that **if these three risks materialised simultaneously, these additional costs could not be funded by drawdowns on the earmarked reserve alone.** This is because WYCA would require 190.8% of the forecast closing balance of the earmarked reserve in 2040/41 to cover these costs. This suggests that the earmarked reserve may be insufficient—however, we cannot say this for certain, since it is unclear whether:

- 1 WYCA might rely on funding from other sources to cover these risks;²³⁷
- 2 the earmarked reserve is only designed to cover these three specific risks, or also others;
- 3 WYCA does not assign specific probabilities—or even consider the likelihood of—these scenarios materialising.

It should also be noted that, in practice, it is questionable whether WYCA could use its earmarked reserve to cover the costs associated with an unanticipated increase in UKIB financing rates. This is because—as noted in section 5.4.1—WYCA expects to fund its earmarked reserve with savings derived from lower asset financing costs (secured through the use of UKIB financing). Accordingly, while an unexpected increase in UKIB financing rates would serve to increase the cost of WYCA's fleet and depot acquisition programme, the same increase in UKIB rates might simultaneously serve to reduce the size of WYCA's earmarked reserve (unless the increase in UKIB rates coincides with an identical increase in private finance rates).²³⁸

Finally, **if the risks WYCA faces under Franchising are skewed towards the early years of the franchising programme, it is highly unlikely that the earmarked reserve will be sufficient to mitigate them.** This is because the earmarked reserve is expected to grow over time, in line with WYCA's expected investment in fleet and depots. The implication is that there are almost no reserves available at the outset of the Proposed Franchising Scheme.

²³⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 83.

²³⁷ As noted in Footnote 235, WYCA's financial case does not make it clear exactly which sources of funding would be used to cover given overspends should these cost risks materialise.

²³⁸ WYCA alludes to this latter point in its Assessment. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 83.

It is difficult to say for certain how material this issue may be for WYCA, given its limited commentary on the risks to which it would be exposed under Franchising, and the timeframes over which such risks might materialise. WYCA appears to indicate that it could manage an unexpected increase in its planned transition costs of 10% via 'an additional draw on the Combined Authority budget of 0.17% (i.e. an increase of c. £2.2m)' and that 'this level of cost is at a level that could be absorbed by the Combined Authority'.²³⁹ We note for comparison however that in its assessment of bus franchising in Manchester, GMCA estimated its risk-provision requirement for the first six years of its franchising programme alone was equal to £36.2m.²⁴⁰

5.5 Summary of issues identified

It is understandable that an Authority may further refine its analysis of policy options as it progresses through the various stages of its decision-making process. Accordingly, we recognise that—at this stage in the process—certain aspects of WYCA's Assessment might be less detailed than others.²⁴¹

However, it is clear that **WYCA's consideration of the risks it would be exposed to under Franchising is fundamentally flawed**. In particular, our review of the Authority's Assessment has identified that:

- WYCA's risk analysis suggests **the Authority has made over-optimistic assumptions** about the speed which franchisees can 'demobilise' during the initial phases of Franchising, **and has failed to recognise the asset utilisation risk to which the Authority would be increasingly exposed under Franchising** as it gradually purchases and invests in the bus fleet;
- **WYCA's argument that revenue risk is borne in all scenarios is fundamentally reliant on its pessimistic forecast** for future bus demand, which it provides limited detail on making it impossible to effectively scrutinise.
- **WYCA has not considered whether the size of its earmarked reserve is commensurate with the risks it would face under Franchising**, with the limited evidence presented in its

²³⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Financial Case—Final Financial Case', September, p. 83.

²⁴⁰ Greater Manchester Combined Authority (2019), 'Bus Franchising in Greater Manchester Assessment', September, table 45, p. 375.

²⁴¹ We note, in this respect, that the Bus Services Act 2017 franchising scheme guidance states that 'The level of detail that should be included in an assessment is the same as the level of detail that would usually be included in an Outline Business Case'. See Department for Transport (2017), 'The Bus Services Act 2017—Franchising Scheme Guidance', p. 11.

Assessment suggesting that its proposed reserve may be too small.

Were these issues appropriately accounted for within WYCA's Assessment, it is likely that Franchising would compare considerably less favourably to both the EP reference case and EP+.

6 WYCA overstates the strategic benefits of Franchising

Under the Transport Act 2000 (amended by the Bus Services Act 2017), WYCA is required to consider whether its Proposed Franchising Scheme would contribute to the implementation of the Authority's local transport policies.²⁴² This is considered within the strategic case, which sets out WYCA's case for change, the national and local policy context, the objectives for reform, and WYCA's Assessment of the options for reform against the objectives.²⁴³

In addition to the fact that the Assessment is likely to overstate the benefits of Franchising and underestimate the costs and financial risks, as discussed in sections 3–5, there are three fundamental and significant issues with the strategic case for Franchising:

- Franchising is unable to achieve WYCA's wider transport policy targets (section 6.1);
- WYCA is likely to have underestimated the implementation risks of Franchising and their impact on the strategic benefits of Franchising (section 6.2);
- WYCA has not provided sufficient evidence for the strategic benefits of Franchising (section 6.3).

6.1 Franchising is unable to achieve WYCA's transport policy targets

As mentioned above, the Strategic Case must set out the 'objectives for local bus services, which will contribute to achieving the authority's overall local transport policies',²⁴⁴ and must explain 'the extent to which each of the options considered will help achieve their policy objectives'.²⁴⁵

²⁴² Under section 108(1)(a) of the Transport Act 2000 (amended by the Bus Services Act 2017), 'Each local transport authority must—(a) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport... to, from and within their area, and (b) carry out their functions so as to implement those policies.'

²⁴³ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case', September.

²⁴⁴ Department for Transport (2017), 'The Bus Services Act 2017 Franchising Scheme Guidance', pp. 13–14.

²⁴⁵ Department for Transport (2017), 'The Bus Services Act 2017 Franchising Scheme Guidance', pp. 14–15.

Table 6.1 below provides a summary of WYCA's key local transport policies and the associated policy targets for bus.²⁴⁶

Table 6.1 WYCA's local transport policy and targets for bus

Policy	Description	Key policy targets for bus
West Yorkshire Transport Strategy 2040 ¹	The current Local Transport Plan (LTP) which sets out the future vision for transport across the region. This includes the wider ambition to support public transport and promote modal shift.	25% increase in bus patronage by 2027.
West Yorkshire Bus Service Improvement Plan (BSIP) ²	As required by the National Bus Strategy, the BSIP sets out the local vision for bus services, which centres on: a safe and inclusive bus system; better connected communities; and decarbonisation and integrated, sustainable travel.	By 2024/25: <ul style="list-style-type: none"> • 15% increase in bus patronage • 10% reduction in journey time • reliability of 99.5% • customer satisfaction of 7.5 Zero-carbon bus fleet by 2036
The Connectivity Infrastructure Plan ³	Sets out the long-term investment plan for all modes of transport focused on how connectivity can help raise productivity, living standards and environmental quality.	52% increase in bus passenger kms by 2038.

Notes: ¹ West Yorkshire Combined Authority (2017), 'Transport Strategy 2040'; ² West Yorkshire Combined Authority (2022), 'Bus Service Improvement Plan', October; ³ West Yorkshire Combined Authority (2021), 'The Connectivity Infrastructure Plan', January. Source: Oxera.

As shown in Table 6.1, WYCA has ambitious targets for increased bus patronage as part of its local transport policies. However, WYCA's objectives for bus reform set out in the strategic case focus on: increased bus mode share in the period up to 2040; decreased car mode share in the period up to 2040; and decreased transport carbon emissions in line with the Carbon Emission Reduction Pathways to realise net zero by 2038.²⁴⁷

While the economic case assumes that there will be small amounts of modal shift from car to bus under both interventions (EP+ and

²⁴⁶ Section 3 of the Strategic Case considers further national and local policies beyond those captured in Table 6.1. See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case—Final Strategic Case', September, pp. 24–42.

²⁴⁷ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case—Final Strategic Case', September, pp. 115–16. See Appendix A3 for the full list of objectives for reform.

Franchising) relative to the reference case (EP),²⁴⁸ it shows that in all three scenarios (EP, EP+ and Franchising), there is an absolute decline in bus patronage from 2023/24 to 2045/46.²⁴⁹ This is directly at odds with WYCA's policy targets.

Depending on the interpretation of the objectives for reform, this presents either of the following concerns.

- The objectives, while less specific than WYCA's wider transport targets, do align with local policy targets to increase bus patronage. In this case, the economic case for Franchising is directly at odds with the strategic objectives for reform, and Franchising will be unable to achieve the desired objectives over the appraisal period.
- The objectives for reform are less ambitious than, and are therefore inconsistent with, WYCA's local policy targets.²⁵⁰ In this case, both the strategic case and the economic case conflicts with WYCA's wider transport policy. As a result, the strategic case may be unlikely to fulfil the requirements of the Transport Act 2000 (amended by the Bus Services Act 2017) and guidance to demonstrate how the objectives and options for reform 'contribute to achieving the authority's overall local transport policies'.²⁵¹

Regardless of the interpretation, both sets of concerns raise significant questions regarding the suitability of the Proposed Franchising Scheme, its ability to achieve WYCA's wider transport policy, and its ability to deliver value for money. These concerns are further exacerbated by the fact that WYCA's Assessment is likely to overstate the benefits of Franchising, underestimate the costs and financial risks—as discussed in sections 3–5—and is likely to underestimate the practical implementation issues associated with Franchising—see section 6.2 below.

While neither Franchising nor EP+ as modelled in the economic case will achieve WYCA's wider transport policy targets, it may be argued that

²⁴⁸ The economic case states: 'The proposed interventions under EP+ and Franchising will increase bus usage in West Yorkshire. A proportion of this increase in bus usage will be as a result of modal shift away from private cars.' West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, p. 93.

²⁴⁹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 70–71.

²⁵⁰ This could be the case because there could be an increase in the modal share of bus relative to car (therefore achieving the strategic objective), but an overall decline in bus patronage (therefore inconsistent with policy targets).

²⁵¹ Department for Transport (2017), 'The Bus Services Act 2017 Franchising Scheme Guidance', pp. 12–13.

Franchising is better able to achieve the strategic objective of car-to-bus modal shift relative to EP+, as the decline in bus patronage is assumed to be slower under Franchising.²⁵² However, given the implementation risks associated with Franchising, discussed in more detail in section 6.2, this may not be material in practice. As a result, the strategic case seems to overstate the extent to which Franchising will achieve this objective for reform.

In addition, further inconsistencies between WYCA's policy targets and objectives, and the Proposed Franchising Scheme can be seen in specific areas of the Assessment. For example, under Franchising, WYCA's Fleet Strategy states that 'the Authority will undertake a gradual acquisition of ZEBs in line with the natural replacement cycle of the fleet', and will accumulate 'a total of 868 buses [ZEBs] by the end of the appraisal period [2040]'.²⁵³ However, as discussed in section 4.2.2 the total size of the West Yorkshire fleet is currently 1,755.²⁵⁴ There is therefore a gap of at least 432 buses (25%) and up to 887 buses (51%) between the estimated number of ZEBs assumed to be acquired by WYCA and the current fleet size.

This implies that this missing fleet will either:

- not be zero emission by 2040,²⁵⁵ which is directly at odds with the target for the fleet to be zero emission by 2036;²⁵⁶ or,
- that it must be scrapped in order to achieve this target, which is then likely to be at odds with the target to increase bus patronage and passenger kms.

In contrast, under EP+, WYOs have committed to a full zero-emission fleet by 2036.²⁵⁷

6.2 WYCA is likely to have underestimated the implementation risks of Franchising

In line with the requirements of the Transport Act 2000 (amended by the Bus Services Act 2017), WYCA considers the implementation risks

²⁵² West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Economic Case—Final Economic Case', September, pp. 70–71.

²⁵³ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment – Franchising Case Fleet Strategy', Section 3.3.

²⁵⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 10.

²⁵⁵ Assuming that the fleet size stays the same.

²⁵⁶ West Yorkshire Combined Authority (2022), 'Bus Service Improvement Plan', October

²⁵⁷ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case—Final Strategic Case', September, pp. 156–89.

associated with Franchising and EP+ in the management case.²⁵⁸ However, we have the following concerns with the consideration of these risks in the strategic case.

Firstly, while WYCA considers various implementation risks of Franchising and EP+ in the management case, the strategic case focuses heavily on the implementation risks associated with EP+—in particular, the ability to achieve operator agreement—and largely ignores the significant implementation risks associated with Franchising.²⁵⁹ Indeed, the management case identifies 26 potential risks associated with Franchising and only 12 associated with EP+.²⁶⁰ By seemingly downplaying the risks associated with Franchising, the strategic case is unlikely to present an equal and balanced assessment of the two options. As a result, WYCA is likely to underestimate the impact of implementation risks on WYCA's ability to achieve the strategic benefits of Franchising.

Secondly, despite the considerable number and likely severity of the risks identified with Franchising, WYCA assumes that all risks can be mitigated. However, much of the Assessment focuses on mitigating strategies to be taken in future without clear detail on what these mitigating strategies will look like or how and when they will be implemented.²⁶¹ We would expect a more specific and detailed explanation of the mitigating strategies to be used to justify the expectation that all risks can be mitigated and that the implementation risks do not undermine the expected strategic benefits.

Thirdly, WYCA is likely to underestimate a number of significant risks associated with Franchising in the management case and strategic case, including the below.

- **The challenges of managing an ongoing programme of competitive tendering and contract management.** The management case identifies a lack of WYCA capability and capacity as a potential risk to Franchising, and proposes mitigating strategies such as resource planning and training.²⁶²

²⁵⁸ See West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Management Case—Final Management Case', September, pp. 79–91.

²⁵⁹ With the exception of some risks associated with the availability of funding. See for example paras 10.2.26, 10.3.16, 10.3.29 of West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case—Final Strategic Case', September, pp. 156–89.

²⁶⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Management Case—Final Management Case', September, pp. 79–91.

²⁶¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Management Case—Final Management Case', September, pp. 79–91.

²⁶² West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Management Case—Final Management Case', September, pp. 79–91.

However, experience from other Franchising schemes evidences the significant risks to WYCA involved with the implementation and management of Franchising that may not have been sufficiently considered.²⁶³ For example, WYCA may fail to specify the franchise (i.e. the routes, vehicle specifications, environmental outcomes, etc.) in such a way that achieves the desired outcomes, it may incorrectly evaluate tenders leading to legal risk, or it may inappropriately stage competitions potentially limiting the number of bidders, or not allowing sufficient time for bidders and the Authority to prepare and review tenders.

- **The risks associated with the proposed timescales for implementation of Franchising.** WYCA sets out in its implementation plan that fleet and depot procurement will begin in Q4 of 2024, the first round of procurement will begin in Q4 of 2025, and that Franchising will be fully operational by Q3 of 2028.²⁶⁴ This is an ambitious timetable, which appears to have little planning for contingency. For example, there appears to be limited consideration of the potential challenges of hiring bus drivers given ongoing national recruitment challenges.²⁶⁵ Similarly, there are risks that WYCA is unable to gain access to key assets such as depots that are currently owned by bus operators.

As a result, WYCA is unlikely to have sufficiently considered the impact of operational challenges and implementation risks on the certainty of achieving the strategic benefits associated with Franchising.

6.3 WYCA has not provided sufficient evidence for the strategic benefits of Franchising

In line with the requirements for the strategic case, WYCA provides its Assessment of EP+ and Franchising against the objectives for reform.²⁶⁶ The full list of the objectives are set out in Appendix A3.

Much of this Assessment focuses on the benefit of WYCA having 'full control' and 'certainty' over all aspects of the bus network under

²⁶³ See, for example, Department for Transport (2012), 'West Coast Main Line franchise competition cancelled', 3 October; and Greater Manchester Combined Authority (2022), 'Statement from Mayor of Greater Manchester on bus franchising Judicial Review Appeal judgment', 25 July.

²⁶⁴ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Commercial Case—Final Commercial Case', September, p. 60.

²⁶⁵ See, for example, Department for Transport (2023), 'Boost for bus, coach and HGV recruitment with proposed reforms to training rules', 2 March; UK Parliament (2023), 'Implementation of the National Bus Strategy', 30 March; BBC News (2022), '[Bus driver shortage: Almost 1 in 10 positions vacant](#)', 4 November, (last accessed 5 November 2023).

²⁶⁶ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case—Final Strategic Case', September, pp. 156–89.

Franchising (including investment, fleet specification, routes, fares, timetables, customer engagement and so on). However, the strategic case does not provide any detail on how WYCA will utilise the additional control to deliver better outcomes for passengers and achieve its objectives. In line with this, it appears that there is an implicit assumption throughout the strategic case that WYCA will be better placed to address the various issues identified within the bus market relative to EP+. However, there is little evidence provided to support this, and there appears to be limited consideration of the existing expertise of commercial operators and dynamic efficiency that would be partially or wholly lost under Franchising.

Furthermore, WYCA cites the lack of control under EP+ and the fact that achieving many of the objectives will be subject to WYO agreement and commercial arrangements, therefore providing less certainty, as a key downside of EP+.²⁶⁷ However, there is again a lack of evidence to suggest why and how the objectives of reform would not be achieved under EP+, especially given that operators have provided letters of commitment to the proposal, the requirements on operators under EP+ would be legally binding, and WYCA would likely have additional powers for enforcement under EP+.²⁶⁸

As a result, the Assessment of the strategic benefits of Franchising are likely to be overstated and/or are not sufficiently evidenced. It would be reasonable to expect that the strategic case would include a more detailed discussion of how WYCA intends to operate the bus network in an effective, efficient, and commercial manner under Franchising and why this leads to better outcomes for passengers relative to EP+.

6.4 Summary of issues identified

As a result of the issues discussed in the preceding sections, WYCA is likely to have overstated the strategic benefits of Franchising. This presents a significant concern with the overall case for Franchising as WYCA states that the strategic benefits are central to the identification of Franchising as the preferred option (despite WYCA's own Assessment that Franchising involves additional costs and risks relative to EP+²⁶⁹). Indeed, WYCA states:

²⁶⁷ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case—Final Strategic Case', September, pp. 156–89.

²⁶⁸ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case', September, p. 173.

²⁶⁹ WYCA states 'the Assessment is clear that Franchising requires significant capital investment by the Combined Authority and has additional key risks'. West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Conclusion', September, p. 4.

Following analysis of each option across all five cases, this assessment can conclude that **Franchising offers clear strategic benefits and greater opportunity to achieve the Combined Authority's objectives and ambitions for West Yorkshire** compared to the reference case and Enhanced Partnership 'Plus'. [Emphasis added]²⁷⁰

In particular:

- There is little evidence provided in the strategic case to support the claim that Franchising will provide certainty and control, or show how WYCA will utilise this to deliver better outcomes for passengers.
- The strategic case relies heavily on operator agreement being a key hurdle to realising the benefits of EP+, where WYCA states 'further work would be required with operators to agree the detailed specifics of what could be achieved under this model [...], and there remains a risk that not all of the benefits assumed would actually be delivered'.²⁷¹ However, WYCA largely ignores the impact of implementation risks on the strategic benefits of Franchising and does not provide any consideration of the further work that would be required to manage these risks.
- Regardless of any potential added 'certainty' or 'control', the issue remains that bus patronage is assumed to continue to decline under Franchising, and hence Franchising is unable to deliver on WYCA's wider local transport targets.

It is therefore likely the case that the strategic benefits of Franchising are overstated and may be more closely matched to EP+ than WYCA suggests. As a result, it is more difficult to justify the additional costs and risks associated with Franchising relative to EP+.

²⁷⁰ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Conclusion', September, p. 4.

²⁷¹ West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Conclusion', September, pp. 4-5.

7 Conclusions

In this report, we outline the outcome of our review of WYCA's Assessment of options for bus reform in West Yorkshire. We find there are a number of significant issues that are likely to distort the Assessment in favour of Franchising. Our analysis of these issues allows us to draw the following conclusions.

WYCA overstates the benefits of Franchising. As a result, the estimated economic benefits of Franchising are likely to be inflated.

Firstly, WYCA has overestimated the margin that operators earn for commercial services, and existing margins likely lie below the margin assumed by WYCA. As a result, WYCA has likely overestimated the savings which can be achieved through lower margins under Franchising by £24.8m–£28.3m over a ten-year period.²⁷² We estimate that correcting this issue alone is likely to reduce the NPV of Franchising from £728m to somewhere between £478m and £528m,²⁷³ implying that it is roughly in line with—and potentially lower than—the NPV of EP+ estimated by WYCA.

Secondly, WYCA makes unrealistic assumptions on the deliverability of network and service enhancements. The network enhancements proposed are likely to require substantial resources to deliver, with analysis of First Bus data suggesting that efficiency gains stemming from other network interventions are unlikely to deliver the savings needed to pay for them. In addition, WYCA optimistically assumes that there would be no change in fleet size or total headcount to deliver its proposed frequency enhancements, and does not appear to have considered in detail how delivering the proposed improvements may require complex trade-offs with delivery of services elsewhere in West Yorkshire.

Thirdly, WYCA's assumptions on the demand impact of fares simplification is based on limited evidence, which is outdated and suffers from several design and analytical flaws. As a result, the demand uplift assumed is likely to have a significant upward bias. This is

²⁷² Figures shown in 2021/22 price base (non-discounted). Note that this analysis is conservative, as it relies on our 'upper' estimate of commercial margins (i.e. 8.6%).

²⁷³ Figures in 2010 PV terms. Note that the margin savings presented in the previous sentence are not directly comparable with these figures, since our estimate of the potential NPV impacts is derived from WYCA's reported sensitivity analysis (and therefore also takes into account the resulting impacts of different levels of service provision on demand, revenue, costs and economic benefits).

likely to significantly inflate the NPV of Franchising, where halving the demand uplift applied to both Franchising and EP+ reduces the gap in the NPV of Franchising over EP+ from £222m to £111m.

When these errors are corrected, Franchising is likely to offer worse value for money than EP+.

WYCA underestimates the implementation costs and overestimates savings from Franchising. As a result, the Proposed Franchising Scheme is likely to be unaffordable.

In addition to the fact that WYCA overstates the savings from the introduction of Franchising (due to its incorrect estimation of operators' commercial margins), WYCA has also likely underestimated the fleet requirements for Franchising by up to 50%. Correcting this implies that WYCA's capital expenditure on vehicles may be between £118.6m and £223.3m higher than modelled.²⁷⁴ As a result, Franchising appears to be unaffordable based on the budget available for bus services in West Yorkshire.

WYCA's Assessment of the financial risks it would bear under Franchising is flawed.

Under Franchising, WYCA would bear all revenue risk associated with bus operations. However, WYCA's Assessment makes overly optimistic assumptions on the speed at which franchisees can 'demobilise' in initial phases, fails to recognise asset utilisation risk, and is based on overly pessimistic demand forecasts. In addition, our analysis suggests that WYCA is unlikely to have a sufficient reserve in place that is commensurate with the financial risk of Franchising. As a result, WYCA is likely to have underestimated its risk exposure under Franchising, and the impact of this on the deliverability of its Proposed Franchising Scheme.

WYCA overstates the strategic benefits of Franchising. As a result, Franchising is unlikely to achieve WYCA's objectives for reform.

WYCA states that the strategic benefits of Franchising are central to its identification as the Authority's preferred option. However, our analysis suggests that Franchising is unlikely to deliver WYCA's perceived strategic benefits. In particular, Franchising is unable to deliver WYCA's wider transport targets for increased bus patronage, and WYCA likely

²⁷⁴ In 2021–22 prices.

underestimates the impact of implementation risks on its ability to achieve the strategic benefits. In addition, WYCA provides limited evidence on how the additional 'control and certainty' under Franchising would be used to deliver better outcomes for passengers. This raises significant questions on the suitability of the Proposed Franchising Scheme, and its ability to deliver WYCA's objectives for reform.

As a result of the above, we conclude that **the costs and risks associated with WYCA's Proposed Franchising Scheme are unlikely to be justified by the potential benefits relative to EP+.**

Our findings raise broader questions regarding the overall quality of WYCA's analysis.

Our review has identified a number of material issues with WYCA's analysis. These issues, combined with the opacity of WYCA's Assessment and the incomplete—and at times contradictory—responses to questions raised by First Bus raise broader questions about the quality of WYCA's analysis.

We cannot comment on the comprehensiveness of the audit delivered by the auditor (Grant Thornton), as Grant Thornton had access to information for its review which has not been made available to Oxera for review—in particular, the models underpinning WYCA's economic and financial cases. Nevertheless, it is important to note the below.

- 1 The auditor raised a number of material observations on WYCA's Assessment, which the Authority has not satisfactorily addressed. A key example here relates to Grant Thornton's observation that in its Assessment, WYCA does not consider the risks associated with costs it may be committed to incurring if faced with an unexpected decline in revenues. While WYCA has provided some supplementary analysis in response to Grant Thornton's observation, WYCA's simplistic analysis is flawed.
- 2 Our review has identified a number of material issues which Grant Thornton's review appears to not have considered. This includes assumptions relating to commercial margins, fleet numbers and network enhancements.

The errors we have identified raise questions as to whether WYCA's Assessment complies with applicable statutory guidance. Specifically, whether there is sufficient detail to enable an informed decision, and whether there has been appropriate quality assurance in line with the Aqua book (a point specifically identified in the statutory guidance but

not mentioned within the Assessment). The errors identified also raise questions as to whether WYCA's conclusions are based on robust evidence, and—because of this—whether the Authority has met other requirements applicable under the relevant legislation and associated guidance, in particular on value for money, affordability, and alignment with strategic objectives.

A1 Addendum

This report was finalised on 15 December 2023. However, on 4 January 2024, Oxera was further commissioned by First Bus to review additional information received from WYCA in a letter entitled 'WYCA response to First letter 22nd December 2023 – FINAL' dated 3 January 2024.

We reviewed the letter and found that, with the exception of two issues, there are no material changes to our findings. The letter does raise two additional material issues, which Oxera advised First Bus on. We summarise these for completeness below.

1) Results of fares and ticketing sensitivity

WYCA's letter indicates that the result of a sensitivity to halve the impact of fares and ticketing simplification on demand assumed for Franchising (i.e. from 2.5% to 1.25%) and for EP+ (i.e. from 1.25% to 0.625%) results in NPVs of £624.0m for Franchising and £511.0m for EP+. This compares to NPVs of £728.2m and £506.3m for these two options under the central case, respectively.

The results of this sensitivity test are highly unusual, and suggest that parts of WYCA's modelling suite may not be functioning correctly.

As noted in section 3.4.4 of this report, the NPVs of the options considered in WYCA's Assessment are a function of both the user and non-user benefits expected to arise under each option. Accordingly, these NPVs should be directly proportional to the levels of bus demand and patronage forecast under each option. Accordingly, **the fact that the estimated NPV of EP+ increases in response to a reduction in demand is highly counterintuitive.**

In its letter, WYCA states that:

Under EP+ the model uses accumulated savings from some less-used (under this test) subsidised services being cut, to provide additional years of a service in an area where consideration of whether there is sufficient budget remaining to subsidise that service is tested subsequently within the process. The benefit resulting from this

additional service offsets the NPV effect of reducing the impact of ticketing simplification.²⁷⁵

The implication of this statement is that when the fares and ticketing sensitivity is run, **the service pattern which can be delivered with less revenue under EP+ — i.e. due to lower levels of demand — is more economically beneficial than the service pattern which can be delivered with higher levels of revenue.** This suggests that the 'trimming' and 'cutting' process within WYCA's modelling suite is operating illogically, with WYCA's budget for bus services being spent on sub-optimal services under EP+.

2) Request for commentary on WYCA's unconstrained demand forecast

In response to a request from First Bus regarding greater transparency of unconstrained demand forecast assumptions, WYCA responds indicating that:

The information provided in the Economic Case, specifically Figure 4, provides the overall unconstrained demand forecast of the elasticities and demand drivers used in the assessment and allows First to consider and respond to the assumptions used in the assessment as a whole. **If, when using their own data and assumptions, First comes to a different view and/or result of future bus passenger demand, that could be included in its response to the consultation, with relevant evidence provided.** [Emphasis added]²⁷⁶

It is unclear to us how First Bus can reasonably be expected to comment on the unconstrained demand forecasts outlined in WYCA's Assessment, absent additional information on how these forecasts have been constructed. As documented in the appendices below, First Bus has made several requests for further information regarding the nature of these forecasts, including the demand elasticities used for each exogenous demand driver. We understand however that this information has not been provided.

²⁷⁵ West Yorkshire Combined Authority (2024), 'WYCA response to First letter 22nd December 2023 – FINAL', 3 January, p. 5

²⁷⁶ West Yorkshire Combined Authority (2024), 'WYCA response to First letter 22nd December 2023 – FINAL', 3 January, p. 10

A2 WYCA responses to information requests from First Bus

Following publication of WYCA's consultation and its Assessment on 10 October 2023, First Bus issued a series of information requests to WYCA to clarify points raised in its Assessment. We summarise First Bus' information requests in the tables below, alongside our comments on these.

The information requests shown below followed a separate request from First Bus to provide third-party assurance of the models underpinning WYCA's analysis, which was denied. This request was followed by a detailed set of questions on 31 October 2023, to which WYCA responded on 9 November 2023. Upon receiving incomplete responses to this initial set of questions, First Bus and Oxera met with WYCA and its advisers, PWC and Steer, on 24 November. After this meeting, a detailed list of questions was issued by First Bus on 27 November, with responses received from WYCA on 1 December.

First Bus has asked that we review these requests and the responses received to inform our review of WYCA's Assessment. First Bus has also asked us to express a view on the completeness of the responses received, which we summarise in Table A2.1–Table A2. below.

In summary, although WYCA provided some useful clarifications in response to some of First Bus' questions, in practice many of the responses failed to provide complete answers and often referred back to the Assessment, which provided insufficient detail. We also note that certain aspects of First Bus' questions were only answered partially (e.g. in response to a request about the specific assumptions used, WYCA provided an overview of the general analytical approach employed in its modelling), or in some instances, questions were simply not answered at all.

The remainder of this appendix sets out First Bus' information requests, WYCA's response to each request and Oxera's comments on WYCA's responses.²⁷⁷

²⁷⁷ Note that in Table A2.1–Table A2., the first two columns are quotes from First Bus and WYCA, respectively. Source: Email from WYCA to First Bus dated 9 November, 2023 & Email from WYCA to First Bus dated 1 December, 2023.

Table A2.1 First Bus Questions issued 31 October 2023—economic case

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
<p>A financial model databook is provided at Appendix 4.1. In addition to this appendix, can a similar document be provided for the economic case that sets out the model architecture; all the assumptions and sources. We note this is partly reflected across the economic case but not fully – for example an assumption is provided for the demand uplift of fares simplification of 2.5% based on 2013 NEXUS Simplified Ticketing Research but no source is provided for the assumption that when a service is cut 50% of passengers would be retained and transfer to other services.</p>	<p>Chapters 3 to 6 of the Economic Case present the model architecture, assumptions and sources used in the demand, revenue and cost modelling suite, and Chapter 7 does the same for the economic appraisal calculations. The model architecture of the forecasting models is specifically presented in Figures 2 and 3 of the Economic Case. The 50% passenger retention is a necessary modelling assumption which we determined to be reasonable for the purposes of the modelling and appraisal. However, as set out in paragraph 12.4.14 and Table 34 of the Economic Case this assumption was also subject to sensitivity testing which showed that the key conclusions of the Economic Case remained unchanged across a range of representative alternative values.</p>	<p>The level of detail cited by WYCA is not equivalent to the financial case. We note that Grant Thornton raised similar concerns in its audit, when it noted that: 'The modelling suite uses a number of complex formulas and macros reducing the transparency of calculations, whilst not being supported by detailed documentation.'</p>
<p>A full breakdown of the option outputs and network enhancements assumed across the three options. We note that section 2.2 does not provide this – there is more detail on frequency assumed for EP and EP+ (Table 2) but not similar detail for franchising. A full breakdown of the service pattern assumed in the reference case and the increments and decrements in the two other options including</p>	<p>The service pattern assumed in the reference case is based on information shared by operators with adjustments for consistency with the network in late 2022. The model does not consider specific frequencies other than for those services subject to network interventions (noting that paragraph 2.2.7 explains that Table 2 of the Economic Case also applies to franchising).</p> <p>For the other enhancements (service rationalisation and duplication reduction) the modelling only covers the</p>	<p>WYCA fails to respond to this request, since granular level of assumptions on service patterns are not provided.</p> <p>Rather, the response provides commentary on how the modelling is undertaken. Understanding with some granularity what service levels are assumed is important to provide scrutiny to how each of the EP+ and Franchising options are constructed in practice.</p>

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
assumptions of how these change throughout the day are necessary.	operating cost implications of these. There is no demand impact of service frequency changes for these other enhancements.	The second paragraph along with the response to the next question seems to suggest that the only channel for increased demand in WYCA's modelling is as a result of lower margins, which enables an increase in service provision (Franchising only) and fares simplification with service rationalisation neutral on demand. It follows that the 50% passenger retention assumption only applies to the trimming and cutting process. It is unclear why such a modelling simplification would be undertaken, and we note no rationale is provided for this approach.
Please provide the full details of assumptions used for other interventions (i.e. that are not service enhancements).	The only intervention additional to service enhancements which has been assumed under the reform options relates to fares and ticketing, the assumptions and approach for which are described in paragraph 4.2.32 onwards in the Economic Case. Paragraph 2.2.11 of the Economic Case confirms that no other interventions in the network are assumed under EP+ or Franchising for the purposes of the Assessment.	This is a useful clarification, which makes clear that no additional interventions have been modelled.
Para 11.2.5 indicates that under EP+ the cost of installing ZEBs will be in part on WYCA. However, as per our understanding, the cost of ZEBs under EP+ would fall entirely on the bus operators. Can it be clarified what costs pertaining to ZEBs would be on WYCA under EP+?	Paragraph 11.2.5 refers to the cost of installing infrastructure at depots required to operate ZEBs. The appraisal of EP+ assumes private operators would contribute 75% of the depot fit out and infrastructure costs, with central government contributing the rest. This is consistent and in line with existing and previous ZEBRA funding arrangement and the Economic Case is clear that we assume this	This is a useful clarification, but as noted in section 4.2.1, the DfT's ZEBRA scheme commitment was to support 4,000 buses across the UK, and there is no commitment to continue the scheme beyond 2025, so this is likely to be an optimistic and unrealistic assumption.

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
<p>Details on the assumed quantities of inputs and costs of running each service(e.g. staff, depot and fleet – see list at 5.2.1) across all options are also needed or if not possible, summaries of line items.</p>	<p>As has previously been explained, a full breakdown of (confidential) cost information for each service cannot be provided. The numbers behind the total cost forecast graphs in the Economic Case have been provided.</p>	<p>It is helpful to provide the charts that were published mid-way through the consultation period on 9 November 2023. However, it is clear from other Franchising Assessments that further useful detail could be provided, including summaries of individual cost components in each year as requested.</p>
<p>Full details of all the elasticities in exogenous and endogenous drivers of the impact on bus demand and the supporting evidence for those elasticities. Greater detail over the assumptions of how much and where demand is reallocated when a service is cut or trimmed.</p>	<p>The approach to demand and revenue forecasting, including assumptions on exogenous and endogenous drivers on bus demand is detailed in Chapters 3 and 4 of the Economic Case. As set out in paragraph 12.4.14 of the Economic Case, for the purposes of modelling and appraisal case there is an assumption that 50% of passengers from a cut service would continue to travel by bus. As explained in our response to question 1, this assumption was subject to sensitivity testing. The elasticity values applied to the exogenous and endogenous drivers are integral to the specific approach taken, and the combined impact was considered as part of the modelling and appraisal to produce the Economic Case, and this was reviewed as part of the audit process. Consideration of whether these individual assumptions are</p>	<p>It is reasonable to request details of the elasticities used in the modelling, to understand the assumptions underpinning WYCA's forecasts. We note this has not been provided, which inhibits scrutiny of the unconstrained forecasts.</p> <p>(Based on this response, First Bus asked a follow up question on 27 November 2023—see Table A2.7 below for further WYCA response.)</p>

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
<p>Full details of the services (including which are assumed; overall number and the revenue and costs of these services) that are 'trimmed' and 'cut' each year across each option. What are the assumptions about the point at which a service is trimmed? Can details be provided on the number of services funded each year and in each option as supported services by WYCA?</p>	<p>appropriate in isolation is not valid in the context of the forecasting undertaken for the Assessment; it is further noted that it is considering the performance of the options across a range of possible future outcomes rather than under a specific central case which is the focus of the Assessment.</p> <p>As has previously been explained in our email dated 24/10/2023, revenue and cost information for individual services cannot be provided without breaching confidentiality requirements or affecting the operation of the model. The methodology behind the trimming in the model is described in paragraph 3.3.14 onwards in the Economic Case. The total level of service provided across West Yorkshire over the modelled period can be deduced from the aggregate cost information which has been provided.</p>	<p>WYCA claims that in order to not breach confidentiality, further information cannot be provided. We note, however, that not all of this information is likely to be confidential e.g. the overall number of services that are cut and trimmed in WYCA's modelling.</p> <p>(Based on the response regarding the total number of services funded each year, First Bus asked a follow up question on 27 November—see Table A2.3 below for WYCA's response.)</p>
<p>The index for increasing value of time over time and fares and the impact on each individual year in the appraisal across each option. Assumptions on fares across each option, each year and for each service (if possible) is also required.</p>	<p>Value of Time growth was sourced from Table A1.3.2 of the January 2023 TAG databook, as explained in footnote 48. Paragraph 4.2.32 of the Economic Case onwards details the assumed impact of fares and ticketing interventions under EP+ and Franchising, but in terms of the impact on each individual year, fares and ticketing interventions are one of several endogenous demand drivers considered in the modelling (described in paragraph 4.2.24 onwards in the Economic Case), and their impact cannot be isolated from the other demand drivers, including at an individual year or</p>	<p>This does not fully answer the question, as the response points to paragraphs 4.3.32 and 3.3.12 of the Assessment, neither of which explain the precise assumptions regarding how fares change in the reform options.</p>

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
	<p>service level. Other than the fares and ticketing interventions described in paragraph 4.2.32, fares are assumed to remain constant in RPI real terms (as explained in paragraph 3.3.12 of the Economic Case).</p>	
<p>Limited details are provided on the assumptions behind the calculation of the Wider Economic Impacts in section 8.5 of the economic case. Please provide full details e.g. the agglomeration elasticity used in particular given the high proportion of economic benefits.</p>	<p>Paragraphs 2.3.12 to 2.3.14 describe the rationale for including Wider Economic Impacts (WEI) in the Economic Case, and Section 8.5 gives further details on how they have been calculated and the results of these calculations. Table 16 and paragraph 12.2.4 of the Economic Case show that the main NPV, BCR, and value for money conclusions of the Economic Case have been derived and reached without the inclusion of WEI. WEI do not feature in the economic benefits of either reform option reported in these results and conclusions. Limited weight has been given to the impact of WEI in the key conclusions of the Economic Case; proportionate to the confidence which could be had in these impacts and to the limited influence they have on relative or absolute performance of the options presented.</p>	<p>This response fails to provide the assumptions requested.</p>
<p>In Table 22, EP+ appears to have a net positive impact on public accounts by approx. £15m and franchising a cost of £48m – does the EC assume this surplus will be re-invested for EP+? How is the £48m coming from in the franchising option? How is this factored into the final NPV for both options?</p>	<p>The results being referred to here are appraisal results rather than cashflow, funding, or financing information. Regardless, the Assessment assumes that any surplus revenue generated by the Combined Authority under EP+ would be included in the budget for buses in the following year. The £95.8m figure in the Franchising column of Table 22 is public sector capital funding for fleet and depot investment and this is a significant factor in the £47.9m figures being a positive</p>	<p>This is a useful clarification that WYCA does not assume extra revenue funding for Franchising.</p>

number, i.e. a cost to local government. The £95.8m figure relates to costs that are covered by the private sector under EP+ and so do not appear in the Public Account table, with the exception of central government contributions as discussed in our response to question 4 above. The Assessment assumes the cost of Franchising not covered by bus revenue would be covered by the Combined Authority. The results referred to in this question are part of the Present Value of Costs (PVC) which, as set out in Table 16 of the Economic Case, is equal to the sum of:

- Change in bus operating costs
- Regulation management costs
- Indirect taxation
- Depot investment (net public and private sector)

The NPV is equal to the Present Value of Benefits (PVB) minus the PVC.

Table A2.2 First Bus Questions of 31 October 2023—financial case

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
<p>The financial model databook makes multiple references to models such as the forecasting model. It is therefore not possible to fully understand how all financial flows are estimated in the financial case. We would appreciate if you could provide more detail on all of the assumptions contained in this.</p>	<p>The assumptions underpinning the financial model are shown within the Financial Model Databook at Appendix 4.1 (page 806/981 of the full assessment document).</p> <p>For the Forecasting Model assumptions, see the response to question 1 of the Economic Case questions above.</p> <p>It is not possible to provide the underlying models identified and data used in the Assessment because, as explained in previous responses, the underlying model and data would compromise the confidentiality of First Group and other West Yorkshire operators' commercially sensitive data.</p>	<p>Despite the request, no further information is provided.</p>
<p>In the economic case, investment costs for depot and fleet costs are listed as £95.8m. However, we note that the financial case estimates these costs to be £252m (in real terms) for fleet costs and an additional £85.5m for depots. Can you please clarify the assumptions and explain the difference?</p>	<p>The £95.8m shown in Table 22 is a present value (discounted) shown in 2010 prices. The figures of £252m and £85.5m for fleet and depot costs are shown in 2021/22 prices and undiscounted. The figures are linked, but should not be compared in isolation due to the different price basis.</p>	<p>This is a useful clarification, although we note further information to explain the differences would have been helpful.</p>
<p>Can you please clarify the differences between (i) the income / expenditure shown in the financial case appendix and (ii) the bus revenues and operating costs shown in Table 10 and Table 11 of the economic case?</p>	<p>In line with the requirements of HMT Green Book Guidance, the Financial Case figures are shown in nominal terms and the Economic Case figures are shown in real terms. The reference in the Green Book guidance is in Chapter 5, section 5.22. In light of this, the I&E in the Financial Case Appendix sets out the I&E of the Authority, in nominal terms, whereas the bus revenue shown in Tables 10 and 11 in the</p>	<p>This is a factual/procedural response, which we note does not clarify differences between the economic and financial cases.</p>

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
	Economic Case show direct costs and revenues, not including management or administration costs, in real 2021/22 prices.	
Can you please clarify what the 'sinking fund' line in the cash flow statement in the appendix reflect?	The sinking fund / earmarked reserve is explained in the financial case of the assessment. This can be seen in paragraph 7.3.19-22 in the Financial Case.	It is useful to understand that the 'sinking fund' is equivalent to the 'earmarked reserve', which is not clarified in the Assessment.
Could you please explain the assumptions behind the Combined Authority's assessment of how much management cost is required under franchising and the assumptions around 'estimated an additional rate that would equalize management costs if all services under EP+ were supported'?	Details of the management structure are set out in the Management Case. Further explanation of this point can be seen in Section 5.5 of the Databook.	We note that no clarification is provided.
The financial case states that the financial assessment was performed on a 15-year as it is the assumed bus life cycle, and covers more than one of the assumed franchise periods (7 years). We would however note that the Economic Case is considered across a 40-year period. What evidence supports that these appraisal periods should differ?	The rationale behind the Appraisal period can be seen in Section 7.2 of the Economic Case and in Section 4.11 in the Financial Case. The Economic Case shows a longer appraisal period due to the Economic Case appraising the economic cost and benefits arising under each option which are anticipated to arise over a longer time period, whilst the Financial Case is appraising the Financial impact in cash terms on the Combined Authority during the life span of the initial ZEBs.	We note that no rationale is provided as to why the appraisal period for the financial case is shorter than the appraisal period for the economic case.
Franchising cash flow shown in the appendix shows the fleet and depot costs over a 15-year period. However, the debt repayment for this initial CAPEX investment will be over a longer time period. Given	The financing of assets is treated differently under different options. Under EP+, financing of assets is assumed by operators, and would be represented in the Operators' cost base. Under franchising, the financing of assets is	We note that WYCA does not respond directly to the questions raised.

First Bus' question on 31 October 2023 (quote)	WYCA's response on 9 November 2023 (quote)	Oxera comment
that the appraisal period in the FC is only 15 years, where has the full financing cost of the debt repayment for the fleet and depot costs been captured? Is it reflected in the NPV calculations in the EC?	<p>assumed to be by the Combined Authority and therefore is required to demonstrate the repayment of any financing.</p> <p>Given the fleet proposal is that the Combined Authority will replace fleet in line with the natural rate of replacement, it will drawdown financing in perpetuity and only the financing costs during the appraisal period has been shown.</p>	
In the EP+ Cash Flow table, what is driving the decline in ENCTS payments decreasing over time, as supported services increase?	The decline in ENCTS payments over time is assumed due to a declining network size which in turn decreases the level of ENCTS payments. Further explanation of this can be seen in paragraph 5.4.5 of the Financial Case in relation to the Reference Case, but the same explanation applies to ENCTS under EP+.	We note WYCA's response is reliant on the assumptions regarding network size, which WYCA is unable to provide clarity on in other responses.
Expected savings from lower cost of borrowing (from UKIB) are assumed to be set aside in an earmarked reserve which is estimated to increase to £24.3m at the end of the appraisal period. Where in the balance sheet is this reflected? What is the rationale behind how an avoided cost can be put into an ear marked reserve?	It is assumed the earmarked reserve would sit on the Combined Authority balance sheet. The earmarked reserve can be seen in the Appendix of the Financial Case and the amount reserved would accumulate up onto the Authority balance sheet. Further rationale of the earmarked reserve can be seen in paragraph 7.3.19-22 in the Financial Case. On the final point, the Combined Authority puts the savings due to lower public cost of borrowing into the earmarked reserve, not the avoided cost. These are two different things.	As explained at section 5.4.2, no rationale is provided on the size of reserve. The paragraphs referred to in WYCA's response refer to the methodology for calculating the reserve rather than the rationale for why the size of the reserve is deemed appropriate to mitigate the risks that WYCA would bear under Franchising.

Table A2.3 Questions from First Group during an in-person meeting on 24 November 2023—service patterns

First Bus question on 27 November 2023 (quote)	WYCA's response on 1 December 2023 (quote)	Oxera comment
<p>Clarification regarding assumptions on service levels assumed across EP+ and Franchising and the interaction with PVR, staff assumptions and operating costs.</p>	<p>For completeness, two naturally offsetting effects included within the forecasts should be considered separately:</p>	<p>We note that additional operating costs are assumed for the frequency uplifts, but no detail on these assumptions are provided, including the number of vehicles and drivers required to deliver the frequency uplift. It is also assumed that to compensate for this frequency uplift that existing resources are reallocated, rather than new resources identified. Therefore, as explained in section 3.3.1, it is likely that existing services—which are not specified—are cut and trimmed. No details of which services are cut and trimmed are provided in the Assessment.</p>
<p>The context: During the meeting, Steer confirmed that:</p> <ul style="list-style-type: none"> • service frequencies assumed are the same for EP+ and for Franchising; and, • no additional PVR + driver headcount is assumed to be needed to operate these services. 	<ul style="list-style-type: none"> • Additional operating costs (with vehicles and drivers) have been included within the Assessment to deliver the frequency uplift on the listed services. • However, the 'all service' PVR and headcount does not increase, once the cutting and trimming processes have completed. • In effect the modelling illustrates a reallocation of present resources onto these services. 	<p>This is significant for the reasons we raise in section 3.3.1 since it appears that WYCA has underestimated costs required to deliver these frequency uplifts, and therefore delivery of these services will require offsetting cuts to other services within West Yorkshire. We note that as confirmed by Steer in the meeting on 24 November that the 'services uplifts have been determined by WYCA'. This also raises questions as to whether any operational and commercial expertise was drawn on to make these assumptions, and ultimately, regarding the feasibility of these assumed network enhancements.</p>
<p>In addition, Steer also confirmed that the additional service rationalisations for Franchising would deliver resource savings only rather than journey time savings with the exception of minor adjustments to headways.</p>		

First Bus question on 27 November 2023 (quote)	WYCA's response on 1 December 2023 (quote)	Oxera comment
<p>Given the higher operating costs for franchising than EP+ especially in the early years of the appraisal, can you explain why: the expected efficiencies under franchising, and the assumption that no increase in PVR/headcount is needed to run the assumed service pattern; the fact that higher operating costs are assumed during early years of the appraisal period, when one assumes the cumulative impact of cutting/trimming is likely less significant.</p>	<p>As noted above, the change in operating costs under the different options represents a balance between the additional resource required to deliver the assumed frequency enhancements/savings from service rationalisations – with the resource savings from services which are no longer run. Reallocating resource between services with different revenue characteristics (as discussed within the meeting) also affects the number of services which can be supported. As confirmed in the information provided here, cutting and trimming of services occurs throughout the modelled period, but increases in significance over time (as your question suggests).</p>	<p>Noting the previous comments, we also note that WYCA has failed to answer the question regarding why operating costs are substantially higher in the Franchising option than EP+, despite assuming the same level of frequency uplifts and no increase in PVR/headcount.</p>

First Bus question on 27 November 2023 (quote)	WYCA's response on 1 December 2023 (quote)	Oxera comment
<p>As discussed, it would be useful if WYCA could provide: details of the service Kms assumed per option in each year when service uplifts assumed under EP+ and franchising are expected to take effect.</p>	<p>The model does not represent operating costs in terms of service km, and therefore this is not a number which can be provided.</p> <p>Service uplifts under Franchising are assumed to be introduced as the relevant area lots are contracted (as shown in Section 5.1 of the Financial and Data Model Databook). For EP+ all interventions are assumed to take effect in 2026/27 (as can be seen in Section 5.8 of the Financial and Data Model Databook and 6.3.9 of the Financial Case).</p>	<p>We note the inconsistency of this response with what Steer said in the 24 November meeting: 'Better to consider the km of services rather than the number of services, and use of the cost charts provided.'²⁷⁸</p> <p>This inconsistency and a lack of a clear explanation across all of the responses on service enhancements raises concerns over the understanding from WYCA and its advisers on which service increments and decrements has been modelled. This is important given their centrality to WYCA's case for Franchising.</p> <p>We note that despite numerous requests WYCA has been unable to provide further information on seemingly simple requests for details of the service modelled each year and what services are trimmed and cut.</p>

²⁷⁸ West Yorkshire Combined Authority (2023), 'Draft Minutes of West Yorkshire Bus Reform Consultation – meeting with First Bus West Yorkshire', p. 2.

Table A2.4 Questions from First Group during an in-person meeting on 24 November 2023—fleet and depots

First Bus question (quote)	WYCA response (quote)	Oxera comment
<p>It was requested that the missing information from the Depot Position paper is provided including specifically the blank rows in the table at the end of this appendix.</p>	<p>The information in relation to this table can be found within the Financial and Data Model Databook. In relation to the Zone and market value – this table is provided in a table on p23 of the Databook. The ZEB fit out cost is explained at 5.6.1 of the Databook, as £65,000 per zero emission bus, against the bus purchase profile set out in the fleet strategy – 868 buses.</p>	<p>We note that despite highlighting that this Annex has missing information and is incomplete, WYCA did not update and correct the Annex.</p> <p>This along with other identified errors raises questions about the quality assurance of the Assessment and its compliance with the Aqua Book.</p>
<p>Clarification regarding the 3 different fleet figures cited across the Assessment – specifically:</p> <ul style="list-style-type: none"> • 1,755 – total number of buses currently in operation in West Yorkshire [commercial case, Table 2]; • 893 – figure for total PVRs in West Yorkshire required under Franchising [commercial case, Table 11]; • 868 – number of ZEBs assumed to be procured up to 2040/41 [Financial Case, Appendix – Fleet Capital Investment and Financing table, p. 89] 	<p>The total vehicles of 1,755 relates to the current number of vehicles operating in West Yorkshire (generally, including vehicles out of scope of the assessment and information provided by operators).</p> <p>The Lotting Strategy refers to an estimate of the PVR that was anticipated to be let during the first phase of contracts at the time of developing the Lotting Strategy. The Fleet Strategy refers to the total number of vehicles assumed to be acquired by the Authority for the purposes of Assessment.</p>	<p>We note the explanation between the difference in ZEB estimates in the Lotting Strategy and the Fleet Strategy. However, the response appears to not answer why there is such a substantial difference between the existing fleet and the Lotting Strategy assumptions. This appears to be a material error, as explained in section 4.2.2, since WYCA appear to have not assumed sufficient vehicles to operate the franchised services.</p>
<p>Please explain the differences between these three numbers and which fleet numbers underpin each option in the economic and financial cases.</p>	<p>As a result, the Lotting Strategy and Fleet Strategy are not intended to align, given that the Fleet Strategy reflects an acquisition profile over 15 years. Within this, there are differences reflecting (I) there is anticipated decline in service levels and therefore in PVR, and (II)</p>	<p>The number of vehicles in the existing fleet that are out of scope are proportionally low, so this does not provide an adequate explanation. Nor does the assertion that the Authority does not intend to acquire all vehicles, since although this is true in the transition period, the Fleet Strategy clearly states that ‘WYCA would provide</p>

First Bus question (quote)	WYCA response (quote)	Oxera comment
	<p>while the Authority intends to acquire vehicles – it is not anticipated to acquire all vehicles.</p> <p>As a result, there is a requirement for inherent flexibility in the approach to acquiring fleet – and the current profile is an assumption for the purposes of assessment. Changes to this assumption is reflected in Sensitivity Analysis to test the impact of changes to the assumed profile of Authority acquisition.</p>	<p>all vehicles as part of the franchise contract agreement' at the end of this transition period (i.e. 2040).</p>
<p>Clarification regarding whether (and if so, how) replacement costs of buses are accounted for within the Economic case. Please also provide details of how battery replacement costs are included in both the financial and economic case.</p> <p>The context: PwC clarified that the replacement costs of buses are not accounted for within the Financial case, due to the financial case covering only a 15 year period (i.e. before the first tranche of ZEBs requires replacing). However, it was unclear during the meeting how this had been accounted for in the economic case (which instead covers a longer 40 year appraisal horizon).</p>	<p>Replacement costs of buses, on a fifteen-year cycle, are reflected within the Economic case, for example as confirmed at paragraph 7.2.3. The economic case also includes provision for operational expenditure on vehicles (including the maintenance and component replacement for buses).</p> <p>In the financial case, under Franchising, the cost of operators acquiring vehicles is removed and replaced with an Authority borrowing profile reflecting fleet acquisition. The maintenance costs remain as per the Economic Case, and therefore account for the maintenance and component replacement for buses.</p>	<p>We note that WYCA confirms that replacement costs are included in the appraisal but no further detail of these costs is provided.</p>

Table A2.5 Questions from First Group during an in-person meeting on 24 November 2023—margins

First Bus question (quote)	WYCA response (quote)	Oxera comment
<p>Clarification regarding how commercial margins used in the modelling (which WYCA indicates in its Assessment lie between 12-13%), are defined.</p> <p>The context: PwC clarified that the 7.5% margin assumed for Franchised services is an EBIT margin. However, when we requested whether the 12-13% also represented an estimate of EBIT margins, it was unclear whether this was the case.</p>	<p>Margins are defined on the basis of Operating Margin (also referred to as EBIT), calculated at a depot level. This applies both for commercial and supported/franchised services.</p>	<p>This is a helpful and important clarification, since margins are not defined in the Assessment document.</p>
<p>Clarification regarding the extent to which the adjustments made to commercial margins (i.e. via the adjustment of patronage from 70% to 80% of pre covid levels and the removal of Bus Recovery Grant funding) affects the margin estimated for commercial operators.</p> <p>The context: Steer provided an overview of how reported operator margins were adjusted to account for changes in patronage post covid and BRG payments. Steer indicated that the net effect of these changes was relatively minor (i.e. following the changes, the estimated margin for commercial operations moved by less than 1%). However, they also confirmed to come back on this point in writing.</p>	<p>The 12-13% margin quoted is derived from the data provided by operators for the base year, taking into account BRG payments. The equivalent margin with the assumed patronage recovery and without BRG is very slightly higher (in the less than 1% range discussed). The lower value has been used within the modelling which underpins the Assessment.</p>	<p>We note the clarification that the overall adjustments are minor.</p>

Table A2.6 Questions from First Group during an in-person meeting on 24 November 2023—economic and financial case

First Bus question (quote)	WYCA response (quote)	Oxera comment
<p>Clarification regarding the fares sensitivity run by Steer upon request by Grant Thornton, specifically: 1) whether the reduction in the uplift in demand assumed from fares simplification was applied to both the EP+ option and the Franchising; and 2) whether the resulting NPVs for EP+ and the Franchising option from this sensitivity test can be provided.</p>	<p>The effect reported by GT relates to a test which halves the impact of fares and ticketing simplification assumed for both of the Franchising and EP+ options.</p>	<p>We note that WYCA did not provide a response to First Bus' full request including the NPVs of the sensitivities. No explanation was offered for why this was not provided despite all the other sensitivity tests in the Assessment containing substantially more detail.</p>
<p>The context: In its written observations, GT note that: <i>“The results of a sensitivity test to halve the uplift in demand resulting from fares simplification broadly halves the NPV surplus of Franchising over the EP+ option”</i>. This could mean one of two things:</p>		
<ul style="list-style-type: none"> • The reduction in the NPV surplus of 50% occurs when halving the uplift in demand applies <u>just to the Franchising option</u> (i.e. reducing the assumed increase in demand from 2.5% to 1.25%, while keeping the effect for EP+ constant at 1.25%); or, • The reduction in the NPV surplus of 50% occurs when halving the uplift in demand applies while <u>simultaneously halving the demand impact of Franchising from 2.5% to 1.25% while – at the same time – reducing the uplift in</u> 		

demand assumed under EP+ from 1.25% to 0.625%.

During the meeting, PwC mentioned that “sensitivities were run for all options”, but this does not clarify which of these two sensitivities generated a reduction in the NPV surplus by 50%. We therefore seek clarity on which of these two sensitivities actually generated the observed reduction in the NPV surplus. In addition, it would be useful if the resulting NPVs for the two options produced by this sensitivity could be made available.

Clarification regarding which aspects of applicable legislation mean that the modelling should not reflect the impact of future WY mass transit could have on the value for money and affordability of the different options.

The context: during the discussion, WYCA indicated that the reason that no consideration has been given to mass transit schemes within the Assessment is that despite recent announcements about funding, in practice there are not yet any committed schemes. WYCA indicated that relevant legislation means the Assessment means they cannot consider this including any sensitivities seeking to establish the impact which uncommitted schemes could have on the value or affordability of the options, and that they would come back in writing on this point?

It is not the case that no consideration has been given to Mass Transit in the assessment, which was not the position set out at the meeting. As was set out in the meeting, it has not been included in the modelling of the Assessment – the explanation of which is set out in Section 4.2.23 of the Economic Case.

In terms of the applicable legislation for the assessment, Section 123B of the Transport Act 2000 sets out what must be done in relation to the preparation of the Assessment. This includes “*whether the authority or authorities would be able to afford to make and operate the scheme*”.

The related guidance, further details the approach that should be taken to the Assessment, including each case. Paragraph 1.59 further sets out that “*Authorities should set out the capital and revenue requirements for the*

We note that there are passing references to Mass Transit in each of the cases.

None of the references to legislation or the statutory guidance suggest that WYCA cannot consider the impact of Mass Transit on the Franchising proposal as was suggested in the 24 November meeting.

different options over their lifespan, together with an assessment of how the options would impact upon the balance sheet, income and expenditure account of the franchising authority. Any requirements for external or additional funding must be set out clearly together with an explanation of how the funding will be secured."

1.46 also states "The options should be considered against a counterfactual – a realistic 'do nothing' scenario. The counterfactual should take account of any business as usual improvements or plans that the authority would put in place regardless of the proposed scheme, such as continuing to subsidise certain services"

As set out in the Management Case para 2.4.3, delivery of Mass Transit cannot yet be assumed. Funding for construction had not been confirmed at the point the assessment was produced, and the business case is subject to separate decision making processes that are not completed.

Table A2.7 Further questions received via email on 27 November 2023

First Bus question (quote)	WYCA response (quote)	Oxera comment
Q9 of our financial case question, which asked for a rationale for the size of the financial reserve pointed to	There is no requirement for the Authority to hold an earmarked reserve specifically linked to assets	WYCA still does not provide a rationale for the size of its proposed financial reserve, and why it considers this to

First Bus question (quote)	WYCA response (quote)	Oxera comment
<p>paragraphs 7.3.19 – 7.3.22 for a rationale, but these paragraphs do not provide a rationale for why the earmarked fund is considered sufficient</p>	<p>acquired. It is expected that the Authority would manage risk in line with its wider Treasury Management function (the risk management approach for the Combined Authority is set out in section 6.4 of the Management Case). The reserve identified in the Financial Case is based on the savings the Authority can get by financing through public borrowing compared to private financing methods. The Authority has determined that a prudent assumption would be to reserve any savings to cover unanticipated risks if they happened (as outlined at paragraph 7.3.20 in the Financial Case). As mentioned above, this reserve would be in addition and complementary to the Authority's already established treasury management practices on the mitigation of risk. The reserve is sized based on the Authority's asset acquisition.</p>	<p>be commensurate with the risks that it would be exposed to under Franchising.</p>
<p>We do not agree with your response to Q7 of our economic case questions that the total level of services provided across West Yorkshire over the modelled period can be deduced from aggregate cost information,' as it is not possible with the level of detail to do this and to appropriately compare the options given the lack of detail provided on the impact of rationalisation, operating costs and service levels running more generally.</p>	<p>The aggregate cost information can be used to deduce the total level of services provided. Paragraph 5.2.9 details the inflation rate which removes real inflation from the operating cost so that it is proportionate to output, which is helpful to view in conjunction with the data for figures 13-15 of the Economic Case.</p>	<p>It is still unclear how the total level of services could be derived with the information provided. We also note how WYCA, despite several requests for this information have not provided it, but suggested First Bus derive the assumptions themselves from the information provided.</p>

First Bus question (quote)	WYCA response (quote)	Oxera comment
<p>We also note that other franchising Assessments have provided substantially more detail. For example, the Manchester Assessment provided a clear breakdown of the exogenous drivers of demand on the unconstrained forecasts and we therefore do not accept your response to Q6 that '<i>Consideration of whether these individual assumptions are appropriate in isolation is not valid</i>'.</p>	<p>The West Yorkshire Assessment has been completed in line with the requirements of the legislation and has been through a statutory audit process. The fact that other Assessments completed by different authorities provided more or less information in some cases does not mean that we have not provided appropriate information.</p>	<p>We note that it is not possible for First Bus or other consultees to effectively scrutinise WYCA's forecasts due to a lack of information on the assumptions provided. It remains unclear why WYCA deems it 'not valid' for these assumptions to be considered by consultees.</p>

A3 Bus reform objectives

Table A3.1 WYCA bus reform objectives

Objectives	Measures
Economy: supporting an integrated transport system which provides reliable and improved connectivity to the places where customers need to travel to for work, education, leisure and access to services.	Improved public transport network access to: <ul style="list-style-type: none"> • housing; • employment; • education/training; • healthcare; • leisure and shopping. Within the first three years of implementation.
Environment: establishing a transport network that helps to reduce the overall impact of transport on carbon emissions and air quality, and increases our resilience against climate change, including via zero-emission buses.	Increased bus mode share in the period up to 2040. Decreased car mode share in the period up to 2040. Decreased transport carbon emissions in line with the Carbon Emission Reduction Pathways to realise net zero by 2038.
People and place: enabling a transport system that increases access in a safe, inclusive way that encourages use of bus as part of a multi-modal network.	Increased accessibility of facilities within the first three years of implementation. Improved affordability of bus fares within the first three years of implementation. Improved access to culture and green spaces within the first three years of implementation. Improved customer satisfaction with personal safety within the first three years of implementation.
Network: taking people where they need to go, when they need to go, and catering for the complexity of modern travel patterns.	Improvement in core network coverage in the first three years of implementation. Improvement in service frequency in the first three years of implementation. Improvement in network integration (between and within modes) in the first three years of implementation.
Fares and ticketing: making paying for bus travel more affordable, easier, convenient and flexible	Increased satisfaction with value for money within the first year of implementation. Improved simplicity in fare structure within the first year of implementation (number of different fares available). Improved access to contactless and integrated ticketing within the first year of implementation.
Customer service and information: providing passengers with the right tools to travel with confidence and help should their journey not go to plan	Improved satisfaction with passenger facilities within the first three years of implementation. Increase in real time provision within the first three years of implementation. Improved satisfaction with information provision within the first three years of implementation.

Objectives	Measures
Bus priority: journeying by bus is quicker, and a viable alternative to the private car.	Improved service reliability within the first three years of implementation. Improved service punctuality within the first three years of implementation. Decreased journey time within the first three years of implementation.
Green and better vehicles: improving the onboard experience and making bus a sustainable choice for travel in West Yorkshire.	Increase in the number of zero-emission buses working towards a zero-emission fleet by 2036.

Source: Oxera, based on West Yorkshire Combined Authority (2023), 'Bus Reform Assessment Strategic Case', September, Section 8.

A4 Cost estimates of frequency uplifts

Table A4.1 Cost estimates of frequency uplifts assumed by WYCA under EP+ and Franchising (2021–22 prices)

Service	Route	Operator	Stated current freq.	Proposed freq.	Hours	PVR	Freq uplift %	Hours change	PVR Change	Est cost (000s)
503	Halifax–Huddersfield	First Halifax	15	10			CONFIDENTIAL [...]			
521	Halifax–Illingworth circular	First Halifax	15	10			CONFIDENTIAL [...]			
576	Halifax–Bradford	First Halifax	15	10			CONFIDENTIAL [...]			
579	Halifax–Sowerby	First Halifax	20	15			CONFIDENTIAL [...]			
590	Halifax–Rochdale	First Halifax	combined 15	combined 10			CONFIDENTIAL [...]			
184	Huddersfield–Oldham	First Huddersfield	combined 30	combined 15			CONFIDENTIAL [...]			
185	Huddersfield–Marsden Dirker	First Huddersfield					CONFIDENTIAL [...]			

Service	Route	Operator	Stated current freq.	Proposed freq.	Hours	PVR	Freq uplift %	Hours change	PVR Change	Est cost (000s)
301, 302	Huddersfield– Golcar circular	First Huddersfield	combined 15	combined 10						CONFIDENTIAL [...]
324	Huddersfield– Meltham	First Huddersfield	15	12						CONFIDENTIAL [...]
328	Balmoral– Huddersfield– Bradley	First Huddersfield	15	10						CONFIDENTIAL [...]
X63	Bradford– Huddersfield	First Huddersfield	15	10						CONFIDENTIAL [...]
72	Leeds–Bradford	First Bradford	15	10						CONFIDENTIAL [...]
645	Buttershaw– Greengates circular	First Bradford	15	12						CONFIDENTIAL [...]
607	Bradford–Thornton	First Bradford	15	12						CONFIDENTIAL [...]

Service	Route	Operator	Stated current freq.	Proposed freq.	Hours	PVR	Freq uplift %	Hours change	PVR Change	Est cost (000s)
608	Bradford–Holme Wood circular	First Bradford	15	12						CONFIDENTIAL [...]
620	Haworth Road– Bierley circular	First Bradford	15	10						CONFIDENTIAL [...]
622	Bradford–Bingley	First Bradford	30	20						CONFIDENTIAL [...]
626	Bradford–Baildon	First Bradford	30	20						CONFIDENTIAL [...]
1B	Beeston– Headingley Campus	First Leeds	30	20						CONFIDENTIAL [...]
1	Beeston–Otley Road West Park	First Leeds	30	20						CONFIDENTIAL [...]
2	Thorpe Lane– Harehills Shops	First Leeds	15	10						CONFIDENTIAL [...]
3	White Rose Centre– Harehills Shops	First Leeds	15	10						CONFIDENTIAL [...]
3A	White Rose Centre– Harehills Shops	First Leeds	15	10						CONFIDENTIAL [...]

Service	Route	Operator	Stated current freq.	Proposed freq.	Hours	PVR	Freq uplift %	Hours change	PVR Change	Est cost (000s)
12	White Rose Centre– Chapel Allerton Hospital	First Leeds	15	10						CONFIDENTIAL [...]
13	Thorpe Lane– Chapel Allerton Hospital	First Leeds	15	10						CONFIDENTIAL [...]
13A	Thorpe Lane– Chapel Allerton Hospital	First Leeds	15	10						CONFIDENTIAL [...]
4	Seacroft–Pudsey	First Leeds	30	20						CONFIDENTIAL [...]
4F	Seacroft–Pudsey	First Leeds	30	20						CONFIDENTIAL [...]
5	Leeds–Halton Moor circular	First Leeds	15	10						CONFIDENTIAL [...]
6	Leeds–Holt Park	First Leeds	15	10						CONFIDENTIAL [...]
8	Leeds–Holt Park	First Leeds	15	10						CONFIDENTIAL [...]
16	Pudsey–Whinmoor Shopping Centre	First Leeds	15	10						CONFIDENTIAL [...]

Service	Route	Operator	Stated current freq.	Proposed freq.	Hours	PVR	Freq uplift %	Hours change	PVR Change	Est cost (000s)
49	Bramley Centre– Monkswood Gate	First Leeds	15	10			CONFIDENTIAL [...]			
50	Horsforth Green– Seacroft Bus Station	First Leeds	24	20			CONFIDENTIAL [...]			
50A	Horsforth Green– Seacroft Bus Station	First Leeds	24	20			CONFIDENTIAL [...]			
56	Whinmoor Shopping Centre–Moor Grange	First Leeds	12	10			CONFIDENTIAL [...]			
X84	Ilkley Bus Station– Otley–Leeds	First Leeds	30	30			CONFIDENTIAL [...]			
148, 149	Wakefield– Knottingley	Arriva Yorkshire	15	10	-	-	-	-	-	-
110	Wakefield–Leeds	Arriva Yorkshire	15	10	-	-	-	-	-	-
163	Leeds–Castleford	Arriva Yorkshire	15	10	-	-	-	-	-	-
268	Dewsbury–Bradford	Arriva Yorkshire	15	10	-	-	-	-	-	-

Service	Route	Operator	Stated current freq.	Proposed freq.	Hours	PVR	Freq uplift %	Hours change	PVR Change	Est cost (000s)
126	Wakefield–Dewsbury	Arriva Yorkshire	15	10	-	-	-	-	-	-
189	Wakefield–Castleford	Arriva Yorkshire	15	10	-	-	-	-	-	-
425	Wakefield–Bradford	Arriva Yorkshire	30	15	-	-	-	-	-	-
254	Brighouse–Leeds	Arriva Yorkshire	60 (Brighouse), 30 (Cleckheaton)	30 on full route	-	-	-	-	-	-
255	Halifax–Leeds	Arriva Yorkshire	60	30	-	-	-	-	-	-
202, 203	Leeds–Huddersfield	Arriva Yorkshire	15	10	-	-	-	-	-	-
662	Keighley–Bradford	Transdev (Keighley Bus Company)	15	10	-	-	-	-	-	-
D1	Huddersfield–Denby Dale	Transdev (Team Pennine)	30	20	-	-	-	-	-	-

Service	Route	Operator	Stated current freq.	Proposed freq.	Hours	PVR	Freq uplift %	Hours change	PVR Change	Est cost (000s)
360	Bradley Boulevard– Huddersfield Royal Infirmary	Transdev (Team Pennine)	30	20	-	-	-	-	-	-
7	Harrogate– Wetherby–Leeds	Transdev (Harrogate Bus Company)	60	30	-	-	-	-	-	-



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Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.

Yes, I have read and understood the privacy notice

X

How are you responding to this survey? (Please tick one box only)

I am a member of the public, giving my views as an individual

I am responding on behalf of, or as a representative of, a business or organisation

X

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

Andrew Cullen, Managing Director.
First West Yorkshire Limited.

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

It would be appropriate to apply the Proposed Franchising Scheme (the “Scheme”) across the whole geography of West Yorkshire (“WY”). This would ensure alignment with transport policies, aims and objectives, which are specified and applicable across the entire region.

Q2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

The ten zones are sensibly aligned with local authority boundaries but may prevent optimal operational efficiency of the WY bus network.

Please see our response to Q23 for more information.

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

It would be appropriate to apply the Scheme to all services, including school services. We note some exclusions from the schools services list and believe this to be erroneous.

The WY Combined Authority (the “CA”) takes the opportunity within the Scheme to address perceived shortcomings in the design of the current network and/ or service patterns. There is evidence to suggest these proposed enhancements are underpinned by optimistic assumptions such that to deliver them, resources would need to be diverted from delivering other bus services in WY (potentially resulting in a material number of existing services needing to be suspended), or alternatively, these enhancements would not be deliverable within the current outlined Scheme costs. Please see Section 3.3 ‘*Service patterns and network enhancements*’ of Annex A of First Bus West Yorkshire’s consultation response (“Oxera’s report”), written by Oxera Consulting LLP, which First Bus commissioned to support in considering the published Assessment.

FWY notes reference to the use of operator data to inform ‘level of service assumed in the model’, per the CA’s letter to FWY received 03/01/24, ‘we confirmed that the level of service assumed in the model is based on data provided by all operators with some adjustments made for consistency with the network operated in late 2022.’ FWY offers a follow-up meeting with the CA to support on this topic, to ensure correct interpretation of operator data regards service levels.

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

Clarity is required on express services and works services operated in a similar manner to closed door schools contracts. It is unclear how other “exceptional” services (e.g., football ‘specials’ and Leeds Festival) are to be treated.

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

FWY queries whether 9 weeks provides sufficient time for the CA and its auditors to conduct detailed reviews of consultation responses, to adequately inform the decision-making process.

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

The timescale is considered reasonable, given the mobilisation process required.

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

FWY understands that the CA intends to own all assets, which reduces some onus on operators regards mobilisation. Electrification of depots which are currently not 'electric vehicle-ready' is a key implementation consideration, which doesn't appear to be fully addressed within the consultation documents.

As detailed within FWY's pre-market engagement response, we would estimate a mobilisation period of less than 6 months in the case that there's an existing depot, and no requirements for additional staff, vehicles, or other equipment.

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

Between procurement rounds, FWY suggests a reflective review process to include all stakeholders, to ensure continuous improvement.

Seeking views on the operation of the Scheme 'within 24 months' of its commencement is too long a period to wait. The review process should begin at 6 months from the start of services under franchising contracts and be repeated every 6 months until all services are mobilised and have been for at least 24 months.

Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

Section 4.1.3 of the Consultation Document misleads the reader on several topics and should be rewritten in an objective manner based on up-to-date facts and reference material. The following items need to be addressed:

- Detail of the proportion of tendered services (i.e., the size of the referenced 'plug' that the CA provides the current bus network), and the profitability (% margin) of these services for WY operators. This detail can be provided by operators to the CA for publication.
- Evidence of the 'increasing reliance of operators on public funding.'
- Results of a survey from a statistically significant sample size that provides detail on 'inconvenient routes.'
- Provision to consultees of the 'commercial review [undertaken] by the Combined Authority, in September 2022' that deemed '11% of the bus network [...] not financially viable.'
- The CA should provide the data that underpins the statement that 'bus network mileage declin[ed] 23% over the past 12 years.' Data up to March 2023 should be considered as a minimum requirement.
- Removal of the inaccurate reference to a rise of bus travel 'by 87.13% over the past 10 years,' which includes modes beyond bus and is not specific to WY.
- Removal of the reference to the 'cost of living crisis' as a 'challenge for the customer with the current system,' given that the cost-of-living crisis is a national economic issue that applies to all bus operating models.
- Evidence of WY's 'slow recovery from the Covid-19 pandemic,' given recent detail shared within the CA's published Transport Committee papers, which states: 'Whilst the bus network has reduced over the last decade in West Yorkshire to 79% of previous levels, as a result of the collaboration that has taken place with bus operators, the size of the network has not reduced by as much as the majority of other major conurbations (South Yorkshire 73%, Merseyside 70% and Greater Manchester 68%).' Source: [\(Public Pack\)Agenda Document for Transport Committee, 19/09/2023 15:00 \(moderngov.co.uk\)](#).
- Evidence that the sample of the population (specifically responding to questions relating to transport and the WY bus network) for the 'West Yorkshire Annual Yorkshire Residents Perception of Transport Survey 2022-23' is statistically significant.
- Clarity for the reader regards the ownership of (highway) policy and funding for bus priority measures.
- Rewrite of this sentence from the 'green and better vehicles' section, to ensure a clear link between modal shift and zero emission buses (which is not evident within the current version): "zero emission buses and modal shift: bus has an important role to play in encouraging modal shift away from the private car, falling patronage suggests the bus currently isn't a viable alternative to the private car." Further, the section on 'integration' is unrelated to 'green and better vehicles' & should be deleted or moved to another part of the consultation materials.

- Evidence that supports the statement that ‘delivery in partnership [and funding for zero emission vehicles] is risking operator investment,’ given that FWY has committed to electrifying its whole WY fleet sooner than the CA’s climate change target under an EP+ model.

It should also be noted that challenges with punctuality and reliability, a key root cause of dissatisfaction as referenced within Section 4.1.3, will not be solved by implementing a franchising model. Congestion, management of highways, the management of roadworks and infrastructure projects, and the provision of bus lanes are all heavily influenced or entirely managed by the CA or the WY District Councils. It is acknowledged within the consultation documents that bus priority is limited. The need and ability to address this is not dependent upon the bus operating model; A comprehensive approach to bus priority would yield great benefits to bus passengers and deliver modal shift irrespective of wider bus reform.

Current WY bus operators have tried but struggled to successfully influence substantial progress in this area. FWY notes that despite the criticality of bus priority to improving customer satisfaction with the bus network, the consultation materials do not assume any impact from bus priority under franchising (as is also the case in the appraisal of EP and EP+). This is despite reference to ‘better complementing Key Route Network powers’ within the Consultation Document.

Lastly, an area which is mentioned but requires more thorough consideration under any future model is that of bus stop accessibility. Some bus stops do not currently allow level boarding and alighting, others lack basic facilities such as hardstanding, and there is often no accessible route between the bus stop and other local facilities.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

FWY wants the best outcomes for the people of WY and is supportive of further improvements to bus operations within the Authority area. Some of the justification for reform, articulated within Section 4.1.4, should be rewritten to ensure consultees are sufficiently informed, such as to include:

- Evidence to support the statement that ‘network investment is very much determined by public funding’ and that the network ‘does not deliver all of the connectivity that bus customers need.’
- Clarification regards ‘competing ticketing schemes.’ There are no competing ticketing schemes in WY. Instead, there are single operator schemes and the multi operator Metro card, with daily and weekly capping available from many operators.
- More transparency on the topic of bus priority. Section 4.1.4 states that the CA has limited power “to take enforcement action on operator punctuality and reliability.” Enforcement action upon operators alone would not resolve these challenges. Please see our response to Q9 regards bus priority.
- Explanation within the ‘greener and better vehicles’ section that within all proposed operating models, investment in greener buses is reliant on public funding. It should also be noted that FWY has committed to decarbonising its fleet by 2035 irrespective of public funding.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

FWY is supportive of the objectives outlined within Section 4.1.5 of the Consultation Document, as well as the CA's Transport Strategy 2040 and BSIP.

Some of the sub-objectives do not appear to be measurable or would only be measurable with significant resource to support (i.e., the measurement of network integration between and within modes). It is also noted that many measures are applied 'within the first three years of implementation' which is a significant, lengthy period in which to deliver bus network improvements. FWY considers that improvements need to be demonstrable to customers and stakeholders within 6 months from the start of services under franchising contracts, and that measurements should be repeated and publicised every 6 months for the lifetime of the Scheme.

We note that accessibility of facilities is not proposed to be measured as part of the Scheme and consider this should be included.

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Under the Transport Act 2000, the CA is required to consider whether the Scheme would contribute to the implementation of the Authority's local transport policies. On this topic, please see Section 6.1 of Oxera's report '*Franchising is unable to achieve WYCA's transport policy targets.*'

In line with the requirements of the Transport Act 2000, the Management Case considers the implementation risks associated with Franchising and EP+. Please see Section 6.2 of Oxera's report '*WYCA is likely to have underestimated the implementation risks of Franchising,*' which details Oxera's review of the risk assessment undertaken. As a result of an inadequate risk assessment, the deliverability of the impacts set out in the Strategic Case could be impeded.

See also our response to Q38.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

The EP+ can deliver the impacts set out in the Strategic Case at less risk, lower cost and greater speed than franchising. Pertinent details relating to the EP+ are omitted from Section 4.1.6. such as:

- I. Proactive data sharing with the CA, creating transparency of route performance and patronage levels.
- II. The goal of contactless multi operator capping, which is under development with the joint Project Coral/ TfWM project.
- III. Details of the 'new working groups,' such as:
 - a. the CA-led Network Management Group comprising CA officials and WY operators, which would recommend network development and changes, agree the approach to reinvestment of saved resources and jointly address network performance issues.
 - b. a new Bus Priority Oversight Group to identify and prioritise interventions supported by enhanced data sharing and provision of resource into the Urban Traffic Control to better manage disruption.
- IV. Delivery of a unified brand for bus services in WY.
- V. New 'Green Excellence Transport Hubs' to promote multi-use charging and support for green skills and employment, and a Green Team Taskforce to work with academic partners to support analysis and shared practice.
- VI. A single point of contact for customers.

FWY also notes that by contrast with the commentary for the franchising option, under EP+ it is stated that the Key Route Network powers 'could enhance the planning of interventions.' It is unclear why these would be of lesser benefit under the EP+ model than under franchising.

These details should be corrected to fully inform consultees of the EP+'s ability to deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives.

Whilst the consultation documents omit some key details relating to the EP+, some of the changes to fares and network enhancements proposed under the EP+ option do not align with the content of the discussions held with, and proposals put forward by, operators. Please see Section 3.3 '*Service patterns and network enhancements*' of Oxera's report on this matter.

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

Please see Section 7 of Oxera's report '*Conclusions*,' to support FWY's response to this question. In summary, Oxera's analysis concludes that:

- The value-for-money assessment undertaken overstates the benefits and understates the costs of franchising.
- Evidence suggests the Scheme is unaffordable.
- The risk assessment undertaken is flawed.
- The strategic benefits of franchising are overstated.

Based upon the evidence presented, FWY is therefore unable to agree with the conclusion that the Scheme is the best option for the CA to meet its strategic objectives for bus in the region.

Alongside, FWY believes the impacts set out in the Strategic Case (and therefore the bus reform objectives) are deliverable:

- Much more quickly under the EP+ than under the Scheme.
- With much less risk to the CA, to operators and to WY bus users.'
- With less cost to the CA and therefore to the public purse.

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Within Section 4.2.2. of the Consultation Document, the impacts of the Scheme on passengers are said to be an increase in the number of bus services operating (enabled due to the assumption of a reduced operating margin), enhanced connectivity, a reduction in journey times (enabled by increasing service frequencies on existing routes, and the introduction of new routes), improving interchange between bus and other modes, fare capping and ticketing initiatives.

Please see Section 3 of Oxera's report '*WYCA's value-for-money Assessment overstates the benefits and understates the costs of Franchising*', which supports FWY's review of the impacts of the Scheme on passengers, as set out in the Economic Case.

In summary, Oxera concludes that the modelling undertaken:

- Over-estimates margins for commercial services in WY.
- Makes unrealistic assumptions regarding service patterns.
- Overstates the impact that fares and ticketing simplification is likely to have within the franchising model in WY.

FWY notes reference to the use of operator data to inform margin assumptions, per the CA's letter to FWY received 03/01/24, 'As set out in paragraph 2.2.0 of the Economic Case the margins within the modelling are consistent with the data provided by operators under the process defined by the Act. Footnote 8 of the Economic Case explains that adjustments to the operator data have been made to represent patronage recovery and growth since the period the data covers.' FWY offers a follow-up meeting with the CA to support on this topic, to ensure correct interpretation of operator data. This is on the basis that FWY has a majority market share in WY and does not achieve the margins quoted within the Assessment.

Bearing the above in mind, FWY cannot conclude that there will be positive impact on passengers of the Scheme; FWY does not accept the conclusions presented in the Economic Case.

Other considerations are:

- The benefits for passengers from simplified ticketing and capping will be delivered by the multi operator capped ticketing that the EP will deliver before franchising is "live," and as such should not be included in the assessment of impacts resulting from the Scheme.
- According to the modelling, bus demand is expected to decline under the EP, the EP+ and the Scheme. This supports the notion that the performance of the current network and its improvement into the future is significantly dependent upon exogenous factors (such as demand management for car trips (road pricing, parking policy, development control), and bus priority measures).
- Sections 6.1 and 6.3 of Oxera's report '*Franchising is unable to achieve WYCA's transport policy targets*' and '*WYCA has not provided sufficient evidence for the strategic benefits of Franchising*' should be referred to, regards the impacts of the Scheme on passengers.
- Additional concessionary schemes (with appropriate reimbursement) could deliver targeted fares initiatives where these are needed most – such as for those on low incomes, or to extend the hours applicable to ENCTS concessionary travel. The detail regards the Scheme is silent on this point, and FWY therefore assumes this isn't to be included under a franchising model.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Having reviewed Section 4.2.2. of the Consultation Document, FWY has the following comments regards the impacts of the Scheme on operators:

- I. The Section states that franchising will allow ‘...for better competition across operators through removing barriers to the market.’ FWY asks that a justification for this statement is provided to consultees and is not aware of any such barriers.
- II. It is not clear from the consultation materials how the ‘handover’ process may occur between existing operators and new operators, whilst the fleet and depot costs are to reside with the CA.
- III. It is not clear from the consultation materials how factors outside of the control of the operators will be managed within the Scheme. A comprehensive change mechanism is required within the contracts for the Scheme, to ensure that certain risks do not fall wholly to operators (i.e., increases or decreases in punctuality due to ongoing infrastructure projects across the road network).

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

FWY has the following comments regards the impacts of the Scheme on the CA:

- On this matter, attention is drawn to the following sections of Oxera's report:

1) Section 4 '*Evidence suggests that the CA's Franchising proposal is unaffordable [for the CA].*'

2) Section 5 '*WYCA's Assessment of the risks it would bear under Franchising is flawed.*' Oxera concludes that 'the CA's consideration of the risks it would be exposed to under Franchising is fundamentally flawed.'

3) Section 6.1 '*Franchising is unable to achieve WYCA's transport policy targets.*' Oxera concludes that key policy targets will be unachievable under the Scheme, which FWY considers a significant political risk for the CA.

- Lastly, the impact of any large operators' refusal to sell their assets should be considered. Vehicles of suitable age, size and type may not be available on the open market if this is the case. Such a decision would have a material impact on the CA and is not considered within the consultation documentation.
- Generally, across the consultation materials, sufficient detail isn't provided to consultees regards the impacts of the Scheme on the CA.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Pertinent details relating to the EP+, and its impact on passengers, are omitted from Section 4.2.2, as they also are from Section 4.1.6. Please see our response to Q13 above on this matter.

Network interventions are one of the critical impact areas for passengers. Please see Section 3.1.1 of Oxera's report '*It is unclear whether the costs of the frequency uplifts proposed have been fully accounted for within WYCA's Assessment*'. Section 3.1.1 provides Oxera's conclusions on the frequency uplifts proposed under EP+ and franchising, and the corresponding 'build' of improved coordination and rationalisation, and service de-deduplication within the franchising scenario. In summary, Oxera concludes:

- The routes identified were not agreed in advance with either the operators or the Authority's own technical advisers.

- Further clarification is needed on the assumptions underpinning these network interventions, regards costs across both Operational and Capital Expenditure, with doubts cast on the robustness of the cost estimates in the modelling.
- If Oxera's forecasts are correct, the network interventions are undeliverable within the assumed budget unless cuts are made to other services within WY.
- Increasing traffic flows are not considered, which could add further costs to network interventions.

Bearing the above in mind, FWY cannot conclude that the EP+ has been adequately represented within the consultation materials and requests a discussion with the CA on network interventions that are achievable within the budget proposed. FWY therefore does not accept the conclusions presented in the Economic Case.

Regards what is possible, the EP+ could deliver similar passenger benefits as a franchising option in terms of network interventions by making use of Certified Qualifying Agreements, as has been successfully done across other EPs.

Other considerations are:

- It is under an EP+ model that operators have the largest incentive to improve services for passengers and grow passenger usage, because the benefits accrue to operators within an EP+ structure.
- There is a vast amount of existing expertise and relationships across the WY bus operators today, which will be retained within an EP+ model and some or all of which is at risk within a franchising model. Loss of such expertise and relationships could negatively impact passengers.
- Key Route Network powers should form a part of the EP+, with bus priority being a critical improvement area. If managed successfully by the CA and operators, the results will be clear for operators and therefore for passengers.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Please see our response to Q18 above regards representation of the EP+ within the consultation materials.

Otherwise, FWY believes that more WY bus operators are likely to retain their current businesses under an EP+ option than under the Scheme. This is important as Small and Medium Operators (“SMOs”) play a critical role in the bus network, whilst continuous competition across the market is in the public interest, driving down prices and increasing efficiency and innovation.

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Please see our response to Q18 above regards representation of the EP+ within the consultation materials.

Section 4.2.2 of the Consultation Document states: ‘The EP+ sees an increase in services operated on a ‘supported service’ basis due to the reduction in commerciality of the network over time.’ This is based on an underlying assumption of increasing costs and reducing patronage. Oxera’s report refers to the Assessment’s passenger forecasts (and commercial/ supported services forecasts) as ‘questionable,’ which is pertinent as these forecasts are the lynchpin to the Economic Case. Inaccuracies will therefore have consequences in the representation (and perhaps affordability) of both the EP+ and the Scheme.

We have asked the CA for further information to support this underlying assumption, but absent receiving this, we are only able to state that we disagree, rather than offer a detailed critique. It should be noted that a downturn in patronage does not reflect FWY’s current performance or projected outlook. Albeit without intervention to address traffic congestion, and to improve bus priority, there is a likelihood that increased and more variable journey times will suppress demand.

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

The details presented here are supplementary to our responses to Q15-Q17 above.

Under the Transport Act 2000, the CA is required to consider whether the Scheme would represent value for money. Please see Section 3 of Oxera's report '*WYCA's value-for-money Assessment overstates the benefits and understates the costs of Franchising,*' which reviews this topic.

In summary, Oxera concludes that the modelling undertaken:

- Over-estimates margins for commercial services in WY.
- Makes unrealistic assumptions regarding service patterns.
- Overstates the impact that fares and ticketing simplification is likely to have within the franchising model in WY.
- Overstates the non-monetised benefits of franchising.

As a result, Oxera concludes that Franchising is likely to offer substantially worse value for money than estimated and suggests that franchising is likely to offer worse value for money than the EP+.

As is noted in Oxera's report, in our cover letter and in our correspondence with Simon Warburton on 22nd December and 5th January, insufficient information is provided in the consultation materials to understand the assumptions that underpin the Economic Case. Nevertheless, FWY notes the following concerns regarding the conclusion that the Scheme will offer value for money.

- FWY believes that the money required to implement franchising in WY, for the eventual result of declining patronage and revenue (per the CA's forecasts), does not constitute value for money to the public sector. FWY understands this amount to total circa £90m. This £90m does not include the ongoing associated Operational and Capital Expenditure that will also fall to the public sector once the Scheme is mobilised, which is not considered value for money (whilst another option is available that does not require this ongoing cost for a similar forecast result).
- It is noted that this consultation questionnaire does not ask for commentary on whether the EP+ as an alternative to franchising would offer value for money to the public sector.
- Patronage and revenue forecasts are fundamental in the appraisal of value for money. It is noted that revenues are expected to decline across all scenarios for both commercial and supported services over the course of the 40-year appraisal period, and that almost no commercial services are expected to operate after 2040 under the EP reference case and EP+. FWY believes policy intervention would prevent this happening, with the resulting adverse impact of patronage and revenue reduction not materialising to the extent forecasted. Therefore, this underlying assumption is contested.

Further, the suggestion that franchising as proposed here “allows a greater amount of bus patronage to be retained because it is possible to support more services under this option” is also disputed. This is on the basis that, per Section 3.1.1 of Oxera’s report, the network interventions are undeliverable within the assumed budget unless cuts are made to other services.

- The passenger demand scenarios considered under Section 4.2.6 of the Consultation Document refer to ‘base year (2021/22)’ when ‘bus demand remains at 70% of pre Covid 19 levels.’ Whilst that is accurate for FWY at the time, since 2021/22, patronage has increased (particularly for non-concessionary passengers) and for financial year 2022-23 had already reached 80% of pre Covid 19 levels across WY, with current levels at over 88%. This suggests that the “core” scenario is an overly pessimistic estimate of demand. Demand lies closer to the ‘high’ scenario.
- Regards Section 4.2.6 of the Consultation Document, no commentary is presented for the assessment of “overall non monetised impact”, “distributional benefit” or “uncertainty.” Further information is required.
- Oxera notes in Section 4.3 of their report that ‘WYCA may have underestimated its CAPEX requirement for ZEBs by between £118.6m and £223.3m (also in 2021–22 prices)’ and as such, these may not be affordable within the available budget.

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

FWY notes that several of the Commercial Success Factors are subjective and recommends these are amended to ensure precise and objective measurement of the Scheme.

Taking each one in turn:

- ‘Transport Authority Influence’ isn’t a tangible measure and were the EP+ and franchising scenarios to be compared via this measure, the EP+ would naturally fair worse due to it being not a fully CA-managed scheme.
- ‘Best Value’ is also subjective: FWY queries what is a suitable combination of price and quality? What are the definitions of quality? How will this be scored? Which quality aspects will have the highest weighting? How will these be assessed within the EP+ approach in comparison to franchising?
- ‘Driver of Competition between operators’: This is not measurable on a continuous basis; The frequency of competition which currently exists between operators on commercial products will be withdrawn under a franchising scenario, with the competition ending as soon as the contract is

awarded. SMOs play a significant role in West Yorkshire, with the Halifax area representing a great example of the delivery of varied operators, lower fares and more buses as a result of continuous competition.

- 'Appropriate risk allocation' also appears to be a one-off measure based on the structure of the Scheme and is subjective dependent upon views relating to where costs and revenues should reside. Please see Section 6.2 of Oxera's report '*WYCA is likely to have underestimated the implementation risks of Franchising*', which details Oxera's review of the CA's risk assessment for the Scheme. It is flawed to measure 'appropriate risk allocation' without the risks of franchising having been properly considered.
- 'Ease of Implementation of Option' – It is not clear on the evaluation criteria for each option. Albeit time and cost of implementation are both measurable.

Critically, there is no mention of measures regards passenger outcomes, either by way of satisfaction or passenger growth (or prevention of decline).

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

As detailed within FWY's pre-market engagement response, the optimum contract size to operate out of a single depot is 150-200 PVR (peak vehicle requirement). We note the average PVR across the planned ten zones is 90, with the maximum PVR for the 3 Leeds depots at 103. This should be a material consideration regards the cost of operating the Scheme, including electrifying a third depot in Leeds. It is not clear whether the costs of an additional depot and additional EV infrastructure are captured.

FWY agrees that some schools should be let with Category A Lots, to allow interworking with the local bus network.

Otherwise, the interaction of the lots, their duration and the stated intention of the CA to purchase vehicles and depots from operators is not explained in detail. More detail is required before FWY can comment further.

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Short term contracts are more expensive due to mobilisation and the requirement for asset transfer. They also reduce stability for customers.

FWY agrees that Category A Lots should carry a 7-year contract length, which provides stability to winning operators. FWY suggests an extension period of up to 3 years for continued strong performance during the contract lifecycle.

We acknowledge the CA's intention to utilise contract length as an enabler for SMOs to remain within the market and would recommend therefore a 5-year contract length with an extension period of up to 3 years (again, performance-based) for Category B and C Lots.

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

FWY notes that only 893 PVR are split across the ten Scheme zones, whilst the current network requires a minimum of 1350 PVR to operate.

See Section 4.2 of Oxera's report '*Issues with fleet and depot costs*'. In summary, Oxera concludes that:

- There appears to be a significant discrepancy between the current fleet in WY and the fleet assumed under franchising.
- It appears WYCA may have failed to account for up to half of the cost of the ZEBs required under franchising.
- WYCA's assumptions regarding future ZEBRA funding are too optimistic.

Based upon these conclusions, FWY has significant concerns regards the assumptions made on current and future fleet requirements, and the associated impact this has on the affordability of the Scheme.

Other considerations (that don't appear to be addressed in the consultation materials) are:

- The potential for the CA's required investment in ZEBs (rather than operators') diminishing the ability for the CA to invest in bus priority.
- Public sector borrowing assumes reduced borrowing costs. It is unclear how, or if, this impacts operators. For example, the recent First Bus EV battery agreement would deter First Bus from such plans, were there a need for operator involvement.
- How vehicle write-offs (outside of operator control) would be managed, and who would bear the cost of these.
- How mid-life refurbishments will occur, whose responsibility these are and with whom reside the associated costs.
- The potential for fleet quality impact across the bus reform options.
- Risk for vehicle life sits with the CA under a franchising model, should there be any deterioration vs. the vehicle life assumption made.

Further, it is unclear:

- How replacement batteries for EV vehicles are accounted for within the costs appraisal.
- Whether costs for vehicle major unit replacement are accounted for within the costs appraisal.
-

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

This strategy relies on the operators of services in WY being willing to sell their depots to the CA, or there being other suitable sites available on the open market. If faced with a loss of their business under franchising, existing operators will sell their sites to the highest bidder, which the CA must therefore be prepared to be. Alternatively, operators may choose to retain their depots for contracted and B2B work. Failure of the CA to secure depots in the proposed locations will add additional dead mileage and driver relief costs which don't appear to have been factored in.

Other points to note are:

- Section 4.2.2 of Oxera's report '*Lack of detailed depot costings.*'
- Insufficient details are provided on the proposal to equip depot sites for charging electric vehicles. Whilst a feature of both the franchising and EP+ approaches, this activity is not without its risks in terms of costs and timescales and can ultimately be limited by the supply capacity of the electricity grid.

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Under the Scheme, the CA will bear the major risks associated with bus operations, whilst operators are guaranteed a margin (which is not the case today). The CA needs to make provision for the risk of a local economic downturn or poor customer satisfaction, both of which could cause a revenue reduction.

Whilst operating cost risks will fall to operators, with “indexation” applied for future years, operators’ bids will likely include both a risk allowance and a cushion to ensure that any unreasonable assumptions about future year costs are built into the price. One area where this will be particularly important is the absence of measures to reduce car use and congestion, which will lead to increasing difficulties in meeting the service specifications set and will require operators to add vehicles and drivers in future years to deliver prescribed headways. The risk here again shifts from operators to the CA.

Q28. Do you have any comments on the Combined Authority’s approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

FWY has the following comments on the outlined approach to procuring franchise contracts under the Scheme:

- FWY agrees that an onerous process for Category C Lots would be excessive, however, the same standards need to apply to all operators and contracts; Allowing a less onerous bidding process for SMOs would potentially provide them an unfair competitive advantage.
- Not allowing Category B and C Lots to be operated from Category A Lot depots creates an intrinsic inefficiency in the provision of services, where the best value bid may be from such a depot.
- Implementation should not be rushed, as this will lead to mistakes on the part of the CA and operators. ‘Lessons learnt’ exercises must be completed.
- Putting Leeds in different bidding rounds could cause additional disruption and costs. 3 depots are likely required from day 1 if the incumbent is not successful.
- Within the structure of a quality/ price bid, the cheapest operator would not be guaranteed to win and therefore the CA is not protected in terms of cost.
- More detail is needed on the ‘performance regime’.

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

FWY has the following comments on the outlined approach to facilitating the involvement of SMOs:

- Special dispensation cannot be granted based on the size of an operator, as this has the potential for unfair competitive advantage. Any proposal to unduly favour SMOs is likely to be challenged under competition law.
- More clarity is needed under 'Contract Terms' where it is proposed to '...only adopt a gradual move from the current contracting arrangements for supported services...' Not only are many such contracts held by larger operators, but this suggests a 'manipulation' of the contracting process to create a market distortion that could, in practice, result in challenge from adversely affected operators under competition law.

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

It is for the CA to satisfy itself that its proposals complement its neighbours' transport policies from a political perspective. In terms of passenger impact, passenger growth on the inner city on inter urban services add to the viability of the network. These services support modal shift and enabling connections to places of employment, health and education, and therefore must be adequately supported.

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

FWY has the following comments on the potential impact that the Scheme would have on employment and pensions:

- The availability and willingness of staff (particularly drivers) to change employers but remain in the WY bus market following adoption of franchising will dictate the ability of franchisees to deliver awarded services.
- Regards pension liability, existing liabilities are not always clear to a new operator that is inheriting staff. This risk needs to be managed. The Assessment states that staff pension protection will be provided, which will require close working between operators. Similarly, terms and conditions may differ between operators and therefore a clear process is needed to ensure that both staff and operators are aware of the implications of a transfer.
- Staff wages are a significant axis of competition between operators in a tendering round. Unless carefully managed, there may be downward pressure on wages, resulting in driver shortages.

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

Upon rework of the Commercial Success Factors to consider our response to Q22, FWY will be able to comment more robustly on how the Scheme could support these. As it stands, we do not consider the Commercial Success Factors sufficiently measurable nor objective.

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

Please see our response to Q32.

Regards ease of implementation of the EP+, the EP+ can be implemented today. Some of the benefits will need negotiation as circumstances change over time, particularly in respect of the network, but no negotiation is needed to harness many of the outcomes proposed.

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

FWY does not agree that the franchising option is better placed to meet the Commercial Success Factors as published. The EP+ is best placed to meet these, as follows:

- Transport Authority Influence: Achievable, predominantly due to the proposed Network Management Group and proactive data sharing.
- Best Value: Achievable. Please see our response to Q21 regards value for money of the Scheme vs. EP+.
- Driver of Competition between operators: Achievable. EP+ retains the continuous competition across the market that is in the public interest, driving down prices and increasing efficiency and innovation.
- Appropriate risk allocation: Achievable. The EP+ would provide very little risk to the CA, with almost all risk residing with operators.
- Ease of Implementation of Option: Achievable. Please see our response to Q33.

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

FWY has the following comments on funding sources:

- There is reference to drawing on CA reserves (the Single Investment Fund¹¹ is mentioned), but no details are provided.
- The low and central estimates can be considered to be unduly pessimistic in the light of the November 2023 HS2 decision and consequent considerable reallocation of funding (capital and revenue) to bus and other transport projects in the North, including WY.
- BSOG is assumed to continue for the franchised period. BSOG funding is to be reformed subject to a consultation expected in 2024, such that this assumption is flawed.
- Please see Section 4.2.1 of Oxera's report '*WYCA's assumptions regarding future ZEBRA funding are too optimistic.*'
- Additional council tax charges may not be politically acceptable to future Mayors or to the electorate – particularly where there is an alternative approach (EP+) that does not require such financial support.

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Regarding the costs to introduce the Scheme, FWY requests that the £15.1m transition costs quoted are reassessed based upon a comparison exercise with the implementation of franchising in Greater Manchester. The £15.1m is far lower than the published amount spent to date by Transport for Greater Manchester.

Per Section 4 of Oxera's report '*Evidence suggests that the CA's Franchising proposal is unaffordable,*' the Scheme appears unaffordable based on the budget available for bus services in WY. This is concerning on the basis that the CA is required under the Transport Act 2000 to consider whether the Scheme is affordable.

Based upon the strong evidence presented by Oxera, FWY is therefore unable to agree with the conclusion that the CA could afford to introduce and operate the Scheme.

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

FWY has the following comments:

- Costs of implementation, and the associated ongoing operational expenditure, were not discussed with operators. FWY requests a full list of the 'additional transitional costs' and 'Capital Maintenance Costs' associated and would be interested in a discussion regards the 'additional management costs' amounting to £1.7m which operators could perhaps support the CA with mitigating, once these are understood.
- Reassurance is sought that costs 'common' to each scenario (such as capital maintenance of bus stations and travel centres, staffing, administration, and marketing) are fully accounted for within all scenarios.
- No regard is given to how the costs of franchising could be 'repivoted' within the EP+ scenario, either as a cost-saving to the CA or to enhancing further the EP+ offering for customers of WY, within the budget available.

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

Significant parts of the Assessment focus on the benefit of the CA having 'full control' and 'certainty' over all aspects of the bus network under Franchising (including investment, fleet specification, routes, fares, timetables, customer engagement and so on). However, little detail is provided on how the CA will utilise the additional control to deliver better outcomes for passengers and achieve its objectives.

Regards the CA taking on financial risk, there are two considerations: 1) Are the additional risks acceptable? 2) What additional value would they confer? To this end, FWY comments as follows:

- Figure 9 of Section 4.4.6 of the Consultation Document illustrates a demand decline under all scenarios. This indicates the negligible improvement made under franchising vs. EP+, and therefore a disproportionate amount of risk to be borne by the CA to achieve this outcome. Please note that Figure 9 isn't adequately labelled for the reader.

- Table 11 of Section 4.4.6 of the Consultation Document is incorrect, with High Demand and Upside Funding resulting in less comparative journeys than High Demand and Downside Funding.
- The paragraph starting ‘This type of enhanced partnership...’ and ending ‘deregulated model’ within Section 4.4.7 of the Consultation Document is unclear and requires re-write or more thorough explanation for it to provide sufficient comparison of the EP+ and the franchising options.
- The following risks are not adequately addressed: 1) The CA may fail to specify the franchise (i.e., the routes, vehicle specifications, environmental outcomes etc.) in such a way that achieves the desired outcomes. 2) The CA may incorrectly evaluate tenders leading to legal risk. 3) The CA may inappropriately stage competitions potentially limiting the number of bidders, or not allowing sufficient time for bidders and the authority to prepare and review tenders.
- Oxera’s report summarises concerns relating to the implementation risks of franchising. Please see Section 6.2 ‘*WYCA is likely to have underestimated the implementation risks of Franchising.*’

Based on the evidence presented, FWY concludes that the Scheme carries more direct financial risk to the CA compared to the EP+ but does not result in greater benefits.

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

FWY has the following comments:

- Reference is made in Section 4.5.2 of the Consultation Document to the responsibilities of the CA currently including ‘Metro’ – what is meant by this?
- Reference is also made to ‘provision of frontline services’, ‘service development,’ ‘managing [...] depots and fleets.’ FWY does not understand these to be current responsibilities of the CA and requests further details.
- Section 4.5.2 of the Consultation Document contains one of few references across the consultation materials to ‘Mass Transit.’ This project has recently (in October 2023) been subject to a major funding announcement by the Department for Transport with £2.5bn available for its development. FWY considers Mass Transit to be a major intervention in the public transport market in WY, which potentially changes the backdrop to the assessment of franchising and therefore needs appropriate consideration. For instance, the forecast drop in demand for public transport which underpins the franchising assessment may no longer be valid under such a scenario (otherwise, perhaps the significant expenditure for Mass Transit is not justified). FWY

notes, per the CA's letter to FWY received 03/01/24, that Mass Transit remains subject to a separate decision-making process and that funding for the construction of a Mass Transit scheme has not yet been approved. FWY also notes that the CA anticipates delivery of mass transit to be 'further into the future than proposals for Bus Reform.' Despite this, FWY contends that, at a minimum, a sensitivity assessment should be completed regards the effect of Mass Transit on sustainable travel demand across WY, and the resulting impact across the bus reform options. This is on the basis that the economic modelling is undertaken over a 40-year appraisal horizon.

- The risk regards not securing the additional 68.5 FTE required under franchising is not adequately considered, especially as this is partially based on the assumption that 'this would involve some transfer in of existing bus operator staff' (who may need to or choose to remain with operators that continue to operate contracted or B2B work in the region).

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

No further comments.

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

FWY has the following comments:

- Reference is made to roles required for 'service development' related to a 'commercial, price-capping environment.' FWY does not understand there to be requirement for additional responsibilities on the part of the CA for the commitments made under the 'fares and ticketing' part of the EP+ proposal.
- No discussion, nor agreement, was had/ made with operators regards a 'Bus Control Centre.' FWY requests further details.
- Additional resource is mentioned in the remit of 'highways network management.' This resource should be common to all scenarios.
- With the requirement for leadership/ management roles under franchising, whilst these are not referenced under EP+, clarity is required as to why the average role under EP+ costs £1k higher than a role under franchising.

- Reassurance is sought that costs common to each scenario (such as 'upgrades to the RTI reporting system', 'IT resource' and 'the route registration function') are fully accounted for within all scenarios.

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

FWY requests a full list of the assumed 25.5 employees associated with the EP+ management, which operators could perhaps support the CA with mitigating, once this detail is understood.

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

This question appears to be Q14 reworded. Q14 states 'The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?'

Please therefore see Q14 for our response to Q43.

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support <input type="checkbox"/>	Support in part <input type="checkbox"/>	Neither support or oppose <input type="checkbox"/>	Oppose in part <input type="checkbox"/>	Oppose X	I don't know <input type="checkbox"/>
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Why do you say this?

Based on compelling evidence presented within Oxera's report, FWY believes there are several significant issues that are likely to distort the consultation materials in favour of franchising, as follows:

- The Assessment overstates the benefits of franchising. As a result, the estimated economic benefits of franchising are likely to be inflated.
- The Assessment underestimates the implementation costs and overestimates savings from franchising. As a result, the Scheme is likely to be unaffordable.
- The assessment of the financial risks that the CA would bear under franchising is flawed.
- The Assessment overstates the strategic benefits of franchising. As a result, franchising is unlikely to achieve WYCA's objectives for reform.

Further, Oxera's report states the following: 'the auditor raised a number of material observations on WYCA's Assessment, which the Authority has not satisfactorily addressed'.

Based on the above, some of the requirements under the Transport Act 2000 have not been demonstrated as being met. We are of the view that a decision made by the Mayor on the basis of the current Assessment cannot be supported by the evidence presented.

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

No comments are offered in response to this question.

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.

Please refer to our cover letter to this consultation and to Andrew Cullen's letter to Simon Warburton of 5th January, for our concerns over the results of the fares sensitivities.

Other comments are:

- FWY is of the view that the franchising option is treated subjectively, rather than objectively, throughout the consultation materials.
- Regards Section 4.2.5 of the Consultation Document, the wider economic impact (WEI) calculations are queried. How have the economic benefits of "densification of employment and other activities" been identified and evaluated? FWY believes it counter intuitive to assume that transport improvements will lead to denser agglomerations of such activities, as improved transport and connectivity is more likely to facilitate a wider spread of these. The values of WEI should be made explicit to the reader.
- If the presented demand reduction occurs, then:

1) Arguably, there is no need to introduce franchising. The projections under EP and EP+ of the level of required network support are such that the bus network becomes almost entirely under the CA's contractual control, as would be achieved within the franchising scenario (albeit this is achieved more quickly within the franchising scenario).

2) Value for money is even more important within a reducing bus network. In this case, it would be more appropriate for the CA to seek that market forces maximise the available opportunities, intervening only where there is no service provision.

3) There is risk that CA assets (vehicles and depots) would become redundant and therefore turn into liabilities.

Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

No comments are offered in response to this question.

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.

Yes, I have read and understood the privacy notice

Yes

How are you responding to this survey? (Please tick one box only)

I am a member of the public, giving my views as an individual

I am responding on behalf of, or as a representative of, a business or organisation

Yes

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

Transport Planner representing 5 small local bus operators in West and South Yorkshire with a combined PVR of 60

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

Whilst there are clear advantages in having a county wide approach it should be appreciated that the area is an artificial entity that was created as a political unit which ignored and cut across areas of common interest between communities. Leeds has become the focal point and operation of county wide functions have moved to Leeds. The PTA moved its HQ from Wakefield and the main core of the transport network now centres on Leeds with many cross county and cross boundary links being downgraded or withdrawn. This is particularly true in the Wakefield and Kirklees area and it is important that the authority recognises the importance of these links and appreciates that they form an important part of the internal and external network. A policy of balkanised isolation serves no one well.

Q2 Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

Splitting the order of franchising LOTs is not a problem. However the content of each will be a deciding factor how small operators bid. Small operators tend to be very careful about which tenders they bid for as they have certain preset criteria that they adhere too. The failure to publish and award tenders that fit their profiles or the removal of current work could make other work on out of county contracts or private hire no longer viable Drivers have worked for the same company for some time and do so for many reasons. Some out of loyalty to their current employer, some due to the locality of depot, some because of the flexibility of work practices. These practices often include no evening or Sunday work. Part time working.

Allocation of LOTs would need to be tailored to small operators working practices. Many drivers would graduate away from companies that do local bus work onto school transport in order to maintain their current work/life balance

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

The list of services included in the consultation is unclear and contains many services that are duplicates or should not be included, whilst some services are missing altogether. There is no mention of cross boundary though some of these are included in the list of proposed coordination.

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

Whilst the list of exempted services rightly includes closed school services there are a number of commercial open school terms and other services that are currently funded by schools or other organisations with need to be excluded. In addition there needs to be provision made for services that require to be registered for special events.

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

No comment

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

The important date for any contract is when the actual start of service commences. This should be on a date that sits easily with school term start / finish and other major events during the year.

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

No. However if a company is set to lose a contract then there will be a period of uncertainty which will encourage staff to leave and cause unreliability prior to the new operator taking over. Alternatively companies that lose contracts may just walk away from current commercial services.

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

Obviously the design of the network should be subject to consultation prior to introduction and monitored thereafter. However any monitoring exercise will only be effective if action is taken to resolve any problems highlighted. The relationship between the CA and operator is vital in this respect and they should respect the need for additional funds if needs be.

Lessons learnt from Greater Manchester's network design and the Traffic Commissioners criticism of the Nexus proposals should be fully reflected.

Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

The Strategic Case correctly identifies several challenges facing the local bus system, but does not highlight that the most significant issues are those of congestion and the lack of bus priority – and the fact that the proposed franchising system does not include measures or funding to tackle them.

It should also be noted that whilst the Strategic Case highlights many shortcomings of the current network, there are relatively few actions within the proposed franchise to deal with these, and the numbers of journeys made by bus is forecast to continue to decline.

Many of the problems regarding the cost and complexity of bus fares have been dealt with by the current fare cap initiatives, so do not require a change to the operating model to continue provided the fare cap is maintained.

Many of the issues regarding information provision are already within WYCA's remit, in particular the provision of information at bus stations and bus stops. This is often inaccurate and out of date.

A further challenge is that there has been insufficient financial investment in supporting the operation of non-commercial bus services, with the Transport Levy having been held at the same level despite large increases in the cost of providing services. The proposed franchise option offers little to change this.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

We are supportive of the objectives, but they should include quantified time-bound targets, starting from the first year of implementation – particularly for the mode share targets which should be the main measure of success.

Change is indeed necessary to address the challenges facing the local bus market, but the proposed franchising option fails to address the most significant issues of congestion and bus priority, nor the level of investment required to deliver an effective public transport network

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Franchising could go some way to delivering the objectives, but as highlighted previously to effectively deliver the key objectives it is necessary to tackle congestion, bus priority and the level of spend on service delivery. The proposed franchising option does not do this.

Other concerns with the franchising option include:

- The timescales for implementation – action is needed immediately not in two years' time
- The high level of spend on transition
- The high level of disruption during transition, potentially seriously impacting service delivery
- The high level of ongoing spend on administration and contract management

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

The EP+ could go some way to delivering the objectives, but as highlighted previously to effectively deliver the key objectives it is necessary to tackle congestion, bus priority and the level of spend on service delivery. The proposed EP+ option does not do this.

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

We do not believe the case to have been sufficiently made to implement the franchising scheme, especially given the higher Benefit to Cost ratio displayed by the alternative EP+ option.

Resources could be more effectively deployed tackling congestion, bus priority and the level of spend on service delivery.

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Mention is made of “increasing service frequencies on existing routes, and the introduction of new routes.”, which is welcome. However the supporting documentation seems to suggest that such interventions will be relatively small scale, with frequencies generally no better than those operating pre-Covid, and that on some corridors services will be rationalised, possibly leading to increased journey times.

The projected continued decline in passenger numbers is at odds with the objectives of Bus Reform.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

The transfer of revenue risk away from operators represents a significant financial risk for WYCA.

This also creates a risk of reduced service delivery standards by the operators, which will need to be mitigated by a strict contract management regime. However this is likely to substantially increase administration costs at both WYCA and the service operators.

It is unclear how cross-boundary and out-of-area services can be provided from within West Yorkshire under the proposed new scheme. We are concerned that such services which need to be enhanced could end up being cut as a result of the implementation of franchising.

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

The document notes that there will be substantial public sector costs in delivering franchising, which is a concern. The number of corridors where multiple operators compete is quite small, so the gains from rationalisation in those areas must therefore be quite limited in the context of the whole Combined Authority area.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Mention is made of network enhancements which is welcome. However these are described as “limited” and the supporting documentation seems to suggest that such interventions will be relatively small scale, with frequencies generally no better than those operating pre-Covid.

The projected continued decline in passenger numbers is at odds with the objectives of Bus Reform. The statement that “The network is assumed to reduce over time in line with reduced passenger numbers and increased costs.” Is unsatisfactory, and suggests that additional interventions are required.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

None

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

No

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

We would question the use of a 40-year timeframe for the analysis, given the high degree of uncertainty about the future economic and environmental situation, and that the objectives have been set over no more than a 15-year period. The use of such a long time period will of course favour options with high up-front costs, such as franchising, in the comparison.

We note that the EP+ option offers a higher benefit to cost ratio (BCR) than the franchising option.

We note that Grant Thornton's letter states that "*The results of a sensitivity test to halve the uplift in demand resulting from fares simplification broadly halves the NPV surplus of Franchising over the EP+ option*", and assume this indicates that if none of the projected 2.5% demand uplift from fares simplification is achieved then the NPV of both options would be simpler. Given that significant fares simplification has already been implemented with £2 single and £4.50 day ticket fares, this is a significant finding.

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

None

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

No, other than to highlight that consideration must be given to the operation of cross-boundary, out-of-area and other non-franchised services – particularly those currently operated from depots located within West Yorkshire

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The longer contracts will enable operators to invest in services . However as I have said previously the content of the contract is a more important consideration for small operators due to the tighter operating regime in terms of day length and depot facilities

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The operation of EVs is dependant on the suitability of existing depots though some form of **competitive** leasing would be of help.

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Many small operator depots are on long established sites and many will not avail themselves to major rebuilding so would it would unlikely that they would be purchased by the CA.

Leased sites may have problems with being allowed to install hogh voltage charging equipment due to fire risk.

These assets are a major capital investment by small companies and the removal of their purpose will have an impact on the livelihood of the owner. Many would not get change of use and would not be available for other purposes due to location.

It is vital that no small operator is financially disadvantaged in this process.

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The transfer of revenue risk to the Combined Authority represents a significant risk for WYCA.

It is unclear to what extent allowance has been made for loss of passenger revenue to Mass Transit during the assessment period.

Service Planning and timetables

The political narrative is that timetables are currently dictated by remote officers with little local knowledge and it is stated that the LA would need to employ a number of additional staff to replace traffic staff currently employed by companies. Current company staff would need to make a choice between about who to work for and some would leave

The standard of timetable compilation would need to be very high as the LA would be the ultimate cause of any timekeeping problems in the operational timetables. The targets for growth would not be achievable if timetables and routes are flawed

Divorcing the service timetable compilation from duty requirement will create inefficiencies in service operation and will increase the requirement for traffic staff and cost.

Competition for tenders

During the period of cooperation under Metro National the LA pursued a policy of common fares, livery and service standards. This created a move towards standardized terms of employment

If the advocacy of similar standards is followed then the cost of tendering will have little variation between bidders as the difference in capital and variable costs between operators will be almost entirely removed

Driver conditions , wage rates and perks are currently the main difference but they will be eliminated as staff will seek equality of conditions..

Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

It is unclear how WYCA intend to manage the development and tendering of cross-boundary bus services alongside the franchising contracts. We believe it is important that such services are improved to help people travel easily between West Yorkshire and surrounding areas

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The initial PR put out to small operators is that they have much to gain from franchising and that their situation was fully understood. This certainly was not evident in the data collecting process as the documentation assumed that similar corporate practice applied to all operators.

Many small operators are run by owner / operators who have a mixed business of local bus routes and coaching out of a small yard which often contains their home. These companies usually have about 10 / 15 discs and cannot expand without an input of additional management cost and capital which is considerably beyond their financial means or business objectives..

Most only operate tendered school services which enables them to gain additional private hire during the daytime from school trips and frees the vehicles to run excursions and holiday tours when schools are not open. This cross subsidy works well and is of financial benefit to WYCA as it spreads the cost as well as giving owners a good balance of income.

The recent Covid pandemic showed how this interdependence was broken when coaching income was removed and all fixed costs had to be carried by the local bus and schools network.

There are few operators that only operate local bus services and many of these are already saying that they will leave the bus business due to the excessive burden now being placed on them by LAs.

Such a market is dependent on the participation of small and medium sized operators, so we welcome the inclusion of smaller lots within the lotting strategy.

However we note that smaller operators do not appear to have fared well so far in the franchising undertaken by Greater Manchester, and are concerned to hear that the smaller operators in West Yorkshire are flagging serious concerns about many practical issues associated with the possible move to franchising. We believe that it is important that these issues are adequately addressed prior to any decision.

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We are concerned that the terminology around cross-boundary services is centred on facilitating their continuation – rather than pro-actively seeking to improve and develop them as a key part of West Yorkshire’s transport network.

We would like to see more attention paid to this area to facilitate inter-connectivity within the Leeds City Region and with other neighbouring authorities.

We note there is some inconsistency between section 4.3.5 which suggests that some cross-boundary services may form part of the proposed franchise, whilst the updated Appendix 2 in Annex 5 now excludes all cross-boundary services from the proposed franchise.

We are keen to see that the objective to ensure that “conditions should not be particularly onerous as the general intention of the service permit regime is to facilitate the continued running of services to be permitted such as cross–boundary services rather than setting conditions which prevent them from operating in West Yorkshire.” is achieved.

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

No, other than to note the risk of the loss of key personnel from the industry as the result of changes of operator at particular locations.

I have previously mentioned the concern about equalisation of pay and working conditions which will create additional costs. The fact that TUPE is suggested as a solution to staff transfer could mean that staff working for the same company would be employed on differing work conditions. This force transfer of labour conditions will lead to conflict.

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

The cost and complexity of the transition to a franchise system will be significant, and could easily outweigh the expected benefits

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

None

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

The Commercial Success Factors should be viewed as secondary to the primary objective of maximising deliverability of the Combined Authority's Bus Service Improvement Plan by 2030.

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

None

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

All three options include a reduction in bus services operated over time, and so do not represent a means of achieving the over-arching objectives.

Therefore, the analysis does not provide a relevant view of the funding requirements or affordability.

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

All three options include a reduction in bus services operated over time, and so do not represent a means of achieving the over-arching objectives.

Therefore, the analysis does not provide a relevant view of the funding requirements or affordability.

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

The assumption is that if the Combined Authority has greater control over the way buses are run this will result in greater benefits – this has not yet been proved, and there is a financial risk if this fails to materialise.

Most previous joint management ventures in PTE areas have resulted in worse outcomes at greater expense. One has only to look at TfL to prove the point

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

No see previous comments

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

No see previous comments

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

None

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

The transfer of additional competencies to the LA will create many problems. The employment of additional staff to key positions is not achievable and the they will not have the required standard of knowledge to engender the desired level of competence. As operators will still require technical staff to administer their own systems there will be few surplus staff to be employed from within the industry.

This situation will be made worse by older employees leaving the industry

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

Change is indeed necessary to achieve the strategic objectives of the Combined Authority, but the proposed franchising option fails to address the most significant issues of congestion and bus priority, nor the level of investment required to deliver an effective public transport network.

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support <input type="checkbox"/>	Support in part <input type="checkbox"/>	Neither support or oppose <input type="checkbox"/>	Oppose in part <input type="checkbox"/>	Oppose yes	I don't know <input type="checkbox"/>
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Why do you say this?

The franchising option does not address the key issues of congestion and does not give the required investment to deliver an effective transport network. The imposition of a Franchise in West Yorkshire is the wrong solution in the wrong place and will become a very expensive burden for the residents of West Yorkshire. Whilst such a system has its place in highly urbanised areas that have a well-established Metro and rail network it is not the solution for this area. The CA should concentrate on county wide solutions to traffic congestion by correcting the decline of the rail network in the county and rebuilding lost links

The introduction of a "one size fits all" franchise scheme disproportionately disrupts the small operators business model which for many will no longer be viable. Additionally the concentration of decision making will stifle innovation and cooperation. It should be remembered that it was the small operators who pioneered smart ticket machines in West Yorkshire and it was they who stepped it to cover services when the large companies unilaterally withdrew services during Covid.

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

Greater emphasis on helping bus operation in West Yorkshire by including Bus Priority schemes.

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.

Sadly this proposal continues the trend of using public transport at a political football and seeks to introduce a structure that would be very difficult to reverse if it fails. The current track record of similar attempts is not good and many changes have been introduced with an eye on immediate electoral success of politicians rather than long term solutions.

Public transport in the West Yorkshire area is not bad but is littered with examples of populist schemes which were unwise.

These range from the abandonment of the plans for a proposed modern tram system for Leeds in the 50's which were seen as old fashioned and eventually lead to the Leeds Approach that introduced an express network of bus routes that became stuck in the traffic that the tram system would have avoided.

Metro National was seen as another attempt to bring local bus services under greater LA control which created a movement of resources from the efficient National side to the ex LA operations in order to offset their high costs and inefficiencies.

The current political mantra that the operators make excess profits and paying this revenue to unaccountable shareholders and are managed remotely is not a picture that small operators recognize and is a disservice to many in this sector who have devoted their lives to the industry. Smaller operators should not be put in a position of losing their business just because bigger operators and politicians have made such a mess. Franchising will have the same operating issues, as it's the same management/ vehicles/ staff doing the job. I see no benefits with franchising.

It is interesting to note that a number of initiatives proposed in the document to reduce fares are already operated by small operators. The current LA initiatives to simplify children's fares have resulted in small operators having to withdraw their innovative fares which increased fare whilst the simplification of adult fares abstracted traffic from small operators by giving a subsidy to large operators to reduce their high fares to a common level. Both schemes have led to abstraction of passengers by dominant operators from smaller companies

Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

None

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

These questions are optional and for individuals responding only. If you choose to answer these questions you will not be identified by the information provided. All information will be handled and dealt with in line with the Data Protection Act 2018, as detailed in our privacy notice.

We want to better understand who we are engaging with and hearing from. We are required to act in line with the [Equality Act 2010](#). By asking the following questions we can make sure our work reflects the diverse communities we serve.

What is your postcode?	
	<input type="checkbox"/> Prefer not to say

What is your sex?		
<input type="checkbox"/> Female / woman	<input type="checkbox"/> Male / man	<input type="checkbox"/> Prefer not to say

Is the gender you identify with the same as your sex registered at birth?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my gender identity as:		

Age: How old are you?									
<input type="checkbox"/> 0 - 15	<input type="checkbox"/> 16 - 24	<input type="checkbox"/> 25 - 34	<input type="checkbox"/> 35- 44	<input type="checkbox"/> 45 - 54	<input type="checkbox"/> 55 - 64	<input type="checkbox"/> 65 - 74	<input type="checkbox"/> 75 - 84	<input type="checkbox"/> 85+	<input type="checkbox"/> Prefer not to say

Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Chinese
<input type="checkbox"/> Any other Asian background, please state:	
Black, Black British, Caribbean, or African:	
<input type="checkbox"/> African	<input type="checkbox"/> Caribbean

<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White:	
<input type="checkbox"/> English, Welsh, Scottish, Northern Irish or British	<input type="checkbox"/> Irish
<input type="checkbox"/> Gypsy or Irish Traveller	<input type="checkbox"/> Roma
<input type="checkbox"/> Any other White background, please state:	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
<input type="checkbox"/> Yes, limited a lot	<input type="checkbox"/> Yes, limited a little	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Sexual orientation: How would you describe your sexual orientation?			
<input type="checkbox"/> Heterosexual or straight	<input type="checkbox"/> Gay man or gay woman / lesbian	<input type="checkbox"/> Bisexual	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
<input type="checkbox"/> No religion (including atheist)	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)
<input type="checkbox"/> Buddhist	<input type="checkbox"/> Hindu
<input type="checkbox"/> Jewish	<input type="checkbox"/> Muslim

<input type="checkbox"/> Sikh	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Other (specify, if you wish):	

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email <input checked="" type="checkbox"/> Yes	Post <input type="checkbox"/>
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Email: howardrobinson1504@googlemail.com

Name: _____Howard Robinson

Address line 1: _____

Address line 2: _____

Town/City: _____ Postcode: _____

How to mail your completed survey to us:

Please return your completed survey by the closing date of 7 January 2024 to:

Freepost CONSULTATION TEAM (WYCA)

Please note you do not need to pay for or add a stamp to the envelope you use when you post your survey back to us. The Royal Mail will deliver your post for free, and the cost is covered by the West Yorkshire Combined Authority.

Privacy Notice

For the purposes of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR), the 'controller' of the personal data which you provide in the attached form is the West Yorkshire Combined Authority ("the Combined Authority", "we", "us") of Wellington House, 40-50 Wellington St, Leeds LS1 2DE (Tel: 0113 251 7272). The Combined Authority is registered with the Information Commissioner's Office with registration number ZA051694.

The Combined Authority is collecting this data and will process it for the purpose of understanding and identifying information surrounding the future of Bus travel and Bus Franchising. The purpose of this engagement exercise is to meet, and exceed, the Statutory requirements of making a franchising scheme as set out in The Bus Services Act 2017.

Questions regarding some of your personal data and some special category data are asked as we recognise that the needs of different customer groups can vary and we are committed to improving transport services for all customers within the region. In addition, the online survey will capture your IP address when you complete an online survey, however we will not process this data further.

We publish comments/feedback you provide in the consultation's outcome reports available on the Your Voice page, to demonstrate the feedback we have taken into account. This does not contain any of your identifiable information.

The Combined Authority will share the data, comments, feedback and/or opinions obtained during the consultation with DJS Research who will provide analysis of the data for the Combined Authority Data for the purpose stated above.

Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court;
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings;
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g. if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.

As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g. marketing).

If you are unsatisfied with the manner in which we collect or handle your personal data you have a right to make a complaint to the Information Commissioner's Office. Information about how to make complaints can be found on the ICO's website at <https://ico.org.uk>

We act in accordance with our corporate privacy notice, which provides further information on personal data processing and how to contact us to make a request: <https://www.westyorks-ca.gov.uk/footer/privacy-notice-and-cookie-policy/>

The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.	
Yes, I have read and understood the privacy notice	YES

How are you responding to this survey? (Please tick one box only)	
I am a member of the public, giving my views as an individual	NO
I am responding on behalf of, or as a representative of, a business or organisation	YES

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?	
J&B TRAVEL LTD Director & Transport Manager	

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

When the Mayor on her election pledge says she will franchise the bus network only option is to Franchise the Whole of West Yorkshire so while legally a consultation is required the mayor prior to re-election would lose face with the Public of West Yorkshire if she didn't follow through.

At the moment bus operators are feeling the wrath of the mayor through external pressures driver shortage, road layout, costs as well as the Pandemic.

If franchising fails who will the mayor blame central government for lack of funding

As per certain sections I believe HTS should not be part of the franchise scheme already Gross Contract scheme and should be out of scope for large operators with unions very hard when schools adjust finish times.

Q2, do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

Regarding the split into 10 areas of West Yorkshire this seems to advise depot have already been spoken with incumbent for purchase, personally if this is the case the SME are already behind the ball game or is it WYCA expect this to happen through previous financial support for electric vehicles so having the necessary electrification

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

Need clarity it appears to me HTS are not part of the scheme and shouldn't be unless part of a service route .

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

As above

Permits – Liverpool was first to promote concept – does legislation allow to permit in areas part of franchise as technical point?

BELIEVE ALL HTS SHOULD STAND AWAY FROM FRANCHISE OR WE WILL END SIMILAR TO MANCHESTER WERE NO SME WON A TENDER WITH LARGE COMPANIES BLOCK BIDDING SCHOOLS WHEN THEY HAVE LOST ON A FRANCHISE BID

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

Purdah? Election date – 21st March purdah date – a week prior

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

No strong views!

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

No obvious issues

For large companies it will assist with TUPE of staff, depots N&P with TC office

And for operators to inspect vehicles etc prior to transfer

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

24months into a 5-year contract seems to me we are missing a clause that would allow WYCA to break or will that come in terms & conditions if passenger utilisation isn't met.

It also appears through Oxera work with WYCA the organisation already expects a decline in numbers so a success won't happen but considerable expense to the tax payer will

Section 2: Assessment Summary – Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

Network

Through OXERA & WYCA research it appears numbers will decline under franchising, WYCA will remove runs that are unsustainable as a commercial operator would, clients now expect vehicles to arrive on demand and this can not happen with bus services unlike UBER

With EP plus operators would need to operate services and can be in place quicker with less expense also from WYCA point they would only need an extra 21 team members rather than franchising were an extra 68 staff would be required for customer service which is already in place

Ticket cost have been reduced through the mayor budget with tickets already joined between companies so Franchise or EP we wouldn't see a difference already in place

Highway network both in bus priority, congestion and live issues such as roadworks severely impacts performance and economic delivery

LA inability to co-ordinate roadworks/schemes etc

What is in operator control and what isn't – customer research and satisfaction is dependent on reliable services, ops not in control of highway network

Franchise in itself or proposals does nothing to solve the issue

Partnership can deliver quicker as all partners working together

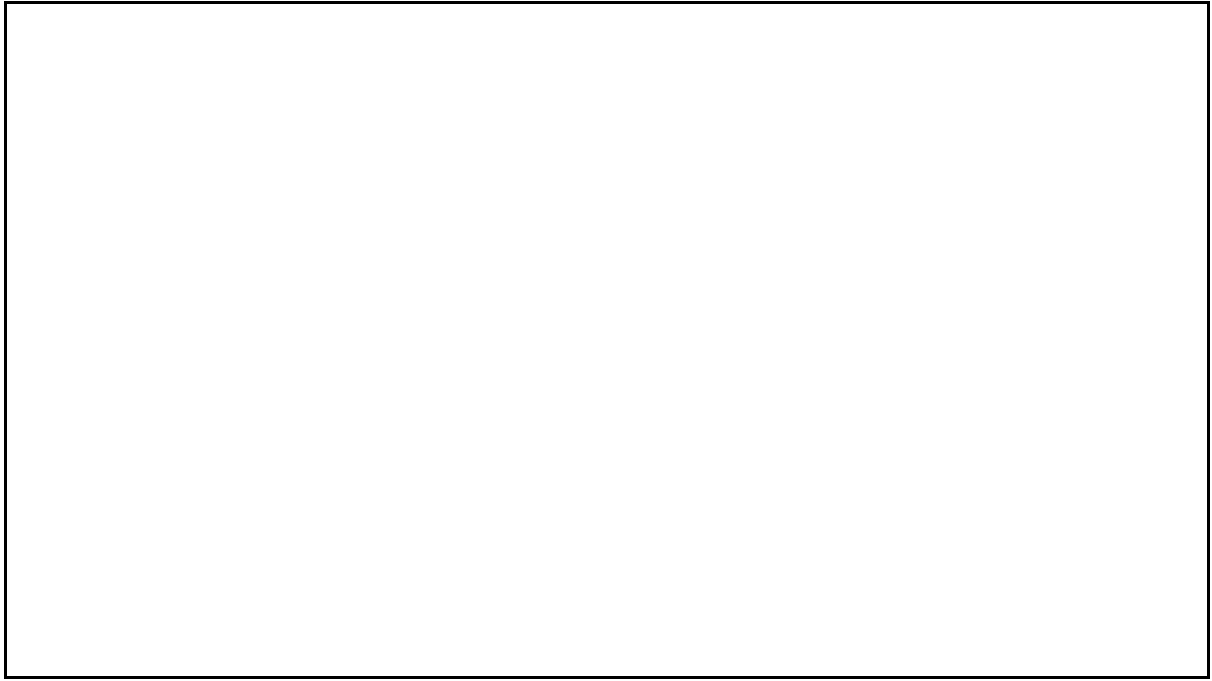
Parts of Leeds City Centre improved for pedestrians but not bus/coach

KEY ISSUE

CA responsible for information – often cited as an issue. Wayfinding/bus stop detail and quality not good, example of 6-month delay in Hunslet. Some examples of inaccuracy

Quality of provision now on information isn't a good indicator of service delivery in a franchise

Operators such as us operate green vehicles my own family company have 100% Euro 6 compliant vehicles so Franchise would cost tax payer, we pay for our own with no expense to the public pocket



Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

Whilst reforming bus is required with a 50% reduction in requirement under franchise WYCA are looking more at cost reduction through savings on gross contract but increasing fare per head saving, many points are duplicate to Q9, and I believe through

Bus operators are already collaborating on tickets so why cost, when EP+

Should be tried especially with austerity and the fact many local councils are running out of money the mayor could be helping the people of West Yorkshire in other ways, the franchise by their own consultation will decline

BODS and digital bus shelter information clients are aware of times, regarding vehicle types it will take a considerable amount of time to standardise vehicles, and from my point of view clients don't have an opinion on vehicles while yes standardised colours not sure anything else is required.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

Most, if not all of the interventions could be delivered through an Enhanced Partnership+ model with political support:

Network: Whilst we accept that under an EP+ model these changes would not be directly under the control of WYCA, changes could be made to existing commercial routes in negotiation with operators.

Fares and Ticketing: Multi operator ticketing is being delivered in places without franchising already and Project Coral is working on the ability to do it with tap on tap off, which is currently being trialled. We therefore do not see how it is valid to say this could only be delivered through franchising. Simplified ticketing could also be pursued through EP Plus, and through franchising would have to be budgeted and paid for.

Bus Priority: Congestion and management of highways, especially at peak times hinders reliability, punctuality and speed of bus service delivery; as does the lack of bus lanes. These are political decisions that and operators cannot influence this, regardless of the delivery model adopted.

Green Vehicles: Increase in number of zero emission buses working towards a zero-emission fleet by 2036 BECKI Operators are already committed to moving towards a zero-emission fleet, and this could be achieved by 20xx regardless of the delivery model. In addition, in the case of franchising and EP+, government funding will be required to make this financially viable.

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Please see answer above, we believe that the bus reform objectives could be delivered regardless of delivery model adopted.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Please see answer above, we believe that the bus reform objectives could be delivered regardless of delivery model adopted.

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

We believe that the bus reform objectives could be delivered regardless of delivery model adopted.

Personally, the reason franchise wins lower tenders with less vehicles means higher passenger per head so lower monies given from WYCA to operator and a good spin on mode

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

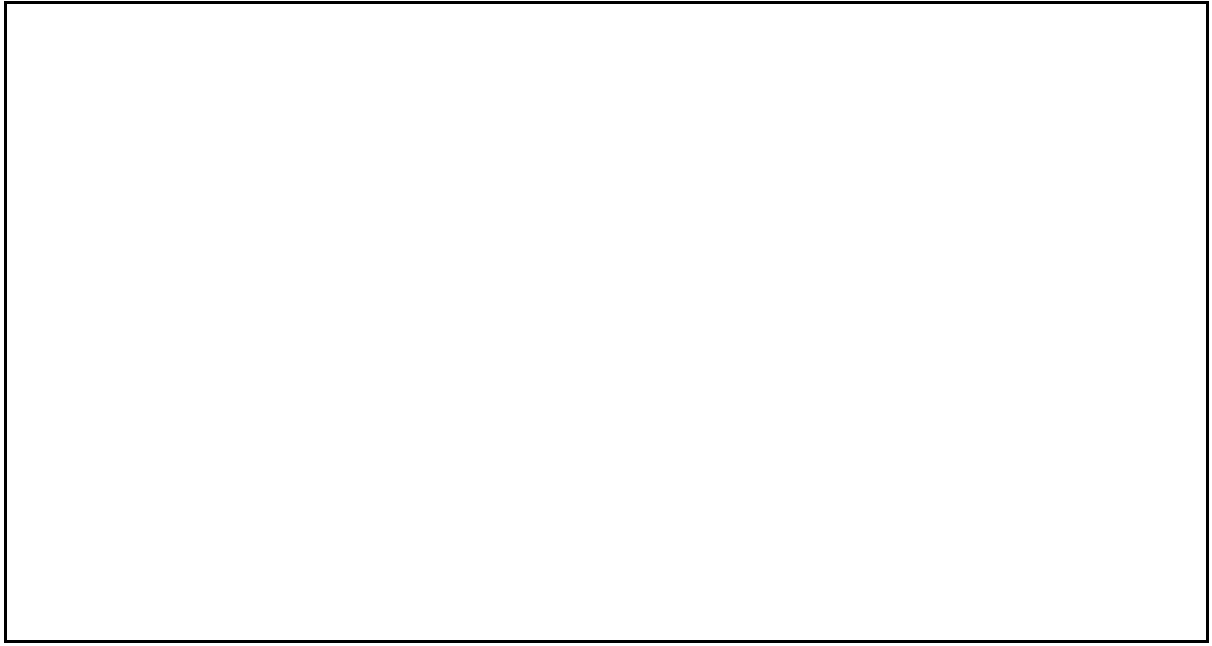
The difference in impact on passengers between EP+ and franchising is nominal.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

We would like to make the following comments:

- there is real concern that business may be taken away from operators without any compensation
- in terms of the length of contract, the longer they are, the more investment operators can and will want to make
- we request that combined operator bids be allowed to offer best value to WYCA and local customers (process??)
- finally, the economic impacts will only be favourable if the indexation process during the contract itself properly reflects the inflation experienced in industry costs, so this needs to be carefully considered by WYCA.



Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Franchising is an expensive economic model (as set out in the consultation paper and Assessment). WYCA must be confident that they have the funds available over the 40-year period to ensure the successful delivery of the model. **(Risk not WYCA – risk to local tax payers)**

Greater risk and cost to WYCA are associated with a franchise scheme, and we would reiterate that the majority of objectives of the scheme can be met through an Enhanced Partnership+ model, minus the financial risk to WYCA.

The financial risk proposed for WYCA to take on, is a huge burden on the Combined Authority and local tax payers.

Our biggest concern is that with a franchising model, the operator numbers could decrease, should SMEs be unsuccessful in the process. This would in turn decrease competition in the market.

It is clear that a franchising option poses a high risk to WYCA's current and future finances.

The revenue risk in the model of franchising being proposed will be borne by the WYCA. WYCA has further indicated that they would invest in ZEBs and depots, which would mean operators would pay for the delivery of services in a relatively low-risk environment, with the costs accruing to WYCA.

But gross cost contracts also make changes to key behavioural aspects. Firstly, for operators there is little incentive to improve services or grow passenger usage beyond those set out contractually because the benefit does not accrue to them.

This can be overcome with the right performance management regime but is a significant change compared to how operators work in a commercial or net cost environment where operators have to be sensitive to passenger demand to remain viable.

A comprehensive change mechanism is required to ensure that certain risk does not fall solely to operators that could end up with contract defaults (i.e. increases or decreases in mileage due to changes in market conditions).

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

We believe that the passenger benefits outlined in the Assessment could be delivered at least equally through an EP+ model, and in this model the risk would stay with operators and change could be implemented at a faster pace.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Operators under EP want to keep their market share so strive to increase revenue under Gross Contract (Franchise) they operate to contract terms with the only enhancement to not incur penalties

Franchising will incur new staff to operate centre with little understanding or knowledge when EP are existing staff from bus sector through education or experience

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

A commercial EP+ model would produce best value for WYCA as the revenue risk remains with operators and the system is based on competition between operators.

Also, less staff are required to run EP+ compared to franchise

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

When considering the commercial objectives, as franchising is a more material change than Enhanced Partnership, it would require more significant resource and financial costs to implement. It also introduces a range of additional ongoing risks for WYCA to manage, needing significant additional capability in-house to deliver.

Transport Authority Influence: Franchising would provide WYCA with influence over bus network outcomes, but this would also be achieved through a collaborative EP model.

Driver of Competition between operators: A franchising model would be a different form of competition - competition for the market rather than in the market; so, the competition finishes as soon as the contract is awarded.

The current system is built on competition between operators, and public sector procured services have a large element of competition from operators of all sizes, ensuring the best value for money to local tax payers.

Our biggest concern is that with a franchising model, the operator numbers could decrease, should SMEs be unsuccessful in the process. This would in turn decrease competition in the market.

Appropriate risk allocation: The revenue risk in the model of franchising being proposed will be borne by the WYCA. WYCA has further indicated that they would invest in ZEBs and depots, which would mean operators would pay for the delivery of services in a relatively low-risk environment, with the costs accruing to WYCA.

But gross cost contracts also make changes to key behavioural aspects. Firstly, for operators there is little incentive to improve services or grow passenger usage beyond those set out contractually because the benefit does not accrue to them.

This can be overcome with the right performance management regime but is a significant change compared to how operators work in a commercial or net cost environment where operators have to be sensitive to passenger demand to remain viable.

We welcome the performance-based rewards regime as a constructive way of delivering constant improvements to service delivery. However, this has got to go hand in hand with infrastructure improvements that allow for congestion, punctuality and reliability improvements. The performance regime should be simple and reflect what customers want - reliability and punctuality; anything too draconian may increase risk and impact on pricing.

A comprehensive change mechanism is required to ensure that certain risk does not fall solely to operators that could end up with contract defaults (i.e. increases or decreases in mileage due to changes in market conditions).

Ease of Implementation of Option: Franchising would be the most complex, costly and time-consuming option to implement.

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

THE COMMERCIAL RISK IN EP +, IS WITH THE OPERATOR, UNDER FRANCHISE IT A PROCUREMENT OF THE MOST COMPETITIVE BID

(OR HAS I CALL IT RACE TO BOTTOM)

GIVES NO INCENTIVE TO ENHANCE ROUTES

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Whilst the lotting scheme allegedly enhances competition between operators and gives WYCA best value for money in the race to the bottom, when the large operators are unsuccessful in bid A, they will then look to block bid on option C, meaning smaller operators will not compete with margins of profit required to be higher with SME

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Franchise contracts should be the same length of 7 years.

If lot C allows for small routes and HTS, would assist small SME with the future of their business leases unlike the large companies who would move vehicles to alternative regions we are based in the local community and work for the local communities

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Didn't WYCA try this in 2004 with disastrous consequences MYBUS vehicle life span were unworkable and with WYCA expecting a minimum of 15 years on a vehicle suggesting this will be the lease period many will not unless cascaded down the fleet, from a maintenance point vehicle over 7-year-old are classed as aged, am sure ADL, Wright bus will be happy though

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

It seems with local media reports from Mayor Brabin office these depots have been confirmed all be it probably not with the incumbent operator and appears to me we are forgetting the TC office if new depots are to be purchased and built, or does WYCA and the Mayor expect to run roughshod over them

Speaking as West Yorkshire coach operator we are still struggling to purchase premises my other question is would these depots have their own electric grid and again this will cost tax payers

It also counts out the fact that an A operator may not be procured for B&C when u look at the geographical and read the point on depots

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

With the reduction in fleet meaning services will be reduced the spin on passenger per journey will increase under franchise.

Example at the moment under partnership with WYCA First operate the number 72 – 6 vehicles per hour with 2 at each end, reduce from a 10-minute headway to 15-minute headway using 6 vehicles and your passenger per head increases.

Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Regarding the procurement policy all franchise scheme (Gross contract) need to be policed in this way for fairness, and with anything reviews will be completed

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Not really with many HTS Gross contract already using WYCA tickets, also marketing and customer service under their banner, SME many rent premises and don't have the facilities or inclination to substantially increase their fleets never mind TUPE staff

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Franchising as the possibility to move large companies into the area, and visa versa also losing small SME in the area which as happened in GMPTE

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

SME will struggle with TUPE and personally would they want to get involved this is once again why franchising effects our part of the sector and with large companies able to block quote procurement on Tenders at lower rates

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

The statement above is factually incorrect in all models passenger number decline , a success is not one by reducing vehicle use to spin passenger per head numbers up so you can call a success unless you're a Politician , whilst increasing cost only the public sector would find a success in that nor in the lack of incentives to operators.

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

The success in EP+ are the cost are vastly reduced to the tax payer, private companies have the incentives to increase profit

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

As per Q32 With decline in passengers how can u say u have had a success when increasing cost to tax payers the success

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Advising in 4.4.4 that through farebox you will have higher funding source through farebox is incorrect if passenger numbers decline so does farebox revenue amongst other assumption made so really it pie in the sky and hope for best approach, this could only be done in the Public sector and when like the MYBUS scheme you run out of funds what happens then EP+

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Same question as 35

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

Not really sure of WYCA point you plan to reduce services under franchising so minimal problem and this is common in all area with route and vehicle reduction as in both EP+ AND Franchise

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

Really what we are saying is under franchise the only benefit is alternative operators could enter the market from outside the area and fingers crossed lower tenders, the problem here is the outgoing cost brought by franchise means WYCA will be no better off , to me the franchise system doesn't work if it did the biggest franchise TFL continues to go cap in hand to central government and that our capital city

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

Operates this way now on Gross contract, it appears though an increase in staff would be required all at cost, with the added assumption staff could be taken from bus operators

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

When you are transitioning from one system to another franchise the initial start point is when staff are required to assist with transition seems you will not be employing these till half way through a large mistake

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

From the bus operator point alteration will be minimal from WYCA point it would also be minimal and rather more cost effective to the West Yorkshire tax payer, with less additional staff required

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

This statement is clearly incorrect or why would the authority require an extra 68.5 people (never seen half a person) but clearly this report is done by a colleague with an accounts background or they would have put 69 and an increase in cost from EP+ of £1.8 million

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

I feel this is a rather biased view based on the fact our Mayor had already advised her requirement to move to franchise prior to

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support	Support in part	Neither support or oppose	Oppose in part	Oppose	I don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Why do you say this?

I don't support franchise far too many financial assumption made with little regard to were the money will come from , it appears also there is little success regarding passenger number increasing other than by reduction in vehicle so passenger per head increase

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

The franchise scheme doesn't work this shown in London and closer to home the Mybus scheme failed due to money and lack of passenger numbers.

In fact all the conclusion your financial cases prove and state

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.

It seems to me the financial case proves Franchise won't work but due to our Mayor view will be implemented regardless at large cost, with little regard for the small SME .

Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

I actually can't believe that is a statement our industry is professional looks after all passengers be them from any age ethnicity or disability and should be removed

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

These questions are optional and for individuals responding only. If you choose to answer these questions you will not be identified by the information provided. All information will be handled and dealt with in line with the Data Protection Act 2018, as detailed in our privacy notice.

We want to better understand who we are engaging with and hearing from. We are required to act in line with the [Equality Act 2010](#). By asking the following questions we can make sure our work reflects the diverse communities we serve.

What is your postcode?	
LS28 6JP	

What is your sex?		
	Male	

Is the gender you identify with the same as your sex registered at birth?		
<input type="checkbox"/>		
Yes		

Age: How old are you?									
				<input type="checkbox"/>					
				45 -					
				54					

Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
Black, Black British, Caribbean, or African:	

<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White: I AM	
<input type="checkbox"/> English,	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
	<input type="checkbox"/> No	

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
		<input type="checkbox"/> No	

Sexual orientation: How would you describe your sexual orientation?			
<input type="checkbox"/> Heterosexual or straight			
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email - yes	
-------------	--

Email: jb@jandbtravel.co.uk

Name: PAUL LYNN
J&B TRAVEL LTD
PICK UP BUSINESS PARK
GRANGFIELD ROAD PUDSEY
LEEDS
LS28 6JP

How to mail your completed survey to us:

Please return your completed survey by the closing date of 7 January 2024 to:

Freepost CONSULTATION TEAM (WYCA)

Please note you do not need to pay for or add a stamp to the envelope you use when you post your survey back to us. The Royal Mail will deliver your post for free, and the cost is covered by the West Yorkshire Combined Authority.

Privacy Notice

For the purposes of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR), the 'controller' of the personal data which you provide in the attached form is the West Yorkshire Combined Authority ("the Combined Authority", "we", "us") of Wellington House, 40-50 Wellington St, Leeds LS1 2DE (Tel: 0113 251 7272). The Combined Authority is registered with the Information Commissioner's Office with registration number ZA051694.

The Combined Authority is collecting this data and will process it for the purpose of understanding and identifying information surrounding the future of Bus travel and Bus Franchising. The purpose of this engagement exercise is to meet, and exceed, the Statutory requirements of making a franchising scheme as set out in The Bus Services Act 2017.

Questions regarding some of your personal data and some special category data are asked as we recognise that the needs of different customer groups can vary and we are committed to improving transport services for all customers within the region. In addition, the online survey will capture your IP address when you complete an online survey, however we will not process this data further.

We publish comments/feedback you provide in the consultation's outcome reports available on the Your Voice page, to demonstrate the feedback we have taken into account. This does not contain any of your identifiable information.

The Combined Authority will share the data, comments, feedback and/or opinions obtained during the consultation with DJS Research who will provide analysis of the data for the Combined Authority Data for the purpose stated above.

Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court;
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings;
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g. if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.

As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g. marketing).

If you are unsatisfied with the manner in which we collect or handle your personal data you have a right to make a complaint to the Information Commissioner's Office. Information about how to make complaints can be found on the ICO's website at <https://ico.org.uk>

We act in accordance with our corporate privacy notice, which provides further information on personal data processing and how to contact us to make a request: <https://www.westyorks-ca.gov.uk/footer/privacy-notice-and-cookie-policy/>

The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk

Sent via email to:-
Simon Warburton
WYCA

Kirklees Council
PO Box 1720
Huddersfield
HD1 9EL

Tel: 01484 221000

david.shepherd@kirklees.gov.uk
www.kirklees.gov.uk

Date: 04 January 2024

Dear Simon

West Yorkshire Combined Authority - Bus Reform Consultation

I write in response to the statutory consultation currently being undertaken by West Yorkshire Combined Authority (WYCA) on Bus Reform. This letter acts as Kirklees Council's response to the consultation.

Kirklees Council endorses the current process and we offer our support for a franchised bus system across Kirklees and the wider West Yorkshire area.

We recognise the strategic importance of bus services, as the most heavily used form of public transport across our district. The future development of bus operations in Kirklees form a central part of meeting the strategic aims and objectives of our emerging Kirklees Transport Strategy, and is critical to delivering our ambitious Net Zero target by 2038.

Bus services across Kirklees provide vital connections to work, health care, retail and leisure. The Covid-19 pandemic has shown how crucial these services are, whilst at the same time highlighting the vulnerabilities of a commercially funded and operated bus network. Since the pandemic, the bus network in Kirklees has declined to an unacceptable level. Almost forty different services have been impacted through either service withdrawals or reductions to service levels. Whilst we acknowledge the excellent work undertaken by officers within WYCA to mitigate against these service losses as much as is possible, such changes have a significant and detrimental impact on communities who rely upon their bus services.

We recognise that a franchising model (similar to that currently being rolled out in Greater Manchester) alongside the work undertaken with operators to develop an Enhanced Partnership+ option have been analysed, evaluated and carefully considered by both the Combined Authority and your appointed independent auditors. We have carefully reviewed the statutory consultation document, supporting documents and evidence and have also met with First Bus to hear the proposals that they have led on with a consortium of local operators through the Enhanced Partnership+ model.

It is evident that under both the franchise and Enhanced Partnership+ model, the public sector will be increasingly relied upon to support bus services in the future. Kirklees Council are in full agreement with the assessments undertaken by your auditors, that conclude a franchising model provides the greatest level of control and direct influence to deliver services and network stability in the future. In addition, we believe strongly that a franchise model has the strongest case in supporting our local communities through the shared objectives agreed through the current Enhanced Partnership as follows :-

- For bus to be a key mode of travel choice within West Yorkshire.
- Enable financially sustainable bus services.
- Allow improvements to operational delivery to provide passengers with services they feel comfortable using.
- Enable improved connectivity.
- Allow better integration to deliver sustainable connectivity.

As part of any franchising model, Kirklees Council would be keen to work closely with WYCA to unlock opportunities to: -

- Provide better integration between bus services and other modes which are key to unlocking modal shift through better connected journeys.
- Improve the stability of our more rural services, whilst enhancing the value of this offer through providing better coordination and integration with other bus and rail services.
- Accelerate the targeted roll out of zero emission buses across the district which are key to improving air quality across the district and beyond.
- Ensuring that farebox revenue is reinvested in local services, whilst making sure that bus fares remain affordable to our communities.

You will be aware that Kirklees Council are currently under significant financial pressure. We do understand that financial risk has been limited, given that the baseline data used for the economic evaluation of both schemes is modelled on limited patronage growth. However, the impact on farebox revenue of both immediate and significant patronage decline, as we saw during the recent Covid-19 Pandemic could leave both WYCA and Kirklees Council exposed to a level of financial risk that is not appropriate at the current time, should service levels be retained in such circumstances. It is therefore important to stress that at present, Kirklees Council are unable to underwrite any additional financial risk as part of a franchise or Enhanced Partnership+ scheme.

We thank you for the opportunity to seek our views on your bus reform proposals. We hope that our response is helpful and strengthens the case for franchising.

Yours sincerely



David Shepherd
Strategic Director for Growth and Regeneration

Via email
bus.reform@westyorks-ca.gov.uk

Phone: 01772 533336
Email: andrew.varley@lancashire.gov.uk

Your ref:
Our ref:
Date: 19/12/2023

The West Yorkshire Combined Authority's Bus Reform consultation

Lancashire County Council welcomes the opportunity to be able to comment on the West Yorkshire Combined Authority's Bus Reform consultation.

We have assessed the documents provided, as part of the consultation process as a statutory consultee, and although we have a neutral view, to a number of the more technical, budgetary or local operational questions being posed, we would like to respond to a number of key areas of interest, including those that may affect bus services operating cross boundary, into the Lancashire administrative area.

Lancashire County Council share similar ambitions to West Yorkshire Combined Authority in local transport policies and has developed an Enhanced Partnership to deliver improvements to local bus services in the county.

The development of a franchised model will require significant funding and resources to deliver. From the information provided the timescales would appear to be achievable and appropriate plans are being developed in order to manage and resource the development and delivery of Franchising in the West Yorkshire area.

It is noted that 68.5 additional FTE employees will be required to deliver the Franchising model and in the current climate this may pose a challenge to recruit and train appropriate staff, therefore early recruitment processes will be needed in order to meet the forthcoming challenges.

It is agreed that the proposed Franchising scheme should cover the entire West Yorkshire Combined Authority area, this will ensure equity across the region for local residents.

Regarding the split of geographical areas, as bus services cross each geographical area it needs to be made clear what services are in or out of each round of franchising, as adjoining areas will be franchised at different times, therefore the local offer may differ for customers. Regarding the timescale for mobilisation, this would appear appropriate given the scale of the areas to be franchised.

The information provided lists of towns and cities where services will be provided, however it doesn't state those areas outside the West Yorkshire boundary where

Lancashire County Council
PO Box 100, County Hall, Preston, PR1 0LD



services currently operate to, and provide vital links for residents of both West Yorkshire, and in our case, Lancashire. We will welcome further engagement and discussion regarding these cross-boundary services to ensure they continue and meet the local needs of Lancashire residents. It is important to consider the impacts of franchising on cross boundary areas.

We would ask that the proposed permit system for cross boundary services does not create an administrative or financial burden and that there is some flexibility to react quickly to any emerging service priorities that neighbouring authorities may have. It is also important that permits are granted so services can continue operations and remain viable by avoiding any undue stopping restrictions, if franchising is introduced.

We are supportive of the aspirations to improve the network across the region, and they appear deliverable, given adequate funding and resources to enable this.

Regarding whether Franchising is the best option for the Combined Authority to meet its strategic objectives for bus transport in the region, this would be for the Combined Authority to conclude.

In relation to the economic and commercial case it is assumed that franchising will bring about a more sustainable, stable and managed bus network for the region, which in turn will lead to increases in patronage and create wider economic benefit, though this isn't reflected in some of the graphics, which suggest continuing decline.

The proposals for franchising and the lotting strategy is intended to attract small and medium sized operators to the market. This is an important factor and helps moderate markets by keeping an element of competition in the bidding process. There are currently a number of small and medium sized bus operators running services across the North of England, it is important that the franchised approach recognises these types of companies and gives them an opportunity to continue to provide services, if they chose to do so.

It is important that the financial viability of these operators is safeguarded as many may also operate in neighbouring authority areas which would not wish to see a reduction in small to medium sized operators as they provide vital services at often a lower cost base.

The overall transport objectives of West Yorkshire Combined Authority align with our own objectives in relation to bus services. It is expected that engagement with neighbouring authorities will continue throughout this process to ensure that any cross-boundary services continue to meet all local objectives, even through a permit scheme.

In relation to service quality, ownership, commercial objectives and depots transferring, we have no specific comments to make.

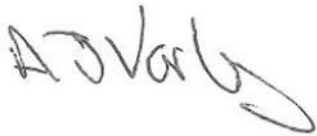
Similarly, we would not wish to offer any comments regarding the affordability of franchising in the Financial Case or in the role of West Yorkshire Combined Authority managing the Franchise, as these are felt to be issues best considered locally.



As bus services in Lancashire operate under an Enhanced Partnership, we would welcome close working with West Yorkshire Combined Authority with regard to initiatives that align with our own aspirations or local deliverables, especially around any new ticketing arrangements that go towards encouraging cross boundary travel. We would expect that there would not be a technological barrier created by franchising which would prohibit ticket acceptance or data sharing.

We trust these comments are constructive and help shape the consultation process. Lancashire County Council would wish to work closely with the West Yorkshire Combined Authority and would request regular dialogue with Officers to ensure we are kept up to date as the process moves forward.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A Varley', with a stylized flourish at the end.

Andrew Varley
Public Transport Manager
Lancashire County Council



Leeds City Council Response on the West Yorkshire Combined Authority Bus Reform Consultation

Date: 13 December 2023

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

The following White Paper Motion resolution was made at Leeds City Council's Full Council meeting on 15th November 2023 and was carried by a majority: -

This Council fully supports a franchised bus system in West Yorkshire as set out in the recently published West Yorkshire Combined Authority consultation on bus reform. Council calls for a report to be presented to the December Executive Board meeting to provide Council's formal response.

The West Yorkshire Combined Authority (WYCA) has commenced public consultation on their Bus Reform proposals. The Consultation ([Link Here](#)) is a Statutory requirement of the process, to consult with key stakeholders which include the five West Yorkshire districts (amongst others) ahead of working towards its ultimate adoption as part of the Local Transport Plan for the region.

The report sets out the key points to note and outlines details of the Leeds City Council (LCC) formal response to the Statutory consultation which is required by January 7th, 2024, and the Mayor of West Yorkshire will look to make a decision around mid-March depending on the nature and volume of the responses to the Consultation.

A draft letter of response has been prepared which sets out LCC's support for the process recognising the strategic importance of the Bus, and how it aligns with LCC's Vision and Ambition and aligns with the Three Pillars of the City Ambition (Appendix A).

The letter includes reference to the LCC response to the specific questions set out in the Questionnaire, although the Questionnaire itself (47 Questions) is included as Appendix B.

The letter outlines the advantages of Bus Reform but also refers to the potential financial risks which Bus Reform entails and outlines the measures WYCA have outlined to alleviate those risks.

Recommendations

Executive Board is requested to: -

- a) Note the contents of this report as requested by Full Council on November 15th, and endorse the response as set out in the draft letter (Appendix A) and the detailed response to the Questionnaire (Appendix B)
- b) Endorse the process as outlined going forward and support the Mayor in the final decision.
- c) Approve that the decisions from this report are exempt from Call In pursuant to paragraph 5.1.3, Part 4 of the Constitution on grounds of Urgency, as referenced in full at paragraphs 25 – 27.

What is this report about?

- 1 The West Yorkshire Combined Authority (WYCA) has commenced public consultation on the Bus Reform proposals for West Yorkshire. As a statutory consultee and strategic partner Leeds City Council is one of the five West Yorkshire districts and our response forms a key element of the consultation.
- 2 On November 15th, Leeds City Council's Full Council endorsed the motion; -
 - a) *This Council fully supports a franchised bus system in West Yorkshire as set out in the recently published West Yorkshire Combined Authority consultation on bus reform. Council calls for a report to be presented to the December Executive Board meeting to provide Council's formal response.*
- 3 This report sets out the key points to note and outlines the proposed LCC response to the statutory consultation and that of the motion at full Council. A formal response is required to be submitted by January 7th, 2024.
- 4 WYCA has set out a bold ambition to make West Yorkshire greener, more inclusive, and better connected. To achieve this, it is recognised that the bus service needs a fundamental reorganisation to become the cornerstone of the sustainable transport offer in West Yorkshire.
- 5 This is mirrored by Leeds's own Connecting Leeds Transport Strategy which makes a viable, modern, and clean, bus service a cornerstone of the Strategy.
- 6 WYCA have developed proposals which were enabled by the National Bus Strategy of 2021. The progress has then developed thus: -
 - 2021: WYCA published the Bus Services Improvement Plan
 - 2022: An Enhanced Partnership was made with local bus operators and the districts, including an EP Corridor on the A61 South.
 - 2022: WYCA launched an Assessment of the Five Business Cases which was concluded by May 2023.
 - 2023: In May the Combined Authority approved that Assessment to proceed to Independent Audit.
 - 2023: In September the Independent Report was approved to proceed to consultation.
 - 2024: A Mayoral decision between a Franchising Scheme & the EP Plus will be made after analysis of the responses.

- 7 The BSIP recognised the decline in Bus Patronage (see Strategic Case) and prioritised 5 areas to address the decline: -
- Network: there is a need for a more innovative approach to the development of the network, acknowledging that the current network requires financial subsidy
 - Fares & Ticketing: While 'The Mayor's Fare' has simplified the process recently in West Yorkshire there is still a need for a single transparent ticketing system.
 - Customer Services and information: There is no single point of contact for customer information, with an uneven response to issues, and it is difficult to assess initiatives.
 - Bus Priority: While the Leeds District has benefited greatly from the LPTIP Bus Infrastructure programme, a number of key corridors remain without bus priority, and this situation is worse around the other West Yorkshire districts.
 - Greener and better vehicles. There is still a wide range in the quality of the bus offer in West Yorkshire, and more importantly it is imperative that all buses are zero emission as soon as possible.
- 8 The consultation then outlines the options available, against the current situation namely the current Enhanced Partnership which is used as the Reference Case: -
- Enhanced Partnership Plus
 - It is a legal model where the Local – or Combined Authority in this instance can enter a legally binding (Statutory) agreement and specify how they will work together to improve bus operations.
 - The services remain privately owned and the Operators retain the Revenue and operators decide how, where and when the buses run. Operators outside the agreement would still be bound by it on selected routes.
 - It is likely that not all routes would be included within the agreement.
 - The Franchising Scheme
 - Buses run under the ownership and control of the CA.
 - The CA (or its arms' length body) would also need to purchase and own the Bus Depots.
 - This would give the CA the power to set the routes, frequency, fares & overall standards.
 - It can ensure that services integrate properly with the remainder of the public transport offer. (Heavy Rail now and Mass Transit later).
 - It is similar to the model which has been introduced in Greater Manchester in September (2023).

WYCA has worked with the Bus Operators to draw up what would aim to be the most ambitious EP+ that could be delivered. This culminated in a joint operator offer to WYCA in August.

- 9 The assessment is based around the five assessment cases which are necessary by Law: -
- Strategic Case:
 - Economic Case
 - Commercial case
 - Financial Case
 - Management Case

The Consultation outlines the issues concerned with each of the cases and makes a direct comparison between the Enhanced Partnership Plus offer, and the Franchising Offer.

The Combined Authority subjected the options – as well as the reference case - to an independent review by Grant Thornton.

Strategic Case

10 The Strategic Case sets out the current situation describing the long-term decline in the bus market and a Bus Service which is not meeting the needs of the customer.

In West Yorkshire, bus passenger journeys fell by 21% between 2009 and 2019 (from 169m per year to 133m per year. Greater Manchester had a similar decline. Since then, it is thought that passenger levels have recovered to around 84% of the pre-pandemic level.

The number of miles being operated has also fallen from 60.9 million miles to 46.3 million miles over the last 10 years. Significantly during the same time-period, the Combined Authority has had to contribute more than £21 Million per annum to the operation of this shrinking network, an increase of some 25%.

It should be emphasised that this situation is occurring at the same time when 30% of the people of Leeds do not have access to a car. This has a great impact on the Three Pillars of the Best City Ambition (see para 15 and on).

Unfortunately, not all of the data is currently available on a Leeds basis with some information still to be disaggregated by WYCA and external partners.

It is acknowledged that the policy objectives will only be met by ensuring that the other four Business cases are met. That is the Strategic Case provides the reason why it should be done while the other four Cases need to be achieved to deliver the changes.

<u>Case</u>	Performance
Strategic Case	Both perform well against the reference case. However, all the proposals in the EP+ rely on operator agreement, and in some instances public sector funding. The FS is better aligned with the WYCA Transport Strategy (& the LCC Strategies) due to the certainty it offers, and the control over Bus Services and potentially Mass Transit.
Economic	Both perform well – the FS has a higher NPV but the EP+ has a better BCR.
Commercial	FS allows for greater control of Bus Services at the detriment of a greater level of risk. Again, the EP+ would also be subject to ongoing operator agreement.
Financial	Both options are affordable by the Combined Authority, & while the FS offers more scope to develop the Network, it comes with the corresponding increase in Risk. This would not be the case with the EP+.
Management	Both options are deliverable by the CA albeit with increased roles and responsibilities for FS, but for the EP+ there is likely to be duplication of roles between WYCA and the Bus Operators.
Key –	FS = Franchising Scheme EP+ = Enhanced Partnership Plus.

Assessment Conclusion

11 The assessment concludes that the Franchising Option offers better Strategic Benefits in line with the stated objectives and a greater level of opportunity to achieve both the CA's objectives and ambition (and those of Leeds City Council) compared to the EP (Reference Case) and the EP+.

However, the assessment also makes it clear that to instigate the process requires significant capital investment by the CA, and contains ongoing key risks: -

- Financial: Concerning the management of budgets and fare box revenue (in an acknowledged time of decline)
- The management of the transition between the current operating system and Bus Franchising.
- The purchase and management of bus depots.
- Ensure that the CA has the necessary skills and resources to deliver the change and the new operation.

The independent Review demonstrated that the proposed Franchising Scheme delivers greater benefits while aligning with the Combined Authorities Strategic objectives.

This was modelled against numerous scenarios all assumed that bus use would continue to decline. It found that the decline would be less pronounced with the Franchising Option, and policy interventions combined with investment will be required to further change this trajectory.

What impact will this proposal have?

- 12 In the first instance immediately after the transition, WYCA are seeking a status quo, i.e., they adopt control of the Bus Network, and everything operates almost as before in an efficient and robust fashion.
- 13 In the longer- term Bus Franchising provides an opportunity to re-cast the Network, enabling better integration overall and particularly with Mass Transit, and providing the opportunity to develop a hub and spoke Bus Network. It also creates an opportunity to introduce modern buses (with multiple doors) and deliver innovative forms of ticketing to speed up bus journey times.
- 14 Bus is a key mode in delivering the outcomes of the Connecting Leeds Transport Strategy therefore improving and securing the bus offer is imperative.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

15 Health and wellbeing

The development of Bus Reform will improve Bus Services as the cornerstone of the sustainable public transport offer and allow it to complement Mass Transit. A modern attractive bus offer will support healthy, physically active lifestyles whilst encouraging the feeling of safety when using transport infrastructure.

16 Inclusive Growth

An attractive and responsive Bus Service will boost productivity by helping businesses to grow and invest in the region and their workforce, to drive economic growth, increase innovation and create jobs. It will help people travel to jobs and education in a reliable, efficient, and affordable manner, while increasing the job and training opportunities people can easily reach.

17 The Inclusive Growth Strategy acknowledges the role of Transport in supporting and delivering inclusive growth in the city. Investing in our places and transport to create a sustainable economy and greener future where you don't need a car, bringing jobs and opportunities closer to people and continue to support the most disadvantages communities across Leeds.

18 Zero Carbon

Bus Reform with its emphasis on a Zero Emission Bus Service and a more attractive offer which will draw people away from other less environmentally friendly modes, will directly tackle the objective of tackling the climate emergency by growing the economy while cutting emissions and improving the environment.

What consultation and engagement has taken place?

Wards affected: **ALL**.

Have ward members been consulted? Yes No

19 WYCA have held briefings for each party grouping of Ward Members, and the Executive Member and has been briefed additionally by Leeds officers.

20 Appendix B is the detailed 47 question response to the Consultation. There is also a more streamlined ten question Questionnaire contained in the Executive Summary of the Bus Reform documentation, but although significantly shorter, it still requires a level of knowledge/interest that may not lead to a satisfactory level of response from the General Public.

What are the resource implications?

21 Currently none directly for LCC, but (as outlined below in the following Risk section) the Risks entailed in Bus Franchising over the current Enhanced Partnership, or the Enhanced Partnership Plus are more significant.

What are the key risks and how are they being managed?

22 The assessment makes it clear that to instigate the process requires significant capital investment by the Combined Authority, and contains key risks: -

- Concerning the management of budgets and fare box revenue (in an acknowledged time of decline)
- The management of the transition between the current operating system and Bus Franchising.
- The purchase and management of bus depots.
- Ensure that the CA has the necessary skills and resources to deliver the change and the new operation.

Moreover, while the projections demonstrate how in all the scenarios tested Franchising represents good value for money, the responsibility for the complete operation of the buses lies with the Combined Authority while in the Enhanced Partnership Plus the responsibility is shared.

The Bus Reform process has been modelled for Low, Central and High demand against different funding levels. However, concerns remain that if there is a sudden and rapid decline (such as a Pandemic) and therefore Fare Box revenue rapidly decreases, we would be

concerned that WYCA (and ultimately ourselves) would be left with a stark choice between putting further funding into the Network, or simply allowing the network to go into further decline. This is highlighted in the Corporate Risk Register which contains the following Risk.

Transport Issues: Keeping the City Moving: Failure to adequately maintain and manage the current transport infrastructure to keep the city moving.

The ongoing responsibility to underwrite West Yorkshire bus operations in an ongoing decline beyond the parameters set out in the Consultation document and the Assessment remains an unlikely but unpalatable risk, and should it occur would have a detrimental effect on the Bus Network, which is a key element of the transport infrastructure. That responsibility lies with the CA in the first instance, and ultimately LCC.

There is also a Risk that the Lotting system will rely on the more lucrative Leeds zones cross subsidising the other Zones around West Yorkshire within a Lotting Round, and we are concerned that this may lead to a sub-optimal solution for Leeds. However, we recognise that it is a West Yorkshire scheme that will need to be developed.

What are the legal implications?

- 23 The Council is responding to a formal consultation that has been initiated by WYCA. Formal consultation is required by the Transport Act 2000 as amended by the Bus Services Act 2017 ('the Act') and has been prepared in accordance with the Act and the supporting Bus Services Act 2017: Franchising Scheme Guidance).
- 24 The Council's consultation response alongside all other replies will inform a decision by the Mayor of West Yorkshire on whether to introduce the Proposed Franchising Scheme.
- 25 This report to the Executive Board is designated as being exempt from Call In pursuant to paragraph 5.1.3 of Part 4 of the Constitution (Exemption from Call In) on the basis that the decision is considered to be urgent and that "any delay would seriously prejudice the Council's or the public's interests".
- 26 The Consultation was launched by WYCA on October 10th, and consultation events continue around West Yorkshire until December 8th, Therefore it was not possible to present this item at an earlier Executive Board due to governance processes.
- 27 Regarding the grounds for urgency. Given the deadline of 7th January for the submission of formal responses to the Statutory consultation, in considering the report at today's meeting (13th December), if the report was open for Call In and Call In invoked, then it would be likely that the required Call In processes would not be able to be concluded prior to the 7th January deadline. As such, there would be a risk to the Council meeting the deadline of 7th January for formal responses to the Statutory consultation.

Options, timescales and measuring success.

What other options were considered?

- 28 The Consultation goes into detail with regard to how the chosen Franchise option compares and is superior to the EP+, against the Reference case.

It also acknowledged that continuing in the current way i.e., with the Enhanced Partnership (Reference Case) will not arrest the current decline.

How will success be measured?

- 29 If after the transition period a robust (if similar) network is in place, which slows down the decline in Bus Patronage.

- 30 In the medium term the ability to re-cast the Bus Network, in a more functional way which better meets passenger needs.
- 31 Going forward having the ability to ensure that that the Bus Network compliments Mass Transit and does not compete against it.

What is the timetable and who will be responsible for implementation?

- 32 The consultation outlines that the first contract will be let in 2026, and remainder over 18 months or so into 2027.
- 33 WYCA have responsibility for implementation.

Appendices

- **Appendix A** – Draft Letter, LCC response to WYCA
- **Appendix B** – Extended Bus Reform Consultation Questionnaire Response
- **Appendix C** - Equality, Diversity, Cohesion, and Integration (EDCI) impact assessment.

Background papers

None.

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110 Merrion Centre
LEEDS
LS2 8BB

Simon Warburton
Executive Director of Transport.
West Yorkshire Combined Authority
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Leeds
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Telephone: 0113 37 6014
Email: martin.farrington@leeds.gov.uk
Our ref: //
20 December 2023

Dear Simon

The West Yorkshire Combined Authority's Bus Reform Consultation

Thank you for your correspondence dated 10 October 2023, sharing with us the consultation on the West Yorkshire Combined Authority (WYCA) Bus Reform proposals, and providing Leeds City Council (LCC) as a Statutory Consultee with an opportunity to feedback as part of the statutory process. As you will be aware Bus Reform was also subject to a motion at Full Council on November 15th:

This Council fully supports a franchised bus system in West Yorkshire as set out in the recently published West Yorkshire Combined Authority consultation on bus reform. Council calls for a report to be presented to the December Executive Board meeting to provide Council's formal response.

I am therefore responding to you on behalf of Leeds City Council and this letter combined with the covering Report and Appendices outlines our formal feedback to your consultation process, as approved by the Council's Executive Board on December 13th, 2023, and in response to the motion on November 15th.

LCC recognises the strategic importance of the Bus Service and its role in improving connectivity across our city and wider West Yorkshire, supporting our economic growth and bringing people within easier reach of jobs and opportunities.

The Bus Service is at the heart of the sustainable transport offer and looking ahead can complement and integrate with Mass Transit. A Bus Service which meets the needs of the City in order for our city to achieve its true economic potential, it must occur alongside improved capacity at Leeds City Station, be complementary to both our existing heavy rail system and any proposals for improved rail connectivity between ourselves, Sheffield and the East Midlands.

Our commitment to an improved Bus offer is stated as a 'Big Move' in our Connecting Leeds Transport Strategy and Action Plan which is integral to the success of the city's policies on Inclusive Growth, Health & Wellbeing and tackling the Climate Emergency. <https://www.leeds.gov.uk/parking-roads-and-travel/connecting-leeds-and-transforming-travel/transport-policy>

Further, in the City Council's Local Plans consultation we recognised the development of Bus Reform in Leeds as a key local (and sub-regional) priority, and the policy makes clear that a more flexible Bus Network would be strongly supported. <https://www.leeds.gov.uk/planning/planning-policy/local-plan-update>

We have paid considerable attention to the breadth of the work undertaken and would like to thank WYCA and the Auditor for the very thorough process which has been undertaken. Overall, we would like to state that we endorse the process and will support the Mayor in her final decision. Accompanying this letter, we have also sent a detailed response to the Questionnaire which we have responded to in full.

From the responses to the Questionnaire, we would like to further emphasise certain issues:

- We recognise that through the transition and the initial stages of the operation of the Bus Reform solution, the emphasis will be on having a robust efficient service. However, once the operation is established, we would hope WYCA are able to take the opportunity to re-cast the Network and begin to evolve the network to the Hub and Spoke operation and invest in modern Zero Emission buses (with multiple doors) and innovative forms of ticketing which will better meet the needs of the Connecting Leeds Transport Strategy and the corresponding WYCA Strategies.
- While this is imperative to enable the Network to meet the ambition of the Connecting Leeds Transport Strategy, we feel looking further forward it will be equally imperative for the successful operation of a Mass Transit scheme. It is vital that we have Bus Services that integrates and complements the Mass Transit offer, rather than compete against it.
- We appreciate that as the West Yorkshire Combined Authority an overall West Yorkshire solution will always be the preference. However, we do have some concerns with regard to the Lotting system. The three Leeds zones are the most profitable, and we understand that the operations in Leeds will cross-subsidise the other Zones within a Round. We are naturally concerned that this element of cross subsidy may be detrimental to the passenger offer in Leeds and the opportunities to develop the Network.
- Given the proposals from the Department for Transport last year for new powers to be assigned to the Mayor in relation to the Key Route Network and the reference made to this in the Bus Reform consultation, we would be grateful for an early meeting to discuss how any potential new powers might be utilised.

As you will be aware LCC is undergoing a significant Financial Challenge. While we recognise that the Commercial & Financial Cases have made it clear that the costs of Franchising overall to WYCA are comparable or better than the Enhanced Partnership Plus costs we also recognise that your work has modelled for Low, Central and High demand against different funding levels. However, we are concerned that if there is a

sudden and rapid decline (such as a Pandemic) and therefore Fare Box revenue rapidly decreases, we would be concerned that WYCA (and ultimately ourselves) would be left with a stark choice between putting further funding into the Network, or simply allowing the network to go into further decline.

Thank you for the opportunity to feedback Leeds City Council's view on the bus reform proposals in principle. The Council's supports WYCA's proposal and I trust the detailed points we have provided will enable you to strengthen your proposals further. We welcome and endorse the process you are undertaking and look forward to the next steps.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Farrington', written in a cursive style.

Martin Farrington
Director of City Development

CC: Councillor James Lewis, Leader of Leeds City Council

Equality, Diversity, Cohesion and Integration (EDCI) screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being or has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: City Development	Service area: Highways & Transportation
Lead person: Gwyn Owen	Contact number: 0113 37 87526

1. Title: LCC Response to the WYCA Bus Reform Consultation

Is this a:

Strategy / Policy

 Service / Function

 Other

If other, please specify

2. Please provide a brief description of what you are screening

The West Yorkshire Combined Authority (WYCA) are consulting on their Bus Franchising assessment that compares the benefits of a deeper partnership with commercial bus operators (termed EP+) against the benefits of moving to a system of public control known as franchising. This assessment recommends moving to franchising, whereby the combined authority takes control of bus services in the area, through the suspension of bus de-regulation and instead the CA controlling bus service provision through tendered franchise contracts. For this consultation as a constituent member of the CA and as the Highway Authority, Leeds City Council are a statutory stakeholder.

This screening considers the impacts that have been considered by WYCA and Leeds City Council's response to the Combined Authority's plans, that Leeds City Council endorse the principal of moving to bus franchising.

3. Relevance to equality, diversity, cohesion and integration

All the council's strategies and policies, service and functions affect service users, employees or the wider community – city wide or more local. These will also have a greater or lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation. Also those areas that impact on or relate to equality: tackling poverty and improving health and well-being.

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	x	
Have there been or likely to be any public concerns about the policy or proposal?	x	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	x	
Could the proposal affect our workforce or employment practices?		x
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 	x	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

• **How have you considered equality, diversity, cohesion and integration?** (**think about** the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

In our response to the West Yorkshire Combined Authority (WYCA), we have reviewed WYCA's own EDCI impact assessment (see Background Papers) of their proposed franchising scheme. This is included in response to question 47 in appendix x.

The key points are:

- Opportunities to improve bus design, routing, and interchanges to improve the ease of which disabled people can use the bus under franchising are not acknowledged
- The opportunity of a controlled bus network to better meet the needs of women, those in part time jobs and caring responsibilities is not acknowledged. The specific needs of older women who are more likely to travel by bus and less likely to drive, as they live longer and therefore may find themselves without car access following the death of their spouse; is not referenced.
- There is a lack of detail on how accessibility (services, information, bus stops) will be improved, resulting in generalised statements next to all protected characteristics.

As mentioned in part x of our response, a three-month Transport conversation conducted by LCC in the Autumn of 2016, generated 8,169 questionnaire responses, (along with feedback from 100 workshops, meetings, and presentations), overall we found that

- A general consensus from the Leeds Transport Conversation was that there is a need for better connections between local areas and key services such as hospitals, employment, and education sites.
- Women, those from an ethnically diverse background and people with disabilities are more likely to use public transport than others and therefore any issues with public transport were felt most acutely by these groups. Similarly, those in more deprived areas where car ownership is low also felt the impact of poor public transport links more than others. Poor reliability, lack of services and cost impacted these groups quite significantly reducing their ability to access services, employment and education.
- 64% of respondents told us that 'Cross City journeys including those not going through the city centre' were a priority for improvement.
- 57% considered 'Local journeys in and round adjoining neighbourhoods' to be a priority for improvement.

• **Key findings**

(**think about** any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups,

potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

Positive

Buses are the most widely used form of public transport in Leeds. If franchising successfully delivers a better bus network for passengers in Leeds, then given It is identified that many equality groups are more reliant on public transport than the wider public. Improvements will reduce barriers to employment, education, and social needs targeting the most disadvantage groups.

Increased hours of operation of public transport will have a positive impact on lower-income workers and encourage greater use of public transport. This has the potential to open greater opportunities for employment and education. More reliable services will also have a positive impact on these groups.

Disabled people may travel more frequently by bus than others, so public transport plays a vital role in ensuring that they can participate in community life and avoid social exclusion.

Negative

Consultations to date have indicated that women tend to rely on public transport more than men. This may result in greater safety concerns raised and greater conflict between groups. There may be a negative impact

If franchising changes the bus network – then Bus re-routing may have specific negative impacts on older people and some disabled people (learning difficulties, dementia, blind and partially sighted people) as changes are often confusing and unsettling. This may result in missed buses, being taken to an unknown destination, and may affect loss of confidence to go out independently.

As identified, certain groups are disproportionately reliant on public transport. If franchising does not deliver public transport enhancement these groups will be further impacted. The impact may result in greater social isolation and prevent certain groups from accessing opportunities. Lack of public transport integration also has specific negative impacts on older people and disabled people as well as women and carers who may not find interchanging modes easy due to physical distance and physical barriers (steps, gradients, lack of crossings) choice of ticketing, price, and information availability.

- **Actions**

(think about how you will promote positive impact and remove/ reduce negative impact)

- **As noted in our response we will strive to engage and work with the**

combined authority to help provide a bus network in Leeds that delivers the most attractive and equitable bus network.

- We note in our response that districts within WYCA like Leeds have invaluable local knowledge and connections with groups representing varied needs that need to be considered, and so we will continue to work with WYCA to ensure their decision making takes on board differential impacts.
- We will continue to engage with key stakeholders such as Central Government to identify further funding sources to enable the full delivery of bus priority infrastructure to allow for further benefits to accrue.
- Ensure thorough consultation and engagement is maintained throughout the lifetime of bus franchising. The Combined Authority when introducing individual components of franchising should bring forward an Equality, diversity, cohesion and integration screening or assessment these should be undertaken of individual schemes and policies brought forward because of franchising.

5. If you are **not already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment**.**

Date to scope and plan your impact assessment:	n/a
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Date to complete your impact assessment	n/a
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Lead person for your impact assessment (Include name and job title)	n/a
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6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Gwyn Owen	Principal Transport Planner	14/11/2023
Date screening completed		14/11/2023

7. Publishing

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision**.

A copy of this equality screening should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and

Significant Operational Decisions.

- A copy of all other equality screenings that are not to be published should be sent to equalityteam@leeds.gov.uk for record.

Complete the appropriate section below with the date the report and attached screening was sent:

For Executive Board or Full Council – sent to Governance Services	Date sent:
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.	
Yes, I have read and understood the privacy notice	X

How are you responding to this survey? (Please tick one box only)	
I am a member of the public, giving my views as an individual	<input type="checkbox"/>
I am responding on behalf of, or as a representative of, a business or organisation	X

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?
Leeds City Council

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish, and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

We agree with a West Yorkshire wide approach.

We note that the 5 districts have different characteristics and usage levels of bus. Although broadly similar the 5 districts do have differing levels of ambitions and aspirations for the role of buses within local plans and strategies. So, a West Yorkshire approach is merited but will need to adapt to the scale of the challenge and aspirations of each district.

Further noting that for Leeds travel flows between NY e.g., Harrogate and Selby into/out of the Leeds district are significant and due regard is needed for cross-boundary services.

Q2 Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

We note and appreciate the challenges inherent in rolling out franchising.

With regard the specifics of the zones and lots we would appreciate clarification on linkage between these tendered lots and depot allocations.

For instance, in the category B and C lots aimed at smaller operators, and the 'C' lots are described as down to a single vehicle contract – further detail on the links between these lots and the depot strategy would be welcome.

As Leeds depots are the largest and the location of the 3rd depot is not entirely clear. Reassurance and clarity that Leeds residents will not be unduly disrupted by the transitional arrangements would be welcome.

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

Broadly we agree with the services to be franchised.

However, as the consultation suggests this list should not be too rigid.

We would expect consideration for both services that have been withdrawn to be reinstated or new services introduced, including services identified in previous workstreams like the 2021 WY Strategic Bus Network Review. There are opportunities to grow the demand by improving frequencies, enhancing services, improving infrastructure, providing new links to growth areas, and providing selected orbital connections within the high frequency network – there are potential schemes in the Aire Valley and in Outer West Leeds.

Also, at an early stage we would expect some scope to upgrade frequencies on services which we think are key for Leeds residents but currently are at a semi-commercial frequency e.g., 30 minutes, when a 15-minute frequency or better could have very large benefits for passengers.

Other improvements like new or improved orbital services to from part of the high frequency network, may be beyond the resources available when franchising is mobilised, but knowing there is a viable path to add in extra services as early as possible, we would encourage.

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

No strong views at the current time, would appreciate further discussion as time goes on.

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

No comment on the date. We would welcome engagement on our feedback as soon as practically possible after the consultation period ends.

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

No comment on this date. We would welcome reassurance and clarification, on how the transition period will be managed, so as to not cause undue disruption to the journeys of Leeds residents.

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

No comment on this date. We would welcome reassurance and clarification, on how the interim period will be managed, to not cause undue disruption to the journeys of Leeds residents.

We would like to better understand how the Transition periods in Greater Manchester compare and what can be learnt from that experience.

We would welcome and encourage a plan for the interim 9 months to be shared and/or consulted on so we are aware of the details.

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

We would suggest an agreed set of KPIs could be determined beforehand, that could be reviewed may be a sensible basis for this consultation, and we would welcome clarification on who the consultees for this consultation would be.

Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

We would suggest the network is the key driver for change – we think it’s important franchising doesn’t stray from this focus.

In Leeds we have big ambitions for bus as set out in our Connecting Leeds Transport Strategy.

We want everyone in Leeds to have an affordable zero-carbon choice in how they travel – and we envisage the bus playing a big role in delivering this vision. The bus plays a unique role in the life of Leeds being the most accessible and well used form of public transport. We want to provide the widest and most densely accessible local bus network.

In Leeds we often hear from residents that it’s the lack of orbital services providing cross-connectivity and a feeling bus users have that they always must go into the city centre to change buses that are key concerns.

In the Leeds Transport Conversation, 64% of respondents told us that ‘Cross City journeys including those not going through the city centre’ were a priority for improvement.

In the Leeds Transport Conversation 57% considered ‘Local journeys in and round adjoining neighbourhoods’ to be a priority for improvement.

Our residents also tell us that the network does not in all areas provide adequate links to employment destinations particularly outside of 9-5 hours, and they also have concerns about accessing hospitals and healthcare.

A general consensus from the Leeds Transport Conversation was that overall, there was a need for better connections between local areas and key services such as hospitals, employment, and education sites.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

We agree and see these 2 points as most important:

- **It is right thing to do primarily to get control of the network to reshape it in the immediate and longer-term future.**
- **It is the right thing to do to recast the network around Mass Transit.**

No option other than franchising, will give the same level of control over these 2 crucial factors for Leeds.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

Whilst we agree with the 5 strategic objectives as set out by the CA. We believe public control is most fundamentally needed for re-shaping the network.

We appreciate that in the first instance the priority will be to operate a stable efficient network, thereafter we would encourage the CA to concentrate on this aspect particularly and work with us on re-shaping the network.

To note we appreciate the scale of the challenge and acknowledge in simple terms that it won't be possible to do everything on day one.

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

We believe the Network is key and we would look to support a revised network, through continuing our extensive Bus Priority, nationally recognised, investment in bus priority.

In Leeds we expect the suggested benefit of franchising, of using the so-called cross subsidy from the most profitable routes (that are predominately in Leeds), to be used to provide a step change in passenger experience on both existing and new routes in Leeds, to allow more of our residents make many more journeys by bus.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

We don't believe the ability to recast the network would be as beneficial as with franchising, and therefore would suggest given the great importance of recasting the network this is the primary drawback of the EP+.

We also have concerns in the longer term about how the Operators would respond to adapting the Bus network around Mass Transit Corridors.

On the other areas, we acknowledge there are though attractive elements of the EP+ offer, and some of these for instance across innovative fares and ticketing products, and the pace that some operators are delivering EV buses, are positives. We would wish to see these reflected for Leeds by the CA as the franchising authority, if the franchising option was chosen.

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

We would agree that by working together to make a better network for all, we will jointly succeed in achieving shared WYCA and LCC goals.

Control of the Network is imperative in our view, although in other areas the EP+ offer from Operators is attractive, and we need to ensure that the Franchising offer can match it.

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

For passengers (and potential passengers) we believe redesigning the network will be key to making sure buses maximise the objective of getting passengers efficiently to where they need to go.

In terms of achieving modal shift from car users and maximising how bus serves existing customers – we believe it will be important that the bus offer isn't 'one size fits all' across West Yorkshire - we believe just as operators have innovated on certain routes to drive modal shift – the franchised system will also need to be prepared to innovate rather than employ a blanket approach to the bus offer.

With regard to projections showing an inevitable future decline in bus patronage, we don't think we should accept this as inevitable in Leeds and we will continue to target DfT funding to improve and investigate areas such as bus priority/network management /smart signals/demand management to make sure bus continues to grow in Leeds.

The LPTIP programme successfully delivered a significant amount in a short space of time, but we have a pipeline of further bus priority and accessibility improvements, that we are ready to deliver as funding comes on-stream.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Although Operators may lose direct control if they then retain a significant franchise, they will have an opportunity to operate without the risks associated up until now. We recognise the opportunity for new operators to enter the market, which, may at the expense of existing operators.

We would welcome clarification over how drivers would be TUPE (Transfer of Undertakings Protection of Employment rights) transferred between operators and what job security and employment rights they would have.

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

It would appear that the CA has recognised the initial costs of delivering franchising and have clarified that the ongoing costs are comparable with the Reference Case and the Enhanced Partnership.

The costings outline the additional staff that the CA would require but make no reference to the skills that those staff would require and how easy they would be to employ.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

We believe there is merit in aspects of the EP+ proposal and passengers are likely to notice improvements in their experience on selected corridors. The long-term permanence of this would be subject to uncertainty.

However, we believe there is not the same scope to recast the network as with franchising and it would be harder to integrate with Mass Transit; therefore, limiting the full benefits to the Leeds transport system and hence passenger benefits, compared to franchising.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

We think it is uncertain in some regards how the EP+ would impact operators. In some cases, operators may change ownership, or wider group priorities may change in terms of commitment to investing for growth or not.

In delivering improvements through LPTIP, LCC has had a positive relationship with operators, and we think this could be potentially replicated in the case that an EP+ was enacted. However, we feel this would be less certain in the rest of West Yorkshire.

We would like further clarity on the prospects for Small Operators and how they would fare.

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

We would expect that the CA through the WY Network group – would need to be agile and innovative, to address the challenge of increased operating costs set against declining patronage.

Although as we have said previously the control offered by Franchising would be absent, an EP+ would still give the CA an opportunity to exert more influence over the Network.

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

Yes, we would agree and are confident that it would offer value for money. Also, particularly if we work through the process of optimising the network rather than a like for like process, there should be savings from a more efficient network.

However, we are conscious that should untoward events occur like another pandemic, or an acute fuel crisis (notwithstanding the move to Zero Emission vehicles) we would be wary of those extreme economic effects.

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

We are naturally anxious about attaining the success factors but feel that this is a matter for the Combined Authority, although as outline elsewhere we are anxious to play our part.

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

In this area we would like further clarity on the following points.

- **In Leeds it is suggested there would be 3 depots instead of the current 2 – more detail on this would be welcome.**
- **The interim period and how this will be managed.**
- **And clarity on the arrangement that are envisaged for input and engagement with districts in deciding what services/frequencies etc. to tender for in each district.**

We appreciate that as the West Yorkshire Combined Authority an overall West Yorkshire solution will always be the preference. However, we do have some concerns with regard to the Lotting system. The three Leeds zones are the most profitable, and we understand that the operations in Leeds will cross-subsidise the other Zones within a Round. We are naturally concerned that this element of cross subsidy may be detrimental to the passenger offer in Leeds and the opportunities to develop the Network.

In addition, we have concerns regarding Depots. There are currently 2 large modern Depots in Leeds and wonder how the 3rd Leeds Category A Lot will be obtained without delay.

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We would suggest that it could be beneficial, that in order to facilitate network redesign, on initial letting some contracts may be better to be let for shorter period of time, so they can be combined with other routes or reworked.

Contracts across the board should have a degree of flexibility so that the network can be re-designed.

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We would welcome clarification on the timetable for electric bus adoption. In Leeds our ambition would be to have a fully zero-emission fleet by 2023 thus matching our climate emergency declaration – the franchising assessment suggests the CA are aiming for 2040, so clarification that perhaps the 2040 goal does not preclude this being expediated in Leeds, would be welcome.

We would also be grateful for clarification on whether all operators (including the smallest) are expected to use WY owned buses and WY owned depots – if so, what are the benefits that smaller operators can offer, or will they retain their own fleet and depots? Also, we require clarification on the sentence saying that the CA ‘would look to invest in fleet ownership over time’ (Page 78). How would the buses initially be available or does ‘over time’ means as each round is let.

We would welcome conversations about the purchase of Double Door buses and the efficiencies it would bring but acknowledge there maybe revenue protection issues.

In addition, we think Leeds and Bradford would appreciate dialogue on how the new fleet would accommodate the extra equipment necessary for the Guideways.

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We would naturally have concerns regarding the location and purchase of Depot 3 for Leeds. While we appreciate there is time to purchase another depot, it is a matter of concern where it will be and will it be ready in time.

We note the issues raised by the Auditor, concerning an increase in the CA budget over the appraisal period.

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We note the envisaged allocation of risk and responsibilities between the CA and the operators. Although not directly affected we note the higher level of Risk the CA will be exposed to chiefly through the responsibility for the Fair-box, revenue and the ticketing regime which lies behind it.

Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We note the Procurement Strategy and recognise the need for a staged approach with the opportunity for 'Lessons Learned' sessions between Rounds.

We would appreciate further discourse on what Strategy would be adopted if no Operator responded to the Franchise, or no Operator was suitable for a round of Franchising.

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We welcome the measures to encourage small and medium sizes operators and would like to see more clarity about whether they would continue to use their own buses and if so, would they operate out of the CA depots.

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We recognise that the Cross Boundary services are subject to a separate Consultation although a draft list is available.

We also concur that the amount of commonality in Transport Strategies between ourselves and the other Authorities is significant,

After the consultation is complete, we would welcome further dialogue on which services will be affected definitively.

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Naturally LCC would like to ensure that Drivers and others are being paid the Living Wage and above.

More specifically we would like further information regarding (albeit small number of drivers who still receive LCC pensions).

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

We are concerned about attaining the success factors but feel that the this is a matter for the Combined Authority.

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

No specific comments beyond what is stated in the document.

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

No specific comments beyond what is stated in the document.

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

We would note that with regards Local Authority contributions, LCC would be prepared to consider investigating methods to further support bus services, and how they may contribute to paying for better services in Leeds.

With respect particularly to local contributions, we would welcome clarity on geographically hypothecating local revenue contributions and re-invested profits, whilst noting we recognise the challenges across the 5 districts.

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

We note the additional challenge regarding the purchase of assets.

As noted elsewhere given the CA endures the vast majority of the Risk, LCC will have on-going concerns regarding the potential costs, particularly as noted if patronage decline is more profound than forecast.

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

We would note we are confident on its affordability and is lower risk, but however it does not match the ambitions we have for buses in Leeds.

In addition, we would require more clarity over the profit-sharing mechanisms and how effectively they would deliver for passengers.

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

We are broadly comfortable with the level of risk the CA is taking on.

However, two slight concerns where clarity would be welcome are: -

- **If patronage continued to decline beyond the projections, would services need to be reduced or would an increase subsidy be used to maintain services.**
- **In a time of financial challenge an exceptional event like the pandemic, it is not clear how this would be resolved.**

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

We have Confidence in the CA approach to management.

We would note that districts could have an invaluable role to play, as we have the local intelligence and skills to play a role in the management.

We would also note clarification would be welcome on how the management will respond to needs of all districts and the channels of communication envisioned.

DfT in their November 2022 response to their own consultation on KRN powers have stated that they looking to:

- local authorities to remain the highway authority for both KRN and local roads, remaining responsible for maintenance and management of both KRN and local roads, ensuring that road networks remain tightly integrated.
- mayors to be provided with a power to direct their local authorities to take forward measures on the KRN. This will ensure mayors have the full powers needed to deliver on local transport plans and the wider priorities of the city region.

As of November 2023, we believe these extra powers for Mayoral Combined Authorities have not yet been legislated for and we await clarity on timescales for this. Engagement over how the West Yorkshire Mayoral Authority plans to use these powers to support improving the bus network would be welcome and necessary.

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

We anticipate the Transition being a very challenging period.

However, we support what is outlined for the Transition and (again) but would welcome more clarity and detail on the transition.

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

We note the comments made with regard to the Management Case the EP+ is more like an extension of the Reference Case (Enhanced Partnership)

We acknowledge the significant improvements an EP+ would bring but believe autonomy over the network, is paramount.

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

We are broadly confident in the suggested proposal for management by the CA. We would note the information given, and we welcome clarification on the proposed structure e.g., will each of the 10 zones (3 for Leeds) have a Director/principal person for districts to liaise.

We believe that the districts could have an invaluable role to play, utilising their knowledge of local issues to play a role in the management.

In addition, LCC, with 99 elected members representing the views of the public in Leeds, means we have key local information and networks to contribute to successfully shaping franchising to meet public needs.

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

As is well outlined in the Consultation we feel the Proposed Franchising Scheme does indeed meet the strategic objectives of the CA. Moreover, we feel it positively impacts the three pillars of the LCC Best City Ambition

- 1 **Health and wellbeing:** The development of Bus Reform will improve Bus Services as the cornerstone of the sustainable public transport offer and allow it to complement Mass Transit. A modern attractive bus offer will support healthy, physically active lifestyles whilst encouraging the feeling of safety when using transport infrastructure.
- 2 **Inclusive Growth:** An attractive and responsive Bus Service will boost productivity by helping businesses to grow and invest in the region and their workforce, to drive economic growth, increase innovation and create jobs. It will help people travel to jobs and education in a reliable, efficient, and affordable manner, while increasing the job and training opportunities people can easily reach. The Inclusive Growth Strategy acknowledges the role of Transport in supporting and delivering inclusive growth in the city. Investing in our places and transport to create a sustainable economy and greener future where you don't

need a car, bringing jobs and opportunities closer to people and continue to support the most disadvantaged communities across Leeds.

- 3 Zero Carbon: Bus Reform with its emphasis on a Zero Emission Bus Service and a more attractive offer which will draw people away from other less environmentally friendly modes, will directly tackle the objective of tackling the climate emergency by growing the economy while cutting emissions and improving the environment.

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support	Support in part	Neither support nor oppose	Oppose in part.	Oppose	I don't know.
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

We suggest there are issues particularly to Leeds that may not have been appropriate to cover in detail within the WY wide assessment. We believe these can be explored by the Combined Authority to improve the offer for the public in Leeds.

Fundamentally we believe the network does not serve our communities as well as it possibly can. Therefore, we would encourage a thorough root-and-branch examination of the bus network in Leeds, potentially in a similar fashion to the successful network re-design in Dublin. This would assess how we can best allocate resources to provide the most attractive and equitable bus network. We believe services to hospitals and health services in Leeds and would ensure better links to employment centres particularly those poorly served currently.

This review would also need to understand the potential for extra orbital services in the city providing cross-connectivity that doesn't require interchange in the city centre. The review would also consider how we can better meet demand for bus services in the evening, at night and on Sundays and bank holidays. Cross-subsidy may be required to support additional service at these times. We believe Leeds can support a night bus network on the major radial corridors.

To make bus services in Leeds more attractive to passengers we need faster journey times and reduced delays at bus stops. We encourage a consideration of methods to reduce dwell times, as currently they are a significant proportion of overall journey times. For some services with significant 'churn' of passengers it is likely that double door buses would be very effective in speeding journeys up.

The other aspect of dwell times that causes significant delays to journeys is purchasing on the bus of tickets and validating bus tickets in front of the bus driver. Currently the time taken for a contactless card transaction offers little or no benefits over cash, and selling weekly and similar products on the bus causes significant delays, further it is the case that take up and awareness amongst passengers of 'tap on tap off ticketing', that is much quicker, is currently only marginal.

Therefore, we believe franchising should be used to simplify and streamline the current approach to ticketing, with the aim of transitioning to a fully contactless system. Consideration should be given to introducing a proof-of-payment ticketing system, which does not require passengers to interact with the driver and can therefore offer major reductions in dwell time. This would have clear synergies with multi-door operation and further improve the speed of passenger journeys. Faster bus operating speeds save on operational costs that could then be re-invested in the network in higher frequencies or a longer span of operation.

Both these issues whilst important for bus operations everywhere, become exponentially more important in the densest urban areas with the busiest services. It is in Leeds this type of service is much more common than in the other 4 districts and so we believe even if these improvements are not viable as a blanket change across West Yorkshire as a whole – due regard should be given to maximising and tailoring bus services to the nature of each district, and indeed travel corridors within a district, as Leeds does vary significantly.

The assessment makes clear that a benefit of Franchising would be a simplified ticket range. We agree and suggest that we also must ensure it offers inclusivity. Whilst the current £2 fare and the £4.50 both offer good value in the cost-of-living crisis, we believe there is more to do. Firstly a ‘hopper’ fare that ensures that if a passenger needs to use more than one bus to get to their destination, they are not penalised for this. As many bus passengers use the bus to get to work, we think here more can be done to ensure commuter tickets are even better value than at present. Franchising should also be used to expedite the delivery of truly multi-modal ticketing products that encompass bus, rail, bike hire, car hire and, ultimately, Mass Transit.

We suggest the role of Park and Ride services that are specific to the Leeds district within West Yorkshire, will need consideration to ensure they are not overlooked within the broader West Yorkshire focus of franchising. Although passenger numbers are down compared to pre-pandemic, there exists significant potential to support mode shift through Park and Ride offer.

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.

We believe the Consultation to be very thorough, and we have expressed all our opinions.

Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

The EDCI shows some thorough research into the differential use of and impact of bus services and inclusion. However, due to the structure of the form it can appear confusing, and it is difficult to gain a clear indication of what the combined impacts are on a particular characteristics or indeed cumulative impacts. It will make it more difficult to draw conclusions and agree actions to foster equality of service.

Older women are more likely to travel by bus and less likely to drive, they live longer and therefore may find themselves without car access following the death of their spouse. Yet until about half-way through, the EDCI only references specifically an increase in bus patronage among older men. The opportunity of a controlled bus network to better meet the needs of women, those in part time jobs and caring responsibilities not acknowledged.

Lowest income households have higher levels of non-car ownership, 40% still have no car access – female heads of house, children, young and older people, ethnically diverse and disabled people are concentrated in this quintile.

Bus design, routing and need to interchange make it more challenging for disabled people to use the bus; there is one wheelchair space per vehicle which may be contested. Audible announcements are a major improvement, but complaints received about these being routinely turned off. Opportunity for this to be improved under franchising system not acknowledged.

Again, due to the format of the form cumulative impacts of improvements e.g., bus services after dark on are positive for multiple characteristics are not emphasised. No detail about how accessibility (services, information, bus stops) will be improved, which has resulted in generalised statements next to all protected characteristics.

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

These questions are optional and for individuals responding only. If you choose to answer these questions you will not be identified by the information provided. All information will be handled and dealt with in line with the Data Protection Act 2018, as detailed in our privacy notice.

We want to better understand who we are engaging with and hearing from. We are required to act in line with the [Equality Act 2010](#). By asking the following questions we can make sure our work reflects the diverse communities we serve.

What is your postcode?	
	<input type="checkbox"/> Prefer not to say

What is your sex?		
<input type="checkbox"/> Female / woman	<input type="checkbox"/> Male / man	<input type="checkbox"/> Prefer not to say

Is the gender you identify with the same as your sex registered at birth?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my gender identity as:		

Age: How old are you?									
<input type="checkbox"/> 0 - 15	<input type="checkbox"/> 16 - 24	<input type="checkbox"/> 25 - 34	<input type="checkbox"/> 35- 44	<input type="checkbox"/> 45 - 54	<input type="checkbox"/> 55 - 64	<input type="checkbox"/> 65 - 74	<input type="checkbox"/> 75 - 84	<input type="checkbox"/> 85+	<input type="checkbox"/> Prefer not to say

Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Chinese
<input type="checkbox"/> Any other Asian background, please state:	
Black, Black British, Caribbean, or African:	
<input type="checkbox"/> African	<input type="checkbox"/> Caribbean

<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White:	
<input type="checkbox"/> English, Welsh, Scottish. Northern Irish or British	<input type="checkbox"/> Irish
<input type="checkbox"/> Gypsy or Irish Traveller	<input type="checkbox"/> Roma
<input type="checkbox"/> Any other White background, please state:	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
<input type="checkbox"/> Yes, limited a lot	<input type="checkbox"/> Yes, limited a little	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Sexual orientation: How would you describe your sexual orientation?			
<input type="checkbox"/> Heterosexual or straight	<input type="checkbox"/> Gay man or gay woman / lesbian	<input type="checkbox"/> Bisexual	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
<input type="checkbox"/> No religion (including atheist)	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)
<input type="checkbox"/> Buddhist	<input type="checkbox"/> Hindu

<input type="checkbox"/> Jewish	<input type="checkbox"/> Muslim
<input type="checkbox"/> Sikh	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Other (specify, if you wish):	

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email <input type="checkbox"/>	Post <input type="checkbox"/>
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Email: _____

Name: _____

Address line 1: _____

Address line 2: _____

Town/City: _____ Postcode: _____

How to mail your completed survey to us:

Please return your completed survey by the closing date of 7 January 2024 to:

Freepost CONSULTATION TEAM (WYCA)

Please note you do not need to pay for or add a stamp to the envelope you use when you post your survey back to us. The Royal Mail will deliver your post for free, and the cost is covered by the West Yorkshire Combined Authority.

Privacy Notice

For the purposes of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR), the 'controller' of the personal data which you provide in the attached form is the West Yorkshire Combined Authority ("the Combined Authority", "we", "us") of Wellington House, 40-50 Wellington St, Leeds LS1 2DE (Tel: 0113 251 7272). The Combined Authority is registered with the Information Commissioner's Office with registration number ZA051694.

The Combined Authority is collecting this data and will process it for the purpose of understanding and identifying information surrounding the future of Bus travel and Bus Franchising. The purpose of this engagement exercise is to meet, and exceed, the Statutory requirements of making a franchising scheme as set out in The Bus Services Act 2017.

Questions regarding some of your personal data and some special category data are asked as we recognise that the needs of different customer groups can vary, and we are committed to improving transport services for all customers within the region. In addition, the online survey will capture your IP address when you complete an online survey, however we will not process this data further.

We publish comments/feedback you provide in the consultation's outcome reports available on the Your Voice page, to demonstrate the feedback we have taken into account. This does not contain any of your identifiable information.

The Combined Authority will share the data, comments, feedback and/or opinions obtained during the consultation with DJS Research who will provide analysis of the data for the Combined Authority Data for the purpose stated above.

Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court.
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings.
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g., if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.

As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases, you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g., marketing).

If you are unsatisfied with the manner in which we collect or handle your personal data, you have a right to make a complaint to the Information Commissioner's Office. Information about how to make complaints can be found on the ICO's website at <https://ico.org.uk>

We act in accordance with our corporate privacy notice, which provides further information on personal data processing and how to contact us to make a request: <https://www.westyorks-ca.gov.uk/footer/privacy-notice-and-cookie-policy/>

The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk

Integrated Passenger Transport

County Hall

Northallerton

DL7 8AH

Tel: 01609 534491

Andrew.clarke@northyorks.gov.uk

5 January 2024

By email

Dear Bus Reform Team

WYCA Bus Reform Consultation

I am writing to raise a number of issues that could affect bus services operating into or wholly within North Yorkshire as a result of West Yorkshire bus reform proposals. These were raised in the Neighbouring LTA Briefing meeting on 29th November 2023 but I would like them to be formally considered in the bus reform process.

While it is expected that cross border commercial and tendered services will be able to continue under a franchising model using a permit scheme, we would expect that neighbouring councils will be fully engaged in the development of this to ensure that operating standards and service levels are consistent and achievable on both sides of the border.

There are a number of commercial and tendered services, including school contracts, run from depots within West Yorkshire that operate either partly or wholly in North Yorkshire, in the Skipton and Selby areas. There would be a significantly detrimental impact on passengers in North Yorkshire if the bus companies operating these under a franchising model were not able to continue to tender for or commercially operate these routes. Should franchising be adopted we would ask that measures are included to ensure that these services can continue.

Similarly, there are also commercial, marketing and service operation functions being carried out by bus company staff based at depots / head office locations within West Yorkshire and we would want to ensure that bus operators could continue to provide these functions outside of West Yorkshire in future.

Some smaller bus operators running services in North and West Yorkshire have raised concerns that the proposed franchising model would negatively affect their long term future and we share these concerns. This is based on the outcomes of franchising in Manchester where very few SME operators have won operating Lots. We would ask WYCA to look again at this issue should the franchising model be chosen.

We are keen to remain engaged with WYCA throughout this process and would welcome the chance to discuss these issues in more detail in future.

Yours sincerely



Andy Clarke
Public & Community Transport Manager

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.

Yes, I have read and understood the privacy notice

Yes

How are you responding to this survey? (Please tick one box only)

I am a member of the public, giving my views as an individual

I am responding on behalf of, or as a representative of, a business or organisation

Yes

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

Ross Travel Limited

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

Whilst there are clear advantages in having a county wide approach it should be appreciated that the area is an artificial entity that was created as a political unit which ignored and cut across areas of common interest between communities. Leeds has become the focal point and operation of county wide functions have moved to Leeds. The PTA moved its HQ from Wakefield and the main core of the transport network now centres on Leeds with many cross county and cross boundary links being downgraded or withdrawn. This is particularly true in the Wakefield and Kirklees area and it is important that the authority recognises the importance of these links and appreciates that they form an important part of the internal and external network. A policy of balkanised isolation serves no one well.

Q2 Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

Splitting the order of franchising LOTs is not a problem. However the content of each will be a deciding factor how small operators bid. Small operators tend to be very careful about which tenders they bid for as they have certain preset criteria that they adhere to. The failure to publish and award tenders that fit their profiles or the removal of current work could make other work on out of county contracts or private hire no longer viable. Drivers have worked for the same company for some time and do so for many reasons. Some out of loyalty to their current employer, some due to the locality of depot, some because of the flexibility of work practices. These practices often include no evening or Sunday work. Part time working.

Allocation of LOTs would need to be tailored to small operators working practices. Many drivers would graduate away from companies that do local bus work onto school transport in order to maintain their current work/life balance

Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

The list of services included in the consultation is unclear and contains many duplicates or should not be included, whilst some services are missing altogether. There is no mention of cross boundary though some of these are included in the list of proposed coordination.

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

Whilst the list of exempted services rightly includes closed school services there are a number of commercial open school terms and other services that are currently funded by schools or other organisations with need to be excluded. In addition there needs to be provision made for services that require to be registered for special events.

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

No comment

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

The important date for any contract is when the actual start of service commences. This should be on a date that sits easily with school term start / finish and other major events during the year.

Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

No. However if a company is set to lose a contract then there will be a period of uncertainty which will could encourage staff to leave and cause unreliability in the network prior to the new operator taking over.

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

Obviously the design of the network should be subject to consultation prior to introduction and monitored thereafter. However any monitoring exercise will only be effective if action is taken to resolve any problems highlighted. The relationship between the CA and operator is vital in this respect and they should respect the need for additional funds if needs be.

Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

The Strategic Case correctly identifies several challenges facing the local bus system, but does not highlight that the most significant issues are those of congestion and the lack of bus priority – and the fact that the proposed franchising system does not include measures or funding to tackle them.

It should also be noted that whilst the Strategic Case highlights many shortcomings of the current network, there are relatively few actions within the proposed franchise to deal with these, and the numbers of journeys made by bus is forecast to continue to decline.

Many of the problems regarding the cost and complexity of bus fares have been dealt with by the current fare cap initiatives, so do not require a change to the operating model to continue.

Many of the issues regarding information provision are already within WYCA's remit, in particular the provision of information at bus stations and bus stops. This is often inaccurate and out of date.

A further challenge is that there has been insufficient financial investment in supporting the operation of non-commercial bus services, with the Transport Levy having been held at the same level despite large increases in the cost of providing services. The proposed franchise option offers little to change this.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

No

Change is indeed necessary to address the challenges facing the local bus market, but the proposed franchising option fails to address the most significant issues of congestion and bus priority, nor the level of investment required to deliver an effective public transport network

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Franchising could go some way to delivering the objectives, but as highlighted previously to effectively deliver the key objectives it is necessary to tackle congestion, bus priority and the level of spend on service delivery. The proposed franchising option does not do this.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

The EP+ could go some way to delivering the objectives, but as highlighted previously to effectively deliver the key objectives it is necessary to tackle congestion, bus priority and the level of spend on service delivery

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

We do not believe the case to have been sufficiently made to implement the franchising scheme, especially given the higher Benefit to Cost ratio displayed by the alternative EP+ option.

Resources could be more effectively deployed tackling congestion, bus priority and the level of spend on service delivery.

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Mention is made of “increasing service frequencies on existing routes, and the introduction of new routes.”, which is welcome. However the supporting documentation seems to suggest that such interventions will be relatively small scale, with frequencies generally no better than those operating pre-Covid, and that on some corridors services will be rationalised, possibly leading to increased journey times.

The projected continued decline in passenger numbers is at odds with the objectives of Bus Reform.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

The transfer of revenue risk away from operators represents a significant financial risk for WYCA.

This also creates a risk of reduced service delivery standards by the operators, which will need to be mitigated by a strict contract management regime. However this is likely to substantially increase administration costs at both WYCA and the service operators.

It is unclear how cross-boundary and out-of-area services can be provided from within West Yorkshire under the proposed new scheme. We are concerned that such services which need to be enhanced could end up being cut as a result of the implementation of franchising.

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

The document notes that there will be substantial public sector costs in delivering franchising. The number of corridors where multiple operators compete is quite limited, so the gains from rationalisation in those areas must therefore be quite limited in the context of the whole Combined Authority area.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Mention is made of network enhancements which is welcome. However these are described as “limited” and the supporting documentation seems to suggest that such interventions will be relatively small scale, with frequencies generally no better than those operating pre-Covid.

The projected continued decline in passenger numbers is at odds with the objectives of Bus Reform. The statement that “The network is assumed to reduce over time in line with reduced passenger numbers and increased costs.” Is unsatisfactory, and suggests that additional interventions are required.

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

None

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

It is unclear as to why the assumed decline in commerciality of the network over time would not also apply to the franchised network option, leading to service reductions or increased costs to WYCA.

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

We would question the use of a 40-year timeframe for the analysis, given the high degree of uncertainty about the future economic and environmental situation, and that the objectives have been set over no more than a 15-year period. The use of such a long time period will of course favour options with high up-front costs, such as franchising, in the comparison.

We note that the EP+ option offers a higher benefit to cost ratio than the franchising option.

We note that Grant Thornton's letter states that "*The results of a sensitivity test to halve the uplift in demand resulting from fares simplification broadly halves the NPV surplus of Franchising over the EP+ option*", and assume this indicates that if none of the projected 2.5% demand uplift from fares simplification is achieved then the NPV of both options would be simpler. Given that significant fares simplification has already been implemented with £2 single and £4.50 day ticket fares, this is a significant finding.

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

None

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

None

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The longer contracts will enable operators to invest in services . However as I have said previously the content of the contract is a more important consideration for small operators due to the tighter operating regime in terms of day length and depot facilities

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The operation of EVs is dependant on the suitability of existing depots though some form of **competitive** leasing would be of help.

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Many small operator depots are on long established sites and many will not avail themselves to major rebuilding so would it would unlikely that they would be purchased by the CA.

Leased sites may have problems with being allowed to install high voltage charging equipment due to fire risk.

These assets are a major capital investment by small companies and the removal of their purpose will have an impact on the livelihood of the owner. Many would not get change of use and would not be available for other purposes due to location.

It is vital that no small operator is financially disadvantaged in this process.

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The transfer of revenue risk to the Combined Authority represents a significant risk for WYCA.

Service Planning and timetables

The political narrative is that timetables are currently dictated by remote officers with little local knowledge and it is stated that the LA would need to employ a number of additional staff to replace traffic staff currently employed by companies. Current company staff would need to make a choice between about who to work for and some would leave

The standard of timetable compilation would need to be very high as the LA would be the ultimate cause of any timekeeping problems in the operational timetables. The targets for growth would not be achievable if timetables and routes are flawed

Divorcing the service timetable compilation from duty requirement will create inefficiencies in service operation and will increase the requirement for traffic staff and cost.

Competition for tenders

A policy of common fares, livery and service standards would create a move towards standardized terms of employment

If the advocacy of similar standards is followed then the cost of tendering will have little variation between bidders as the difference in capital and variable costs will be almost entirely removed

Driver conditions , wage rates and perks are currently the main difference but they will be eliminated as drivers will ask for equality of conditions..

Q28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

It is unclear how WYCA intend to manage the development and tendering of cross-boundary bus services alongside the franchising contracts. We believe it is important that such services are improved to help people travel easily between West Yorkshire and surrounding areas

Q29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The initial PR put out to small operators is that they have much to gain from franchising and that their situation was fully understood. This certainly was not evident in the data collecting process as the documentation assumed that similar corporate practice applied to all operators.

Many small operators are run by owner / operators who have a mixed business of local bus routes and coaching out of small yards which often contain their home. These companies usually have about 10 / 15 discs and cannot expand without an input of additional management cost and capital which is considerably beyond their financial means or business objectives..

Most only operate tendered school services which enables them to gain additional private hire during the daytime from school trips and frees the vehicles to run excursions and holiday tours when schools are not open. This cross subsidy works well and is of financial benefit to WYCA as it spreads the cost as well as giving owners a good balance of income.

The recent Covid pandemic showed how this interdependence was broken when coaching income was removed and all fixed costs had to be carried by the local bus and schools network.

There are few operators that only operate local bus services and many of these are already saying that they will leave the bus business due to the excessive burden now being placed on them by LAs.

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

We are concerned that the terminology around cross-boundary services is centred on facilitating their continuation – rather than pro-actively seeking to improve and develop them as a key part of West Yorkshire’s transport network.

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

No,

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

The cost and complexity of the transition to a franchise system will be significant, and could easily outweigh the expected benefits

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

None

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

The Commercial Success Factors should be viewed as secondary to the primary objective of maximising deliverability of the Combined Authority's Bus Service Improvement Plan by 2030.

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

None

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

All three options include a reduction in bus services operated over time, and so do not represent a means of achieving the over-arching objectives.

Therefore, the analysis does not provide a relevant view of the funding requirements or affordability.

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

All three options include a reduction in bus services operated over time, and so do not represent a means of achieving the over-arching objectives.

Therefore, the analysis does not provide a relevant view of the funding requirements or affordability.

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

The assumption is that if the Combined Authority has greater control over the way buses are run this will result in greater benefits – this has not yet been proved, and there is a financial risk if this fails to materialise.

Most previous joint management ventures in PTE areas have resulted in worse outcomes at greater expense. One has only to look at TfL to prove the point

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

No see previous comments

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

No see previous comments

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

None

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

The transfer of additional competencies to the LA will create many problems. The employment of additional staff to key positions is not achievable and the they will not have the required standard of knowledge to engender the desired level of competence. As operators will still require technical staff to administer their own systems there will be few surplus staff to be employed from within the industry.

This situation will be made worse by older employees leaving the industry

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

Change is indeed necessary to achieve the strategic objectives of the Combined Authority, but the proposed franchising option fails to address the most significant issues of congestion and bus priority, nor the level of investment required to deliver an effective public transport network.

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support <input type="checkbox"/>	Support in part <input type="checkbox"/>	Neither support or oppose <input type="checkbox"/>	Oppose in part <input type="checkbox"/>	Oppose yes <input type="checkbox"/>	I don't know <input type="checkbox"/>
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Why do you say this?

The franchising option does not address the key issues of congestion and does not give the required investment to deliver an effective transport network. The imposition of a Franchise in West Yorkshire is the wrong solution in the wrong place and will become a very expensive burden for the residents of West Yorkshire. Whilst such a system has its place in highly urbanised areas that have a well-established Metro and rail network it is not the solution for this area. The CA should concentrate on county wide solutions to traffic congestion by correcting the decline of the rail network in the county and rebuilding lost links

The introduction of a "one size fits all" franchise scheme disproportionately disrupts the small operators business model which for many will no longer be viable. Additionally the concentration of decision making will stifle innovation and cooperation. It should be remembered that it was the small operators who pioneered smart ticket machines in West Yorkshire and it was they who stepped it to cover services when the large companies unilaterally withdrew services during Covid.

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

Greater emphasis on helping bus operation in West Yorkshire by including Bus Priority schemes.

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.

Sadly this proposal continues the trend of using public transport at a political football and seeks to introduce a structure that would be very difficult to reverse if it fails. The current track record of similar attempts is not good and many changes have been introduced with an eye on immediate electoral success of politicians rather than long term solutions.

Public transport in the West Yorkshire area is not bad but has been littered with populist schemes which were unwise.

The current political mantra that the operators make excess profits and paying this revenue to unaccountable shareholders and are managed remotely is not a picture that small operators recognize and is a disservice to many in this sector who have devoted their lives to the industry. Smaller operators should not be put in a position of losing their business just because bigger operators and politicians have made such a mess. Franchising will have the same operating issues, as it's the same management/ vehicles/ staff doing the job. I see no benefits with franchising.

It is interesting to note that a number of initiatives proposed in the document to reduce fares are already operated by small operators. The current LA initiatives to simplify children's fares have resulted in small operators having to withdraw their innovative fares which increased fare whilst the simplification of adult fares abstracted traffic from small operators by giving a subsidy to large operators to reduce their high fares to a common level. Both schemes have led to abstraction of passengers by dominant operators from smaller companies

The one plus point is that it will be authority staff who will have the problems to deal with rather than the operators.

Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

None

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

These questions are optional and for individuals responding only. If you choose to answer these questions you will not be identified by the information provided. All information will be handled and dealt with in line with the Data Protection Act 2018, as detailed in our privacy notice.

We want to better understand who we are engaging with and hearing from. We are required to act in line with the [Equality Act 2010](#). By asking the following questions we can make sure our work reflects the diverse communities we serve.

What is your postcode?	
	<input type="checkbox"/> Prefer not to say

What is your sex?		
<input type="checkbox"/> Female / woman	<input type="checkbox"/> Male / man	<input type="checkbox"/> Prefer not to say

Is the gender you identify with the same as your sex registered at birth?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my gender identity as:		

Age: How old are you?									
<input type="checkbox"/> 0 - 15	<input type="checkbox"/> 16 - 24	<input type="checkbox"/> 25 - 34	<input type="checkbox"/> 35- 44	<input type="checkbox"/> 45 - 54	<input type="checkbox"/> 55 - 64	<input type="checkbox"/> 65 - 74	<input type="checkbox"/> 75 - 84	<input type="checkbox"/> 85+	<input type="checkbox"/> Prefer not to say

Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Chinese
<input type="checkbox"/> Any other Asian background, please state:	
Black, Black British, Caribbean, or African:	

<input type="checkbox"/> African	<input type="checkbox"/> Caribbean
<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White:	
<input type="checkbox"/> English, Welsh, Scottish. Northern Irish or British	<input type="checkbox"/> Irish
<input type="checkbox"/> Gypsy or Irish Traveller	<input type="checkbox"/> Roma
<input type="checkbox"/> Any other White background, please state:	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
<input type="checkbox"/> Yes, limited a lot	<input type="checkbox"/> Yes, limited a little	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Sexual orientation: How would you describe your sexual orientation?			
<input type="checkbox"/> Heterosexual or straight	<input type="checkbox"/> Gay man or gay woman / lesbian	<input type="checkbox"/> Bisexual	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
<input type="checkbox"/> No religion (including atheist)	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)
<input type="checkbox"/> Buddhist	<input type="checkbox"/> Hindu

<input type="checkbox"/> Jewish	<input type="checkbox"/> Muslim
<input type="checkbox"/> Sikh	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Other (specify, if you wish):	

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email <input checked="" type="checkbox"/>	Post <input type="checkbox"/>
---	-------------------------------

Email: andrew@rosstravelgroup.co.uk

Name: _____ Andrew Stirling

Address line 1: _____

Address line 2: _____

Town/City: _____ Postcode: _____

How to mail your completed survey to us:

Please return your completed survey by the closing date of 7 January 2024 to:

Freepost CONSULTATION TEAM (WYCA)

Please note you do not need to pay for or add a stamp to the envelope you use when you post your survey back to us. The Royal Mail will deliver your post for free, and the cost is covered by the West Yorkshire Combined Authority.

Privacy Notice

For the purposes of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR), the 'controller' of the personal data which you provide in the attached form is the West Yorkshire Combined Authority ("the Combined Authority", "we", "us") of Wellington House, 40-50 Wellington St, Leeds LS1 2DE (Tel: 0113 251 7272). The Combined Authority is registered with the Information Commissioner's Office with registration number ZA051694.

The Combined Authority is collecting this data and will process it for the purpose of understanding and identifying information surrounding the future of Bus travel and Bus Franchising. The purpose of this engagement exercise is to meet, and exceed, the Statutory requirements of making a franchising scheme as set out in The Bus Services Act 2017.

Questions regarding some of your personal data and some special category data are asked as we recognise that the needs of different customer groups can vary and we are committed to improving transport services for all customers within the region. In addition, the online survey will capture your IP address when you complete an online survey, however we will not process this data further.

We publish comments/feedback you provide in the consultation's outcome reports available on the Your Voice page, to demonstrate the feedback we have taken into account. This does not contain any of your identifiable information.

The Combined Authority will share the data, comments, feedback and/or opinions obtained during the consultation with DJS Research who will provide analysis of the data for the Combined Authority Data for the purpose stated above.

Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court;
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings;
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g. if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.

As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g. marketing).

If you are unsatisfied with the manner in which we collect or handle your personal data you have a right to make a complaint to the Information Commissioner's Office. Information about how to make complaints can be found on the ICO's website at <https://ico.org.uk>

We act in accordance with our corporate privacy notice, which provides further information on personal data processing and how to contact us to make a request: <https://www.westyorks-ca.gov.uk/footer/privacy-notice-and-cookie-policy/>

The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk



Consultation Response on Bus Reform in West Yorkshire from Kevin Carr, Director of South Pennine Community Transport



Introduction

The bus network in West Yorkshire is critically important to the social, environmental, and economic needs of every citizen of the county and beyond. Buses play a huge and vital role in delivering on a modern and fully integrated transport network.

This document sets out our vision for the future of buses in West Yorkshire together with cross boundary travel to and from our neighbouring counties.

Our vision takes note of the Mayor of West Yorkshire's plans for bus reform through a system of franchising and the plans for an Enhanced Partnership Plus (EP+) set out from First, Arriva, Transdev and other constituent CPT member operators.

We fully recognise the need for change, development, and improvement. West Yorkshire deserves a world class transport system to be proud of that will deliver great connectivity for its people day in and day out. West Yorkshire has an opportunity to show to the world how it can deliver a unique and groundbreaking model which others will wish to replicate.

Background

West Yorkshire has a rich history in delivering transport and has come a long way since Corporation times. From the days of a deregulated system since 1986, West Yorkshire has always worked hard for its citizens. It is widely regarded that it is one of the best former PTE areas and is recognised for the way it works within a great spirit of partnership and cooperation.

And whilst we all share the same desires for reform it is important that we do not abandon our traditions of cooperation and hard work to date.

But the demand for change is never greater than it is now. West Yorkshire must lead the way in delivering radical change and improvements for its people – a clean, green, and modern bus network for the future.





Franchise or Enhanced Partnership Plus

Much is discussed about the future of buses and the best way to deliver on shared aims and objectives. Transport for Greater Manchester (TfGM) recently began its project in bus franchising after many years of consultation. It's Mayor Andy Burham spoke of his desire to bring London style buses to Greater Manchester and is indeed delivering a model like Transport for London (TfL).

Here in West Yorkshire our Mayor has set out franchising plans similar to TfGM (and in turn TfL) and it is worth noting some aspects to this.

The TfL model delivers buses and other modes of transport for one of the most heavily populated cities in the world where cars are generally not feasible for most. It is also one of the most heavily financially subsidised networks on the planet with a vast urban spread and population. Greater Manchester shares some but very few aspects with London. And West Yorkshire is different again. Our population density is less, and our county is diverse with a mixture of urban and vast rural areas.

West Yorkshire deserves its own model that is fit and relevant to its people and landscapes. A model that is flexible and robust, financially durable, and brave in delivering great projects.

In the spirit of cooperation that West Yorkshire is well known for, a plan has been developed by First, Arriva, Transdev and other CPT member operators that offers an alternative to franchising. Enhanced Partnership Plus sets out ways to deliver on the Mayor's aims and objectives in a radical plan that would be faster, more flexible and significantly more cost-effective.

Never has there been a greater spirit and desire for bus operators to come together with West Yorkshire Combined Authority (WYCA) to bring about reform that delivers a bus network that will:

- be run in the public interest jointly between WYCA and bus operators
- have simple and value for money ticketing
- bring faster journey times with accelerated journeys through bus priority measures
- bring better standards and quality, safety and security
- deliver greener travel and better air quality

Developing the spirit of cooperation

The work of West Yorkshire Ticketing Company demonstrates what progress can be made through an alliance of cooperation. The multi operator MCard product is a huge success and demonstrates what can be achieved when bus and rail operators work together with WYCA.

The Enhanced Partnership Plus can take this to a new level and presents an incredible opportunity to showcase a new and dynamic model. The EP+ can go further than ever before by bringing together not just bus and rail, but also any future mass transit, active travel, and community transport. A new super partnership with Kirklees, Calderdale, Wakefield, Bradford and Leeds Councils and utilities for a fully integrated highways liaison system that works in the public interest.





Risks in Franchising

The things that we know about franchising from the TfL model and the early stages of the TfGM model is that firstly it is a very expensive project to bring to fruition. It is also highly expensive to maintain and develop in the future and one where public money takes the risk. Whereas an EP+ arrangement would see risk remaining broadly with the private sector, franchising shifts the risk to the public purse.

There are financial risks in buying bus depots and infrastructure from private operators and bringing them into public ownership. Passengers will tell us how they want better and more frequent buses that are safe, modern and reliable. An integrated network that is easy for connectivity and affordable. Passengers are not asking the public purse to buy expensive property and infrastructure at the expense of the taxpayer.

There is also a huge risk to the future existence of small and medium (SME) sized bus and coach operators. Since 1986 these operators have provided some of the best bus services particularly in smaller and rural communities. They have offered flexibility and adaptability to provide important services where large operators can not or struggle to deliver. SME operators work in a cooperative spirit with other operators and WYCA. Indeed, in times of crisis smaller operators have stepped in when large operators have faced problems and couldn't deliver services, for example during the recent driver shortage and during the covid pandemic. Franchising as we know it all but wipes out the existence of SME operators, even when there are smaller batches or lots to bid for – the system favours large operators in great significance.

If franchising goes ahead and is announced in March, it is probable that some SME operators will choose to exit the market early to control the impact and not to take any further risk given the almost certainty of the future outcome. This could pose huge problems in maintaining the network in the short to medium term but would also cause long term and lasting damage.

Most would agree that losing SME operators would be a change for the worse and would amplify the problems that larger operators have in delivering smaller and more bespoke projects such as rural services and Access Bus for example.

Cross-Boundary Travel

Whatever the outcome of this process, special attention must be given to cross-boundary services and ticketing. A 'Committee for Cross Boundary Travel' should be created with a special focus on development and substantial cooperation with our neighbours at TfGM, SYMCA, City of York and North Yorkshire Council. Our demographics are evolving, and travel patterns are changing. It is crucial that cross-boundary travel issues and plans are catered for.

Conclusion

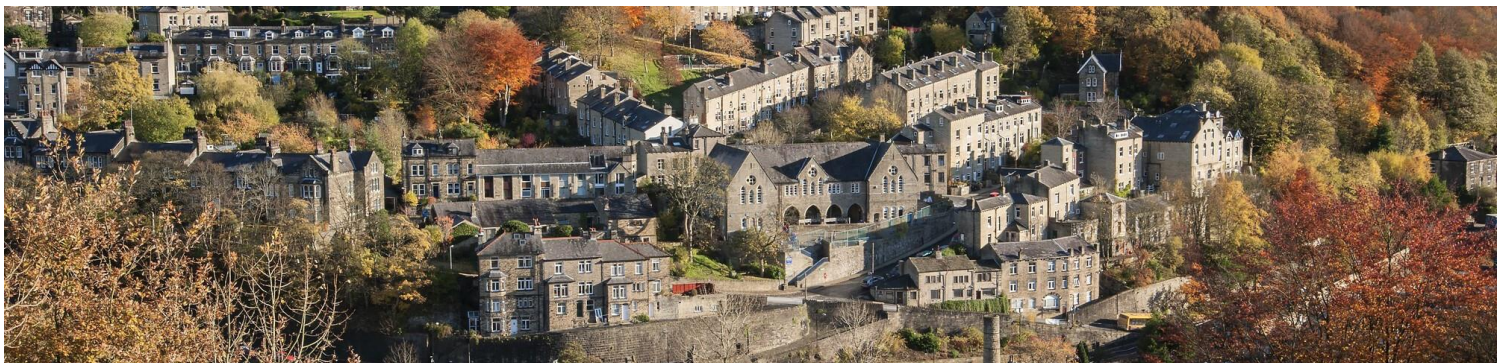
We favour the EP+ route. We favour this as it delivers on all our shared aims, retains flexibility for the benefit of our citizens, is much faster to deliver and is hugely less expensive. And what if one or the other doesn't work? Then franchising will have been a costly mistake that would take years and millions to mend. If an EP+ doesn't work as we would hope, then public money will have been spared and franchising is still then an option. We think that a strategic and measured approach is best against a huge gamble on a model for the metropolis.

Lastly, we thank the Mayor for undertaking this process of consultation and providing a suitable length of time and opportunity to respond. We all agree on the aims and equally want to see the desired outcomes. We look forward to a future of delivering great things for the citizens of West Yorkshire.

Kevin Carr

Kevin Carr MILT
Director
South Pennine Community Transport

January 4th, 2024



Stagecoach Yorkshire
Unit 4, Eldon Arcade
Barnsley
South Yorkshire
S70 2JP

4th January 2024

Simon Warbuton
Executive Director for Transport
West Yorkshire Combined Authority
Wellington House
40-50 Wellington Street
Leeds
LS1 2DE

Re: West Yorkshire Bus Franchising Consultation

Dear Simon,

Please find attached, on behalf of Stagecoach Group, the responses to the West Yorkshire Bus Franchising Consultation.

Stagecoach is a highly experienced, high performing bus operator that consistently delivers on their promises. With over 40 years of experience, we are Britain's biggest bus and coach operator serving c.2.Sm passengers every day. We work at the forefront of the industry, with best-practice operations, management and customer service excellence, demonstrated by recent performance at the 2023 UK Bus Awards where we won more awards than any other operator.

Stagecoach in numbers				 Key Yorkshire Credentials	2023 UK Bus Award successes	
Vehicles 8,338 	Depots 113 	Staff c.23k 	Drivers c.18k 		 Led the industry: 46 shortlisted entries, 18 awards (7x gold, 5x silver, 6x bronze)	 Won key awards: e.g. Top National Bus Depot, Manager of the Year, Engineer of the Year, Young Manager of the Year
★ 1,000 staff ★ c. 324 buses ★ 90% satisfaction rating in latest Transport Focus survey						

Within the Yorkshire Region we have 18 years of operational experience and are privileged to already have a strong, collaborative relationship with the West Yorkshire Combined Authority (WYCA) and deep local insight through our Yorkshire business which serves c.30m passengers each year within the wider region.

You will see from our response that we can see the wider benefits of Franchising in the region and understand the reasons that WYCA are proposing to proceed with the Franchise model. Regardless of the outcome of this consultation and the final operating model chosen by WYCA, Stagecoach is committed to working collaboratively with yourselves and are looking forward to a successful relationship in the West Yorkshire Region.

Many thanks,



Matt Kitchin
Managing Director - Stagecoach Yorkshire

The following pages contain our responses to the 47 questions in the long version of the Bus Reform Questionnaire. This response is provided by Matthew Kitchin, the Managing Director of The Yorkshire Traction Company Limited trading as Stagecoach Yorkshire and is submitted on behalf of a business or organisation (Stagecoach Group). We can confirm that we have read and understood the privacy notice provided by WYCA as part of the consultation documentation. Our responses follow.

1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

We agree that the Proposed Franchising Scheme should cover the entire West Yorkshire Region. This will ensure the customer benefits, including integrated fares and ticketing, are rolled out consistently across the entire area.

An effective approach will be required for services which cross the Franchise boundary, for example, Barnsley to Wakefield and Pontefract. Cross border services have been a challenge in other Franchised regions such as London and Manchester. An effective solution is needed to deliver the desired customer benefits, including simple fares and ticketing, and matching neighbouring authorities aspirations on every journey. We would welcome the opportunity to comment further on this and note that permitting is subject to a separate consultation.

2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

In our view, there are inconsistencies in the geographical split and phased roll out of contracts for each round. The underlying structure and mapping of depots and routes will be key to delivering efficient operations.

We would also imagine that in some cases routes will be reallocated to new depots, based on geography, to attempt to reduce dead mileage and maximise operational efficiency. Under the existing structure, depots and some routes operated out of depots would be Franchised in different rounds, which increases complexity.

Leeds is proposed to be split into 3 areas. The franchising of bus services in Leeds also occurs over 3 tranches, and similarly the franchising of bus services in Halifax, Huddersfield and Keighley occurs over 3 tranches. It feels more logical for all of the Leeds contracts to be tendered in the same round (logically last) to avoid a period of disjointed delivery between neighbouring zones that are likely to have a high degree of overlap and cross-boundary travel.

The splitting of Leeds 1 and 2 also seems counterintuitive, at least for the first round of lots. We would propose that Leeds 1 and 2 are combined into one single depot/franchise.

In summary we would propose:

- Combine Leeds 1 and 2
- Franchise all of Leeds in the same Round of tenders
- Tender in an order that ensures there is not a collection of franchised routes in the middle of the region splitting two separate commercial areas (i.e. West first, South-East second, Leeds last)

We would welcome the opportunity to feedback further on the detailed plan for depot and route restructuring and transition under the Proposed Franchising Scheme.

3. Do you have any comments on the local services that are proposed to be franchised? We have the following comments on the local services proposed to be Franchised:

- By excluding the current route numbers from the consultation document, it has introduced some unnecessary uncertainty. It would be beneficial to have those numbers included to make a full assessment, without them there is an element of ambiguity to the impact of franchising.
- Equally without detailed local knowledge it is very difficult to glean from the maps in Appendix 3.1 which routes are actually associated with which depot. The area does have a high number of inter-urban routes that pass from one zone to another which means that the transition potentially could be confusing and dis-jointed to customers. We do appreciate that moving routes into other depots can have TUPE implications and upfront costs but having them in the most efficient location at the start of the franchising scheme is key to delivering punctual and efficient services and the success of franchised services for the customer from day one.
- By appearing to only franchise schools on a route-by-route basis the WYCA are missing out on an opportunity to achieve economies of scale by placing them into any surplus capacity within the Lot A depots (as TfGM have done in Greater Manchester).
- To avoid unintended consequences to other surrounding areas (i.e. South Yorkshire or Derbyshire) we have assumed that cross boundary routes and frequencies do not change as they form part of a greater network of routes outside of the West Yorkshire boundary.
- Careful deliberation will be needed on who will take the lead on routes that do cross from one franchising authority to another with the potential for South Yorkshire to explore franchising. Consideration will need to be made on the exact criteria that will determine who is the lead authority in such a scenario.

4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

As mentioned in Q3, by excluding current route numbers from the consultation document, it has introduced some uncertainty around the routes included. From our initial assessment the proposed routes seem sensible however an effective approach will be required for services which cross the Franchise boundary (for example, Barnsley to Wakefield and Pontefract). Cross border services have been a challenge in other Franchised regions such as London and Manchester and splitting or truncating services would remove a significant number of point-to-point direct journey opportunities, reducing the convenience and attractiveness of these services, and inevitably leading to modal shift away from bus.

We assume that existing cross-border routes that do not appear on the route list for franchising (Appendix 1) will continue under Local Service Permits.

As well as tourist services we would recommend that football, concert and special event shuttle services should be excluded from the Franchise Scheme so that they can be operated commercially under the permit scheme. Where they are not provided commercially but are still required, the WYCA should be able to tender services competitively allowing them to operate out of Franchised depots with Franchised vehicles.

We would welcome clarity on an operator's ability to utilise Franchise Scheme vehicles, both main service buses and school service buses, on any commercial (non-Franchised) services e.g. sports events, special events and private contracts, at times when they would otherwise be surplus.

5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

A decision on 14th March 2024 seems reasonable, allowing sufficient time for thorough review of all the comments made during the consultation process and giving certainty to operators of the future.

Careful consideration should be made on the timelines for bidding should the decision be made to go for franchising. Several other large, combined authorities are in the process of undertaking franchising, which if done at the same time as WYCA could result in bidders being selective on what lots they bid for or even reduce those entering the competitions. This could potentially have a negative impact on WYCA.

6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

Assuming this is the date on which the first operation commences (after a 9-month mobilisation period) then we have the following comments regarding this date:

- This timing is at the tail end of the school year and means that the first operated services would be a few weeks before the schools finish for summer. Whilst the ability to begin operation over summer is attractive, there need to be suitable arrangements in place to ensure that school services continue to run punctually for the remainder of the school year.
- There is also usually a service change to incorporate summer timetables at the end of the school term. Commencing at the end of July to align with this timetable change might be a more suitable commencement date.
- It is not clear from the documentation how much service change is likely to occur to coincide with the first franchise starting (i.e. frequency uplifts) - which may have an impact on the choice of start date.
- In short, we are comfortable with any commencement date however it may be beneficial to align with the timetable change at the end of the school term, not in the middle of term. We would welcome the chance to provide feedback on any revision to proposed dates.

7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

The appropriate length for the mobilisation period depends on a number of variables, including vehicle lead times, depot and infrastructure requirements, TUPE timescales, mobilisation costs and resourcing and other issues arising during the process. The appropriate mobilisation timeline is therefore dependent on the specific franchising model chosen and is largely (but not only) driven by the vehicle and depot procurement approach. The proposed 9-month mobilisation period is as we have seen in other competitions (TfGM for example), and this has both pros and cons with respect to the above-mentioned variables, which we describe in more detail below.

Main "pros" of a longer mobilisation period:

- **Leeds 1 and 2 split** - if Leeds 1 and 2 are tendered separately as per the consultation document there are added complexities (split depots, moving of routes and employees) and therefore a longer period than 9 months is likely to be needed. Application of TUPE for the splitting of this depot will add complexity to the points discussed below.

- **Driver resourcing** - A longer mobilisation period de-risks driver resourcing. Franchising may create uncertainty for current drivers who have worked for incumbent operators for a long time and have a loyalty to that operator, and therefore not all drivers may transfer to a new operator. There is little information in the consultation document on the current position of driver resourcing for incumbent operators, but this could mean that new operators are required to recruit and train large quantities of Drivers.
- **Vehicle lead times:** There is a dependency on manufacturer capacity, which can be influenced by worldwide demand, causing supply chain issues and long lead times on sourcing parts. Manufacturer lead times from new vehicle order to delivery are currently around 12 months, regardless of who places the order. Therefore, the timing of the order is critical to delivering a successful Day 1 operation, and the vehicle procurement strategy is a key driver of the required mobilisation period. If the operator is procuring vehicles during mobilisation, then the mobilisation period will need to be a minimum of 12 months. Alternatively, if vehicles can be ordered prior to the commencement of the mobilisation period (i.e. during a pre-mobilisation period or by the WYCA), a shorter mobilisation period would be possible and could be preferable. The level of new vehicle requirements at the start of the Franchise and phasing in of average age restrictions on vehicles will also affect the required mobilisation period.
Equally if the winning bidder is required to provide fleet from their own estate, then consideration needs to be taken for the time taken for cascades and effectively sourcing second hand vehicles.
- **Depot and infrastructure requirements:** The chosen solution for Depot acquisition and ownership could take some time to implement, with transfers of ownership and landlord agreements to be completed taking significant time. In addition, Depot and infrastructure work and upgrades particularly where planning permission is required can also take time. Complex property permission issues, works permissions and wayleaves from either landlords or across third party land can add complications and delay in addition to the process of obtaining planning permission. There is little detail in the consultation documents on the transition to electrify the fleet - which will require infrastructure works that again benefit from a longer mobilisation. If the operator is to be responsible for depot and infrastructure works, a longer mobilisation period may be appropriate, as work cannot commence until after the Franchise agreement has been signed. In this case, we would also ask that arrangements are made with incumbent operators to allow the incoming operator a good level of access to depots during mobilisation. More restricted depot access is likely to affect Day 1 readiness.
- **Mobilisation spacing:** Allowing short breaks between periods of mobilisation of the different Franchising rounds will ensure that WYCA and operators have the opportunity to gather lessons learnt to improve both the bidding process and mobilisation of future rounds.

Main "cons" of a longer mobilisation period:

- **Employee issues:** A longer mobilisation period could potentially lead to post-bid changes and employee issues. This would very much depend on the specific circumstances but matters which may need to be factored in include:
 - A greater probability of headcount changes.
 - An increased likelihood of multiple pay awards or other changes to employment terms being negotiated.
 - Arrangements with unions negotiated by outgoing incumbent operator.

- A possible reduction in recruitment and training by the outgoing incumbent operator.
- This may mean that the incoming operator inherits an employee and cost base which does not match what is in their bid. A longer mobilisation period leads to greater potential for discrepancies between the bid and the actual position at commencement. This variance in employee volume and cost risk can be mitigated by providing protection within the contract for differences between bid assumptions and actuals on Day 1. Whilst these factors can change across shorter mobilisation periods and still need to be addressed by some mechanism, a shorter mobilisation period limits WYCA's exposure to these increases.
- **Mobilisation resource costs:** The cost of resourcing the mobilisation increases with time as employees are required for longer periods. Mobilisations which are longer than necessary inevitably cost more, can be less efficient for the industry and delay the delivery of benefits to the customer. Therefore, WYCA should ensure that the right time period is selected that reflects the activities involved and delivers the mobilisations as efficiently and cost effectively as possible.

In conclusion, based on the information we have currently, we believe the proposed 9-month mobilisation period is sensible given the proposed fleet and depot strategy. Should the approach for these assets change then an appropriate period for mobilisation will need to be assessed alongside the factors we have outlined and in light of further information on requirements as it comes available. It is crucial that these areas are addressed appropriately. If this can be achieved, a shorter mobilisation period might be preferable. This would also have the advantage of condensing the overall delivery timeline for all 5 rounds, delivering the benefits of Franchising earlier.

8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

If successful, we would welcome feedback on our own delivery and the opportunity to work collaboratively with WYCA on improvement. The proposals included seem sensible, but WYCA should take care to ensure any consultation of bus users includes a fair and proportional representation of all users, particularly under-represented groups who struggle to find time to engage with consultations (i.e. commuters, young adults, etc). We would also be keen to understand how these consultations of bus users will influence future franchise renewals and network developments.

9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

We do not have any comments on this question.

10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

Stagecoach is not currently a significant operator in West Yorkshire and as such we do not feel we can comment to a detailed enough extent on the impact on the local bus market. We can see the benefits to the end users in a Franchised market and are supportive of the reform.

Our comments on potential improvements that can be achieved through the Proposed Franchising Scheme are as follows:

- **Network enhancements:** Franchising can deliver route optimisation, better frequencies and reliability - but this will be an iterative process over time as bus priority and increased fleet and services will require significant funding.

Improvements to routes and frequencies will be required to achieve modal shift and increase bus patronage.

- **Ticketing enhancements:** Improved ticketing capability (e.g. tap on/off) can be achieved without franchising. However, Franchising is the only model that can deliver fully integrated, multimodal ticketing across the Region.
- **Clean fleet introduction:** This can be achieved through the Franchise model, but there are infrastructure risks and costs. For example, the introduction of zero emission vehicles requires investment in depots and training and are significantly more expensive than diesel vehicles. The current proposals envisage a transition to WYCA as the asset owner and manager over time. We would be keen for further information on the funding proposals and how the transition period will work. It is worth noting that we have (i) 40 years of fleet procurement experience; (ii) close relationships with multiple suppliers and manufacturers; (iii), procured nearly 4,000 new buses over the past decade; (iv) a track record of delivering excellent value for money on new fleet introductions, and that we operate one of the largest zero emission fleets in the UK.

11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

We agree with all the objectives as set out in the Strategic Case

We do however believe that delivering growth in bus patronage is important and the modal shift required to achieve this can only be accomplished through bus priority measures. Reliability is the number one concern of customers and ensuring that journey times can be regularly achieved and eventually reduced should be given the highest priority under a franchised environment.

Stagecoach has vast experience over many years of delivering innovative improvements to bus services which have grown patronage and shown modal shift.

- Hazel Grove Park & Ride - the first fully commercial Park & Ride facility in the UK linking the existing excellent bus network with large parking capacity enabling links to rail stations, hospitals and shopping areas.
- Cambridge Park & Ride - commercial bus partner for the Cambridge Park & Ride and the Guided Busways, growing patronage above pre-Covid levels and during 2023 introduced 30 brand new Volvo/MCV EV buses to serve an increased frequency at a cost of £17m.
- Inter-urban growth - investment in fleet and technology for the Oxford Tube (now a high frequency 24/7 coach service) to provide high-quality low-cost commuter and leisure market.

Stagecoach can bring this experience as an operator and help drive long term, sustainable patronage growth.

12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

Our comments on delivery of the impacts in the Strategic Case are as follows:

- **Bus priority** - some of the biggest factors in growth and customer satisfaction are the speed, frequency and punctuality of buses. Improvements in the network, and franchising objectives, will only be achieved through better bus priority measures and we strongly support improvements in the provision of these in the WYCA area.
- **Network** - the proposal to increase core network coverage needs to be delivered through changes in timetables and efficiencies in allocating routes to depots. The

consultation document does not provide enough detail on proposed changes to timetables to be able to comment fully on whether the impacts will be achieved - but in general increases in frequency and improvements in integration will drive growth in bus patronage.

- **Fares and ticketing** - Franchising will allow a simplified and integrated ticketing solution and provide a more coherent offer to customers. Consideration should be made on how this impacts on cross boundary travel - for example existing operators have a number of ticket types available that allow travel over a wider area and on other operator services and it is anticipated that both operators and customers would expect these tickets to continue to be valid in a franchised area.
- **Customer service and information** - A single app and single point of contact for customers will simplify customer travel and support improvements in customer satisfaction, allowing operators to focus on operating buses punctually and reliably.
- **Green and better vehicles** - we don't feel the consultation documents give enough clarity on the proposed transition to greener fleets and the timescales and would welcome further information to enable us to comment. The target is also reliant on ZEBRA funding continuing and consideration should be made as to what would happen if such funding does not continue or is reduced. If the aspirations for transition to a zero-emission fleet are met then the impacts set out in the Strategic Case, could be achieved.

13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

We do not have any comments on this question.

14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

We are experienced in understanding and operating franchised models through our history in rail, and our experience of bus franchising in London and recently in Greater Manchester. We have a long-standing track record of working in partnership with transport authorities to deliver high quality services via this model.

We will work with WYCA to ensure the success of Franchising or any other model it chooses to adopt and are supportive of the approach.

15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

The Proposed Franchising Scheme, if designed and delivered effectively, will have a positive impact on the passenger experience. Over a long term, passengers and local communities should view the scheme positively if it delivers a step change in the quality of bus services across the region, and long term social and economic benefits.

16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

For most operators, Franchising should present opportunities to enter the market in West Yorkshire or grow their existing footprint.

Longer term contracts deliver better value for money as operators can make investments and commitments over a longer period, making it more financially viable to deliver improvements to service and quality levels. We set out our reasoning in more detail in our response to Question 24 below, and in our comments on the lotting strategy in Q2.

Allowing combined bids (e.g. a single price for multiple depots or routes), would enable more efficient operations through economies of scale, such as at Hunslet, and thereby deliver more competitive bid pricing.

17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

Franchising will create a close working relationship between operators and the authority. The needs of the region and the Franchising Scheme will evolve, particularly in the early years. Therefore, it will be important to incorporate a comprehensive change mechanism into the contract to allow the WYCA and operators to jointly agree changes, to adapt and improve the contract and services delivered.

18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

We do not have any comments on this question.

19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

We do not have any comments on this question.

20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

We do not have any comments on this question.

21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

We agree with the conclusion that Proposed Franchising Scheme will offer value for money to public sector.

However, under the current proposals patronage is still forecast to decrease significantly over the length of the franchises (Consultation Document, Page 98, Figure 9). We believe the proposals need to be enhanced to change that decline to drive modal shift which will increase bus patronage and deliver a much high NPV, as described in our response to Q22 below.

22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

We have the following thoughts on the success factors from the Commercial Case:

- **Transport Authority Influence:** We understand the benefits of public sector influence and control over the entire public transport network and services provided, especially in a period of recovery. We support this holistic, integrated approach. We also believe that the WYCA's outcomes will only be delivered through significant enhancements to the network, designed to drive modal shift. For example, wider implementation of bus priority measures to improve reliability and punctuality, and increased services, frequencies and hours of operation, over and above what is currently proposed in the consultation documents.
- **Best Value:** If delivered effectively, Franchising can ensure the desired balance between price and quality through the competitive bidding process.
- **Driver of Competition between Operators:** Under Franchising, competition between operators is only present during the bid phase. Post-award, quality is managed through the contractual relationship.

- **Appropriate risk allocation:** Franchising transfers significant risk to the WYCA, including fleet procurement and revenue risk. Fleet procurement is complex and our experience in other Franchised cities shows that authorities have sometimes found it difficult to get this right. Operators are much more experienced at procuring fleet, noting that we have 40 years of fleet procurement experience, close relationships with multiple suppliers and manufacturers, a track record of delivering excellent value for money on new fleet introductions, and that we operate one of the largest zero emission fleets in the UK.
- **Ease of Implementation of Option:** Franchising can be complex, costly and relatively slow to implement - therefore we do not agree it will be easy to implement. However, with the right model of asset ownership and the right partner it can certainly be successful.

23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

Further to our comments in Question 2, to make fully informed comments on the lotting strategy we would need to understand the route level distribution and allocation between depots.

Based on the information provided in the consultation documents, we assume routes and depots would be reorganised, and this will have an upfront implementation cost but is critical to delivering efficient operations long term. In addition, if depot capacity exists or can be added at low cost, increasing the Lot A depot PVRs would enable economies of scale and cost saving for WYCA.

24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

The consultation document suggests large contracts would have a 7 year term. We believe this is relatively short and larger contracts should have the potential to be extended if the operator has performed well. For example, a minimum of 7 years with performance related options to extend to 10 years. Longer contract periods will enable greater investment by operators and deliver the step change required to drive mode shift and increase patronage, which increase the value of the contracts in future tendering and decrease the requirements for public subsidy.

The consultation document suggests shorter contract terms for smaller Lots or Categories (e.g. Band C), to reduce risk for smaller operators. However, we question whether this is likely to be an effective strategy. Smaller operators will need the same contract length and period of certainty as larger operators/contracts, to enable the investments required to deliver high quality services and ongoing improvements.

25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

The current proposal for fleet ownership gradually transfers the financial risk from operators to the WYCA, which would be a new responsibility.

The proposal to upgrade fleet over a longer period of time is sensible and allows the capital expenditure involved in procurement of new vehicles to be spread over a longer time period and mitigates risk of large changes to the fleet in one go.

We would require a greater understanding of the contractual arrangements for any proposed lease agreement. If WYCA owns the bus fleet, a detailed framework will be required covering all aspects of the fleet ownership and usage, including maintenance, warranty

issues and insurance and fundamentally what 'in good condition' (page 78) contractually means.

If operators were to own the fleet, then a robust residual value (RV) mechanism would be suitable to protect incumbents as well as creating a level playing field for future bids. There is likely to be a requirement for stop-gap fleet before the ZEB vehicles are procured, having a strong RV mechanism will encourage bidders by giving them the security that assets will have an appropriate value.

26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

Overall, we agree with the approach and rationale. For Franchising to work in the proposed format, the depots must be owned by the WYCA, thereby eliminating competitive advantage for incumbents or barriers for new entrants. Based on our experience of Franchising and operating vehicles and depots, we have the following further comments:

- **Day 1 depot status, facilities and inventory:** To ensure the best value for money for the WYCA, a seamless transition and successful Day 1 operation, bidders will need a detailed schedule covering the Day 1 status and inventory of the depot, and any works or upgrades that are required post commencement. Where this is not known, key assumptions should be provided to all bidders and a mechanism in place to allocate ownership for improvements or repairs.
- **Conversion to accommodate Zero Emission Buses (ZEBs):** We have substantial experience of converting depots to accommodate ZEBs. It is not a simple case of installing chargers, and in most instances the entire flow and layout of the depot needs to be changed to ensure an efficient and reliable operation. The time and cost involved must not be underestimated.
- **Competition for smaller franchises:** Consideration should be given to the depot strategy to ensure bids are competitive regardless as to whether an operator has an existing depot. For example, a bidder for a Round 2 franchise who already operates a depot from Round 1 should not then be at an advantage to another bidder who was unsuccessful in Round 1.
- **Splitting Hunslet Park depot** into two seems counterintuitive and will result in additional costs and mobilisation complexity (see previous answers on lotting strategy).

27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

Generally, we are happy with the proposals with the following clarifications:

Timetabling of routes states that the authority would be able to specify the routes, frequency, timing and number of buses. We concur that routes and frequency should fall within the remit of WYCA however we believe that "number of buses" should purely refer to how many trips per hour rather than being an instruction on the PVR or fleet size to be used by the operator. Removing that flexibility will harm competition and innovation and increase costs.

Furthermore, we welcome the performance-based rewards regime, which is a constructive way of delivering quality and improvements. We have the following comments and considerations:

- Without extensive network and infrastructure improvements, for example more bus lanes and bus priority, an operator has limited ability to improve punctuality.

- Any performance targets and penalties under a new Franchising model will need to reflect the service specification set out in the Franchise bid competition and the infrastructure and network provided.
- Any performance increases and targets need to be route specific, and factor in any improvements already delivered and the current performance of that route, rather than applying blanket percentage increases across the entire region.
- Without significant upgrades to the network and infrastructure to make it more bus friendly, only limited actions can take place to deliver a step change in frequency and punctuality.

We would also welcome the inclusion of a robust change mechanism in the Franchise agreement to allow the network to flex with demand. In addition, the change mechanism should ensure that volatile and significant contract risks (e.g. fuel prices) are effectively managed, to mitigate the risk of delivery.

28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

Timescales seem sensible in isolation, however, should the competition conflict with applicable timescales of other areas (Liverpool and potentially South Yorkshire for example) than bidders may be restrained on resource and as a result there could be less competition for some franchises. It would be beneficial to work with neighbouring authorities to minimise any timing potential conflicts.

29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

Stagecoach does not propose to offer further comment in addition to the comments made elsewhere in its responses.

30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

No further comments, in addition to our thoughts in earlier responses on cross boundary routes, such as clarity on how they will work.

31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

Stagecoach's expectation is that employees principally connected to a route, depot or service will transfer from the outgoing operator to the incoming operator in accordance with the Transfer of Undertakings (Protection of Employment) regulations (TUPE).

If an incumbent operator is unsuccessful in retaining their depot, routes or services through Franchising this can potentially lead to the cessation of training of their current employees and recruitment. As a result, the levels of employees expected to transfer as provided in initial ELI data may not materialise and may cause the new operator significant operational difficulties, and a cost implication to WYCA.

Our suggestion to alleviate this issue to introduce a mechanism, set out during bidding, that will encourage incumbents to continue to train and recruit for employee shortages should they be unsuccessful in retaining their depot. By passing the costs of training and recruitment onto the new operator this will hopefully encourage the incumbent to continue, ensuring suitable levels of resource for the commencement of the Franchise, and approach which could be made as a mutual agreement but would benefit from this being included at the bid stage.

We have the following comments and observations on the potential transfer of employees:

- Accurate Employee Liability Information (ELI) data is essential to ensuring a smooth TUPE transition and successful commencement from Day 1. For example, getting the right number of drivers is critical and there are long lead times on driver recruitment and training. Therefore, even minor discrepancies in the employee numbers can lead to operational issues and additional costs. Regular updates to ELI data during mobilisation (even if anonymised) reduces the risk to day 1 operations as any reduction in heads is mitigated through recruitment. This should be a requirement of the incumbent where possible.
- Winning bidders must be protected against wage increases between ELI data and actual pay rates on Day 1. This will be particularly important for a longer mobilisation period, which increases the risk of incumbents negotiating pay awards which are not aligned with bid assumptions for Day 1.
- Winning bidders should be protected against the TUPE liabilities of transferring employee, for example pension liabilities built up and tribunal claims arising pre-transfer through additional warranties and indemnities.
- Winning bidders will need access to employees during mobilisation, for briefings, engagement and training. This is critical to delivering a seamless transition and successful Day 1 operation and should be compulsory for incumbents.
- The current labour market and increased transparency has made it complex to have differing wage rates within depots, and this has the potential to drive in life contract costs up. This becomes more evident and can impact employee and union engagement when employees are principally connected to a route and the route transfers into another depot with different pay rates.
- Collective bargaining across different depots and operators would not be acceptable, unless underwritten by WYCA.

In regard to pensions provision, the concept of 'broadly comparable or better' is acceptable in most circumstances. However, should any transferred employee be a member of a Local Government Pension Scheme (LGPS) then special arrangements need to be made to accommodate these members and to protect the new operator from any past service LGPS pension liabilities, as well as ensuring that all relevant costs, and full information on all pension terms available to employees, are presented upfront in the ELI data.

32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

We do not have any comments on this question.

33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

We do not have any comments on this question.

34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

We do not have any comments on this question.

35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

Under Franchising the risk and decision on funding will sit with WYCA. We believe that delivering a step change in service levels to drive modal shift and increase passenger

numbers, beyond what is currently forecast, would be the best approach to meeting the funding requirements.

36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

We do not have any comments on this question.

37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

We do not have any comments on this question.

38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

We do not have any comments on this question.

39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

We agree that managing a new Franchising Scheme will require an investment in new teams and people at the WYCA. Within the new core teams there is a strong focus on operator management and accountability, which is important. However, there should also be an equally strong focus on areas which can directly impact service provision and the customer such as operational, engineering and customer service employees, rather than just a reporting and monitoring structure. Much of the monitoring can be automated and reviewed at regular meetings with a small number of more senior managers.

There is always a danger that a constant checking and reporting system is put into place that requires large volumes of employees both from WYCA and from the operators yet delivers no discernible impact for customers.

40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

Our comments in relation to the transition and implementation phase of franchising in WYCA are as follows:

- **Allocation of routes to depots:** Experience tells us that getting this right upfront is key to delivering efficient and punctual bus services. We assume the Proposed Franchising Scheme will include a reorganisation of routes and depots to the most efficient depot, but the detail is not included in the consultation documents. Therefore, we would welcome more detail on if and how the depots and routes will be restructured under the Proposed Franchising Scheme.
- **Phasing fleet enhancements:** Including significant enhancements (e.g. clean fuel buses and average vehicle age restrictions) will increase price, due to the need to procure new fleets in a short timescale. However, these cost increases can be reduced by phasing in requirements over time rather than introducing them in full on Day 1. This will also enable a smooth transition.
- **Day 1 depot status, facilities and inventory:** To ensure the best bid price, a seamless transition and successful Day 1 operation, bidders will need a detailed schedule covering the Day 1 status and inventory of the depot, and any works or upgrades that are required post commencement. Where this is not known, detailed assumptions should be provided to all bidders. We would also ask that the winning bidder be given

a good level of access to depots during mobilisation. More restricted depot access has proven challenging on previous mobilisations, and effects Day 1 readiness.

- **Access to employees:** Winning bidders will need access to incumbent employees during mobilisation, for briefings, engagement and training. This is critical to delivering a seamless transition and successful Day 1 operation and should be compulsory for incumbents.
- **IT Systems:** Stagecoach is experienced in the transfer from a commercial operator owned hardware and software system to a new authority owned technology system, however it must not be underestimated the amount of work and time involved in doing so, and this must be considered.

41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

We do not have any comments on this question.

42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

Yes, we agree with the approach detailed in the consultation documents. Delivery of franchised services will only be successful with collaborative working between the operators and WYCA, and appropriate resource levels on both sides.

43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

We agree with the conclusion and look forward to being a supportive partner with WYCA in transforming travel in West Yorkshire.

44. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

We support the introduction of the Proposed Franchising Scheme. We are committed to the delivery of a world class, integrated bus service in the region and are fully supportive of the franchise model and will work with WYCA to ensure the success of their chosen preferred model.

45. Are there any changes that you think would improve the Proposed Franchising Scheme?

Franchising has the potential to transform bus travel in the West Yorkshire Region.

We believe there are some areas of the proposals which could be adapted to ensure success:

- **Lotting Strategy:** We believe the splitting of Leeds depots is unnecessary and will cause confusion amongst passengers. We would suggest, leaving Leeds to be in the last round and franchising the city in one go.
- **Assets (Depot and Fleet):** We similar believe splitting Hunslet depot up is unnecessary. By not splitting this depot and adding school services into the Lot A depots it would reduce the bid cost to WYCA and operators but would enable economies of scale within the depots that would lead to further efficiencies in operating costs lowering the financial burden.
- **Service enhancements:** More service enhancements would deliver greater modal shift to bus, increase patronage and justify the cost of Franchising such as bus priority measures. The proposals would benefit from more ambitious improvements to the network and services, including roads, infrastructure and bus priority. This will

support a step change in service frequency, quality and reliability, and is critical to encouraging the use of bus rather than private car for trips within and around the Franchised area.

- **Changes post-bid and employee issues:** The proposed mobilisation period means a greater probability of headcount changes, pay awards negotiated by the outgoing incumbent, union issues negotiated by outgoing incumbent and a reduction in recruitment and training. This can mean that the incoming operator inherits an employees and cost base which does not match what is in their bid. To mitigate against these risks protection should be provided within the contract for changes to incoming employee volumes, pension terms and pay rates between assumptions provided during the bidding phase, and the actual on Day 1. See also our suggestions in our response to Question 31.

46. Do you have any further comments?

We do not have any further comments.

47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

We do not have any comments on this question.

West Yorkshire Combined Authority Bus Franchising Consultation Response

January 2024



South Yorkshire Mayoral Combined Authority (SYMCA) thanks West Yorkshire Combined Authority (WYCA) for the opportunity to respond to their consultation on Bus Reform in the West Yorkshire region.

Data Protection:

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.	
Yes, I have read and understood the privacy notice	<input checked="" type="checkbox"/>

How are you responding to this survey? (Please tick one box only)	
I am a member of the public, giving my views as an individual	<input type="checkbox"/>
I am responding on behalf of, or as a representative of, a business or organisation	<input checked="" type="checkbox"/>

What is the name of your business or organisation? What is your position/title?
Pat Beijer Executive Director of Transport South Yorkshire Mayoral Combined Authority

SYMCA Context:

SYMCA is in the process of assessing a Bus Franchising Scheme in accordance with the Transport Services Act 2000 (as amended by the Bus Services Act 2017). This is highlighted in parts of this response, as there will be considerations that are specific to a neighbouring Authority undertaking a Franchising Assessment.

SYMCA are actively engaged in an Enhanced Partnership (EP) with operators in South Yorkshire.

SYMCA are responding to this consultation as a neighbouring transport authority.

Question 1 (From 60a0f339657ef224cd49a4bd4f25cf94_Long_Questionnaire.doc): Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

There are multiple operators who serve both WYCA and SYMCA residents and visitors, the impact in South Yorkshire of bus reform in West Yorkshire is not detailed in the consultation document. As such, we would request additional information as to any scenarios which have been worked through during your assessment or a meeting to ensure that South Yorkshire operations are not disproportionately impacted.

Question 2 (From 60a0f339657ef224cd49a4bd4f25cf94_Long_Questionnaire.doc): Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

Round 1 and 2 (Kirklees and Wakefield) are bordering the SYMCA region. There are cross boundary services, which need to be considered carefully with a view to ensuring their continued operation during a period of transition and following implementation of the Proposed Franchising Scheme. A meeting with WYCA would be appreciated to

review this in detail to ensure any risk of cross boundary service withdrawal is considered and mitigated in WYCA's Bus Reform proposal.

Question 3 (From 60a0f339657ef224cd49a4bd4f25cf94_Long_Questionnaire.doc): Do you have any comments on the local services that are proposed to be franchised?

There are a small number of academic services which cross the border between West and South Yorkshire, we would welcome the opportunity to discuss how these should be best treated – this also applies to bus services supporting post-16 education.

Question 6 (From 60a0f339657ef224cd49a4bd4f25cf94_Long_Questionnaire.doc): Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

SYMCA is in the process of Assessing a Proposed Franchising Scheme. In the event that SYMCA decides to proceed with Bus Reform in South Yorkshire, there may be overlap in SYMCA and WYCA's mobilisation and transition phases. This may result in a busy market for operators to bid for franchised services and could lead to challenges. SYMCA would like to work with WYCA to ensure challenges and risks arising from this are considered and worked through effectively in due course, in particular if SYMCA decides to proceed with Bus Reform for South Yorkshire.

Question 25 (From 60a0f339657ef224cd49a4bd4f25cf94_Long_Questionnaire.doc): Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

There may be an opportunity, should SYMCA adopt a franchising scheme, for SYMCA and WYCA to procure fleet in collaboration, with a view of achieving efficiencies through economies of scale arising from a greater collective buying power. We would welcome the opportunity to explore this potential upside should SYMCA proceed with a franchising scheme.

Question 30 (From 60a0f339657ef224cd49a4bd4f25cf94_Long_Questionnaire.doc): Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

WYCA's Strategic Case states '*The Combined Authority would look to specify requirements, such as bus age and involvement in regional ticketing schemes, where these were beneficial to passengers or ensured that the services were complementary to the franchised services*'. Whilst the intent is fully supported, in practice this could impact operators working from the South Yorkshire region. We would ask that these services should either be able to continue with the existing equipment and schemes (bus fleet, ticketing systems, etc.) or that WYCA offer appropriate financial support to aid operators, where changes are required to bus fleet, equipment, systems and / or ticketing schemes.

END of SUBMISSION

1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

Transport for Greater Manchester (TfGM) supports the proposals to include the whole of the West Yorkshire region (WYR) in the bus franchising scheme. In 2021, the Mayor of Greater Manchester made the decision to implement bus franchising here. TfGM, on behalf of the Greater Manchester Combined Authority (GMCA), is currently in the process of implementing a franchised network across Greater Manchester. This will be delivered by January 2025. Returning buses to public control offers the opportunity to deliver significant improvements to the customer experience and to help make bus the preferred travel option for more people.

In anticipation of franchising and the opportunities it brings, the Greater Manchester (GM) Bus Strategy was published in July 2023, and sets out our plans to develop a better bus system for our city region, built on affordable fares, high quality services, swift and reliable connections, and clear democratic and customer accountability. We have set an ambitious initial target to increase bus patronage by 30% by 2030 from 2022/23 levels. This growth will require additional investment and careful prioritisation of existing resources, enabled by bus franchising. We hope that franchising would give the WYR the levers it needs to set out a similar level of ambition.

From our perspective, the wider expansion of a franchising model to another large metropolitan area in northern England would also be an opportunity to share best practice and drive cross-boundary improvements and efficiencies.

2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

TfGM recognise the proposal to franchise the services into ten zones and given the experience in implementing a similar franchised network across three rounds in Greater Manchester, welcome this approach to allow franchising to bed-in. Further clarity of the split of services across the three Leeds zones would be welcomed.

3. Do you have any comments on the local services that are proposed to be franchised? and;

4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

TfGM notes that there are no cross-boundary services proposed to be franchised. Further clarity and dialogue on services that run between West Yorkshire and Greater Manchester would be appreciated to ensure that there is an approach by both the West Yorkshire Combined Authority (WYCA) and TfGM that ensures the continuation of cross-boundary services between the two counties.

It is proposed that from March 2024 a Greater Manchester franchised service 184 will operate between Oldham and Huddersfield. TfGM requests further dialogue on how this franchised service will interact with the proposed WYCA franchised network to provide integration for passengers.

5. Do you have any comments on the date on which the proposed Franchising Scheme is currently proposed to be made, 14 March 2024? and;

6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

TfGM is supportive of franchising in neighbouring authorities and welcomes an ambitious date to both create a Franchising Scheme and enter into franchise contracts.

7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

TfGM recognises the constraints in legislation meaning that the minimum mobilisation period is 9 months. TfGM therefore supports this proposal providing there is appropriate regular dialogue between TfGM and the WYCA with regards to the effect on services running between West Yorkshire and Greater Manchester.

8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

TfGM believes that consulting on how well the scheme is working 24 months after implementation is appropriate as this allows time for the franchises to become operationally efficient whilst ensuring there is appropriate review on whether the Franchising Scheme is delivering on the proposals.

9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this? and;

10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

TfGM agrees that the deregulated bus market does not perform well when it comes to integration, accountability or the need for intervention when services are not performing to a high standard. This was a large driver for the move to a franchising model for the whole Greater Manchester bus network in order to deliver the benefits of a fully integrated system for residents and visitors and achieve the objectives of our Greater Manchester Bus Strategy. The assessment by the WYCA provides details of how the current bus system has experienced a decline in patronage (outside London), with the market suffering from lack of competition and coordination; supporting a similar conclusion to the assessment undertaken by GMCA, that a new approach is required to address these challenges in order to support the wider growth of both areas.

11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

TfGM believes that the objectives outlined cover a wide range of areas involving integration and a greener bus network. This is aligned with the aspirations for TfGM's 'Bee Network' which will make passenger journeys:

- Easier to get around, with joined up services.
- Great value, with capped fares and flexible tickets.
- Simpler to plan, with improved passenger information.
- Accessible, so everyone can use it.
- More reliable and more sustainable.

13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives? and;

TfGM believes that franchising can deliver more benefits, such as a cohesive network and local decision making, than creating an Enhanced Partnership. While Enhanced Partnerships would have the potential to unlock some measures through collaboration such as vehicle requirements or passenger information, overall, the structure of the bus market would remain unchanged, without the greater control offered by franchising to drive significant improvements and achieve the objectives laid out in the assessment.

14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this? and;

15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case? and;

16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case? and;

17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

TfGM would like to ensure that the proposed franchising scheme brings significant benefits for cross boundary passengers into and out of GM. This could include integrated ticketing between the two franchised areas and timetables that reflect the needs of users, both traveling from the GM boundary and the WYCA boundary. TfGM would be keen to work with WYCA to ensure that cross-boundary links are further developed to reflect the requirements of those making journeys between the counties, whilst ensuring that the services concerned are properly integrated within both areas and maximise value for the respective authorities.

18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case? and;

19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case? and;

20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

TfGM believes that franchising can deliver more benefits, such as a cohesive network and local decision making, than creating an Enhanced Partnership. While Enhanced Partnerships would have the potential to unlock some measures through collaboration such as vehicle requirements or passenger information, overall, the structure of the bus market would remain unchanged, without the greater control offered by franchising to drive significant improvements and achieve the objectives laid out in the assessment.

21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

TfGM has been clear in its view, in relation to this area, through the commitment to franchise the whole of the Greater Manchester bus network. In the years before the decision to franchise was taken, Greater Manchester has spent increasing sums of money to support and maintain its bus network, filling gaps between commercially provided services. This was an inefficient use of public sector funding and a sub-optimal way to plan an effective public transport system. Without change, we faced either an unsustainable funding requirement or a diminished bus network. Under franchising, we will have increased opportunities to design the network so that services deliver on customer needs and offer the best value for money and expect that WYCA would see similar opportunities.

22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

TfGM notes that there is emphasis on influence from the Combined Authority. TfGM would encourage this approach and be happy to work with WYCA on cross boundary routes. There are also factors around competition between operators, including SMO's, which is a similar approach to the model implemented by TfGM.

23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

TfGM would appreciate clarity on the requirement for non-franchised services that cross the GM / WYCA boundary being required to operate under a service permit during the various lotting strategies, especially for those areas that are not let in the initial tranche.

24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

The length of 7-year contracts for large lots is welcomed by TfGM as this will provide as much assurance and stability to the network as is possible. This stability allows for potential patronage growth and time to assess any positive network changes. TfGM would encourage close working with the WYCA on all cross-boundary routes to secure network stability.

25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case? and;

26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

TfGM has no comments in response to these questions; however, we are happy to share any lessons learnt or best practice which develops from our experience in these areas as we continue to franchise the bus network in GM.

27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

TfGM would like clarity on the potential funding of services that cross the boundary between TfGM and WYCA. TfGM is keen to work with the WYCA to find solutions to sustainably fund cross boundary services, including during any transition to a franchising scheme.

28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case? and;

29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

TfGM agrees with the approach to facilitate the involvement of small and medium sized operators as these are important to encourage competition between operators of all sizes.

30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

TfGM would like to ensure that the proposed franchising scheme brings significant benefits for cross boundary passengers into and out of GM. This could include integrated ticketing between the two franchised areas and timetables that reflect the needs of users, both traveling from the GM boundary and the WYCA boundary. TfGM would be keen to work with WYCA to ensure that cross-boundary links are further developed to reflect the requirements of those making journeys between the counties, whilst ensuring that the services concerned are properly integrated within both areas and maximise value for the respective authorities. TfGM would also wish to work closely with WYCA to support network stability during the transition to any franchising scheme.

31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

TfGM have no comments on this.

32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case? and;

33. Do you have any comments on how the EP+ could support the Commercial Success Factors? and;

34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

TfGM has been clear in its view, in relation to this area, through the commitment to franchise the whole of the Greater Manchester bus network. In the years before the decision to franchise was taken, Greater Manchester has spent increasing sums of money to support and maintain its bus network, filling gaps between commercially provided services. This was an inefficient use of public sector funding and a sub-optimal way to plan an effective public transport system. Without change, we faced either an unsustainable funding requirement or a diminished bus network. Under franchising, we will have increased opportunities to design the network so that services deliver on customer needs and offer the best value for money.

35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments? and;

36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

TfGM would like clarity on the potential funding of services that cross the boundary between TfGM and WYCA. TfGM is keen to work with the WYCA to find solutions to sustainably fund cross boundary services.

37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+? and;

38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

TfGM agrees with the conclusions of the affordability and financial risk of an EP+ and franchising scheme but note that the achievement of a successful EP+ is unpredictable as it would require all parties, including bus operators, to agree and continue to agree changes into the future.

39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

TfGM believes that the proposals to manage the Proposed Franchising Scheme look comprehensive and accurate to the requirements of managing such a scheme.

40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

TfGM have experienced significant cost and resource requirements in maintaining the current bus network whilst franchising is being implemented across the region. TfGM believe that the transition and implementation should include high-level detail about how this will be managed by the WYCA Bus Services team during the transition period.

41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case? and;

42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

TfGM have no comments on this.

43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

TfGM has been clear in its view on the benefits that franchised bus networks bring in achieving better services for communities. TfGM believes that franchising is the best option for WYCA to achieve it's outlined strategic objectives for the bus network.

44a. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

Support, *Support in part, Neither support or oppose, Oppose in part, Oppose, I don't know.*

44b. Why do you say this?

TfGM believe that franchising allows local decisions to be made about bus services and will ensure the appropriate accountability when services are not running to their full potential. Franchising allows the creation of a cohesive network for ticketing and customer information therefore significantly improving the offer to travellers who are required to use buses to reach their destination.

45. Are there any changes that you think would improve the Proposed Franchising Scheme?

TfGM have no comments on this.

46. Do you have any further comments?

No.

47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

TfGM has no comments in response to these questions; however, we are happy to share any lessons learnt or best practice which develops from our experience in these areas as we continue to franchise the bus network in GM.

Bus Reform Questionnaire – Long Version

Data protection

Please tick to confirm that you have read and understood our privacy notice which can be viewed at the end of this survey.

Yes, I have read and understood the privacy notice

✓

How are you responding to this survey? (Please tick one box only)

I am a member of the public, giving my views as an individual

I am responding on behalf of, or as a representative of, a business or organisation

✓

[If selected business/organisation] – What is the name of your business or organisation? What is your position/title?

TLC Travel Ltd, Managing Director

There are two versions of the consultation questionnaire. You are welcome to fill out whichever questionnaire you wish and you don't have to answer all of the questions.

The short version which contains the ten questions that are set out throughout the Executive Summary (see section 1). These are focused on key areas discussed in the Consultation Document. If you choose to answer this questionnaire, you should find all the relevant information in the Executive Summary and are not required to read the whole document.

The long version contains 47 questions. These questions are set out throughout the Consultation Document following the Executive Summary, referenced in the relevant text. The long version may be more appropriate for respondents who have a good level of knowledge and interest in the bus market as it contains more questions - some of which are more complex.

This is the Long Questionnaire

You may include additional papers should the space not be sufficient for your answers.

Long Questionnaire

Section 1: Description of the Proposed Franchising Scheme

Q1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

See Section 3.2 of the Consultation Document for information to support answering this question.

Would not be practical to have some parts franchised and others not, there would be inconsistencies across the region. However, the county is very diverse with specific identities so there is concern that franchising would not work effectively in all areas, particularly rural.

Q2 Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

See Section 3.3 of the Consultation Document for information to support answering this question.

No comments



Q3. Do you have any comments on the local services that are proposed to be franchised?

See Section 3.4 of the Consultation Document for information to support answering this question.

Its just a list of services so not enough information

Q4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

See Section 3.4 of the Consultation Document for information to support answering this question.

See above

Q5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

See Section 3.5 of the Consultation Document for information to support answering this question.

No comment

Q6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

See Section 3.5 of the Consultation Document for information to support answering this question.

I'm pleased to see the franchising contracts are to be phased in by district but it is important that as each phase is introduced there is time for evaluation on the success of each phase and any adjustments made as appropriate to avoid repeated mistakes and problems, involving operators.

From an operator perspective its important that we have adequate time to prepare bids, e.g. operator licence may need adjusting, recruitment of staff(even though TUPE is acknowledged) and other resource procurement.

I hope the tender process is not overly bureaucratic and/or puts greater administrative and regulatory burden on, particularly, smaller operators.



Q7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

See Section 3.5 of the Consultation Document for information to support answering this question.

See above

Q8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

See Section 3.6 of the Consultation Document for information to support answering this question.

Not much detail on how the CA would consult with bus users within 24 months but significant part of the evaluation process. Would expect CA to consult and engage with operators regarding patronage and costs and any variations to expected targets

Section 2: Assessment Summary - Strategic Case

Q9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

See Section 4.1.3 of the Consultation Document for information to support answering this question.

Network – The bus network in West Yorkshire is dominated by 3 major groups and their geographical market share has not changed since deregulation in 1986. There have been some really good marketing exercises over the years and efforts to generate growth but the financial bottom line will always dominate the performance of a PLC. This does lead to cuts in marginal services and has meant deterioration of the relationship with the CA. However, the EP+ presents an opportunity for a much closer relationship with the CA and a degree of control on Network planning without the excessive Franchising costs during an environment where councils are issuing section 114 notices. There is no real detail in the Franchising proposal of what the network will look like in a franchised environment so concern is that tax payer money is spent for no real improvements

Fares and ticketing – All operators are committed to digital ticketing with on off tapping therefore I see no real barriers, that cannot be overcome, to a county wide ticketing scheme that can be managed within the current arrangements. We currently have way too many MCard options and that system requires simplification

Customer service and information – As above, there are no real barriers to a county wide system that operators and the CA could fund jointly

Both of the above could progress naturally as digitisation innovates and be driven by an all party group as suggested in the EP+

All operators would commit to a county wide livery as demonstrated in the EP+

Bus Priority – Don't see how this will change in a franchised environment, how are infrastructure projects to speed up bus journeys going to be managed any differently under franchising. A franchised service will not improve punctuality in itself. This is a more political issue and therefore should not be considered as a reason to introduce franchising

Greener and better vehicles – There is no doubt that zero emission buses must be partially funded and operators should not bear the total burden. This is also a political subject and is wholly dependant on the escalation of zero emission technology. For example, whilst there are options for mass transit buses, the small electric bus is very limited and the products currently available are not fit for purpose. This means that some urban and rural areas cannot be served by zero emissions and the CA must face the reality of this situation. It makes commercial

and financial sense to invest in a newer fleet but this is unlikely to change in a franchised environment in the short or medium term.

Q10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

See Section 4.1.4 of the Consultation Document for information to support answering this question.

A franchised bus market in West Yorkshire will not deliver the bus reforms aspired to. Even the franchise proposal recognises that the bus market is declining locally and nationally, so should we invest so much in a scheme that we acknowledge will not improve the declining bus market in West Yorkshire.

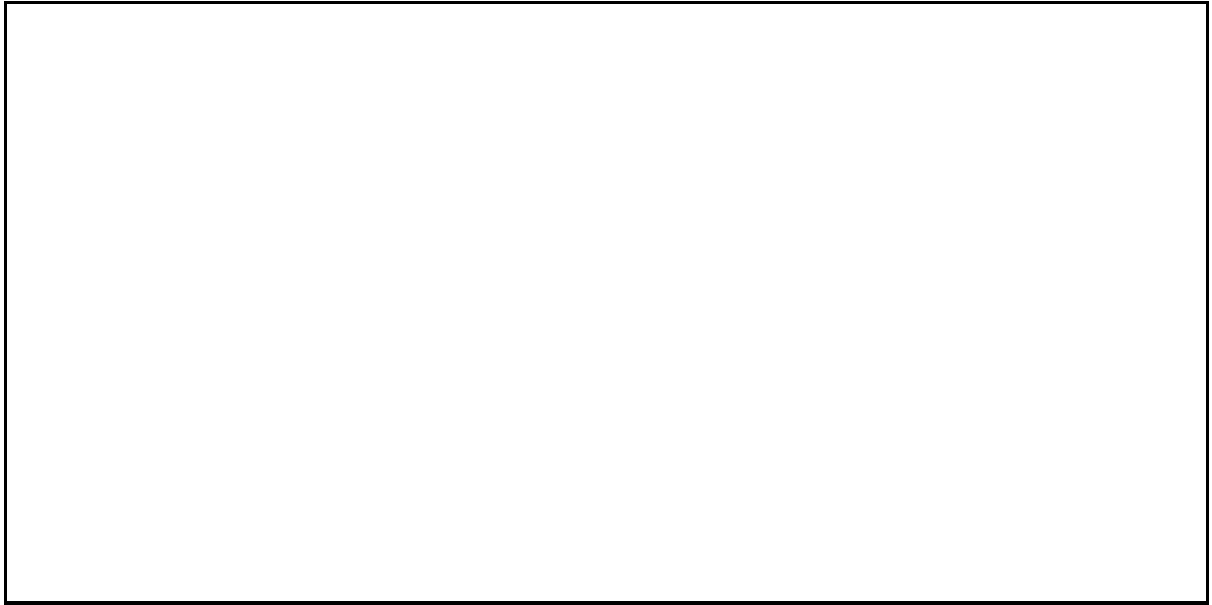
This is a much wider political issue, the main problem being the use of private car. Perhaps all petrol and diesel cars should be banned and not public transport?? But the fundamentals of getting people onto buses has not changed, in my opinion in this order;

Accessible – at the end of your street, recognisable and goes where you want to go.

Reliable - sufficient well managed resources

Punctual – good priority measures and information

On board experience – clean, wifi and charging for longer journeys, pleasant driver.



Q11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

See Section 4.1.5 of the Consultation Document for information to support answering this question.

I believe the objectives are optimistic, please refer to above.

Q12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Please refer to above, I don't see any concrete evidence that objectives could be achieved through a Franchising scheme rather than an EP+

The Franchising scheme is a political ideal that I personally have no argument with, but I do not believe that the scheme will meet the objectives.

Q13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

See Section 4.1.6 of the Consultation Document for information to support answering this question.

Please refer to above, but the EP+ will have no better or worse impact than franchising but at much less cost and much quicker deliverable outcomes.

Q14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

See Section 4.1.8 of the Consultation Document for information to support answering this question.

The Proposed scheme acknowledges that the bus market is declining and will continue to decline so neither option suggests strategic objectives can be achieved, so we should opt for the best value

Q15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Both proposed models will have a similar impact on passengers

In the short term, infrastructure improvements will result in serious service disruption. This is currently the case across most of West Yorkshire and operators have increased resources wherever possible. This will not be any different in a franchised environment, in fact costs will increase if additional resources are required.

I'm concerned about the assumption of reduced operating margins will fund improved frequencies.

Q16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

It's a fair assumption that smaller operators may be more impacted by the franchising scheme.

Whilst there may be more opportunity, there is risk in equal measure

Many operators just run one or two services and are happy with this arrangement including school contracts. These are likely to be included within Lots although there is insufficient detail to know this.

Bus groups will lose some revenue and assets but the effect on smaller operators is total loss of business.

Has the CA indicated which depots will be bought from the groups? What if First, Arriva etc sell to alternative bidders? The timescales of such a significant transfer of assets is potentially unrealistic.

Whilst I have concerns around the market share of the 3 main bus groups in West Yorkshire, the admin burden of managing more operators should not be underestimated.

Q17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

There are very few small operators now so franchising may reduce this further resulting in less competition and increase in contract prices.

Funding assumptions may be optimistic based on the current financial situation of local councils and franchising will always be dependent on political will.

The financial burden of asset purchase and facilities management are significant to the tax payer.

The CA suggests quicker interventions under a franchised environment, but this must be strongly disputed. As a CA, the decision making process is very bureaucratic and there seems to be little ability for decision making at local level.

Private operators have the ability to make decisions quickly within regulatory boundaries and stand or fall by those decisions.

Q18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Please refer to above

Q19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Please refer to above

Q20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

See Section 4.2.2 of the Consultation Document for information to support answering this question.

Please refer to above

Q21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

See Section 4.2.7 of the Consultation Document for information to support answering this question.

The Franchising model is a much greater material change and whilst there are some assumptions and sensitivity testing, the economic outcome for the CA could be much more significant and therefore a much greater risk. Who will be accountable of this is the case?

Bus groups are vocal about their opposition to the Franchising scheme and therefore offering the CA much greater control over the network.

If we are to see continued decline the CA will have much greater control over the network as more services will become Tendered and this will allow greater influence over the network

Section 3: Assessment Summary- Commercial Case

Q22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

See Section 4.3.2 of the Consultation Document for information to support answering this question.

No comments

Q23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

There is little detail about the services to be included in each lot.

Good to see that smaller operators will have opportunities for lots in Cat B & C lots although again refer to above.

Also important that B&C lots Good to cannot be operated within a Cat A depot

Q24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Good to know negotiation allowed for contract length on B & C lots allowing Small ops to extend to 7 years if possible.

Q25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

There should be some negotiation with regard to vehicle type purchase on Lots utilising operator extensive knowledge on vehicle type to service.

Concerned that there will be insufficient buses to enable any network improvements in the short term.

Q26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

There is limited availability of sites within West Yorkshire, CA must be aware of this if Bus groups show any hesitancy or non-cooperation with regard to taking over depots. This could potentially cost the CA many many more millions in depot investment.

Timescales should also be taken into consideration. Recent experience of planning decisions is not encouraging

Consideration should be given to small operator infrastructure costs with regard to zero emission depots and sites

Q27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

The CA will take revenue and some operating cost risk currently the responsibility of operators.

Due to the current Bus driver and Engineering labour market, TUPE must apply to franchise contracts. However there may be barriers to small operators with regard to pension provision.

Some drivers may leave the industry, experience of TUPE following changes to operators suggests that some drivers are reluctant to work for other operators.

Small operators will find it difficult to manage some of the extensive and sometimes restrictive working practices within local agreements between unions and the Bus Groups. Incidentally this could also restrict any Network improvements without significant additional resources.

The CSA should also be mindful if the decision on 14 March is to approve a Franchised scheme in West Yorkshire, Groups may increase payroll costs, the most significant at around 50-70% of operating costs.

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Q28. Do you have any comments on the Combined Authority’s approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

No comment

Q29. Do you have any comments on the Combined Authority’s approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Pleased to see that the CA wants to actively engage and provide opportunities to smaller operators, the main factor being B & C lots prohibited from operating from Cat A depots

Q30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

No comment

Q31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

See Section 4.3.5 of the Consultation Document for information to support answering this question.

Emphasise the cost implications to Franchise contracts in the current Bus driver and Engineering labour market.

Q32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.5 (Franchising summary) of the Consultation Document for information to support answering this question.

Please refer to previous answers

Q33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

See Section 4.3.6 of the Consultation Document for information to support answering this question.

See above

Q34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

See Section 4.3.7 of the Consultation Document for information to support answering this question.

The Franchised scheme makes a number of funding assumptions and potential costs could extrapolate way beyond any sensitivity tests applied. The EP+ scheme is a more realistic and quantifiable scheme.

Section 4: Assessment Summary- Financial Case

Q35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Please refer to comments regarding Local councils and the continued threat of issuing section 114 notices.

Q36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

See Section 4.4.4. of the Consultation Document for information to support answering this question.

Please refer to above answers

Q37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

See Section 4.4.5 of the Consultation Document for information to support answering this question.

No comment

Q38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

See Section 4.4.7 of the Consultation Document for information to support answering this question.

The risk will ultimately be born by the tax payer or council tax payer.

General public canvassing should ask if an increase in council and other taxes would be tolerated to bring buses back under public control with improved services.

Section 5: Assessment Summary- Management Case

Q39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

No comment

Q40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

See Section 4.5.3 of the Consultation Document for information to support answering this question.

Each transitional phase should be assessed following implementation.

Q41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

See Section 4.5.4 of the Consultation Document for information to support answering this question.

No comments

Q42. The Management Case concludes that the with additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

See Section 4.5.5 of the Consultation Document for information to support answering this question.

CA suggests around 65 new roles. Concern that these roles can be adequately filled with required knowledge and experience.

Don't know how an additional 65 roles could be managed without a change to the structure.

Section 6: Assessment Summary

Q43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

See Section 4.6 of the Consultation Document for information to support answering this question.

No comment

Q44 Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

See Section 4.6 of the Consultation Document for information to support answering this question.

Support <input type="checkbox"/>	Support in part <input type="checkbox"/>	Neither support or oppose ✓	Oppose in part <input type="checkbox"/>	Oppose <input type="checkbox"/>	I don't know <input type="checkbox"/>
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Why do you say this?

As a small operator, despite the reassurances of a willingness to engage SMO's, I'm not convinced a Franchised scheme will present any opportunities that are not currently available or would be available under the EP+ proposal.

As a business this could potentially be years of uncertainty that may affect the ability of the business to invest and secure borrowing etc.

Small operators deliver high quality services with performance exceeding CA and industry targets. SMO's have the ability to react and deliver changes quickly and efficiently in the event of major disruption for whatever reason and I would hope there is an opportunity to recognise this through the Franchising process and contracts are not awarded just on price.

As a West Yorkshire resident, I welcome the opportunity for the CA to have more control over Network planning, frequencies, and the return of service provision where there is no longer a bus service. I also welcome the opportunity to look at an overhaul of the Network which hasn't really changed since de-regulation.

However I'm not convinced these issues can be achieved with franchising as I suspect costs will spiral out on control and there are very many issues that the CA can have no control of, particularly in this challenging financial environment.

To ensure West Yorkshire is socially inclusive there must be frequent services to all parts of each district, otherwise this will create even more financially and socially deprived areas of all our towns and cities.

Q45. Are there any changes that you think would improve the Proposed Franchising Scheme?

See Section 1.4 of the Consultation Document for information to support answering this question.

See previous answers

Q46. Do you have any further comments?

See Section 4.6 of the Consultation Document for information to support answering this question.



Section 6: EQIA

Q47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

See Section 5 of the Consultation Document for information to support answering this question.

No comments

Optional section: About you (individuals only)

Thank you for taking the time to provide your feedback.

These questions are optional and for individuals responding only. If you choose to answer these questions you will not be identified by the information provided. All information will be handled and dealt with in line with the Data Protection Act 2018, as detailed in our privacy notice.

We want to better understand who we are engaging with and hearing from. We are required to act in line with the [Equality Act 2010](#). By asking the following questions we can make sure our work reflects the diverse communities we serve.

What is your postcode?	
	<input checked="" type="checkbox"/> Prefer not to say

What is your sex?		
<input checked="" type="checkbox"/> Female / woman	<input type="checkbox"/> Male / man	<input type="checkbox"/> Prefer not to say

Is the gender you identify with the same as your sex registered at birth?		
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my gender identity as:		

Age: How old are you?									
<input type="checkbox"/> 0 - 15	<input type="checkbox"/> 16 - 24	<input type="checkbox"/> 25 - 34	<input type="checkbox"/> 35- 44	<input type="checkbox"/> 45 - 54	<input checked="" type="checkbox"/> 55 - 64	<input type="checkbox"/> 65 - 74	<input type="checkbox"/> 75 - 84	<input type="checkbox"/> 85+	<input type="checkbox"/> Prefer not to say

Ethnicity: How would you describe your ethnicity or ethnic background?	
Asian, Asian British:	
<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Chinese
<input type="checkbox"/> Any other Asian background, please state:	
Black, Black British, Caribbean, or African:	
<input type="checkbox"/> African	<input type="checkbox"/> Caribbean

<input type="checkbox"/> Any other Black, African, or Caribbean background, please state:	
Mixed or Multiple ethnic groups:	
<input type="checkbox"/> White and Black Caribbean	<input type="checkbox"/> White and Black African
<input type="checkbox"/> White and Asian	
<input type="checkbox"/> Any other Mixed or Multiple ethnic background, please state:	
White:	
<input checked="" type="checkbox"/> English, Welsh, Scottish, Northern Irish or British	<input type="checkbox"/> Irish
<input type="checkbox"/> Gypsy or Irish Traveller	<input type="checkbox"/> Roma
<input type="checkbox"/> Any other White background, please state:	
Other:	
<input type="checkbox"/> Arab	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Any other ethnic group, please state:	

Disability: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?		
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?			
<input type="checkbox"/> Yes, limited a lot	<input type="checkbox"/> Yes, limited a little	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to say

Sexual orientation: How would you describe your sexual orientation?			
<input type="checkbox"/> Heterosexual or straight	<input type="checkbox"/> Gay man or gay woman / lesbian	<input type="checkbox"/> Bisexual	<input checked="" type="checkbox"/> Prefer not to say
<input type="checkbox"/> I self-describe my sexual orientation as:			

Religion or belief: What is your religion or belief?	
<input checked="" type="checkbox"/> No religion (including atheist)	<input type="checkbox"/> Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)

<input type="checkbox"/> Buddhist	<input type="checkbox"/> Hindu
<input type="checkbox"/> Jewish	<input type="checkbox"/> Muslim
<input type="checkbox"/> Sikh	<input type="checkbox"/> Prefer not to say
<input type="checkbox"/> Other (specify, if you wish):	

THANK YOU FOR COMPLETING THIS SURVEY

If you are interested in receiving more information from us in the future regarding bus reform, please provide a preferred method of contact below.

Please select your preferred method of contact and add your details below:

Email <input checked="" type="checkbox"/>	Post <input type="checkbox"/>
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Email: trish@tlctravelltd.co.uk

Name: Trish lambert

Address line 1: TLC Travel Ltd

Address line 2: Springmill St

Town/City: Bradford Postcode: BD5 7HF

How to mail your completed survey to us:

Please return your completed survey by the closing date of 7 January 2024 to:

Freepost CONSULTATION TEAM (WYCA)

Please note you do not need to pay for or add a stamp to the envelope you use when you post your survey back to us. The Royal Mail will deliver your post for free, and the cost is covered by the West Yorkshire Combined Authority.

Privacy Notice

For the purposes of the Data Protection Act (2018) and the General Data Protection Regulations (GDPR), the 'controller' of the personal data which you provide in the attached form is the West Yorkshire Combined Authority ("the Combined Authority", "we", "us") of Wellington House, 40-50 Wellington St, Leeds LS1 2DE (Tel: 0113 251 7272). The Combined Authority is registered with the Information Commissioner's Office with registration number ZA051694.

The Combined Authority is collecting this data and will process it for the purpose of understanding and identifying information surrounding the future of Bus travel and Bus Franchising. The purpose of this engagement exercise is to meet, and exceed, the Statutory requirements of making a franchising scheme as set out in The Bus Services Act 2017.

Questions regarding some of your personal data and some special category data are asked as we recognise that the needs of different customer groups can vary and we are committed to improving transport services for all customers within the region. In addition, the online survey will capture your IP address when you complete an online survey, however we will not process this data further.

We publish comments/feedback you provide in the consultation's outcome reports available on the Your Voice page, to demonstrate the feedback we have taken into account. This does not contain any of your identifiable information.

The Combined Authority will share the data, comments, feedback and/or opinions obtained during the consultation with DJS Research who will provide analysis of the data for the Combined Authority Data for the purpose stated above.

Where you request a response to a question from the project team, we will share your name and contact information with the project team at the Combined Authority and with DJS Research.

We will not share your information with any other organisation or third party other than those named above. However, there may be other circumstances in which we may share or use certain information about you, which are:

- if we have a legal obligation to do so or if we are required or requested to do so by a competent authority such as the police or a court;
- if we need to use or disclose your information to obtain legal advice or in connection with legal proceedings;
- if we need to share your information to protect your vital interests if you are unable to give us consent or it is unreasonable for us to ask for your consent in the circumstances (e.g. if you are injured).

We will retain your information for the duration of the project in accordance with our information retention policy and on the expiration of such period we will safely delete it.

Information provided to the Combined Authority will be processed on the basis of Article 6(1)(e) of the UK GDPR which states that processing is necessary for the purposes of a task carried out in the public interest.

As a data subject you have a number of rights under the DPA. These include the right to access the information which we hold about you. In some cases you may have a right to have your personal data rectified, erased or restricted, and to object to certain use of your data.

This would not affect the legality of what we do with your personal data before you make such a request and would not stop us from continuing to use your data to the extent that we do not require your consent. It would stop us from further using data for purposes which require your consent (e.g. marketing).

If you are unsatisfied with the manner in which we collect or handle your personal data you have a right to make a complaint to the Information Commissioner's Office. Information about how to make complaints can be found on the ICO's website at <https://ico.org.uk>

We act in accordance with our corporate privacy notice, which provides further information on personal data processing and how to contact us to make a request: <https://www.westyorks-ca.gov.uk/footer/privacy-notice-and-cookie-policy/>

The Combined Authority's Data Protection Officer can be contacted at DPO@westyorks-ca.gov.uk



5 January 2024

WYCA Bus Reform Team

Dear Sir

Bus Reform Consultation Response

On behalf of Transdev Blazefield Ltd, (parent of Burnley and Pendle Travel Ltd, Harrogate & District Travel Ltd, Keighley & District Travel Ltd, Rossendale Transport Ltd, Team Pennine Ltd and Yorkshire Coastliner Ltd) I am pleased to share our response to the bus reform consultation.

Summary

Transdev welcomes the Bus Reform Objectives. These objectives give the foundation of better collaboration. As a global public transport operator we welcome a stronger public private partnerships in order to bring added value to our passengers, our stakeholder and positive synergies (economic, social and environmental) to our local environment.

An increase of cooperation is always a win to improve a public transport network where buses play a key role in structuring it.

We have participated actively and constructively in the development of the EP+ model and we recommend it is given strong consideration.

We both seek to create a trend that will bring a positive customer experience, a better management of our passenger satisfaction, and an increased attractivity to the Public Transport Service.

We are still today affected by the latest shocks that impacted the bus market. Covid has created a massive instability in the way our passenger travel, work, and socialize. Brexit has put pressure on our staff contributing to driver and mechanic shortages, inflation, spare part supply chain problems, and other layers of uncertainty.

The different government funds, which have supported the Public Transport industry have helped us to partially absorb these variations. These variations are still important today, and the passenger Origin and Destination patterns are not stabilised today.

The EP+ aim to give the best of two worlds, a commercial bus service that aims at more cost control, flexibility and sustainability and a fully regulated environment that aims at creating social and environmental benefits for its inhabitants.

The EP+ brings the required flexibility to rebuilt efficiently, in a cost effective way and progressively these patterns. Much more stability is needed to fix a fully control system such as a franchise.

We do understand that there is a desire for change and a feel that full control is vital, however that does bring substantial risk, not least that the use of that control





is not done in the best interest of the bus user. All the 3 models described and proposed in the document are presenting a progressive reduction in passenger and in service provided. It does not shows ambitions, and clearly does not address today's challenges.

Publicly controlled transport operations are far from secure and free from financial, industrial relations or other impacts and not a panacea. EP+ gives a balance of control and retains the experience and expertise of West Yorkshire operators.

We believe that we have strong added value that we can continue to bring to WYCA as an Operator in any contractual environment and we will accompany you in the development and implementation of the contractual scheme that you believe the best for West Yorkshire.

We however hope the Mayor seeks further validation of the assumptions in the document before making her decision and seeks to a more ambitious plan for WY that will continue the positive trend that has started since the introduction of the £2 fare.

Detailed Response

We have answered each of the 47 detailed questions below. We have grouped some for convenience.

Questions about the Proposed Franchising Scheme

1. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entire West Yorkshire region?

A unique Franchise contractual framework is feasible in West Yorkshire region but it does not seem adapted to the specificities of the different urban and rural areas. A solution for a City like Leeds cannot be the same model than for Keighley. The type of operation are different, the impact of the operation is different, the complementary policies that will sustain the network are different. Bringing a similar working environment between urban, interurban and rural areas are usually counter productive in term of performance. As an example: The measure of the performance (Punctuality, Satisfaction, etc.) of a 5km length service mixed with other services in a concentrated urban centre cannot have the same rules than a 50km service.

A unique model also raise the question in the case of a budget reduction of which lines, or region will be affected first in term of KM reduction. A multi model offer allow to reduce this risks.

2. Do you have any comments on the proposal to split the geographical area of the Proposed Franchising Scheme into ten zones to be procured across three rounds?

We are supportive of this approach.

3. Do you have any comments on the local services that are proposed to be franchised?

We believe that the network requires to be fully revised when implementing a Franchise. The difficulties of doing that today is that travel patterns are not stabilised. It also requires to think about a Hierarchization of the services (feeders, Trunk lines, Rural, Express, etc).



Both of these points are not mentioned in the proposal. This is a major weakness identified in the Manchester project and will end up in important inefficiencies. The Change mechanism in this particular project is also an issue.

4. Do you have any comments on the services which are exempt from regulation under the Proposed Franchising Scheme?

We feel there is some confusion here as to whether existing WYCA contracted school buses will be within or outside the franchised scheme as most appear to be captured under the definition of an excepted service, but most schools are also listed in Annex 2.

5. Do you have any comments on the date on which the Proposed Franchising Scheme is currently proposed to be made, 14 March 2024?

It is a very early date if changes to the proposition need to be done. It is such an important change, that we do not understand the rush here.

If London is not really an example, in a Year Manchester will be fully implemented. This will give us (WYCA, Operators, Stakeholder) all the learning feedback necessary to propose something better for our passenger and public transport system. Waiting and learning from this will correct most issues from the beginning. It is like when purchasing a new bus, you never want to be the first one to do it if you look for efficiency and getting the best product for money.

6. Do you have any comments on the date on which it is proposed that the first franchise contracts would be entered into, 28 June 2026?

No particular comments here.

7. Do you have any comments on the nine-month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract (mobilisation period)?

Nine month is too short and recommend a 12 + 6 (emergency extension) months period to mobilise for the initial contracts given the large and complex tasks required to procure depots and new fleets. Additional time is required if depots are not fully available or electric buses are a requirements.

8. Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working?

No particular comments here.

Questions about the Assessment

9. The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

We agree that the bus system is today not performing optimally. The bus system has been supported during these last years and we have been working with a 3 to 6 months visibility in term of support.

Most contracts in WY do not include protection in a high inflation environment (I.e. No Indexation).



It makes the system strongly unstable and therefore it does not perform as it could. The £2 fare has been a massive impact for our passenger but it distorted lines usage, distortion that is very difficult to predict once it will end.

It is impossible without stability to reinvest, to recruit, to propose new type of services, to reshape lines according to our passenger requirement in such environment.

Reasons for that include things outside the industry's control locally and nationally. It is not clear from the assessment as to how these can be resolved. For example it states "Bus priority lacks consistency across the network, with a lack of consistent highway policy resulting in differing measures across bus priority, parking and enforcement". This is correct but is in the hands of the local authorities and WYCA to resolve. Experience of recent projects in Bradford for example where the council and combined authority are not aligned are examples of where the public sector needs to deliver improvements.

Within the bus sector there have been significant improvements and achievements in recent years that many felt unachievable before. In particular there is a uniform maximum single fare – something felt to be impossible under the deregulated market, yet collaborative working and a willingness to challenge historic thinking has delivered that. There is much less duplicative resource in the network than historically.

Engagement has improved with much greater involvement of WYCA officers in decision making.

10. The Strategic Case suggests that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

We agree change is needed, but the evidence presented appears to be merely slowing an expected decline in public transport use. This has arguably been the status quo since the 1950s when the end of fuel rationing led to a continuous rise in public car ownership and use in the UK. Other than periodic small interventions such as free concessionary travel, accessible buses, park and ride, new rail stations, or the current fares subvention, there has no local or national policy aimed at radically reducing private car use in over 70 years. Until authorities are willing to consider road user pricing, work placed parking levies etc, mere organisational change will not address the fundamental issues in the local bus market.

11. Do you have any comments on the Combined Authority's objectives as set out in the Strategic Case?

They are straightforward and logical, but lack the scope to substantially and radically change the market place as they lack any restraint measures for private modes.

12. Do you have any comments on how the Proposed Franchising Scheme could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?

13. Do you have any comments on how the EP+ could deliver the impacts set out in the Strategic Case and therefore contribute to bus reform objectives?



14. The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

Taking these together we believe both Franchising and EP+ would deliver the bus reform objectives. Both schemes broadly deliver the same level of public control and influence over the network. We believe the EP+ is the less disruptive, more flexible, faster and has the least financial risk to the public sector. The sheer scale of revenue risk which franchising transfers to a hard pressed public sector should not be underestimated.

The Franchise model takes years (>10) to mature. It is a long process for our PTA's team, for our legal working environment, for our staff, for our passenger. A wrongly organized franchise environment ends up in a concentration of reduced amount of Operators that become too big to fail for the system. It also decrease the contact of the passengers to the Operator creating important increase of Anti-social behaviours.

15. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the Economic Case?

16. Do you have any comments on the impacts of the Proposed Franchising Scheme on operators, as set out in the Economic Case?

17. Do you have any comments on the impacts of the Proposed Franchising Scheme on the Combined Authority, as set out in the Economic Case?

18. Do you have any comments on the impacts of the EP+ on passengers, as set out in the Economic Case?

19. Do you have any comments on the impacts of the EP+ on operators, as set out in the Economic Case?

20. Do you have any comments on the impacts of the EP+ on the Combined Authority, as set out in the Economic Case?

We believe the impact on passengers of the franchising scheme is overstated. The case states "*the most fundamental economic impact is the assumption of a reduced operating margin that will allow an increase in the number of bus services operating, bringing a variety of passenger benefits*" and "The Combined Authority has assumed that an operating margin of 7.5% will be charged by operators for all franchised services". Transdev has not achieved a margin of 7.5% in its West Yorkshire operations before or since covid and is not targeting that level as part of the EP or EP+. We therefore believe there is significant risk in the assumption that franchising will reduce profits made. The assumption also assumes that the unit costs remain similar, whereas we have seen anecdotally increase in driver costs in Greater Manchester so far that outstrip those in neighbouring areas. A 3% margin reduction will never cover not even close the increase of costs that the franchise will generates (Legal, Human, cost of the Assets, that will increase) on one side and a revenue generated by KM that will certainly decrease on the other. Franchise has benefits, but better value for money for the PTA, Operator Margin reduction are far from obvious compared to the EP+ model that we propose.

What Franchise does it that it better distributes the risk taken today by the Operator which is positive, and create a form of stability for us, especially given what the industry had to face during this last 4 years.

We also believe franchising will have a significant impact on the operator community. Small operators are understandably very concerned and experience in Manchester has shown all franchises have been awarded to operators with a



license for over 100 vehicles. The sole SME awarded, Vision, cannot really be described as small as it holds a license for 170 buses – larger than many of the depots involved.

The Combined Authority will be exposed to substantial ongoing financial risk as a result of franchising. We understand it is currently having substantial budget pressures currently and some of the constituent authorities are also in financial difficulties. Absorbing the risk of a £150mn bus network presents a significant increase in WYCA's revenue risk. We also believe it exposes services to risk of reduction in the event of financial difficulties as experienced by Birmingham and Nottingham authorities recently.

21. Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

We note that both franchising and EP+ offer value for money. *"Overall, both the Proposed Franchising Scheme and the EP+ were judged to have 'very high' value for money (following DfT guidance), taking into account the economic assessment. Compared to the EP Reference Case, both bus reform options were forecast to generate economic benefits considerably and robustly higher than the costs required to implement each option"*.

The document also suggests "The advantages of the Proposed Franchising Scheme are primarily through the greater control the Combined Authority would have over specifying the bus network, in terms of service frequencies and extents, but also the roll out of Zero Emission Buses (ZEBs)...., whilst the impacts of the EP+ are more uncertain in the long term as any agreement would require negotiation between the Combined Authority and operators". This is very subjective – as indeed surely under franchising any change will need negotiation between the combined authority and the contracted operator to determine the cost impacts so as to vary the contract.

It also implies that because franchising removes the ability of operators to act unilaterally against the objectives of the CA, that this removes the uncertainty of self interest from decision making. This is not necessarily the case as there is no guarantee that the CA officers and elected members will consistently take the most beneficial decision in the round when faced with options. Local influences may be considered as we have seen examples of bus priority schemes downgraded as a result of local member pressure due to loss of parking outside shops; supported services retained due to 'political pressure' when they are far from economic and the released resources could be deployed better elsewhere.

22. Do you have any comments on the Commercial Success Factors outlined in the Commercial Case?

No they seem logical. Though we challenge the notion that a periodic tendering exercise, especially for a tightly specified contract "facilitates strong competition". There appears little scope for operators to differentiate, innovate and therefore compete significantly in the procurement exercise.

23. Do you have any comments on the lotting strategy for franchising contracts as set out in the Commercial Case?

Only that WYCA must ensure that individual bidders cannot win all lots or a majority of lots in one bidding tranche especially if a stronger Competitive



environment is an objective Too big to fail is a reality in other franchised public transport network and create important competitive distortions.

24. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

No

25. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme, as set out in the Commercial Case?

We are surprised WYCA intends to own all vehicles from day one as this removes an element of advantage a bidder may have through using its own procurement channels and therefore reduces the ability to differentiate and compete in the bidding process.

The bus model is based on a full eBUS procurement and a permanent Zebra funding which is impossible to control. A 15 Year management of a bus is complex, and moving eBus from a service to another is not neutral. The end life management of the eBus is also uncertain. At this stage the performance of a electric double decker is a question mark, and number of providers that can produce this bus is very limited (3).

Within 2023 economic environment (inflation, interest rates, production availability, Electricity provider DNO's uncontrollable cost and regulations, reduced number of provider) the eBus is at the best of the best as economical than a diesel bus with the Zebra funds. Electrification is a solution, but a solution that requires a long term plan and changes of regulation.

26. Do you have any comments on the approach to depots under the Proposed Franchising Scheme, as set out in the Commercial Case?

We note that WYCA purchasing depots from incumbents is a significant transitional risk and presents challenges in bidding if the depot site is not secured before the bidding process starts. It is to note that when looking at the investment proposed for the depots, the values seems very under evaluated (Purchase costs and improvement costs, including potential electrification of the depots)

27. Do you have any comments on the proposed allocation of risk and responsibilities between the Combined Authority and bus operators under the Proposed Franchising Scheme, as set out in the Commercial Case?

No, it is one of the strength of the Franchise.

28. Do you have any comments on the Combined Authority's approach to procuring franchise contracts under the Proposed Franchising Scheme, as set out in the Commercial Case?

No additional comments

29. Do you have any comments on the Combined Authority's approach to facilitating the involvement of small and medium sized operators, as set out in the Commercial Case?

The most significant barrier in Greater Manchester has been the scale and process of bidding even for small franchises and this process is probably what is most likely to prevent SME's bidding.



30. Do you have any comments on the impacts of the Proposed Franchising Scheme on the achievement of the objectives of neighbouring transport authorities, as set out in the Commercial Case?

No – we believe these should be complimentary

31. Do you have any comments on the potential impact that the Proposed Franchising Scheme would have on employment and pensions, as set out in the Commercial Case?

32. Do you have any comments on how the Proposed Franchising Scheme could support the Commercial Success Factors, as set out in the Commercial Case?

33. Do you have any comments on how the EP+ could support the Commercial Success Factors, as set out in the Commercial Case?

34. The Commercial Case concludes that the Combined Authority would be better able to meet its Commercial Success Factors through the Proposed Franchising Scheme compared to the EP+. Do you have any comments on this?

We believe that both would support the success factors, but that the statement “there is a risk with EP+ that the benefits can only be achieved by negotiation” overstates the likelihood that operators will be diverging from the objectives set out. The EP+ is simply designed to achieve what franchising would but at lower cost. We therefore disagree that franchising enables the authority to better meet its factors.

35. The Financial Case sets out the potential sources of funding available to the Combined Authority to deliver the Proposed Franchising Scheme. Do you have any comments?

No additional comments.

36. The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme. Do you have any comments?

No additional comments.

37. Do you have any comments on the conclusion of the Financial Case about the affordability of the EP+?

We do not agree with the statement about EP+ “if the bus service is to remain affordable, there would need to be a reduction in services, which will lead to a reduction in passengers carried” is logical. There is scope to use resources more effectively to carry more customers than currently and that any different approach advocated for network design in franchising is equally deliverable under EP+

38. The Financial Case concludes that the Proposed Franchising Scheme carries more direct financial risk to the Combined Authority compared to an Enhanced Partnership but offers the Combined Authority greater control over the way buses are run, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this financial risk?

We believe it is fundamentally incorrect to conclude that greater control will deliver greater benefits as there are no guarantees that that control will be deployed in a manner that maximises benefits, especially if funding becomes an issue. We don't believe that this offsets the risk taken on.

39. The Management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?



40. Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, as set out in the Management Case?

41. Do you have any comments on the proposed approach to managing the EP+, as set out in the Management Case?

No additional comments.

42. The Management Case concludes that with the additional competencies and resources the Combined Authority would be able to manage the Proposed Franchising Scheme through its existing organisational structure. Do you have any comments?

No additional comments.

Questions about the conclusion of the Assessment

43. The Assessment concludes that the Proposed Franchising Scheme is the best way to achieve the strategic objectives of the Combined Authority. Do you have any comments on this?

We believe this conclusion is predicated on an incorrect assumption on profitability, an incorrect assumption that franchising and EP+ would deliver a significantly different network and that control directly leads to more benefits. Therefore we are not convinced Franchising is the best way to achieve the strategic objectives of the CA.

44. Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? Why do you say this?

Our position is agnostic. We will work with WYCA on the Franchising Scheme and manage any transition professionally and for the benefit of the community. We will seek opportunities to develop our business through franchising. We are equally permitted to develop and grow should an EP+ be adopted.

45. Are there any changes that you think would improve the Proposed Franchising Scheme?

No additional comments.

46. Do you have any further comments?

No additional comments.

Question about the Equality Impact Assessment

47. The Combined Authority's draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

No additional comments.

Yours sincerely

Paul Turner
Commercial Director
Transdev Blazefield Ltd

West Yorkshire Combined Authority Bus Franchising Consultation Response from Transport Focus

Introduction

Transport Focus is the independent consumer watchdog promoting the interests of bus, coach and tram passengers across England, outside London; rail passengers throughout Great Britain; and users of the Strategic Road Network in England. This submission specifically responds to the plans for bus franchising in West Yorkshire and is based around the Assessment, the consultation document and the short questionnaire (with one additional question from the long questionnaire). This should not be used to infer views on franchising plans or proposals in other areas.

Q1 The Strategic Case sets out the challenges facing the West Yorkshire bus system and says it is not performing as well as it could. Do you have any comments on this?

Transport Focus has carried out extensive research into passengers' and non-users' needs and priorities for local bus services and their attitudes towards them. While some of this research has been carried out at a national level and some very specific studies were conducted some years ago, we believe they are still valid and we have extensive evidence that relates specifically to West Yorkshire and the way in which local bus services are performing there. We set out below the main conclusions from our evidence base.

Unfortunately, the first set of results from our new *Your Bus Journey* survey will not be available until March. Early indications show an emerging picture of declining passenger satisfaction across headline measures, with improved scores for value for money and the bus driver. Satisfaction levels are generally below the average for all areas in England and several key measures below the average for urban metropolitan areas, including punctuality, with waiting time significantly so. We recommend that WYCA review passenger satisfaction with the performance of local bus services in more detail against the new data once it is available.

Ahead of our new survey results, we have relied on evidence from our Bus Passenger Survey (BPS) which gathered bus passenger satisfaction data for many years up to and including 2019. Transport Focus consulted almost 50,000 passengers annually to produce the BPS¹. This measured passengers' satisfaction with their local bus service for a representative sample of journeys. Passengers were asked to rate their satisfaction with the bus journey they were making, across a wide range of aspects.

Results in West Yorkshire from 2014 to 2019 (including peak and off-peak services, weekdays and weekends) are in the table below:

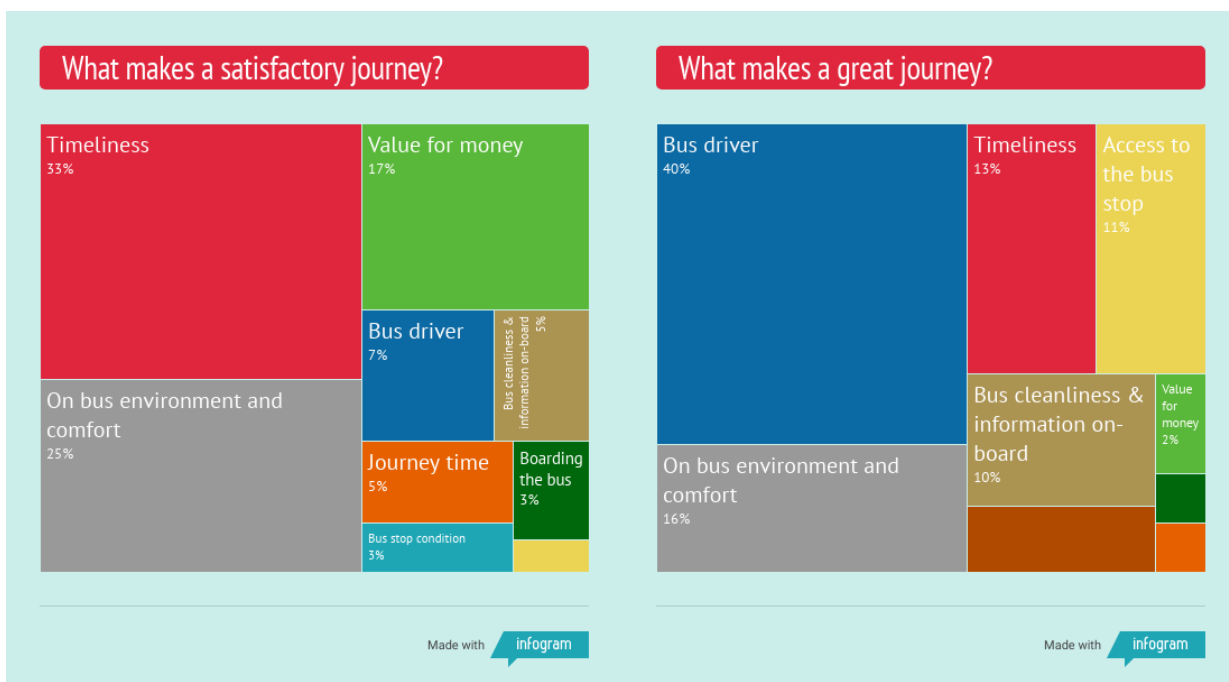
¹ [Bus Passenger Survey](#). Transport Focus

All satisfied %	Year					
	2014	2015	2016	2017	2018	2019
Overall satisfaction with journey	86	87	82	83	85	85
Punctuality of bus	77	74	67	71	72	70
Satisfaction with journey time	83	86	81	80	82	82
Satisfaction with value for money (fare-payers only)	63	61	57	62	61	62
Overall satisfaction with bus stop	83	79	77	81	82	81
Information provided at bus stop	76	74	70	75	74	75
Personal safety whilst at bus stop	80	76	74	76	78	77
Bus driver helpfulness / attitude	68	71	69	71	74	72
Information provided inside bus	67	65	61	61	62	64
Comfort of the seats	75	75	74	73	74	74
Personal security whilst on the bus	84	83	81	81	82	81

These results show a slight increase in passenger satisfaction with bus driver helpfulness/attitude, but with most other scores relatively stable across the period, or falling, as with punctuality. The value for money score has remained low throughout. Passenger satisfaction scores for 2023 derived from our new *Your Bus Journey* survey will not be available until mid-March.

Key drivers of satisfaction

Analysis of BPS looks in more depth at the key driving factors behind fare paying passengers' overall journey satisfaction, which have been grouped into 10 themes based upon a statistical analysis of the responses. Analysis for the West Yorkshire area is below:



On the left are themes which make the difference between 'not satisfied' and 'satisfied' overall – making a journey 'satisfactory'. On the right are themes which make the difference between 'fairly' and 'very' satisfied overall – making a 'great' journey.

This analysis demonstrates that the key factor for a satisfactory journey experience is timeliness – satisfaction with punctuality and waiting time. Whilst the key to a great journey is the bus driver – the greeting, helpfulness, time to get to a seat, driving style and safety.

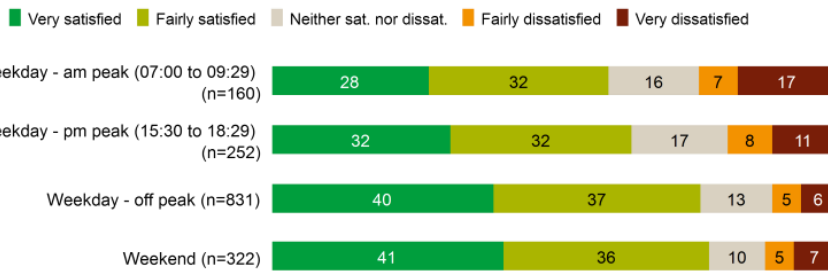
Punctuality and journey time

Buses arriving on time at the stop is the third highest priority for improvement. Passenger satisfaction with punctuality remained fairly stable during this period, although it had fallen from higher figures in 2014 and 2015. Looking in more detail shows distinct differences in satisfaction with waiting time and punctuality at different times of day, with lower satisfaction at peak times compared with off-peak and weekends. This was most marked in the morning peak, with a higher level of dissatisfaction particularly for punctuality with 30 per cent of passengers being fairly or very dissatisfied. Set against higher figures in 2015, this suggested increasing pressure from congestion.

Waiting waiting time and punctuality by travel time

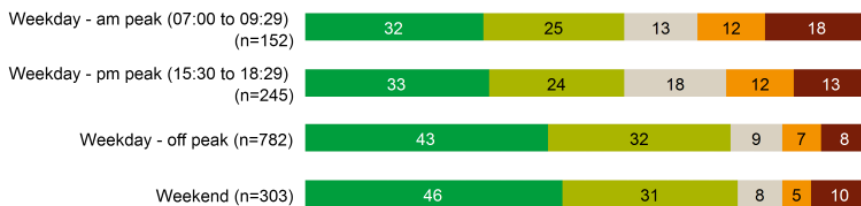


Satisfaction with waiting time



Filter: Hierarchical Filter = West Yorkshire - Year = 2019

Satisfaction with punctuality



Filter: Hierarchical Filter = West Yorkshire - Year = 2019

. How satisfied were you with the following at the bus stop: A) The length of time you had to wait for the bus; B) The punctuality of the bus.

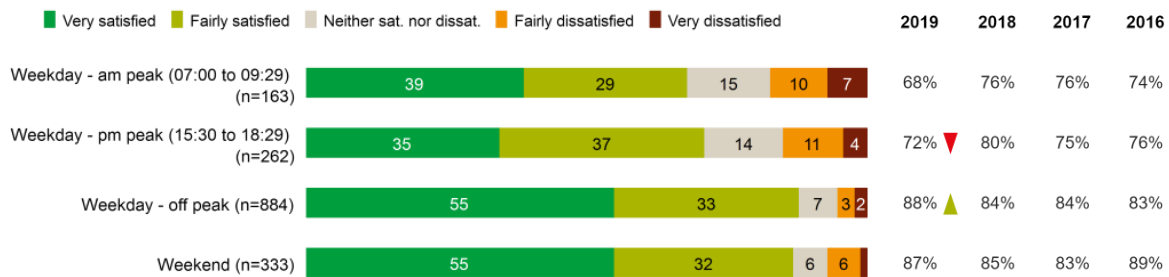
Passenger satisfaction with journey time showed some relative stability over this period, and slightly higher than satisfaction with punctuality. However looking at different times of day, the figures for 2019 show a significant drop in satisfaction in the peak periods and increase in off-peak satisfaction. Passengers told us that congestion was the main contributing factor to the length of time the journey took.

On the bus journey time by travel time



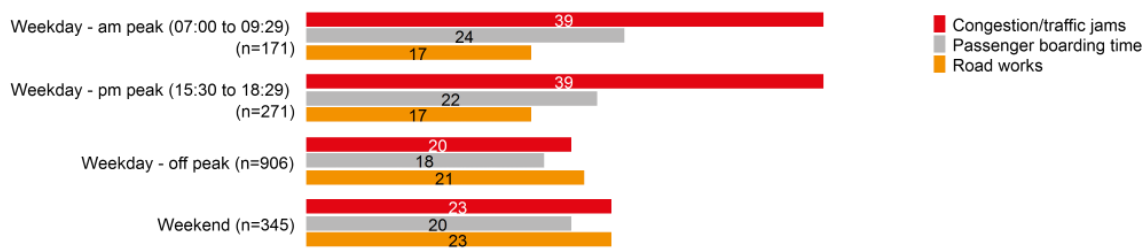
Satisfaction with on-bus journey time

Total very and fairly satisfied



Filter: Hierarchical Filter = West Yorkshire - Year = 2019

What affected journey time?



Filter: Hierarchical Filter = West Yorkshire - Year = 2019

. How satisfied were you with the length of time your journey took
 .Was the length of time your journey took affected by any of the following note: multiple responses permitted

Value for money

Passengers judge value for money against a range of aspects, especially core service elements, that the service delivers in return for the price of their ticket. Passenger satisfaction with value for money remained low throughout this period.

Post-pandemic, our national research into measures for getting passengers back on buses² looked into priorities for encouraging those who have reduced their bus travel to use the bus more. This found that value for money is towards the top of the priority order for those aged 20 to 64, who are most likely to be fare payers.

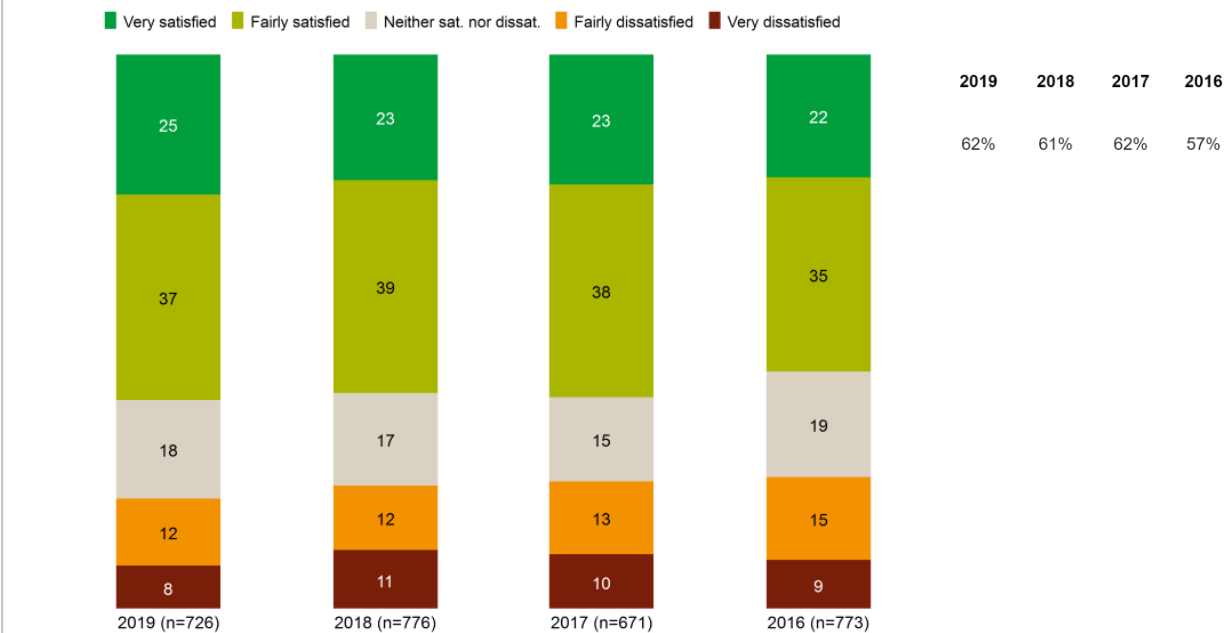
The findings continue to show that ticket discounts and special offers will encourage a large share of lapsed users to use the bus more than now, especially the younger ones. Half of lapsed users agreed that special ticket offers would encourage them to use the bus more and a third agreed that they would return to using the bus sooner if their first trip were at a reduced price. This shows value for money being a strong factor for lapsed and non-users, with measures such as 'Mayors fares' being a good initiative in helping to address poor satisfaction and to encourage patronage growth.

² [The route ahead: getting passengers back on buses](#). Transport Focus. June 2021

Overall experience satisfaction with value for money (F) trend over time



West Yorkshire



Total very and fairly satisfied

Year	2019	2018	2017	2016
Percentage	62%	61%	62%	57%

Filter: Hierarchical Filter = West Yorkshire

. How satisfied were you with the value for money of your journey
Base: Fare-payers only

Bus passenger priorities for improvement

Passengers across the country were asked to rank a series of possible improvements to their bus service in order of priority. As well as getting the rank order of priorities, the research³ also gives a sense of relativity – in other words how much more, or less, important is one factor compared to another. The table below shows the relative scores for the different aspects of service and their order of importance nationally and in West Yorkshire. From this we can see that frequency, punctuality, the network and value for money are particularly high priorities. Differences can also be seen against the overall rankings, with passengers in West Yorkshire placing higher importance for aspects including more stops with shelters and seats, more audio-visual next stop announcements and more widely available free wi-fi.

³ [Bus passenger priorities for improvement](#). Transport Focus. September 2020

	West Yorkshire Rank	West Yorkshire importance scores	Overall (all areas) rank	Overall Importance Scores (all areas)	Difference in scores
Buses running more often than they do now	1	255	1	259	-4
More buses arriving on time at your bus stop	2	242	3	237	+5
Buses going to more places you want them to	3	224	2	245	-22
Better value for money from bus journeys	4	222	4	215	+7
More journeys on buses running to time	5	216	5	212	+4
More effort made to tackle any anti-social behaviour	6	158	6	156	+2
Faster journey times	7	149	7	142	+7
More bus stops with next bus displays	8	107	8	112	-5
Better quality information at bus stops	9	84	9	85	-1
More bus stops having shelters/seats	10	80	13	77	+4
Cleaner and better maintained buses	11	78	12	80	-1
Drivers allowing more time for passengers to get to their seats	12	77	11	82	-4
More space for wheelchairs and buggies	13	77	10	82	-5
Being told of delays whilst on board	14	76	14	70	+5
Free Wi-Fi more widely available	15	74	17	69	+5
More tickets which allow travel on all local buses	16	72	15	70	+2
More audio-visual announcements of which stop is next	17	70	21	65	+5
More apps showing live arrival/running times	18	69	16	69	-0
Improved ventilation and temperature control	19	65	19	68	-3
More buses accepting contactless/smartcard or mobile to pay fares	20	65	25	59	+6
More comfortable seats	21	65	18	69	-4
Drivers showing more consideration for passengers	22	63	20	65	-2
Better safety/security at bus stops	23	62	23	62	-0
More personal space (whether seated or standing)	24	62	22	64	-2
Improved route number/destinations shown on buses	25	60	26	57	+3
A smoother ride with less sudden braking or jolting	26	59	24	61	-2
A more suitable range of tickets for how and when you use buses	27	56	27	52	+4
Making it easier to step onto and off of buses	28	47	28	49	-3
Drivers communicating better with passengers	29	41	29	41	-1
Better maintained bus stops	30	27	30	26	+1

Non-users' priorities for improvement

All ages

Aspect of bus service	Overall Importance Scores (all ages all areas)
Buses going to more places people want them to	302
Better value for money from bus journeys	217
Buses running more often than they do now	209
More bus services running on time	169
Buses stops closer to home/destination	158
Faster journey times	157
More effort made to tackle anti-social behaviour on buses	125
Live bus times available on a smartphone	86
Buses running earlier/later in the day	83
Paying fares by mobile/contactless card	57
Easier to get info on bus routes and timetables	50
More comfort on buses	47
Cleaner buses	44
Drivers showing more consideration to passengers	41
Easier to get onto and off buses	40
Easier to get fares information	38
Special fares for teenagers	28
More technology on board (Wifi and charging)	25
Bus companies getting more involved in the local area	25

Ages 20-34

Aspect of bus service (all areas)	Rank age 20-34	Importance Scores age 20-34	All ages rank	All ages importance Scores	Difference
Buses going to more places people want them to	1	266	1	302	-36
Better value for money from bus journeys	2	227	2	217	10
Buses running more often than they do now	3	199	3	209	-11
Faster journey times	4	178	6	157	21
More bus services running on time	5	178	4	169	9
More effort made to tackle anti-social behaviour on buses	6	123	7	125	-2
Buses stops closer to home/destination	7	119	5	158	-39
Live bus times available on a smartphone	8	116	8	86	30
Buses running earlier/later in the day	9	88	9	83	5
Paying fares by mobile/contactless card	10	76	10	57	19
Easier to get info on bus routes and timetables	11	54	11	50	4
Cleaner buses	12	47	13	44	2
More comfort on buses	13	46	12	47	-1
Easier to get fares information	14	40	16	38	2
Drivers showing more consideration to passengers	15	37	14	41	-4
Easier to get onto and off buses	16	32	15	40	-7
More technology on board (Wifi and charging)	17	29	18	25	4
Bus companies getting more involved in the local area	18	23	19	25	-2
Special fares for teenagers	19	22	17	28	-6

Bus passenger trust

In 2016, we researched⁴ the levels of trust passengers have with the bus company they mainly use. This showed attitudes in West Yorkshire were broadly similar to the overall picture. Overall scores were not particularly high, especially for aspects such as providing value for money, caring about their place in the local community, doing the best when things don't run to plan, appreciating passengers, caring what passengers think about the service and welcoming contact from passengers. However, bus drivers scored positively for being considerate. In West Yorkshire, the biggest negative difference was for providing good value for money, drivers who care about the standard of their driving, doing their best for you when services don't run to plan and caring what passengers think of their service. Making it easy for you to stay up to date with timetables and fares was the only element with a positive difference. The relative importance that passengers give to each matter are set out in the second table, with the following chart combining the levels of trust with their importance.

Whilst we understand that the picture may have changed since this research, the key finding is that the better the operator runs the service, the higher the levels of trust generated. Being unreliable or inconsistent has a large detrimental impact on levels of trust. Trust is the base level that must be achieved before a relationship can be built up between passengers and operators. However, it is the more emotionally engaging factors that build real affinity. This includes things like staff going the extra mile, and feeling like the company really does care what happens to you.

Agreement levels

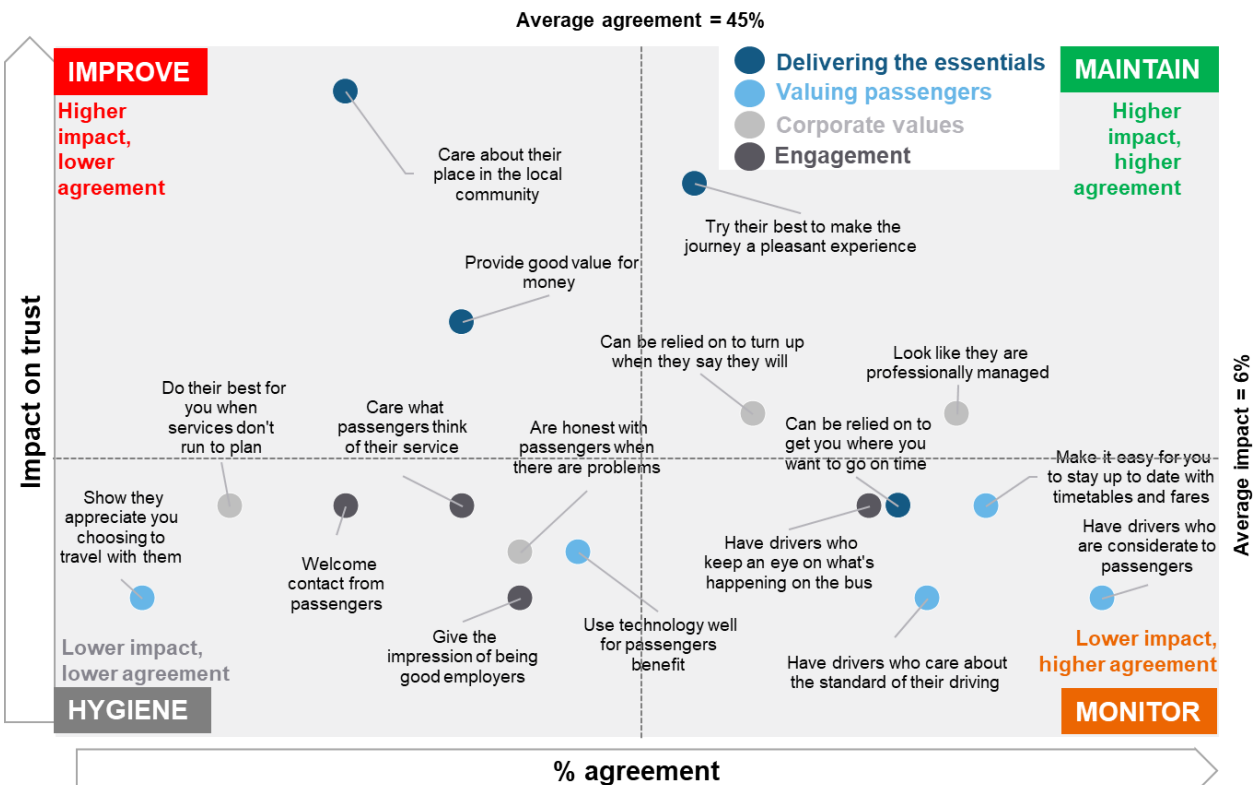
	Overall	West Yorkshire
Delivering the essentials		
Can be relied on to get you where you want to go on time	56%	54%
Can be relied on to turn up when they say they will	52%	49%
Try their best to make the journey a pleasant experience	51%	47%
Provide good value for money	44%	39%
Identity/organisation		
Look like they are professionally managed	57%	56%
Give the impression of being good employers	42%	41%
Are honest with passengers when there are problems	44%	41%
Care about their place in the local community	39%	35%
Valuing passengers		
Have drivers who care about the standard of their driving	60%	55%
Have drivers who are considerate to passengers	63%	61%
Have drivers who keep an eye on what's happening on the bus	56%	53%
Do their best for you when services don't run to plan	36%	31%
Show they appreciate you choosing to travel with them	30%	28%
Engagement		
Make it easy for you to stay up to date with timetables and fares	53%	57%
Care what passengers think of their service	44%	39%
Use technology well for passengers benefit	44%	43%
Welcome contact from passengers	38%	35%

⁴ [Bus passengers have their say: Trust, what to improve and using buses more](#). Transport Focus. March 2016

Trust impact

	Overall	West Yorkshire
Delivering the essentials	36%	34%
Can be relied on to get you where you want to go on time	11%	5%
Can be relied on to turn up when they say they will	9%	7%
Try their best to make the journey a pleasant experience	6%	12%
Provide good value for money	10%	9%
Identity/organisation	28%	28%
Look like they are professionally managed	11%	7%
Give the impression of being good employers	6%	3%
Are honest with passengers when there are problems	4%	4%
Care about their place in the local community	7%	14%
Valuing passengers	19%	20%
Have drivers who care about the standard of their driving	3%	3%
Have drivers who are considerate to passengers	4%	3%
Have drivers who keep an eye on what's happening on the bus	3%	5%
Do their best for you when services don't run to plan	4%	5%
Show they appreciate you choosing to travel with them	5%	3%
Engagement	17%	18%
Make it easy for you to stay up to date with timetables and fares	3%	5%
Care what passengers think of their service	7%	5%
Use technology well for passengers benefit	3%	4%
Welcome contact from passengers	4%	5%

Priority matrix for improving bus company trust: West Yorks bus users



Barriers to using buses more

It is even more important to understand the barriers to making more journeys by bus – what is it that actually prevents people from doing so. Our research⁵ shows that for non-users in general the main reasons are very practical: along with a preference for the car and its relative convenience, their perception is that bus journeys take too long (26 per cent), buses don't run where or when they want them to (25 per cent) and they are too unreliable (18 per cent).

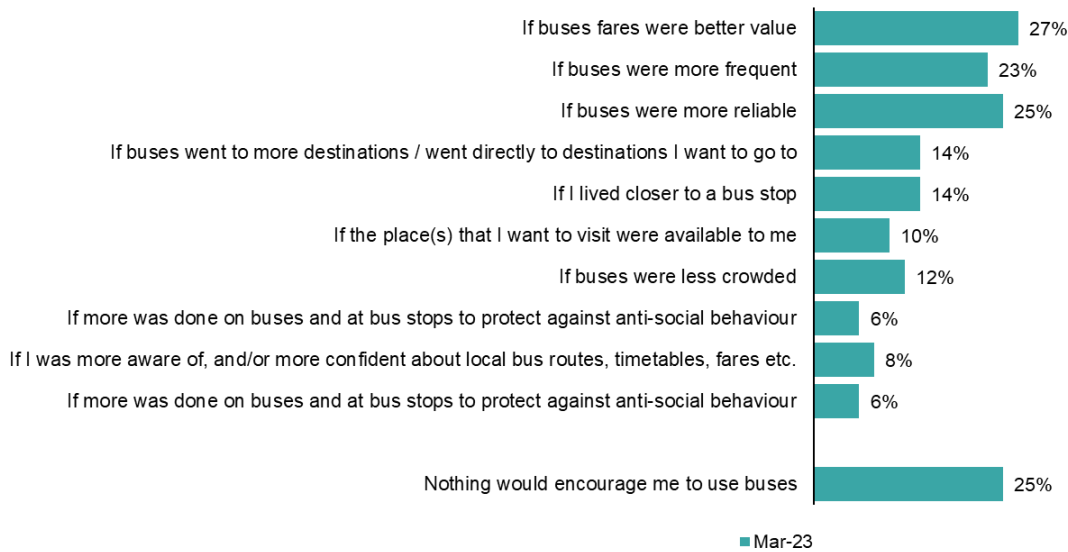
Which of the following reasons best describes why you do not use local buses? (Top 12)



This work also shows the measures that would encourage more bus use. Better value fares, and more frequent and reliable services would encourage former users to use the bus once again. The chart below shows opinions of those who do not currently use buses but used to.

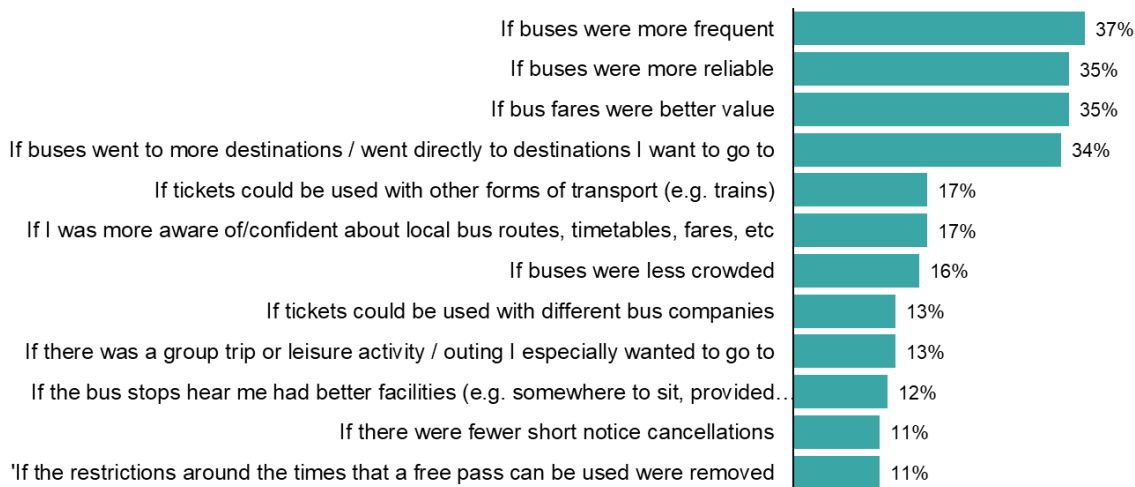
⁵ [Motivations and barriers to bus use](#). Transport Focus. June 2023

Which five of the following would encourage you to use your local bus service once again? (Top 12)
All those who do not use buses but used to



Improved frequency, reliability and value for money would encourage those using the bus less frequently to do so more, along with going to more places. The chart below shows measures for those who are currently using buses less frequently than they did a year ago.

Which five reasons would most encourage you to use buses more in future? (Top 12)



Network stability

We know from the BPS⁶ results that one in five passengers in West Yorkshire do not check timetable information, so are potentially caught out when services do change, which together with the major work required to update information at bus stops, are big issues that will require addressing.

⁶ [Bus Passenger Survey](#). Transport Focus

Leading out whether passengers checked bus arrival times



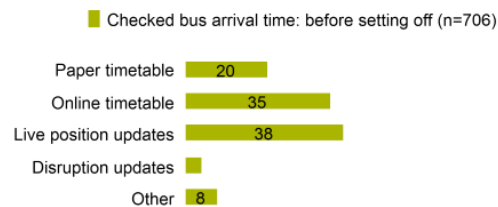
Passengers checking bus arrival times (%)

1 results



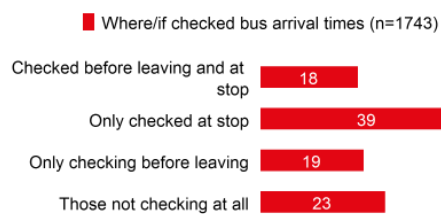
Filter: Hierarchical Filter = West Yorkshire - Year = 2019

What checked % of all those checking beforehand

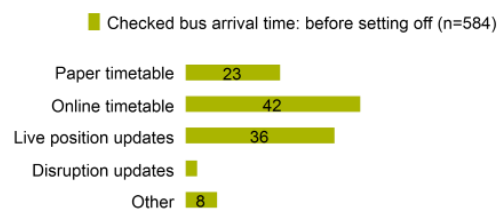


Filter: Hierarchical Filter = West Yorkshire - Year = 2019

1 results for reference



Filter: Hierarchical Filter = West Yorkshire - Year = 2018



Filter: Hierarchical Filter = West Yorkshire - Year = 2018

. Did you check any of the following to find out when the bus was meant to arrive

It is clear from our research that the 'core product' is very important to passengers – the essence being that they have a stable service that they can depend on. This stability takes two forms: the reliability of the actual services themselves and the frequency with which timetables can be chopped and changed.

Bus priority measures will be instrumental in increasing reliability. It will be important, however, that these measures are enforced/'policed', or else the potential benefits to passengers risk being diluted. We would also ask what steps will be taken to co-ordinate feeder routes into the core area to ensure that end-to-end journeys are equally reliable.

In our Bus Service Changes report⁷ we drew attention to passengers' attitudes to service changes. Two-thirds did not think it acceptable to make changes to bus services more than twice a year and more than six out of ten (62 per cent) wanted to be given at least four weeks' notice of major changes. Our research also showed that the best place to inform passengers of changes is at the bus stop itself: 75 per cent of passengers wanted information at the bus stop, 61 per cent wanted it on board. This research was carried out in 2010 and we accept that passengers' expectations and preferences may have developed in the intervening period – however, the importance of information at bus stops should not be underestimated.

Limiting timetable changes to agreed dates and sufficient providing notice of registration changes are important. So too is restricting the number of times a specific service can be changed in a given period – to avoid the impression of a service constantly being 'tinkered' with – alongside a clear process for consulting with and informing passengers of changes.

⁷ [Bus Service Changes](#). Passenger Focus. September 2010

We have also reported on the impact on passengers of cuts to rural services. In ‘Bus service reductions – the impact on passengers’⁸ we identified four main impacts:

- Passengers could not travel like they used to: they made fewer discretionary trips
- Dependency on others increased: awkwardness to ask for lifts and their travel plans now being contingent on others
- Sometimes the passenger paid instead: passengers bore some of the costs by using taxis or other paid means of transport
- Lack of spontaneity: fewer services on fewer days reduced the opportunity to decide on the day to go out.

Our research⁹ shows a desire from passengers that punctuality and reliability figures are made public. It found that passengers should have access to information about the performance of their bus services and to key actions being taken by operators and local authorities to improve this. The research indicates that publishing this information is regarded as a right in principle and is good for trust because ‘it helps keeps the industry honest’. This was the case even if individuals had little personal appetite in seeking it out – the fact that others are looking at it can often be enough.

Given the importance of punctuality we also conducted further work to build a better understanding about when, where and why buses are delayed and what can be done to help them run on time¹⁰. Our case studies highlighted the challenge of setting timetables to reflect variable patterns of traffic and patronage and threw up a number of recurrent reasons for delays, including traffic and parking, boarding and alighting, inadequate recovery time between services and perhaps most surprisingly, exiting bus stations. This also highlighted the need for robust and consistent monitoring of services.

Simplified and integrated fares

Better value for money is one of passengers’ highest priorities for improvement. It is also linked to getting a punctual, reliable service and a seat in return for payment. Our research¹¹ has found that passengers often have poor information on fares and ticketing and types of tickets, often relying on word of mouth or the bus driver. Younger passengers have distinct needs relying heavily on bus travel. They require service flexibility but also resent paying adult fares. Smart ticketing can help with some of these issues. New arrangements should:

- Provide a central source of pre-journey information on fares, ticket types (including smart ticket availability) and bus routes
- Identify specific policies for 16-18 year olds, such as the range of tickets and price.

Our report on bus passenger views on value for money¹² looked in more depth at what had the biggest influence on value for money perception and, importantly, what might help to improve things. The key findings again emphasise the ‘core’ product. When passengers buy a ticket, they expect a punctual, reliable service and a seat in return. Focusing on performance should further improve perceptions of value for money.

Better access to information on fares and ticketing is also essential. Passengers often relied on word of mouth and the bus driver for information on times, routes and fares. All of which begs the question of how much business is lost because potential passengers simply don’t know how to use the bus or because people can’t find the ideal ticket for their needs. It also found that many passengers didn’t realise what ticket types existed, how they could buy them or where they could

⁸ [Bus service reductions – the impact on passengers](#) Passenger Focus. September 2012

⁹ [What’s the holdup Exploring bus service punctuality](#). Passenger Focus. December 2014

¹⁰ [How late is late – What bus passengers think about punctuality and timetables](#). Passenger Focus. January 2014

¹¹ [Bus passenger views on value for money](#). Passenger Focus. October 2013

¹² [Bus passenger views on value for money](#). Passenger Focus. October 2013

find out the information they needed. The research found a very strong desire for more centralised sources of information, for example, websites, apps and notices on the bus.

Younger passengers also have very distinct needs. They rely on buses, need more flexibility (to balance work, education and seeing friends) and often take journeys spontaneously. They also resent paying adult fares when they are still at school/college or on low (or no) incomes. They want this reflected in the fares that they pay – with adult fares only kicking in from 18 onwards.

There have been considerable developments in the use of smart ticketing. Our research on smart ticketing^{13 14} demonstrates passenger support for new forms of ticketing – in particular in having to avoid carrying the ‘exact change’ and in reducing the time it takes to pay. It also shows a desire/expectation that smart ticketing facilitates the introduction of new types of tickets – indeed this was felt to be essential to encourage uptake. Will passengers switch from a paper ticket to a plastic version, if the ticket type and cost is the same? We know that one of the key reasons that passengers get a smartcard is that they are able to choose from more flexible types of tickets, which will be better suited to their own travel patterns, so saving money and time. It also stands to reason that facilities and procedures for switching to smart must be easy to use and well explained. Here again, we accept that there have been some significant developments in ticketing since our research was carried out, in particular the introduction of contactless payments.

We would also urge caution when it comes to removing a cash option altogether. There are those who will only travel occasionally and who will not ‘join’ a smartcard scheme or use contactless – it will be important that this doesn’t create a new barrier to travel.

Customer experience

Young people’s experience

Young people use the bus more than any other single group of passengers. Yet despite the importance of bus to younger people we know from our BPS that they are the least satisfied group of passengers. So, for this important group, there is a clear challenge to Government, bus operators and local authorities to make the bus a better experience.

Our research with young people¹⁵ shows they are starting to travel to more places independently but have key concerns. Many of these come from lack of confidence or not understanding ‘the system’ and bring anxieties about ‘getting it right’. The report details key points to address:

- Building confidence – making it stress-free and easy to use, teaching the skills they need, empower and support drivers in their role
- Get the basic service right – young people are put off by poor quality. Focus on the core elements of the journey and ensure consistent reliability
- Engage with them through technology – with a centralised source of information and ticketing and details of fares, discounts and passes widely available. Learn from the successes of other industries and sectors
- Simplify fares, make them consistent and reward loyalty – a young people’s concession, fare deals that are easy to find, with loyalty rewards, more tailored offerings and targeted communication.

People who have a disability

Our analysis of the Bus Passenger Survey shows that almost a quarter of bus journeys are made by those who have a disability. Although the prevalence of disability increased with age, mental health had a high proportion in middle age and in our work with young people, a fifth said they had

¹³ [Smart Ticketing: Oxford SmartZone](#). Passenger Focus. September 2013

¹⁴ [Smart ticketing in Norfolk: what do passengers think](#). Passenger Focus. March 2015

¹⁵ [Using the bus: what young people think](#). Transport Focus. February 2018

a disability, which may be hidden, needing even more support. Those with a disability were generally less satisfied. Key points from their experience:

- Greater dissatisfaction with smoothness of ride and personal safety and security
- More concern about other passengers' behaviour – particularly the younger age groups and in the peak. Those whose disabilities have a higher impact on travel have much higher levels of concern.
- Passengers' comments also highlight the importance of: allowing time to get to seat; lowering access ramps; seats for the disabled being taken by others; and the wheelchair/buggy contention.

Our research in 2021 dug a little deeper into the views and experiences of disabled passengers with members of our Transport User Panel¹⁶. This found that disabled people don't find it as easy to use public transport in their area. 54 per cent of non-disabled respondents said it was very easy, compared with 37 per cent of disabled respondents. A higher proportion of disabled respondents said it was difficult. The reasons they gave included the distance to the bus stop being too far for them to manage and greater complexity for journeys with more than one part.

We also wanted to understand how public transport affects access to work and other opportunities for disabled people. In our panel 26 per cent of disabled passengers agreed that local public transport provision limited their access to employment opportunities compared with 18 per cent of non-disabled panellists. In addition, a significantly higher proportion of disabled panellists reported that public transport limits their ability to go places. This means that they do not use public transport as often as they would like. They would also go to many more places if public transport was easier for them to use.

Q The Strategic Case concludes that the Proposed Franchising Scheme is the best option for the Combined Authority to meet its strategic objectives for bus in the region. Do you have any comments on this?

The objectives set out in section 1.2.1 of the consultation document reflect passengers' concerns: this is a great set of objectives. But that is what they are - objectives. It is suggested that franchising will better enable WYCA to achieve them than other delivery options, such as enhanced partnership. But will you achieve them

The consultation focuses on a largely theoretical model of franchising compared with a largely theoretical model of an enhanced partnership. Neither has been closely defined in terms of what it is expected to deliver. It is up to the current and future Mayors to determine the degree of priority to give to improving bus services and it is up to the various funding bodies to determine how much support to offer. Demand and funding scenarios have been provided, but they do little to clarify the situation. What the bus operators are prepared to offer under an enhanced partnership, beyond the existing partnership, is not yet known, so a comparison has been made with a notional Enhanced Partnership+.

By way of comparison, we note that under their franchising scheme, Greater Manchester is aiming to provide more frequent services – at least every 12 minutes on key orbital and radial routes and a twice hourly service within 400 metres of 90 per cent of the population. People in the most built-up areas of Greater Manchester would have at least five buses per hour within 400 metres of their front door. They also aim to provide 90 per cent of the entire Greater Manchester population with a 30-minute frequency bus or Metrolink service on weekdays within 400 metres of their home. Proposed infrastructure improvements include creating 500 more accessible stops and installing Real Time Customer Information displays at 300 stops to give people greater confidence when travelling.

¹⁶ [Accessible transport: unlocking a better normal](#). Transport Focus. July 2021

Could you please clarify more precisely what standards of service you are expecting to deliver in the West Yorkshire under (a) franchising, and (b) the enhanced partnership+ comparison

From Transport Focus's perspective the key challenge is whether the WYCA's proposal reflects the needs and priorities of both existing and potential passengers. The closer that the specifications and targets reflect people's needs, the better the chance that they will deliver the type of services that people want and value and will draw in new users to grow the market. Transport Focus's research gives good understanding of the expectations and aspirations of transport users against which the proposal can be reviewed. We note that the commercial case includes a performance incentive regime (1.2.3). This is welcome, but to have full confidence that it will enable you to achieve your objectives, we would need more information on the details of this regime, any associated monitoring regime and the process for reviewing performance against targets and modifying services to respond to shortcomings.

Q3 Do you have any comments on the conclusion of the Economic Case that the Proposed Franchising Scheme will offer value for money to the public sector?

It is difficult for Transport Focus to form a judgement, as we are reliant on the information provided. Much will depend on what tangible improvements franchising delivers to local services and this is not entirely clear, as explained in our answer to 2 above.

Q4 The Commercial Case sets out how the Proposed Franchising would be run commercially. Do you have any comments on this?

We have no comments, other than those we made about the performance incentive regime, set out in our answer to 2 above.

Q5 The Financial Case concludes that the Combined Authority could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk. Do you have any comments on this?

Improving local services will cost money, and this could present a challenge when seen against the backdrop of falling patronage which WYCA's Assessment predicts.

We are concerned that there is a risk that fares may have to rise to pay for improvements or cuts to services will be needed if patronage falls, as expected. We note the admission that under all options, and reflective of the Economic Case assumptions of passenger decline, a continual reduction in bus services would be required to account for reducing passenger fares revenue and there would be a need to only spend within the limited funds available to run buses. This is disappointing (see our response to 8 below) and we would urge WYCA to set more ambitious targets for patronage growth.

Having said that, based on your Assessment, we believe one of the 'tests' for the future model is how well it copes with a drop in revenue and its ability to maintain investment and subsidies. To this end it could be argued that the franchising model, with its wider resources and sources of funding, does offer a larger 'safety net' at such time and as a result offers more stability for passengers. In saying this we are talking from a purely passenger perspective – we acknowledge that the risks from a taxpayer perspective are different.

Q6 The management Case sets out how the Combined Authority would manage the Proposed Franchising Scheme. Do you have any comments?

Table 4 in the Assessment management case suggests that complaints handling functions would transfer from the operators to WYCA. However, there is little detail. Your proposal raises a number of questions:

- what assessment have you done of the performance of the bus operators in complaints handling
- what do you see as the advantages of taking over complaints handling and what would be the challenges
- how would appeals be handled
- how would you analyse and use complaints data to improve services

8 in the long questionnaire poses a more detailed question about one particular aspect of the proposal addressed by the management case: “Do you have any comments on the proposals for how the Combined Authority would consult on how well the Proposed Franchising Scheme is working ”

We welcome the proposal that this would include consultation during transition, and implementation, as well as during ongoing operation and in the event of any proposed changes to the scheme.

There is a little more detail in section 5.3 of the Assessment management case, but it is clear that plans are still at a very early stage. In paragraph 5.3.2 it is stated that "the Combined Authority will undertake regular, in depth, consultations both during Transition, as the lotting strategy is being implemented, and once all franchise agreements have been awarded. Consultation planning and implementation is likely to include:

- The identification of stakeholders to be included within the consultation.
- The consultation approach to be adopted (e.g. written surveys, user groups, on-street surveys, focused meetings with individual stakeholders).
- How the outcomes of consultation will be reported on.”

This is a good start. However, we would welcome an opportunity to work with WYCA as more detailed plans are developed. In particular, we would like more explicit confirmation about how passengers and their representatives can have a say in the standards set out in contracts.

Q7 The Combined Authority’s draft Equality Impact Assessment identifies the potential impact of the Proposed Franchising Scheme on persons with protected characteristics. Do you have any comments on it?

Section 3 of the draft Equality Impact Assessment (analysis of the evidence) indicates that franchising would give control of decisions to WYCA. However, how the Combined Authority would use this control for the benefit of persons with protected characteristics has yet to be determined. The commitment to further consultation with protected groups is welcome.

Action to make bus services more accessible should be closely defined. In Greater Manchester, new buses are to be rolled out across the network over the next few years. They will be fully inclusive, with two wheelchair bays, hearing induction loops, audio and visual announcement systems and anti-slip flooring. The existing bus fleet will also continue to be properly equipped under a comprehensive renewal programme.

Q Overall, to what extent do you support or oppose the introduction of the Proposed Franchising Scheme? Why do you say this?

Transport Focus agrees that the proposed franchising scheme could deliver benefits for passengers although the test will be in assessing the delivery of resulting services.

It would seem to provide additional flexibility when specifying routes and times and through this help address 'gaps' in the network that impact on existing users and act as a barrier to new users.

Franchising would also seem to provide the most flexibility when it comes to providing a simplified and integrated fares and ticketing structure – another key passenger aspiration.

The franchising proposal could also deliver benefits when it comes to customer experience – though we acknowledge that some of these could also be provided through the partnership options. The chief benefit of franchising in this regard would be the opportunity of setting a consistent set of standards across all routes and services. It could also facilitate a more unified real-time passenger information service.

However, it is less clear how proposals will influence the key drivers of satisfaction in tackling punctuality and reliability. People see transport as a public service and an enabler for supporting personal mobility. The scheme needs to include robust measures for providing the reassurance of consistently reliable and punctual journeys across modes and from door to door, to be able to deliver an attractive network that fosters growth and trust.

The expected decline in bus patronage set out in the Assessment under all models – franchising, an enhanced partnership+, and the reference case – comes as something of a shock. Table 6 in the Economic Case (page 72) shows passenger journeys under franchising falling to 66 million per annum by 2041/42, compared with 64 million for EP+ and 57 million for the reference case, from around 100 million today.

By way of comparison, a new Bus Strategy in Greater Manchester Combined Authority (GMCA) sets out an ambition for a 30 per cent increase in bus patronage by 2030. Could you please explain why you are expecting such a steep decline in patronage over the next 20 years and why franchising appears to make relatively little difference to this decline when compared with the forecasts under an enhanced partnership+ and the reference case

We can see how the proposed franchising scheme presents opportunities and flexibilities to improve local bus services which are not available through other delivery models. We would like to believe that franchising can have a transformative effect on local bus services in West Yorkshire. We are not yet convinced by the evidence presented in your documentation that this will be the case – the forecast drop in bus patronage set out in your Assessment suggests otherwise.

We also have concerns about the transition period and prospect for further network deterioration, that raise questions about how opportunities to support service provision and modal shift towards an attractive network that promotes growth can best be taken.

Q Are there any changes that you think would improve the Proposed Franchising Scheme?

No.

Q1 Do you have any further comments?

Franchising would give WYCA more control over bus services, and provide some opportunity for enhanced public accountability at the ballot box. We welcome the plan to consult users on how well franchising is working. However, a key question for Transport Focus is how will passengers be given more say than they have currently and would have under an enhanced partnership. For example, what mechanisms will there be to enable passengers to comment on the network of routes and frequencies and service standards and feed into the broad content of contracts. Without understanding these in more detail, are consultees being invited to sign a blank cheque?

Transport Focus has been represented on the West Yorkshire Bus Alliance for many years and we would be keen to discuss how we could continue to play a 'critical friend' role, to strongly articulate the passenger voice, should a franchising scheme be made. We would be happy to continue to advise WYCA on monitoring of your bus passenger charter and any revisions to it. More widely, we would be happy to advise WYCA on the best ways of capturing the voice of local passengers and non-users as well as commenting directly on behalf of passengers on detailed proposals to improve local bus services.

Conclusion

If properly funded and more closely defined, the proposed scheme has the potential to improve the bus journey experience, making local bus services more attractive to users and non-users and raising satisfaction levels. Transport Focus's research can prioritise the improvements that are important to passengers and thus realise that potential.

There is much in the proposed scheme that aligns with the needs and aspirations of transport users in West Yorkshire. It focuses on many of the outputs that matter to passengers. We would, however, like to see more clarity about what will be delivered. The Enhanced Partnership+ could also potentially deliver some, but not all of the improvements passengers want to see.

We would like to believe that franchising can have a transformative effect on local bus services in West Yorkshire. We are not yet convinced by the evidence presented in your documentation that this will be the case – the forecast drop in bus patronage set out in your Assessment suggests otherwise.

The acid test for the proposal will be what benefits it will bring to passengers and how it will improve the delivery of services. The ten actions to benefit passengers, set out in Appendix 1, represent a checklist for assessing how the proposed scheme specifications and targets measure up to what passengers want and need.

We will be pleased to discuss the points raised in our submission in greater detail and to work with WYCA to support and underpin passengers' interests.

January 4

Transport Focus, 7th Floor Piccadilly Gate, Store Street, Manchester, M1 2WD
www.transportfocus.org.uk

Ten actions to benefit passengers

1. Improving punctuality and reliability

Bus passengers rank punctuality and running on time highly as priorities for improvement. Lateness of a bus arriving at a stop to start the journey causes more anxiety than a bus arriving late at the destination. Passengers can tolerate the arrival at the bus stop of departure up to five minutes late. After that satisfaction with punctuality decreases markedly, and again after 10 minutes. The new arrangements should:

- Have clear punctuality targets
- Targets for improving average bus journey speeds
- Include a statement on monitoring performance and publishing data.

2. Ensuring frequency and stability of bus times

Alongside punctuality, passengers want to know that the timetable doesn't change too frequently. Our research found that passengers did not think it was acceptable to make changes to services more than twice a year and more than six out of ten wanted to be given at least four weeks' notice of a major change. The new arrangements should ensure:

- There are minimal changes to timetables
- There is a clear process for consulting and informing passengers of changes.

3. Building trust, engagement and consultation

Buses need to run on time, be reliable, deal well with disruption and offer value for money. Our research shows that building a relationship with passengers helps build loyalty and repeated use of services. Passengers should feel that the company really cares about what happens to them, especially during disruption, and is not remote and aloof. Drivers have an important role in showing empathy and care (see 7 below). The new arrangements should require operators to produce a passenger engagement strategy.

4. Monitoring passenger satisfaction to make improvements

It is important for operators and authorities to research (quantitatively and qualitatively) how satisfied passengers are with services both on the bus and at the stop. Transport Focus's *Your Bus Journey* survey provides such an independent assessment which could be used providing vital feedback on critical factors such as punctuality and cleanliness. New arrangements should establish targets for service quality, how they will be measured and results published.

5. Passenger information in real-time

Real-time information displays are valuable in indicating to passengers when their bus will arrive, so reducing stress and anxiety and enabling them to make alternative plans when things go wrong.

The Bus Services Act has made more data available for public use, so new arrangements should set out, through an action plan, how real-time customer information will be provided – especially at bus stops and through developing apps.

6. Improving fares and ticketing

Better value for money is one of passengers' highest priorities for improvement. It is also linked to getting a punctual, reliable service and a seat in return for payment. Our research has found that passengers often have poor information on fares and ticketing and types of tickets, often relying on word of mouth or the bus driver. Younger passengers have distinct needs relying heavily on bus travel. They require service flexibility but also resent paying adult fares. Smart ticketing can help with some of these issues and the new arrangements should:

- Provide a central source of pre-journey information on fares, ticket types (including smart ticket availability) and bus routes
- Identify specific policies for 16-18 year olds, such as the range of tickets and price.

7. Boosting the role of bus drivers

They are the ‘face of the company’ providing the main contact with passengers. For a good passenger experience, they should provide a pleasant and professional service whether by providing information on disruption, delays, or ticket types, or settling disputes. Their role is essential. The new arrangements should therefore:

- Set standards of behaviour for drivers
- Provide training courses programmes that include customer service.

. Customer care and satisfaction

Despite the best intentions, things will go wrong from time to time. An effective complaints system makes it easy for passengers to know who to contact and a range of ways to do so; has efficient handling systems; and uses the resulting data to make improvements. The new arrangements should set out

- Clear complaint handling processes and lines of responsibility
- How contact details will be publicised
- What response times will be and how they will be reported upon
- Clear guidance on where, when and how compensation will be offered.

. Improving personal security

This features in our research both on the bus and at the stop, particularly for those with disabilities. The new arrangements should ensure that partners work together to deal with anti-social behaviour and that security is included in design guidelines for buses and stops.

1 . Encouraging non and infrequent users

Our research shows why current non-users don’t use the bus: poor punctuality, failure to provide services when people want to travel (such as for work or a night out), length of journey and not knowing ‘the system’. We found that 28 per cent of non-users would support a bus service. Therefore, operators should produce a strategy for boosting bus use.

Better Buses for West Yorkshire

Consultation Response

Trades Union Congress North East, Yorkshire and Humber

Tens of thousands of working people use buses every day. They represent our ability to get to work, to see loved ones, and to access vital services.

They provide employment for countless bus drivers, office staff and engineers, jobs in the bus building industry, fitting, maintenance, and a supply chain that represents jobs and livelihoods for entire communities.

This consultation's financial case highlights that full franchising vastly strengthens West Yorkshire's ability to improve the network, providing the instruments and infrastructure to seize the opportunities of a better transport system.

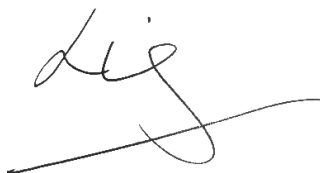
On the other hand, market-based solutions to bus services have been failing us now for four decades. Bus usage has been falling, with a negative impact on congestion, air quality and the West Yorkshire economy.

Working people cannot afford for this to continue. In this response, we at the TUC highlight the risks associated with insufficiently radical and extensive solutions to serious and extensive problems.

An Enhanced Partnership+ could fail to meaningfully enhance bus services, wasting funding while bus usage continues to decline. A failed EP+ also risks creating disillusionment with bus services and potential for positive change, making future improvement impossible.

Buses are vital to achieving a sustainable future, and a just transition towards a zero-carbon economy that meets the challenge of the climate emergency, leaving no worker behind.

We support the conclusion that franchising is the better option for bus services in West Yorkshire – for the environment, for passengers, and for working people.



Liz Blackshaw
Regional Secretary
TUC North East, Yorkshire and Humber

The challenge: public transport in decline

Market-based solutions will always fail to meet the challenge of a modern, integrated transport network.

The decline of bus services in the UK, particularly outside London, reflects the stark disconnect between Westminster politics and the needs of people in the north of England, including West Yorkshire.

While London [enjoys the benefits](#) of a publicly controlled, integrated bus service, other regions have had their public transport open to market forces.

This means that English regions have lacked the capacity for proper investment, strategic direction, or the infrastructure to support it. Since Margaret Thatcher's era of bus deregulation, the number of bus journeys in the UK, excluding Greater London, has been in decline.

Privatisation was supposed to be a plan for increasing competition, and therefore improving services. However, like so many examples of such privatisation, this has led to a significant drop in services – in this case ridership – with a [more than 50% decline](#) since the 1980s. Car ownership has risen in response.

There is a clear precedent for an alternative: in contrast, London's regulated system has thrived, seeing ridership double in the same period.

The inadequacy of the current system is further evidenced by the shrinking of bus networks in many regions, especially post-Covid, by up to half. Less profitable routes have been cut and subsidies reduced [due to government underfunding](#).

In West Yorkshire, this has resulted in bus companies cutting schedules as fine as possible, resulting in overcrowding at peak times and putting off potential bus passengers, further driving down public transport use.

The TUC's member unions have told us that at peak times, bus workers now regularly receive abuse from potential passengers who intend to travel, but are unable to board a bus when it



arrives. Frontline workers are effectively being forced to deal with the consequences of the current system, and incompetence from their management at the private operators.

Years of profit-seeking by these operating companies has led to a decline in drivers' real pay and conditions, sparking a retention crisis and affecting service delivery.

Comparatively, public control in European cities often includes diverse representation on transport boards, including trade unions representing workers.

This model fundamentally contrasts with the UK's approach, where such committees often lack any worker or diverse representation. The opportunity for a collaborative approach with trade unions has been rejected time and time again, and as a result, opportunities for improvement have been squandered.

Meeting West Yorkshire's objectives

Setting out the benefits of a franchised bus service run in the interests of working people in West Yorkshire.

The consultation document sets out key benefits and risks to both franchising and the EP+ model. However, some important benefits to a fully franchised, publicly controlled bus network have been missed or understated – especially those that are less quantifiable like building public trust and confidence.

A strong economic case

Bus franchising provides the opportunity for the greatest possible level of public control and strategic direction for West Yorkshire's buses.

In the medium term, that means a franchised service will allow the authority to focus on improved public transport access to Housing, Employment, Education, Healthcare, and Leisure.

It will mean the ability to take a longer view – where bus routes might previously have been limited by the exigencies of running the most profitable service, wider public need would be considered. Over time, this can lead to greater trust and confidence in bus services, increasing ridership and progressively improving the cost-benefit of the network as a whole.



It is the TUC's view that the consultation document is too pessimistic in its view that franchised services would only help stem the decline in bus journeys: The example of London's franchised system is that a well-run, publicly accountable bus service can lead to an uptake in ridership, and the opportunity for expanding services further.

Those further improvements, through even greater public transport access, could build momentum towards further economic growth and provide the basis for mutually reinforcing positive change.

The consultation document already sets out a detailed economic appraisal for West Yorkshire demonstrating that franchising has the potential to provide major economic

benefits compared to EP+, translating to a service that provides excellent value for public money.

We strongly agree with this conclusion, particularly that a well-supported bus network that is accessible and enjoyable to ride will bring major economic benefits to the region that are currently difficult to quantify. These will, without doubt, make West Yorkshire a better place to live and work.

Tackling the climate emergency

The TUC is [committed to a just transition](#), for worker-friendly climate action that protects the planet and future-proofs jobs.

Better public transport is a key component of this approach: particularly in securing investment in future-proofed infrastructure, industries, and jobs.

In this context, success will mean converting as many potential car and van journeys to public transport. Emissions produced by one bus for the equivalent number of cars is very significantly lower, and across a whole network, the potential climate benefit is very substantial.



For example, [latest DEFRA figures](#) show that over 100km, average diesel and petrol cars release 17 and 16 kilograms of CO₂e (carbon dioxide equivalent). Per bus passenger, that falls to 11kg CO₂e. For London buses, which have had the benefit of franchising and public investment into more sustainable hybrid, electric and hydrogen vehicles, the figure falls to just 7kg per passenger.

Therefore, even utilising West Yorkshire's current stock of more polluting buses, a popular and integrated bus network would significantly reduce the region's contribution to the climate emergency and reduce instances of respiratory diseases. With the potential benefit of investment in bus fleet and infrastructure that franchising provides, we have the opportunity to multiply that positive change.

The consultation document clearly states that franchising would be a better option than EP+ for ensuring a higher number of journeys are taken by bus, whether this is through stemming decline, or the TUC's view, which is that that decline could be reversed.

It is *prima facie* the case that franchising is therefore a better option for the environment.

Trade unions and workers **are also ready** to play an active role in a just transition: helping their organisations make sustainable change, cutting emissions and protecting the environment. However, private bus operators do not take advantage of the potential for a collaborative approach.

West Yorkshire could only pursue this advantage through franchising, providing a direct relationship with bus workers that could inform and improve our response to the climate crisis.

Additionally, franchising would lead to greater control of infrastructure and supply chains, including a say in the procurement process. There will be countless opportunities here to put the focus on greener and more sustainable delivery that is not currently quantified in the consultation document.

What's more, good public procurement can contribute to a just transition that ensures the highest standards of working conditions and decent pay for workers who service the bus industry. It is vital that new green jobs are also good jobs, and only franchising provides West Yorkshire with the levers to achieve this.

Enabling safe, inclusive transport

There are three key benefits we would highlight to a fully franchised bus network in terms of creating opportunities for safer, open, and inclusive transport:

- The opportunity for safety interventions on public transport. One noted problem with public transport is the potential for negative social interaction between passengers, particularly discrimination or gender-based violence/harassment.

Tackling this issue requires social, cultural and political change, and the opportunity of a franchised system would be greater capacity to run strategic campaigns to achieve this. It would also mean greater control over policing and security arrangements on buses compared to EP+.

For example, in Greater Manchester, it has been planned to re-introduce the role of bus ticket inspectors. Apart from ensuring fares are paid, inspectors provide a physical presence that has the potential to deter anti-social behaviour and sexual violence/harassment. The role of ticket inspectors has completely diminished under the current deregulated system, resulting in a negative impact on passenger safety and customer service. Only franchising would provide West Yorkshire with the opportunity to re-introduce these vital public-sector roles that would help eliminate

discrimination or gender-based violence/harassment on the bus network.

- Franchising means greater control over the bus fleet, procedures for drivers and the provision of bus stations. This provides the opportunity for greater inclusivity for disabled passengers and workers, ensuring appropriate adaptations can be made and that the network can draw from the widest range of talent to deliver the best possible service.
- Greater control over fares and pricing would necessarily make for a more inclusive bus network, where lower fares would mean a greater level of access for working people of every background. The authority has already made great strides on fair and affordable pricing, but franchising is the only way forward to secure a more inclusive bus network well into the future.

A better-connected West Yorkshire

In a franchised system, the combined authority would set the routes and core network coverage across West Yorkshire.

This is one of the core benefits of franchising. With EP+, there will always be a negotiation with bus operators over how and where they provide coverage, and the necessity to maintain their profit margin will always inform that discussion.

With franchising, the need for those discussions ceases – the authority will be able to ensure more isolated parts of West Yorkshire receive reliable, regular services like never before.

Local councils have already [called for their own franchising powers](#) to deal with this issue.

The greater opportunity for strategic investment, where the authority will have direct control over how and where money is spent, would also mean the chance to immediately improve service frequency,

Finally, franchising means the chance to improve network integration. A planned bus network would allow the authority to look at the region's transport system holistically and respond to passenger activity and trends with all the available information, instead of the sometimes haphazard and often overly-cautious attitude adopted by private operators.

In combination with integrated fares and ticketing, this would allow West Yorkshire to follow the example of planned and integrated transport systems around the world, bringing the region up to a modern standard.

A more affordable bus network

The consultation document makes clear how the cost of bus travel is one of the key reasons not to travel by bus, and remains important to travelling customers.

Under the current system, fares have increased compared to the cost of car ownership, and increasingly complex ticketing arrangements have been created.

The introduction of Mayor's Fares in West Yorkshire has gone some way to tackle these issues, and as the consultation document states, both EP+ and the proposed franchising system provide for affordable bus routes.



However, we would highlight the increased level of control and democratic accountability franchising provides. Looking beyond the immediate case, a franchised system safeguards against future fare rises, and is likely to lead to increased satisfaction with value for money.

The National Audit Office [has demonstrated](#) how franchising offers the greatest possible flexibility when it comes to setting ticket prices.

In a much more immediate sense, a franchised system would provide levers for the authority to immediately simplify the fare structure and provide access to contactless and integrated ticketing, without negotiation.

A franchised system would remove the incentive, that would still exist under EP+, for competing bus companies to lobby for alternative fare arrangements and find new ways to find profit margin.

It can't be overstressed how beneficial consistent pricing and integrated ticketing could be to delivering an affordable, effective network that provides value for money. Here the example of many systems around the world – most relevant being the London's [Oyster](#) and

[contactless travel](#) – show that when transport ticketing is accessible, it gives passengers confidence to make journeys by bus. The same would apply in West Yorkshire.

A passenger-focused network

The difference between a fully franchised bus network and the EP+ is a fundamentally different relationship between the West Yorkshire Combined Authority and bus operators.

Transport unions have consistently found in dealings with bus and rail operators that a continuous need to maintain profit results in attempts to reduce staffing numbers and provide only the most basic standard of customer service.

The only solution to providing passenger safety, decent real-time provision and good, high-quality information at stations is to ensure safe and appropriate staffing levels. Staff will only be able to provide a decent service where they are valued members of the workforce, with decent pay and collective bargaining arrangements in place.



This has simply not been the case for bus provision in the UK. The existing, deregulated model means that bus companies can take advantage of bargaining taking place on a [depot-by-depot basis](#), driving down pay and conditions. In some cases, bus workers at the same company and the same region have differing rates of pay.

In West Yorkshire, [Unite bus workers](#) have reported that the highest hourly rate of pay at the First Leeds Hunslet Park depot is £13 per hour, while in Bradford the hourly rate at the same company is £14.

We have seen reports of bus drivers forced to use food banks to support their families. It is impossible in these circumstances to expect bus workers to provide the highest levels of customer service if they are constantly concerned about the cost of living.

Another concern for many drivers is the potential of losing their jobs, or reduced pay and conditions, during a change of operator. Protections against this are too limited within EP+, but at least within franchising, there would be a requirement to maintain a certain standard of service that will necessitate appropriate staffing levels.

However, even under franchising, there will be a requirement for TUPE transfer arrangements during changes of contract. Under that scenario, trade unions have concerns around pension protections for bus workers, which are not secured under law. This is a conversation which must be addressed, whatever decision is made as a result of this consultation.

More generally, under the procurement process, there might also be a risk of a 'race to the bottom' in terms and conditions, which will have knock-on impacts on passenger standards.

There are ways to safeguard against this, and trade unions would be open to discussion on how to ensure procurement does not diminish service standards or workers' pay, terms or conditions.

However, we strongly recommend that if franchising is pursued by the Combined Authority, that consideration is given to a publicly-owned Direct Labour Organisation, placing bus workers under one organisation for collective bargaining purposes and – therefore – leaving only management to private operators.

It is also our view that in the long term, the best option for bus workers and passengers would be full public ownership of the network – a publicly owned bus company operating all routes set by the West Yorkshire Combined Authority.

Only under franchising would the Authority have the option to 'direct award' bus contracts, and avoid a tendering process altogether: saving time, money and smoothing the transition to a fully publicly-owned bus network.

No matter the route West Yorkshire takes, franchising would allow for a much higher level of collective bargaining across the whole of the region – starting the process to get bus workers to consistent, decent pay and conditions, and significantly improving customer satisfaction as a result.

Faster buses and more efficient routes

Neither franchising nor EP+ are *necessarily* preconditions for improved bus routes that reduce travel times and make public transport more competitive with car driving.

However, it is undoubtedly the case that greater public control provides for a holistic approach to West Yorkshire's transport, that would facilitate more efficient bus routes, shorter travel time and therefore increased bus journeys overall.

Across the passenger transport sector, trade unions have found private operators have sought to [drive down pay and conditions for engineers](#) as well as other bus workers. This has had a significant knock-on impact on both service reliability and punctuality.

As with customer service, a major benefit of a franchising arrangement in West Yorkshire would be the opportunity for collective bargaining arrangements and a positive, collaborative approach with trade unions.

This approach would deliver more with less: better paid and supported bus engineers pay dividends in the increased reliability of a bus fleet, lessening the need for repairs and costly emergency provision. It is the TUC's view that the counterproductive approach of many private operators could be best overcome through franchising.

Similarly, we would strongly recommend that if franchising is pursued, the Authority investigates the feasibility of a Direct Labour Organisation to place bus workers under one organisation for collective bargaining purposes, in order to guarantee terms and conditions and therefore future reliability of the bus network.

The wider approach to planning that is available through franchising would also allow for better, more efficient journeys.

The example of other major cities, most notably London, show that a consistent, franchised network gives the authority and local councils the confidence to invest in bus lanes, bus-specific infrastructure, and investment around stops and stations to make the whole network more effective and efficient.

The confidence to make bold planning decisions, through franchising, can deliver the decreased journey times the authority seeks in its strategic objectives.

Finally, under this approach, we would strongly recommend taking the opportunity of franchising to place bus infrastructure into public ownership, either directly through the Authority, via member Councils, or in a publicly owned bus company. Control of infrastructure would give the authority more of a say over its use, greater flexibility and the opportunity to fix things directly if they go wrong.

All these changes would benefit the overall reliability of the network.

Greener vehicles to tackle the climate crisis and improve air quality

It is our view that private operators have in many cases dragged their heels over the need to transition to greener and more efficient vehicles.

In the franchised London system, there are 3,835 hybrid buses, 950 battery electric buses, and 20 hydrogen fuel cell buses out of a total bus fleet of 8,643. This represents around 56% of the bus fleet.

By comparison, a recent report by the House of Commons Transport Committee shows that an extraordinary 91 per cent of buses in England - outside London - are diesel. Despite many good words, private operators have, for decades, fundamentally failed in their duty to tackle climate change.

It is patently clear that only franchising provides better options for strategic investment and intervention in the bus network.

With these powers, London has been able to invest in better vehicles, setting their design and fuel type. This means that pollute less, do not impact on air quality in the same way, and contribute far less to the climate emergency.

West Yorkshire must not miss the opportunity to take up franchising, working towards a fully electric or hydrogen-based fleet.

The clear choice for West Yorkshire

On every important metric, franchising secures a better future for West Yorkshire's bus network. We cannot risk failing to take meaningful change.

It is imperative to address the urgent needs of working people who are directly impacted by the state of bus services in West Yorkshire.

The suggestion of EP+, championed by private bus operators, risks adopting half-measures and insufficiently radical solutions to the complex and extensive problems facing our bus services. The stakes are high, and workers cannot afford the continuation of inadequate provision.

The economic benefits of a franchised system are clear. It enables the authority to provide broader and more reliable access to essential services like housing, employment, education, healthcare, and leisure. This approach not only meets immediate transportation needs but also fosters long-term public trust and confidence, potentially increasing ridership and enhancing the overall cost-effectiveness of the bus network.

Franchising is pivotal in addressing the climate emergency. By facilitating a shift from individual car journeys to public transport, it significantly reduces emissions, contributing to a healthier environment. The franchised model also offers the flexibility to incorporate cleaner, greener buses, further mitigating environmental impact.



Inclusivity and safety are at the heart of the franchised model. It allows for more strategic interventions to ensure safe and welcoming public transport experiences for all passengers, particularly addressing concerns like discrimination and gender-based harassment. Additionally, this model ensures that the bus network is accessible to disabled passengers and provides fair, affordable fares, enhancing accessibility for everyone.

Furthermore, the franchising system promises a better-connected West Yorkshire. It empowers the combined authority to determine routes and coverage, ensuring even the most isolated areas receive consistent service. This level of control extends to strategic

investments in service frequency and network integration, ultimately leading to a more efficient and user-friendly public transport system.

Lastly, the impact on workforce welfare cannot be overstated. Franchising would help facilitate fair pay and conditions for bus workers through collective bargaining, directly correlating to improved customer service and satisfaction. It also allows for a more robust response to the climate crisis, involving workers in the journey towards sustainable change.

We believe that only a fully franchised, publicly controlled bus network can effectively meet the challenges and fulfil the needs of West Yorkshire. This approach is not just a solution; it's a necessary step towards a more equitable, efficient, and sustainable public transport system. By adopting a franchised model, we can ensure that the bus network serves the broader public interest rather than being constrained by the limitations of profit-centric models.

Moreover, the franchised system is pivotal in addressing the pressing issues of climate change and social equity. It enables strategic investments in greener, more efficient transport options, contributing significantly to environmental sustainability. It also ensures inclusivity and safety in public transport, making it accessible to all, regardless of background.

The decision to transition to a franchised bus network is more than a policy choice; it is a commitment to the well-being and future of working people in West Yorkshire. It is an acknowledgment that half-measures and underwhelming solutions are no longer acceptable.

The working population deserves and urgently needs a public transport system that is not only efficient and sustainable but also fair and inclusive. Adopting a franchised model is the key to realising this vision and ensuring a prosperous, equitable future for all in West Yorkshire.

Dear Mesdames and Sirs

I am e-mailing on behalf to the TUC Yorkshire and the Humber Creative and Leisure Industries Committee (TUC YH CLIC) with our response to the consultation on the reform of West Yorkshire Bus Services.

TUC YH CLIC aims to build links between entertainment unions and unions organising workers in libraries, museums, art galleries and other cultural organisations and to develop inter-union support and solidarity.

An important area of TUC YH CLIC's work is to draft the Regional TUC's Cultural Manifesto. This can be downloaded from: <https://www.tuc.org.uk/TUCYorksCulturalManifesto>. Tracy Brabin MP pledged her support for the Cultural Manifesto in 2019. TUC YH policy is that West Yorkshire Mayor Brabin and West Yorkshire Local Authority Cabinet members for Culture should both pledge their support for the manifesto and do all that is within their powers to implement the manifesto's policies.

TUC YH CLIC has declared a Climate Emergency and our declaration can be downloaded from <https://www.tuc.org.uk/news/climate-emergency>.

In Summer 2023, as part of it's Climate Emergency work, TUC YH CLIC held an online event: 'Carry On Touring Sustainably!' This meeting considered the following issues - *Musicians, performing artists, creatives and their supporting workers need to tour to take their work to audiences and to make a living. In the Climate Emergency, how can we reduce the carbon footprint of touring and tread lightly on our planet? Can tours be scheduled to reduce the mileage that needs to be travelled? Can we reduce the amount of air travel involved in touring? What can we do to minimise the environmental impact of audience travel to venues?* A video recording of this meeting can be viewed at <https://www.tuc.org.uk/video/carry-touring-sustainably>.

It is within this context that TUC YH CLIC submits the following response to the West Yorkshire Bus Services reform consultation:

Deregulation and handing bus services over to private operators has led to drastic cuts to services (particularly where these are regarded as unprofitable), unreliable services, higher fares and far too often to appalling pay and working conditions for bus workers.

West Yorkshire's citizens are currently being failed by services that are run at the whim of private bus companies and any "Enhanced Partnership" with existing bus operators is likely to bring little improvement.

In responding to the climate emergency, West Yorkshire (and the country as a whole) needs reliable, good quality, integrated, co-ordinated cheap or free to use public transport. The provision of such public transport will hopefully bring about a reduction in private motor traffic which will be conducive towards the achievement of net zero carbon emissions.

Under the restrictions of existing legislation, it appears that bus franchising is the only way in which the good quality bus services that West Yorkshire needs can be provided. TUC YH CLIC therefore strongly supports the implementation of bus franchising as the consultation recommends. We are concerned that it has taken so long for WYCA to embrace franchising. As far as TUC YH CLIC is concerned, bus franchising cannot come soon enough and we call on the West Yorkshire Mayor and Combined Authority to bring bus franchising into effect in the county as rapidly as possible.

In line with the Mayor and WYCA's Fair Work Charter, bus franchising must not be implemented in such a way as to perpetuate the bad employment practices currently endured by far too many bus workers. Under bus franchising bus workers must receive decent pay and conditions at work. This policy is also crucial to the recruitment and retention of the bus workers needed to run the expanded bus services that should be provided as a result of bus franchising.

Bus franchising must be implemented in such a way that meaningful democratic control over the future of West Yorkshire's bus services is established. Such democratic structures need to include effective representation from disability groups, bus workers, and bus users.

The trades union movement has long supported bringing bus services back into public ownership. The West Yorkshire Mayor and Combined Authority should lobby for legislative change to give them the powers both to establish municipal bus services and to bring private bus companies into public ownership.

TUC YH CLIC trusts these views will be taken into account in analysing the West Yorkshire Bus Services consultation and reiterates our call on the Mayor and WYCA to implement bus franchising without delay.

Our Ref: DR/SL

4th January 2024

Dear Sir/Madam

**Bus Reform Consultation
Consultation Response
Unite the Union – North East Yorkshire and Humber**

Unite the Union represent thousands of members working in the bus industry across West Yorkshire, from bus drivers, cleaners, office staff, engineers, customer service and maintenance to name but a few.

Our response to the consultation process is based following consultation and recommendation by the Unions regional industrial sector committee, a committee made up of senior union representatives from across the region representing a wide variety of companies involved in public transport across the region.

The main focus of our response is in relation to our members and their employment going forward. We have seen a continuation of managed decline by companies whose focus is on profit, companies who see no value in the communities they serve (or don't). The cutting of services does nothing to help the most vulnerable in society or the public yet hides the issue of driver shortages, with decisions made on the profitability of specific routes!! Our communities, working people and our members in the bus industry cannot afford for this to continue.

Whilst the Union's aim is to have a publicly owned bus infrastructure, we accept this has to be a longer term goal. We have no confidence in an Enhanced partnership + proposal. We observe that the bus operating companies have been actively seeking support for the EP/EP+ options. We believe that this is because they recognise that they are under pressure which itself demonstrates the benefits of the franchising model.

We do however have concerns regarding the Franchising model.

- Numerous TUPE Transfers
- Operator Contract Length
- T&C's – Race to the bottom
- Pensions
- Collective Bargaining

One of the fears bus workers have is the negative impact frequent TUPE transfers will have on our members, their job security, pay, terms and conditions and could allow for employers to continue a race to the bottom approach. We consider that a Direct Labour Organisation to employ drivers, staff, engineering, and maintenance staff would be beneficial to reduce repeat TUPE costs, to guarantee equality across the whole franchised system, and to guarantee pension security for staff. In the absence of a DLO, we ask that the franchising terms include standardised

pay, terms and conditions, including pensions and that these conditions are done to highest standard currently and not the lower.

The need for pension protection through TUPE could be removed by central employment of all drivers and maintenance staff. This would remove the need for regular TUPE and would ensure that all drivers were on common pay, terms and conditions, as would all bus workers. This seems to us to be an obvious omission in the proposals. We would urge the Combined Authority to explore this option both now and as the first round of contracts come to an end (by which time the commercial case for an expanding service as modal shift begins to accelerate (or not) will be clear).

Additionally contract lengths could be longer providing further security for our members with a minimum contract length of 8 years.

Collective bargaining is a pre requisite for our members, having the ability to negotiate pay, terms/conditions and schedules for all bus workers with franchisee's, it would be expected recognition covers existing and new employees. Where we have existing recognition agreements these would transfer with guarantees in place that any such recognition agreement would not be amended or changed without prior agreement with the trade union.

If Franchising is the chosen method, then we request further input into the items mentioned above including Terms & Conditions, contracts of employment, schedules that promote work life balance. For far too long traditional operators have chosen a more for less approach, maximising working hours, split shifts and creating impossible schedules, schedules that are almost impossible to attain, creating issues for the bus users who in turn vent their frustrations on drivers. Mental health of bus workers has increasingly become an issue and this can be attributed in part to schedules.

Whilst our preferred option has and will always be public ownership of buses, the committee have agreed that the Franchising model is a step in the right direction and we support the implementation of the Franchising model for West Yorkshire.

Yours faithfully

Darren Rushworth



DARREN RUSHWORTH
Regional Officer
Unite the Union
North East Yorkshire & Humber

NIGEL ATKINSON
Chairman
Passenger Regional Industrial Sector Committee
North East Yorkshire & Humber

Mayor of West Yorkshire

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Wood Street
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11 January 2024

Dear Tracy,

BUS REFORM CONSULTATION 2023-4

Thank you for the opportunity to provide the Council's formal view on the Combined Authority's Bus Reform proposals.

I can confirm that the Bus Reform proposals have been given consideration through the Council's internal Cabinet Member Briefing process for Planning and Highways. The meeting took place on 10th January 2024. This has been the first Cabinet Member Briefing meeting available to discuss the officer report.

Following consideration, I can confirm that Wakefield Council is in support of the Combined Authority's proposal for the introduction of an asset ownership-based bus franchising scheme; acknowledging that the Combined Authority have commissioned an independent formal assessment which has concluded that this is the preferred option for Bus Reform in West Yorkshire; and as such to achieve the objectives of the Bus Services Improvement Plan.

I have enclosed for your reference a copy of the internal report which was considered at Cabinet Member Briefing.

Yours Sincerely,



Councillor Denise Jeffery

Leader of Wakefield Council

Councillor Matthew Morley JP

Cabinet Member for Planning and Highways

Enc.

THIS REPORT AND ALL APPENDICES ARE OPEN TO INSPECTION BY MEMBERS OF THE PUBLIC.

Report to:	Cabinet Member Briefing
Date:	10 th January 2024
Title:	Bus Reform

Portfolio:	Planning and Highways
Report of:	Service Director for Planning, Transportation and Strategic Highways
Affected Wards:	All
Corporate Plan Priorities:	<i>"Places to be proud"</i>
Key Decision:	<input type="checkbox"/> Yes - significant expenditure or savings <input type="checkbox"/> Yes – significantly affects more than one ward <input type="checkbox"/> No – Key Decision procedure doesn't apply

1. What is the purpose of this report?

The purpose of the report is to formally capture the Council's view with regard to its response to the current West Yorkshire Combined Authority (WYCA) consultation on Bus Reform.

2. What are the recommendations to the decision-maker?

- 2.1 That the Portfolio Holder is asked to provide a view on the Council's preferred way forward which should be fed into the WYCA consultation.
- 2.2 In advance of the current consultation exercise, WYCA have commissioned a detailed externally conducted assessment to help them determine their preferred option. This has led to the consultation being framed around their preferred option to introduce an asset ownership based bus franchising scheme.
- 2.3 It is recommended to support the WYCA preferred option of introducing an asset ownership based bus franchising scheme in West Yorkshire.

3. Why do we need to make this decision?

- 3.1 West Yorkshire Combined Authority (WYCA) are currently consulting on Bus Reform for West Yorkshire. This consultation is due to conclude in early January 2024 and will directly inform a Mayoral decision due to take place in March 2024. The consultation is seeking views from members of the public, a wide range of stakeholders, and partner district councils. Therefore, Wakefield Council needs to formally agree and communicate its view on the matter.
- 3.2 A formal view needs to be captured and communicated to WYCA by way of letter from the Leader of the Council.
- 3.3 The council has passed motions on 28th June 2023 and 29th November 2023 expressing support for the introduction of a bus franchising scheme.

4. What are the options?

- 4.1 The options which directly arise from the consultation are:

4.1.1 The introduction of an asset ownership-based bus franchising scheme. Under this scheme, WYCA would take responsibility for defining the bus network, setting timetables, setting fares and contractualising the operation of bus services on a client /contractor basis. WYCA would also own the assets associated with a bus network; including vehicles and depot facilities. The formal assessment commissioned by WYCA has concluded that this is their preferred option for Bus Reform; and as such to achieve the objectives of their Bus Services Improvement Plan (BSIP).

4.1.2 The introduction of an “Enhanced Partnership Plus” Scheme. This scheme has been put forward by the Bus Operators of West Yorkshire, as a vehicle for enhancing, extending and strengthening the existing Enhanced Partnership scheme. This has been put forward on the basis that the approach could deliver objectives arising from the BSIP with many of the inherent risks; including commercial ones, sitting with the bus operators; and benefits arising from its interventions could be realised sooner than for a franchising scheme.

4.1.3 “Do nothing” scenario: Whilst the assessment concluded there was a “case for change” to move away from the current deregulated market and existing (standard) Enhanced Partnership agreement; the consultation provides retaining current arrangements as an implicit option.

4.1.4 It should be noted that the WYCA assessment and development processes did not conclude that introducing a franchising scheme based on contracting service providers to run a service using the contactors’ own

fleet and depot facilities as being an option to progress. Therefore, this is not presented as an option.

5. How do the recommendations support or promote Corporate Plan Priorities and outcomes?

5.1

“Places to be proud” is one of the five objectives in the council’s current Corporate Plan. This objective includes “improving transport links”.

6. What are the corporate implications?

6.1 Resource implications

6.1.1

Direct resource implications for the council include existing commitments to contributing and inputting into the bus governance and development agenda.

6.1.2

However, the resource implications for WYCA are significant. The range of implications are set out in the consultation document. This includes financial requirements to set up the scheme and manage the scheme. The resource implications for WYCA include the purchase of extensive bus fleets and the establishment of depot facilities in each of its ten contract areas. WYCA have set out that they may need to pay incumbent bus operators who are not successful in securing local franchise contracts for the purchase of their depot and other operational facilities which may become redundant “dead assets”.

6.1.3

Given the intrinsic governance relationship between district councils and WYCA, there is a need to consider the level of risk which WYCA are potentially exposing their organisation to; and indirectly its district council partners.

6.2 Legal and Governance implications

6.2.1

The legal contracts associated with putting a franchising scheme in place will be set up by WYCA and they will enter into a series of contracts with their selector service provider or providers.

6.2.2

Wakefield Council members serve on the West Yorkshire Combined Authority and its Transport Committee, who will be involved in key decision making.

6.3 **Risk management**

6.3.1 The current deregulated bus market places a significant amount of the risk associated with the local bus network with the existing commercial operators. Whilst the eventual contractor or contractors will own many of the day to day operational risks in a franchised environment; some significant risks will lie with the commissioning body (WYCA).

6.3.2 WYCA as the commissioning body will own the commercial risks. This means that the bus network and its component parts will need to be commercially and financially sustainable. The local bus network in West Yorkshire is extensive and serves diverse needs; with different parts of the network producing variable levels of commercial returns. The main variables which can impact on whether a bus network can achieve commercial sustainability include levels of patronage generation, fare levels, decisions about contraction of the parts of the network which generate lower levels of commercial return, and highway measures to support bus efficiency, and levels of network subsidy from public funds. Most of these hold the propensity to prove highly contentious.

6.3.3 The introduction of a franchising scheme would place higher levels of political and reputational risk on WYCA and its district council partners than is the case at present.

6.4 ***Other corporate implications considered***

A strong and effective public transport network will help the council and its partners to achieve its transport policy objectives (emerging Wakefield Transport Strategy and the emerging West Yorkshire Local Transport Plan); along with Climate Change objectives.

7. **What are the equality implications?**

WYCA have undertaken an Equality Impact Assessment as part of their Case for Change. This is contained within their consultation prospectus. This concludes that the introduction of Bus Reform will have positive impacts for several protected characteristic groupings.

8. **What consultation and engagement has taken place?**

WYCA are currently consulting on Bus Reform for West Yorkshire. This consultation is due to conclude in early January 2024 and the outcome will help to directly inform a Mayoral decision due to take place in March 2024.

The consultation is seeking views from members of the public, a wide range of stakeholders, and partner district councils.

9. What are the reasons for the recommendations?

WYCA have commissioned a detailed externally conducted assessment to help them determine their preferred option. This has led to the consultation being framed around their preferred option to introduce an asset ownership based franchising scheme.

10. How is success going to be measured?

The Bus Reform scheme which is finally selected through WYCA’s decision making processes will be subject to an extensive monitoring and evaluation regime.

Key Officers:

	Post title	Directorate	Name	Contact Details
Service Director	Service Director; Planning, Transportation and Strategic Highways	Regeneration and Economic Growth	Joe Jenkinson	joejenkinson@wakefield.gov.uk Wakefield One, Burton Street, Wakefield. WF1 2EB
Lead Officer for public to contact	Principal Project Leader	Regeneration and Economic Growth	Janet Ward	jward@wakefield.gov.uk Wakefield One, Burton Street, Wakefield. WF1 2EB

Appendices:

Appendix no	Title or description of document	Open to inspection by the public?
N/A		

Background Papers:

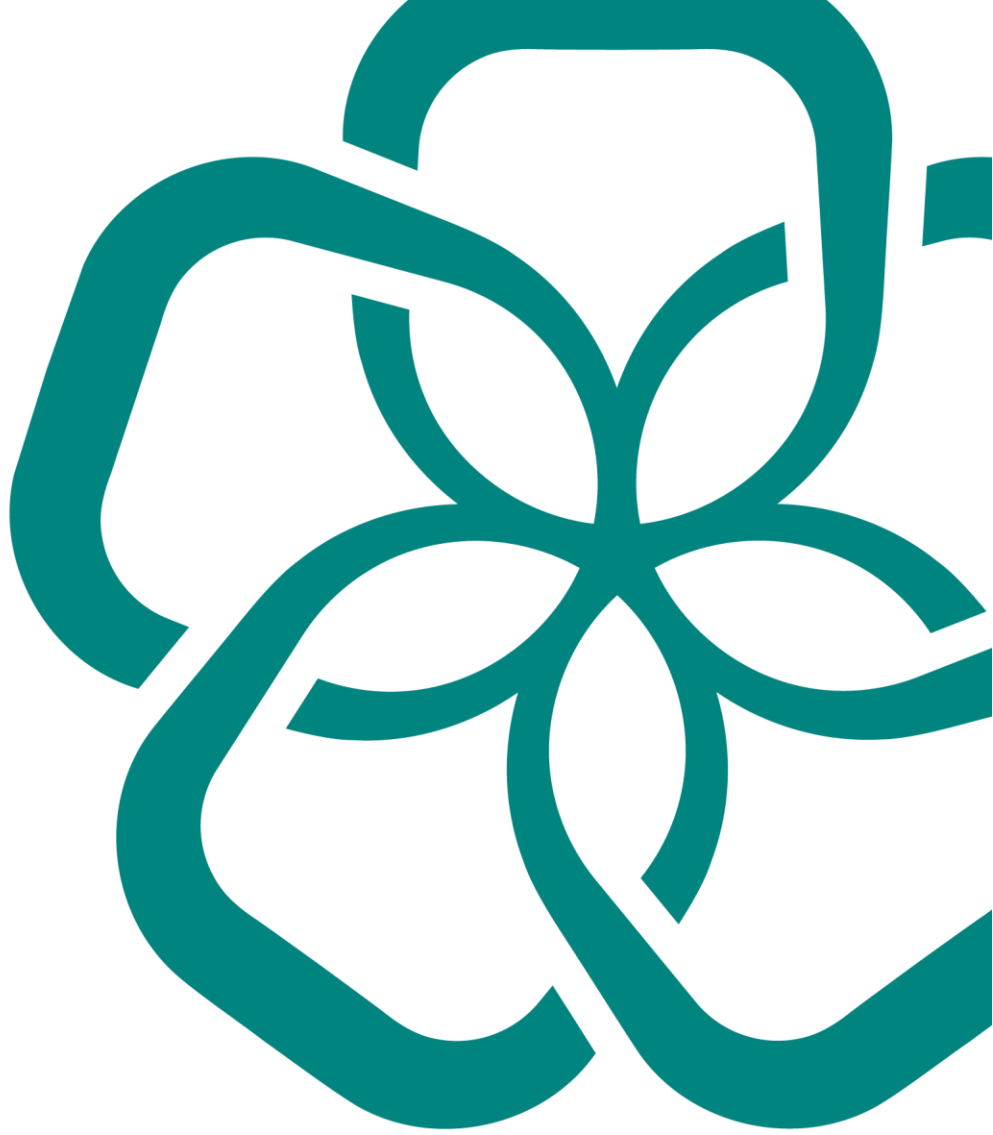
Date	Title or description of document	Open to inspection by the public?
October 2023	West Yorkshire Bus Reform Consultation Document	Yes
October 2023	West Yorkshire Bus Reform Questionnaire Documents	Yes

Relevant overview and scrutiny committee:	<input type="checkbox"/> Overview and Scrutiny Management Board <input type="checkbox"/> Adults, Public Health and the NHS <input type="checkbox"/> Children and Young People <input type="checkbox"/> Climate Change and Environmental Wellbeing <input checked="" type="checkbox"/> Regeneration, Employment and Skills
Open for call-in:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – urgent decision <input type="checkbox"/> No – call-in doesn't apply (for example, Council or regulatory committee, officer decision)



West
Yorkshire
Combined
Authority

Tracy
Brabin
Mayor of
West Yorkshire



Appendix 5

Bus Reform Consultation Response

Technical response note - First West Yorkshire

1. Introduction

- 1.1. The following sets out the response from West Yorkshire Combined Authority (the Combined Authority) following the submission of information from First West Yorkshire forming their response to the Bus Reform Consultation.
- 1.2. This document is structured across five key issues identified through First West Yorkshire's response and relates to the their response which can be found in Appendix 4. The five key issues identifies are:
 - Fares and ticketing simplification benefits
 - Network enhancements
 - Margins
 - Fleet
 - Risk

2. Fares and ticketing simplification benefits

- 2.1. This response refers to point 4 '*Impact of fares and ticketing simplification*' of First West Yorkshire's Cover Letter, parts of First West Yorkshire's response to question 15 of the Bus Reform Consultation Questionnaire, and section 3.4 of Oxera's *WYCA Bus Reform Assessment Review*.
- 2.2. As set out in paragraphs 4.2.32 to 4.2.35 of the Economic Case, a key element of both Franchising and EP+ options are measures to improve and simplify bus ticketing in West Yorkshire. Specifically, this is with regards to:
 - Fares for multi-operator ticket products
 - Fare capping
 - Additional concessionary schemes
 - Single sales channels/apps
- 2.3. Representing and estimating the impact of simplified and improved ticketing and fares is a key part of the Economic Case, in particular because there are legislative differences as to what can be achieved under the different options; therefore modelling assumptions on the passenger/demand response to changes under EP+ and Franchising are required.

Existing ticketing simplification under EP

- 2.4. As part of its response to Question 15 of the consultation questionnaire First West Yorkshire states "*The benefits for passengers from simplified ticketing and capping will be delivered by the multi operator capped ticketing that the EP will deliver before franchising is "live," and as such should not be included in the assessment of impacts resulting from the Scheme.*" It is important to distinguish that the simplified fares and ticketing benefits included for EP+ and Franchising are additional, and different, to those included in the existing EP. As such these additional benefits are valid for inclusion in the Assessment.
- 2.5. Paragraph 4.2.34 and Table 1 of the Economic Case present the differences between the fares and ticketing interventions assumed under the Reference Case, EP+, and Franchising. Under the Reference Case this includes 'Mayor's Fares' fare capping, but no other changes to fares ticketing. The EP+ includes fare reductions for multi-operator ticketing, additional fare capping, and additional concessionary schemes. Under the Franchising option the Combined Authority would have full control of fares and ticketing, allowing the introduction of a single sales channel or app which, crucially, is not part of the EP+ scheme.

Evidence source and literature re-review

- 2.6. Paragraph 4.2.32 of the Economic Case cited research undertaken for Nexus that found bus passengers willingness-to-pay benefit equated to an uplift in demand of 2.5% of extensive ticket simplification, with this value used in the Combined Authority's Assessment as the demand response to fares and ticketing and simplification under Franchising.

- 2.7. In section 3.4.2 of its report Oxera comments that “*WYCA provides no evidence to support the assumption that a lower level of simplification can be achieved under EP+ compared with that which can be delivered under Franchising*”. As per the previous section of this response, and in paragraph 4.2.35 of the Economic Case this point is addressed, with Franchising allowing the introduction of a single sales channel or app which, crucially, is not part of the EP+ scheme. For the purposes of the Assessment and defining the reform options it was assumed to be highly unlikely that operators would have stopped using their national apps and sales channels in West Yorkshire under an EP+ scenario.
- 2.8. No specific “evidence” is required to support the valuation of this important differentiation between the EP+ and Franchising options, it is one of a number of qualitative differences between the options.
- 2.9. In section 3.4.1 of its report Oxera states that “*WYCA’s assumption regarding the impact of fares and ticketing simplification rely on questionable evidence*” and describes issues that its 2014 study found with the 2013 Nexus Simplified ticketing research. These points are acknowledged and were not known of by the Combined Authority or its advisors at the time of developing the Assessment. However, it is important to note that the points Oxera refer to in this part of its report do not mean:
- That the Nexus research has no use in informing this part of the modelling which underpins the Assessment. Oxera notes that its earlier review of the Nexus research concluded that the Nexus research confirmed a favourable attitude towards simplified ticketing.
 - That benefits of simplified fares and ticketing cannot be included in the Assessment, nor that the single sales channel is not an important difference between Franchising and EP+ that would be expected to generate additional benefits over and above those the EP+ simplification and improvements would deliver.
- 2.10. The points that Oxera refers to in its report do increase the level of uncertainty relating to this assumption used in the modelling and appraisal of the reform options. Uncertainty in modelling assumptions is not unique to the West Yorkshire Assessment, and is a feature across all transport demand forecasting, modelling, and economic appraisal exercises. The robust approach taken to dealing with uncertainty in the Assessment is described in the ‘Modelling sensitivity tests’ section below.
- 2.11. In consideration of the points raised in Oxera’s report an additional review of existing literature has been undertaken. In March 2017 Steer was commissioned by West Yorkshire Combined Authority to undertake Stated Preference research regarding bus passengers’ willingness-to-pay for improvements in various aspects of bus services, including simplified ticketing. With regards to ticketing passengers were asked questions to value “*A simpler range of tickets that are valid on all buses. The same fare for a journey, no matter which bus company runs the service. Payment using contactless bank card or smart card.*” The research recommended a ticketing willingness-to-pay value of £0.07 per passenger, compared to an average existing fare of £1.90 for passengers that were surveyed. In terms of a demand uplift value comparable to the 2.5% Nexus figure used in the West Yorkshire Assessment, this £0.07 value (3.7% of £1.90), suggests an uplift of 2.9% (assuming an elasticity of -0.8 (Rand (2008))). This is of a similar order of magnitude to the 2.5% used in the West Yorkshire Assessment. While this research and report was known of by the Combined Authority’s advisors, the Nexus report – which was within the public domain – was referenced, with its ‘more prudent’ uplift.
- 2.12. Greater Manchester Combined Authority’s Bus Franchising Assessment included a benefit of ‘interoperable’ (multi-operator) ticketing as part of its Economic Case. The Economic Case element of the Assessment includes the benefit that passengers experience “when period tickets become interoperable and can be used on all operators’ buses under franchising”¹. The willingness-to-pay benefit, which ranges from 9.8p to 11.4p² depending on the level of operator competition in the corridor, was informed by research completed in 2016. The GM Bus Franchising Assessment Economic Case shows that the direct³ user benefits generated by this interoperability impact represented 15.4% of the total user benefits.
- 2.13. Whilst the specific change to ticketing in Greater Manchester is also not identical to the measures discussed in the West Yorkshire Assessment, it is a helpful indication of research showing the scale of benefit that improved ticketing under Franchising could generate.

¹ <https://greatermanchester-ca.gov.uk/media/2390/01-economic-case-supporting-paper-web.pdf>, Appendix 1

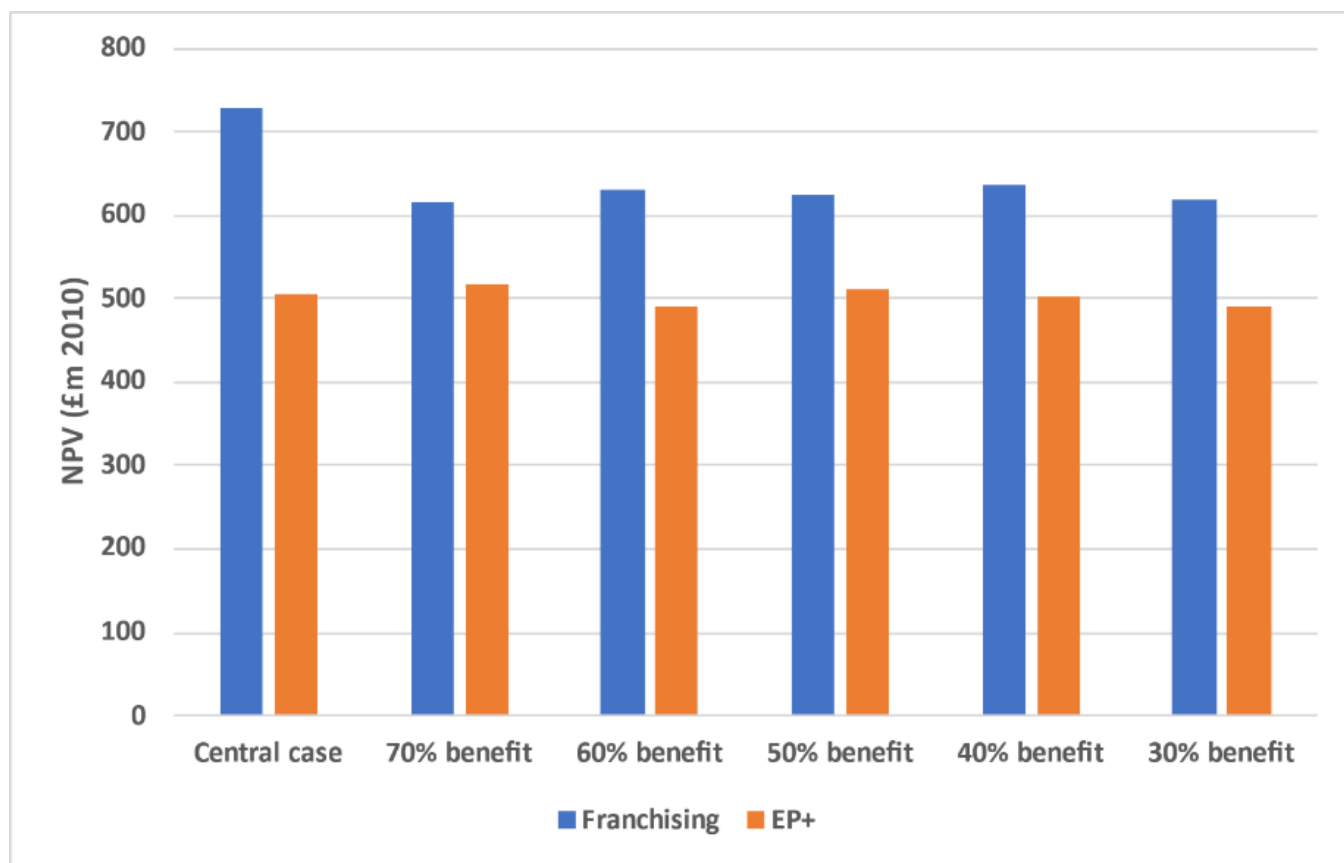
² Stated in comparable terms, the lower value of 9.8p divided by a contemporary £2.30 average fare suggests a revenue uplift of 4.2%

³ The inclusion of this benefit would also have attracted additional passengers to bus, which would have also increased the total of other sources of benefit

- 2.14. The conclusion of the literature re-review, is that – in comparison to values from other reasonable sources, the choice of demand uplift applied within the West Yorkshire Assessment is appropriately prudent. Oxera’s questioning of the source of this assumption does not support a conclusion that the value applied should be reduced, or that the differential between options is unjustifiable.

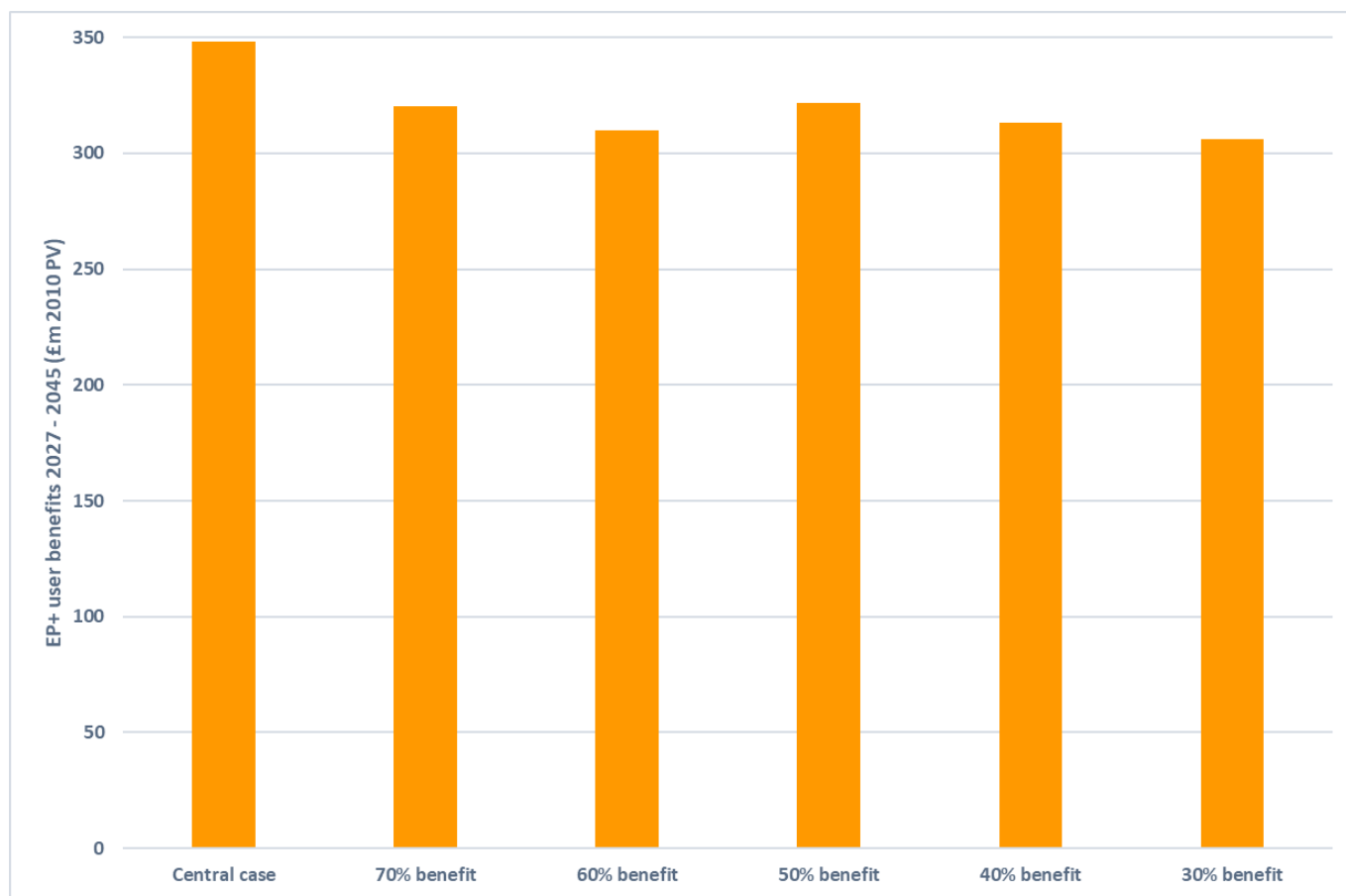
Modelling sensitivity tests and functionality

- 2.15. The purpose of carrying out sensitivity tests in the Economic Case of the Assessment is to reflect uncertainty in certain modelling assumptions and parameters, and test if and how the key results and conclusions change as those assumptions are varied. Under point 4 of its covering letter First West Yorkshire’s states that, in response to sensitivity test results provided by the Combined Authority on the 3 January, “*However, the fact that the NPV of EP+ increases in response to a reduction in demand is highly counter-intuitive, and suggests that something within the modelling suite is not functioning correctly.*” Whilst we acknowledge that the NPV of the EP+ option increasing when the impact of fares and ticketing simplification is reduced appears counter-intuitive on initial viewing, this should not be taken to mean that the modelling and appraisal suite is not functioning appropriately.
- 2.16. Alongside the sensitivity test results the Combined Authority letter dated 3 January explained, the NPV results are a reflection of the fares/ticketing benefit assumption interacting with the service cutting processes included in the modelling. Paragraph 3.2.29 of the Economic Case explains that the model applies the cutting process by lot, in order of commercial profit starting with the most profitable area; and that remaining/surplus funding is transferred downwards to other zones. Detailed review of the sensitivity test results within the modelling suite show that, under EP+, as fewer services are being supported in the more profitable zones (compared to the central case, as a result of lower bus demand under this sensitivity) additional budget is passed down, and more services are able to be supported in other (less commercial) zones. Depending on exactly which services are/are not being supported, the level of patronage, and therefore user benefit, at a network-wide level fluctuates by a small (relative to the network-wide total patronage/user benefit) amount.
- 2.17. To further investigate this area of uncertainty and provide further reassurance on the functionality of the modelling suite, additional sensitivity tests relating to the fares/ticketing simplification benefit have been completed. The sensitivity test that relates to point 4 in First West Yorkshire’s covering letter tested the impact of halving the fares and ticketing simplification benefit for both Franchising and EP+. Further tests have been run to show the impact on the appraisal results of the benefit being reduced to 70%, 60%, 40% and 30% of the benefit assumed in the Assessment’s central case. NPVs for both options, under the central case and all five sensitivity tests are shown below.
- 2.18. These tests, and the model results that underpin them, confirm the findings discussed above. They show that for both options the NPV varies under each sensitivity, with a mixture of increases and decreases relative to the central case NPV. The maximum change in the NPV of the EP+ option is 3.2%. The variation is higher for the Franchising option, which is expected since it has a higher absolute level of benefit in the central case and therefore each of the changes above is larger in absolute terms in comparison to EP+ tests. In section 3.4.4 of its report Oxera comments that “*there is insufficient information available to enable estimation of how the NPV ranking of the options would change if both options reflected the same demand uplift arising from simplification*”. This information is available in the chart above, by comparing the central case result for EP+ with the 50% benefit result for Franchising. These results show that Franchising has a NPV £117m higher than EP+ - when the same level of assumed benefit is applied to each option.



2.19. This detailed review shows that the model, in terms of applying the cutting process, is behaving in the way that it was constructed, and does not show that the whole modelling suite is not functioning correctly. In summary, reading across the tests in the chart above, Franchising, with a higher absolute value of ticketing simplification benefits, is – as would be expected – more sensitive to proportionate reductions in this value than EP+. However, the conclusion of the Economic Case that both options represent Value for Money, is not affected by there being uncertainty in this assumption.

2.20. The review of the modelling suite for the purpose of these sensitivity tests shows that this variation in patronage and bus user benefits is at its highest in the final six years (2040 – 2045 inclusive) of the model forecast period. As set out in section 7.2 of the Economic Case, for the purposes of the 40 year appraisal period the demand, revenue, and costs forecast are extrapolated from between 2040 and 2044 to the end of the appraisal period. This means that changes (between sensitivity tests) that occur in this period have a relatively high influence on the headline appraisal results (including the NPV). To show this impact, the chart below shows the level of monetised user benefit under EP+ for the model period, 2027 to 2045.



- 2.21. These results show that when the level of fares and ticketing benefit assumed under EP+ reduces, the total level of monetised user benefit decreases overall, when comparing the central case to the ‘30% benefit result above. There are still some increases between individual tests for the reasons relating to the cutting process discussed above. However the overall pattern of reduction which is more directly in line with the level of benefit assumed than the NPV results discussed above is an important finding. This confirms that the influence of the latter modelled years which are extrapolated for the purposes of appraisal, is to an extent, masking/flattening the impact of changing the assumption, which is partly what the Combined Authority assumes has led Oxera to its conclusion.
- 2.22. The additional sensitivity tests performed, and review of the results at a detailed level and of the appraisal construct, demonstrate that the model is behaving in a rational way and that the Combined Authority can have confidence that it is reacting appropriately, and as would be expected, to changes in the ticketing simplification benefit assumptions employed.

Revenue impacts of fares and ticketing simplification

- 2.23. With respect to Oxera’s point raised in 3.4.3 of its report, that there has been no evidence that the fare simplification is revenue neutral, this suggests a misunderstanding of what is proposed. The fares and ticketing proposals under both options are not aimed at changing the range of fares available (which with Mayor’s fares in place is presently quite consistent). What would change is that all tickets would be available on all buses in West Yorkshire, including any bought in advance on an app, and removing duplicate single-operator day tickets. This would have benefits for passengers, but would not in itself affect the level of revenue received.

3. Network enhancements

- 3.1. This response refers to point 3 “*Network enhancements*” in First West Yorkshire’s Cover Letter, parts of First West Yorkshire’s response to question 3 of the Bus Reform Questionnaire, and section 3.3 of Oxera’s *WYCA Bus Reform Assessment Review*.

Operating costs of frequency increases

- 3.2. Under section 3.3 of Oxera's report it comments that "*The frequency uplifts assumed by WYCA under both EP+ and Franchising would appear to require substantial additional costs*". This is not disputed and it can be confirmed that the costs of the frequency uplifts are included in the modelling and appraisal that inform the Economic Case of the Assessment. This was confirmed in writing by the Combined Authority to First West Yorkshire on 1 December 2023.
- 3.3. Oxera has provided cost estimates of the frequency uplifts included for both EP+ and Franchising. These cover services operated by First West Yorkshire only, for a single year (2021/22). It is noted that Oxera's cost estimates, being based on unit-rates per bus hour operated, have been developed in a different way to those in the Assessment, which uses changes in mileage and PVR. However, the scale of change in operating cost can be expected to be broadly consistent.
- 3.4. In Appendix A4 of its report Oxera presents a total cost estimate for frequency enhancements on First West Yorkshire -operated services of £19.6 million (2021/22 prices). For the same services, and also in 2021/22 prices the Assessment uses an incremental cost of £16.8 million. The difference between these estimates is to be expected given the separate methodologies applied, for scale, it is 1.7% of the base year total network-wide operating cost (shown in Figure 12 of the Economic Case as £165.1 million (2021/22 prices)). A relatively small change to the operating cost impact of frequency increases is expected to make a limited difference to the model outputs. Given the same frequency increases are included in both the EP+ and Franchising options, there can be a high level of confidence that this difference would have no effect on the relative Value for Money position of the options, nor on the conclusions of the Economic Case.

Capital cost and PVR requirements of service frequency increases

- 3.5. In section 3.3.1 of its report Oxera states that "*there are also questions as to whether WYCA has underestimated CAPEX costs needed to deliver these frequency enhancements*" and "*WYCA's modelling also does not account for the increase in depot capacity which would be required to accommodate additional vehicles*".
- 3.6. The frequency increases included within the Assessment relate to reintroducing a level of service which was cut back during the Covid-19 Pandemic. Neither does the required PVR for either of EP+ or Franchising (when introduced) exceed the base year PVR (and driver requirement), which confirms that additional depot space would not be required to facilitate the frequency increases. The estimate of the additional number of vehicles required to deliver the frequency increase which was included in the Assessment modelling, is of a very similar size to that put forward by Oxera. The capital costs associated with these vehicles are included within the Assessment.

Impact of service frequency increases

- 3.7. In the second bullet point of page 47 of its report Oxera states that "*delivery of these services will require offsetting cuts to other services within West Yorkshire – which are not presently accounted for within WYCA's modelling*". The first part of this sentence is correct, as was confirmed by the Combined Authority in writing to First West Yorkshire on 1 December 2023:
 - Additional operating costs (with vehicles and drivers) have been included within the Assessment to deliver the frequency uplift on the listed services
 - However, the 'all service' PVR and headcount does not increase, once the cutting and trimming processes have completed
 - In effect the modelling illustrates a reallocation of present resources onto these services
- 3.8. The second part of the quote from Oxera's report above is therefore not correct, in that the impacts on other services of delivering service frequency increases are accounted for within the modelling and appraisal used to inform the Assessment when the cutting and trimming mechanism responds to the PVR allocated to the frequency increases. It is noted that the impact in terms of overall service-level that is affected is smaller than implied in Oxera's report; the additional subsidy required in support of frequency uplifts on reasonably performing commercial services, is smaller in scale than that to support marginal services (eg per service km). Therefore the passenger impacts of the resulting service reductions are smaller than the impact implied in this part of Oxera's report.
- 3.9. The balance between impacting existing services and increasing service frequencies and their respective impacts on bus passengers in terms of journey time impacts and fare revenue, as well as operating cost, are reflected in the economic appraisal results for both options, and the conclusions of the Economic Case.

Operating cost impact of increasing traffic flows

- 3.10. On page 47 of its report Oxera states that “*WYCA’s Assessment does not appear to consider the impact which increasing traffic flows might have on costs of delivering frequency improvements...it is likely that the frequency uplifts assumed by WYCA will result in slower and more variable services*”. We dispute the significance of this impact for two reasons:
- The decline in patronage on services which are trimmed/cut is at least partially counteracted by a growth in patronage (some of which will be abstracted from private car travel) as a result of the network interventions
 - Of the 50% of passengers⁴ on a cut service that are assumed to no longer travel by bus, TAG diversion factors state that only 30% of these would travel by private car, with another 12% travelling by taxi.
 - Given the reasons above, it is not considered proportionate to estimate the potential operating cost impacts resulting from additional private car/taxi travel as a result of service cuts and trimming, specifically as a result of the frequency increases included for both options.

Other network interventions

Impact of service rationalisation

- 3.11. In section 3.3.2 of its report Oxera comments that “*Information from First Bus suggests that in practice, no material resource savings are likely to be achieved through the timetable coordination and rationalisations assumed by WYCA under EP+ and Franchising*”. This is not disputed, and for the service rationalisations that are listed in paragraphs 2.2.5 and 2.2.8 of the Economic Case, no cost savings are assumed in the modelling. Instead, a demand uplift of 2.3% was applied to the services which are proposed to be changed. This figure has been informed by analysis of typical wait times for services in West Yorkshire, in combination with the same demand elasticities used in the wider modelling.
- 3.12. The analysis of the fares and ticketing sensitivities above shows the relatively small impact of an assumption of this scale, with the rationalisation impact being smaller than the fares/ticketing benefit as it only applies to a select number of services rather than the whole network.
- 3.13. For the remaining two network interventions (service duplication and cancellation of supported service tenders) no demand response is assumed, but a relatively modest level of cost saving is assumed for the purpose of the modelling.
- For the service duplication benefits a total reduction in PVR of 3 has been used for the modelling. This represents a small saving in relation to the operating costs of the whole network.
 - For cancelled tenders under Franchising a PVR saving of 7 has been used in the modelling. Again, this represents a very small saving in relation to the operating costs of the whole network.

Transition costs and benefits

- 3.14. In section 3.3.3 of its report Oxera states that “*Any benefits stemming from the proposed network enhancements would take time to materialise*” and that “*There is well established evidence that new routes or major route revisions can take up to several years to build mature demand and revenue levels...Pure frequency increases on existing busy routes will also have a lead time of several months to reach demand and revenue maturity.*”
- 3.15. None of the network interventions discussed either above or in Chapter 2 of the Economic Case are “new routes” or “major route revisions”. Instead, the frequency increases (which have the biggest, yet still relatively small, impact on the modelling and appraisal) are those described in the second half of the Oxera quote above.
- 3.16. The modelling approach for the demand response to network interventions is as follows:
- The short-run demand impact is applied in the year that the network interventions are introduced, with the demand response quantified using the same short-run elasticity that Oxera references in footnote 137 of its report
 - The long-run demand impact is then applied using the long-run elasticity that Oxera references in footnote 137
 - The modelling approach allows the full demand impact to build up over ten model years
- 3.17. This approach aligns with Oxera’s suggestion in the third paragraph of page 52 of its report that “*It is possible that the Authority’s demand forecasts factor in a gradual increase in frequencies, to take account of this lag.*” Oxera’s suggestion in the same paragraph that “*This [Oxera’s*

⁴ This assumption is defined in paragraph 12.4.14 of the Economic Case.

conclusions on the approach taken] suggests WYCA’s modelling assumes its proposed route and frequency increases will reach demand and revenue maturity immediately” is not the case.

4. Margins

- 4.1. This response refers to point 1 ‘*Margins* of First West Yorkshire’s Cover Letter, parts of First West Yorkshire’s response to questions 15 and 21 of the Bus Reform Consultation Questionnaire, and section 4.1 of Oxera’s *WYCA Bus Reform Assessment Review*.

Commercial Service Margin (Assessment)

- 4.2. In the Assessment, a representation of margin is required to forecast the financial impact on operators of continuing under the Reference Case (or EP+ option), in particular the margin earned on Commercial Services.
- 4.3. The base year margin for commercial services set out in the Assessment⁵ of between 12% and 13% was not an assumption, but was derived from data provided by operators in response to the Franchising Scheme data request sent by the West Yorkshire Combined Authority in June 2022. This number was derived by bringing together bus passenger revenue and operating costs at a service level (separate data was provided for each) for those routes which are operated commercially, with operators taking revenue risk on these services. Care was taken in bringing these separate data sets together, with adjustments needing to be made to ensure consistency and comparability in the data (for example where cost and revenue data reflected different time periods, there being some situations where a service did not operate for the entire year).
- 4.4. Public sector funding for bus services (BSOG, ENCTS, supported services payments and CBSSG) were also considered, given that the base year data represented a year when Covid-19 impacts were still evident, DfT was paying recovery grant, and other funding was being or had been maintained at pre-Covid levels (when eg more services were run and more ENCTS trips made).
- 4.5. Consistency checks were made across services and Franchise Zones, to identify services where the margin calculated was outside the usual range, whether high or low. Comparisons were made with depot level accounts data, where this was available. For these services, or groups of services, additional checks were made and adjustments or corrections were made, to ensure that revenue and cost data were compatible (on an annual basis).
- 4.6. A further comparison was made between the base year margin and the forecast year 2 margin, which included a representation of revenue recovery (from 70% to 80% of pre-Covid-19 demand based on DfT/local aggregate demand data, as described in the Assessment⁶, and the withdrawal of specific Covid-19 Support (CBSSG) funding. As explained to FWY and its advisors, Oxera⁷, the net result of these changes was a small (less than 1%) increase in the margin returned. This was taken as evidence of reasonableness of the balance in changes in passenger revenue/public sector support made.
- 4.7. The data was taken to represent operations at a depot level; that the level of margin reported within statutory accounts is lower than this is expected, with this including the impact of additional group charges/overheads and accounting treatments.

Commercial Services Margin (First West Yorkshire Consultation Response)

- 4.8. First West Yorkshire and its consultants Oxera, have responded to consultation noting that the actual margin earned on commercial services is lower than the 12% - 13% used in the Assessment. In evidencing this, First West Yorkshire has undertaken analysis which:
- Uses Statutory Accounts for the three largest bus operators in the Region (First West Yorkshire, Arriva Yorkshire Limited and Keighley and District Travel Limited) to estimate margins (for commercial and supported services)
 - However, given the analysis is to estimate margin on commercial services only, First West Yorkshire requires to split the data between commercial and supported services. In the absence of this data in Statutory Accounts from other Operators, First West Yorkshire has

⁵ Economic Case: paragraph 2.2.2

⁶ Economic Case: paragraph 3.8.4-3.8.8

⁷ See Table A2.5 of Oxera’s Report of 15 December

- applied an estimate based on its split of commercial and supported services to the three operators in scope of its analysis
- 4.9. There are a number of reasons that this analysis is not “*like for like*” with the approach taken to estimate margin in the Assessment:
- The analysis undertaken by First West Yorkshire is calculated based on statutory accounts which include additional group level costs and overheads - the Assessment is based on actual cost and revenue data provided by Operators
 - The analysis undertaken by First West Yorkshire is not specific to all routes in scope of the Assessment (considering just three operators in the region). The analysis also includes operators which operate cross-boundary services which are not included in the Assessment.
- 4.10. Table 3.2 of Oxera’s report sets out its estimate of margin on WY commercial services, based on statutory accounts (as described above). Its analysis (for example Figure 3.2) shows that, as was anticipated, the Covid-19 Pandemic had a significant impact on margins reported over the five years from 2018-2022– reporting an average of 6.3% for that period, whereas the average for ten years it reports was 8.6% (and therefore the average for 2013-2017 arithmetically must be higher than this). It would not be right to assume that operators would be content to continue to operate with the level of margin reported during the Pandemic, and First West Yorkshire is clear in its reporting that it has a target of 10% margin (as would be reported in statutory accounts). Given the differences described above in the derivation of the margin within the Assessment, Oxera’s argument that the analysis is flawed because the advantage of Franchising has been overestimated should not be given undue weight.
- 4.11. Notwithstanding the fact that Oxera’s point on the margin being overestimated is rejected, it is noted that a sensitivity test was included within the Assessment which represented the impact of a reduced margin advantage than was included in the Central Case⁸. Under the Higher Margin test, the NPV of the Franchising Option remains strongly positive.

5. Fleet

- 5.1. This response refers to point 2 ‘*Fleet requirements*’ of First West Yorkshire’s Cover Letter, parts of First West Yorkshire’s response to question 25 of the Bus Reform Consultation Questionnaire, and section 4.2 of Oxera’s *WYCA Bus Reform Assessment Review*.

The Current Fleet in West Yorkshire

- 5.2. The Commercial Case of the Assessment (Table 2, page 357 of the full PDF) quotes a total number of vehicles for operators in West Yorkshire of 1,755, being based on data provided by operators in response to the Franchising Scheme data request sent by the West Yorkshire Combined Authority in June 2022. It should be noted that not all of the vehicles included within this list are used for the operation of registered bus services, for example this includes school buses used for closed school services, and vehicles used for other purposes such as driver training and for other services/hires. Not all of the remaining vehicles are used on services which are included within the proposed West Yorkshire Franchising Scheme, which excludes cross-boundary and outside-boundary services. The number of vehicles which relates to services included within the proposed Franchising Scheme is lower than the total number of vehicles reported above.

The Fleet Assumed Under Franchising

- 5.3. In contrast to the above, the size of the Fleet referred to in the Lotting Strategy is stated in terms of the Peak Vehicle Requirement (PVR) – which is the maximum vehicles being operated on services at any time. PVR is a key building block of operating costs. PVR per service was also requested from operators in June 2022 – however there were some gaps in the data returned (particularly for small operators) and so approximations had to be made for some services. The estimated total PVR for services where the Combined Authority would purchase vehicles was 930.

⁸ Economic Case: Tables 29/30; note that although this test was constructed to represent an increase in the margin charged by operators on Franchised Services, this would have the same effect as a reduction in the observed Base Year Margin – it being the step between them which is relevant here.

As was explained to FWY/Oxera in earlier responses⁹, the PVR of 893 quoted in the Lotting Strategy was an earlier estimate which was later updated. This number was derived from the service level data provided by operators, summed across the services which were included within the proposed Franchising Scheme.

- 5.4. Oxera references the number of vehicles to be purchased, as specified in the Financial Case, of 868 (third bullet after paragraph 7.3.17) which is explained there as being based on 62 ZEB being purchased each year of the [financial] appraisal period. The 62 ZEB per year assumption is based on the 930 base-year PVR quoted above, divided by the assumed 15 year's vehicle life expectancy (but with only 14 of those years being captured within the financial model, by which time the entire fleet would be zero-emission – taking into account the vehicles, secured by operators, which are or already will be ZEB¹⁰ by the first year of Franchising). The implicit assumption is that investing in a fleet at the scale of the base year PVR would be more than sufficient, allowing for operational and maintenance spares, by the end of the fifteen-year ZEB investment cycle.
- 5.5. In addition to the PVR, operators have additional vehicles in their fleets to allow for replacement in cases of unanticipated vehicle unavailability (such as breakdown or damage) and to allow for planned maintenance activities. A typical allowance for spares would be in the range 10%-15%, depending on the number of vehicles required to run a particular service or group of services. Oxera's report suggests a 12%¹¹ spare vehicle requirement as being typical, which is within this range. Within the Economic Case of the Assessment (paragraph 5.4.8) it is explained that an additional 10% uplift in PVR was included in operating costs, to allow for charging opportunities on services as necessary, for example where the daily mileage exceeds current battery bus range and reliable layover times are insufficient for the time taken to charge. However, as can be seen in the graphs included in Section 6.4 of the Assessment, the level of service provided in West Yorkshire is forecast to have reduced considerably by the point that the fleet is entirely ZEB. The data which underpins these graphs, which was made available for the consultation, shows that the overall real-terms operating cost of the network has reduced by around 30% by 2039/40 (fourteen years after Franchising). It is reasonable to assume that the reduction in PVR will be of a broad similar order.
- 5.6. Illustratively, 930 Base Year PVR would therefore reduce to 650 PVR requirement by 2039/40. Allowing for 10% additional ZEB (relative to diesels) and 15% spares would give a required fleet size of around 790 vehicles – less than the 868 purchased during Franchising. Given that there was some uncertainty in the approximation of PVR on services where operators did not provide this detail, the prudent assumption of not reducing the scale of vehicle fleet required was taken. The number of vehicles planned to be purchased is more than is forecast to be needed at the point the entire fleet is zero-emission. This allows flexibility to adjust the procurement rate of vehicles if the decision is taken to Franchise, based on outturn data.
- 5.7. Service operating costs to represent ZEB differ by component, for example: energy costs reduce; insurance and depreciation increase (because of the assumed additional 10% of vehicles); and engineering/other costs increase, including allowing for the impact of mid-life battery replacement.
- 5.8. In relation to ZEBRA funding, the Authority does not believe the assumption that ZEBRA funding will continue until the point that the cost of vehicles (diesel and ZEV) normalise is unreasonable, on the basis that ZEBRA funding has been available historically to support Government's policy commitments to meet Net Zero, it is and therefore it is reasonable to assume these will continue. In the event that ZEBRA funding did end, this would apply to all options and result in either operators or the Authority needing to reconsider the approach to ZEV (for example, increasing financial capacity for a higher financing requirement, or to reprofile acquisition profiles).

6. Risk

Overall Combined Authority approach to Risk Management

- 6.1. As set out in Section 8.5 of the Consultation Response, the Combined Authority recognises - as highlighted by consultees across comments relating to all five cases of the Assessment - the significant risk involved in delivery of the Proposed Franchising Scheme. To this end, the

⁹ As part of email communication between Simon Warburton and Kayleigh Ingham dated 1 December 2023.

¹⁰ Paragraph 6.7.3 of the Strategic Case references 136 ZEB which are being funded through DfT's ZEBRA programme

¹¹ Page 46 of its WYCA Bus Reform Assessment Review (15 December 2023)

Combined Authority detailed its approach to risk management, as well as identification of risks and associated mitigations under both options, within Section 6 of the Management Case, 'Risk'. This included a summary of its Corporate Risk Management Strategy (2020) which was also provided in full as Appendix 5.4 to the Assessment.

- 6.2. Further emphasising the Combined Authority's consideration and awareness of risk, key risks were specifically highlighted in the Assessment Conclusion, alongside the recommendation to proceed with the Proposed Franchising Scheme. These were:
 - Budget risk and responsibility for farebox revenue.
 - Management of market transition and procurement of services.
 - Fleet purchase and depot acquisition.
 - New skills and resources required for delivery.
- 6.3. The Combined Authority recognises that any approach to risk management cannot fully mitigate all risks, and that different organisations may follow different approaches to risk management. The Assessment is underpinned by a robust approach to risk analysis which assesses the impact of key risks on the ranking of regulatory options, including scenario and sensitivity analysis.
- 6.4. **Scenario analysis** is used in the Economic and Financial Cases to test the impact of changes to the external environment on the relativity of options - including risks relating to the level of demand and level of funding available to the Authority for bus
- 6.5. **Sensitivity analysis** has been undertaken in the Economic and Financial cases to stress test the impact of the Authority's key identified risks occurring and assess the impact on the relativity of options. These risks include the cost risk associated with the acquisition of fleet, cost risk associated with the acquisition of depots, impact of increased operational costs and impacts on the changes to the margin charged / earned by Operators.
- 6.6. In addition to this robust analysis of risk in the assessment, the Combined Authority has already developed a detailed programme risk register which sets out the key implementation and operational risks associated with the both the Proposed Franchising Scheme and the EP+, which it will use as a tool to manage risks associated with the selected Bus Reform option.
- 6.7. The risk register RAG rates each identified risk and appoints a nominated individual who is responsible for managing each risk. For each risk the register identifies the nature of the risk, its causes and consequences, probability of occurrence and potential impact and then identifies any consequential actions and mitigations required. This risk register then supports active management and mitigation of risk within the Bus Reform project with the ability to escalate risks to the Bus Reform and Internal Leadership boards as well as the Transport Committee and the Combined Authority, in line with the programme's agreed governance arrangements. These Boards and Committees are responsible for deciding whether risks have been sufficiently mitigated that the Combined Authority can manage them within the Bus Reform programme or whether further or alternative courses of action are required. Bus Reform Board reviews and will review the risks monthly, with the other boards and committees viewing them as escalated by the Bus Reform Board.
- 6.8. The Combined Authority believes the level of detail associated with each risk in the programme risk register has been thoroughly developed to an extent that is appropriate to the level of risk and current stage of the programme (i.e. business case development) and in line with HMT Green Book Guidance.
- 6.9. The programme has also approached developing the detail and quantification of risks in a way that is appropriate to the context of assessing a binary decision on whether to implement the Proposed Franchising Scheme which it is acknowledged would disrupt a market that provides a socially necessary service through a course of action that cannot easily be revoked.
- 6.10. The risk registers for both the Proposed Franchising Scheme and EP+ have been updated on a regular basis during the Assessment – including following consideration of the consultation feedback - and would continue to be updated for the preferred option throughout the implementation and operational periods of the Preferred Option to ensure that the Authority's overarching approach to risk management (as set out the Corporate Risk Management Strategy) is employed.
- 6.11. Following a decision on Bus Reform the programme's risk register (which will reflect the risk register for the preferred option) and review of this by Bus Reform Board would remain its primary mechanism to manage associated risks. Section 7 of the Management Case recognises that programme management and governance structures will 'necessarily evolve through Transition

and into steady state of either option, however, the same base principles will apply' – this includes their central role in managing risks.

- 6.12. At a corporate level, the Chief Executive and Directors retain management and oversight of the Authority's strategic risks captured in the Authority's corporate risk register, in accordance with the Authority's Risk Management Strategy.
- 6.13. In addition, the Governance and Audit Committee of the Combined Authority which has an independent chair, reviews the corporate risk register at each committee meeting and is able to scrutinise any element of the register and seek further information as required to satisfy itself as to the risk management measures in place. A snapshot of the corporate risk register is published on the Combined Authority's website and updated on a quarterly basis.
- 6.14. Bus reform has been included as a programme-level risk within the Combined Authority's corporate risk register, with the risk identified relating specifically to the potential lack of resource to make the case for and implement bus reform. The mitigations identified, and which have been put in place, include additional resource, the appointment of external experts to work alongside the internal team and development of a transition plan to enable the Authority to implement either an Enhanced Partnership Plus or the Proposed Franchising Scheme. Following a decision, the risk in the corporate risk register will be updated to be specific to the implementation of the preferred option.
- 6.15. Overall, the Combined Authority considers that it has appropriately considered the identification and management of risks as part of its overall Assessment and recommendation on the preferred way forward - including those associated with management of the scheme, as well other financial, commercial, and strategic risks. Risk has also been appropriately considered and included as part of the economic and financial modelling. Furthermore, the Assessment has set out the Combined Authority's approach to risk management – at both a programme and corporate level - which will provide a robust way to implement and manage risks within the selected option going forward.

Specific Points raised by First West Yorkshire

- 6.16. There are a number of specific points made on risk First West Yorkshire makes:

Flexibility of Asset Demobilisation

- 6.17. Under the scenario where Operators are providing fleet that require demobilisation, there are many ways that this would be dealt with in the design, and process of negotiation for Franchise contracts, and the options for Operators would not be different to current options for excess fleet (second-hand market).
- 6.18. The Combined Authority could look to support Operators in demobilising assets, however at this time, the Combined Authority believes the assumptions that have been applied are appropriate.
- 6.19. From an Authority asset utilisation perspective, a similar approach would apply where there are numerous options available (moving assets around the network, leasing or sale to other Authorities pursuing the same, breaking leasing agreements with leasing companies or sale on second-hand market).

Risk Reserve

- 6.20. As noted previously, the intention of the earmarked reserve was not to size the risk associated with assets, rather to set aside any savings made from a lower cost of public sector borrowing. The risk of increased cost of assets (fleet and depot) has been tested through the sensitivity analysis and illustrated no change to the ranking of Options.
- 6.21. Furthermore, the risk management of the Combined Authority that the reserve fits into is explained above.

Risk Assessment based on pessimistic forecasts

- 6.22. First West Yorkshire notes that "*the risk assessment is based on pessimistic forecasts for which limited details are available*" – the Combined Authority has had numerous correspondence with First West Yorkshire during which there has been no further details on the specific forecasts which are deemed to be pessimistic in order for the Combined Authority to comment. The analysis has assessed multiple different funding and demand scenarios to illustrate the ranking of options should there be a fundamental change to forecast demand. Under each of these scenarios, the

ranking of options remains unchanged. This approach has been undertaken by the Authority to mitigate the risk that demand or funding forecasts are too optimistic or pessimistic.

Risk Analysis Timing

- 6.23. First West Yorkshire has commented on a point that risk analysis was only conducted subsequent to the Grant Thornton audit.
- 6.24. The approach to risk analysis in the Assessment was to undertake sensitivity analysis to assess the impact of risks occurring on the relative ranking of options. This was carried out prior to the Grant Thornton audit process.



Find out more
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**West
Yorkshire
Combined
Authority**

**Tracy
Brabin
Mayor of
West Yorkshire**

All information correct at time of writing

EqIA Stage 2 Guidance & Template

Having established in the Stage 1 analysis that your scheme is relevant to equality, diversity and inclusion issues, Stage 2 of the EqIA allows you to undertake a more in-depth analysis of the impact on those with Protected Characteristics. Where these impacts are negative, it allows the opportunity to amend the scheme to mitigate these. Where the impact is positive, it allows you to identify the most pro-active ways to further our duties.

Points to consider
What relevant equality information do I have available and where can I get this from?
Who can support me/am I relying on to gather data?
Does my data display a blend of quantitative and qualitative evidence?
Can I use data from national and/or local research reports, the Census, ward profiles, customer profile or feedback data, complaints, recommendations from inspections/audits etc?
What previous data collection/research/engagement exercises can I draw on?
Have I gathered as thorough a body of relevant evidence as possible?
Do I have any gaps in my data and what can I do to fill these?
Will a desk-top research exercise fill the gaps?
Will a focused engagement process fill the gaps?

Reminder:

If you have gaps in your information that can't be easily filled, consider what longer term measures you will take to fill these gaps. Ensure that actions to achieve this are referenced in the EqIA action plan.

Analysing the equality information

- Using the evidence that you have gathered, you should now be able to interrogate it to answer the question, “If I take action X, what will the actual or potential outcomes of this activity be on equality?”
- It is important that your EqIA specifically identifies disproportionate impacts on equality; an impact that affects all customers in the same way, regardless of whether they have a protected characteristic or not, would not be a disproportionate impact. The test is, “**Does this scheme affect different groups of people differently?**”
- Where your EqIA identifies a disproportionate impact, it will be important for you to state the nature of this impact and identify any actions to be taken in response; this might mean adjusting some aspects of the scheme or could involve signposting to other services.

Following your analysis, your EqIA will be able to identify
Which characteristics will be impacted and how, including an analysis of cumulative/cross-characteristic impacts where applicable,
Which aims of the equality duty relate to your scheme and how they are affected
How any disproportionate impacts can be mitigated as required

Documenting your conclusions
The conclusions of your analysis should be recorded on the EqIA. Be aware that this document will be published and so it should:
Provide the context and detail of your scheme clearly, in a way that a member of the public can relate to
Demonstrate your point clearly, evidencing how the data was analysed and what it told you
Where actions have arisen from your EqIA, ensure that these are recorded on the EqIA Action Plan, or that you indicate which other action plan if elsewhere.

Monitor and evaluate

It is important to monitor the impacts that your EqlA has highlighted and to evaluate whether the actions in your EqlA Action Plan have been implemented and are effective. Where actions have not been effective, they should be revisited and revised accordingly.

It is recommended that your EqlA review takes place 12 months after the scheme that was originally being assessed has become implemented. Your EqlA Action Plan should timetable this review in.

Stage 2 – Equality Impact Assessment

Project/Policy Name: Bus Reform Assessment		Date: 20.09.2023
Officer responsible:	Adam Clarke, Policy Assistant Laura Simpkins, Policy Officer	Department: Bus Policy
Date Stage 1 completed:	05.04.2023 (updated 29.02.2024)	Date Stage 2 commenced: 27.07.2023 (updated 29.02.2024)
Head of Service:	Alexander Clarke	Directorate: Transport Policy and Delivery

1. About your scheme

<p>Briefly describe the key delivery objectives of the scheme being assessed.</p>	<p>The National Bus Strategy required all Local Transport Authorities in England (LTAs) to establish an Enhanced Partnership (EP) or franchising scheme in their areas to receive long-term government funding to improve their bus networks.</p> <p>The Combined Authority undertook a twin track approach to assessing options for bus reform. Firstly, to guarantee government funding, the Combined Authority agreed and entered an Enhanced Partnership with operators in April 2022.</p> <p>Secondly, the Combined Authority approved a notice of intent to prepare a franchising scheme and the assessment process commenced.</p> <p>Through the Bus Reform Assessment, the Combined Authority undertook an analysis of three methods of administering a bus network to ascertain which would best meet the objectives of bus reform.</p> <p>Bus reform objectives:</p> <ul style="list-style-type: none"> • Improved experience for bus customers, maximising deliverability of the Combined Authority’s Bus Service Improvement Plan by 2030. • The wider journey – objectives that demonstrate the contribution that bus makes towards the Combined Authority’s Transport Strategy 2040 and wider organisational policy structured around economy, environment and social issues in the region. • A value for money and affordable option that ensures a governance model that presents value for money for public spending and an affordable option for the Combined Authority. <p>The options considered were:</p>
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	<p>Enhanced Partnership (EP) – this provided the basis against which the other reform options were compared. It is a statutory partnership between the Combined Authority and bus operators that sets out how they will deliver the BSIP.</p> <p>Enhanced Partnership plus (EP+) – this scheme aims to build on the agreements made in the EP and push more control in the partnership to the Combined Authority, subject to operator agreement.</p> <p>Franchising – this scheme would give the Combined Authority control over the bus network, fares and ticketing, customer service and information, bus priority and the ability to set standards over fleet.</p> <p>A decision to franchise the West Yorkshire bus network in of itself would have a limited immediate impact on how passengers with protected characteristics experience the system.</p> <p>However, recognising that a decision to franchise the bus network would give the Combined Authority control and decision making over the bus network, fares and ticketing, customer service and information, bus priority and the ability to set standards over fleet, the EqIA has identified areas where Combined Authority control could address issues related to protected characteristics. In particular, the EqIA has identified access, safety and air quality as pertinent issues.</p> <p>Should a decision be taken to franchise the bus network, further detailed equality impact assessments will be undertaken to conduct in-depth analysis of the impact of any subsequent changes to the bus network on those with Protected Characteristics.</p> <p>This equality impact assessment uses existing research to understand how protected characteristics can affect someone’s experience of the bus. It identifies the people most likely to rely on the bus and therefore disproportionately be affected by a change in how the bus network is governed.</p> <p>It identifies no negative impacts but highlights how control over decision making could lead to positive outcomes.</p>
<p>What are the desired outcomes from this scheme?</p>	<p>The desired outcomes for franchising are based around the West Yorkshire Bus Service Improvement Plan (BSIP) delivery areas of:</p> <ul style="list-style-type: none"> • A radically enhanced, fully inclusive and more cohesive bus and public transport network – which takes people where they need to go, when they need to go, and caters for the complexity of modern travel patterns.

	<ul style="list-style-type: none"> • Clear and simple fares– to make paying for bus travel more affordable, easier, convenient and flexible. • Improved, more inclusive customer service and support – so all passengers have the right tools to travel with confidence and help they need if their journey does not go to plan. • Priority for buses on our road – so journeys by bus are quicker, with less time spent stuck in traffic, and are a viable alternative to the private car. • More green and better vehicles – to improve the onboard experience and make bus the sustainable choice for travel in West Yorkshire.
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2. About the people and communities who use the scheme

Do you currently have existing data, completed consultations and engagements about the scheme in relation to each protected characteristic?			
	If Yes , what information has been analysed to inform the content of this EqlA?	If No , please explain why this is the case and / or note how you will prioritise gathering this equality data – who will you consult with and how?	How did you/are you planning to consult them?

	Please include details of any data compiled by the service, any research that has been undertaken, any engagement that was carried out etc.		Date and method of planned consultation
Age	<p><u>Older age groups (based on national data):</u></p> <ul style="list-style-type: none"> • Research by Age UK shows us that: <ul style="list-style-type: none"> - the most frequent reasons for not using public transport among those aged 65 and over are that it is not convenient and does not go where you want. - Older people in rural areas don't have sufficient access to public transport. Just 20% of those aged 70-74 living in rural areas use public transport weekly, compared to 38% of those who live in an urban setting. - 18% of those over 65 living in rural areas don't use public transport because none is available, compared to 2% of those living in urban areas. - 32% of those 65 and over never use public transport, whilst another 27% use it 		<p>The Combined Authority will launch a public consultation of the proposals to reform the West Yorkshire bus network, should it decide to proceed to that stage in the process set out by legislation.</p> <p>The consultation approach will aim for engagement with a proportional representation of protected groups.</p>

	<p>once a month or less. The proportion of older people who regularly use public transport is highest amongst the 70-74 age group, before declining with age.</p> <ul style="list-style-type: none"> - The proportion of men aged 50-59 who use public transport steadily increased, from 15% in 2006 to 20% in 2012. - Approximately 35,000 people aged 65-84 in England are restricted to using public transport and have difficulty walking even a short distance, yet more than half (approximately 20,500 people) do not use public transport. Among the over 85s, even more people - 50,000 - are restricted to using public transport and have difficulty walking a short distance and even more, 80% (approximately 40,000 people), do not use it. This indicates that current public transport provision is not meeting the needs of those who need it most. - The proportion of women over 50 using public transport at least once week is higher than that of older 		
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	<p>men. Less than 30% of men in their 70s use public transport once a week, compared to 35% of women in their 70s.</p> <ul style="list-style-type: none"> • The Centre for Ageing Better published research that explains how travel options become more limited with age with an increased reliance on often limited public or community transport provision. Equity in access to transport options across rural and urban areas also needs to be considered. • In 2020 there were 74,000 seniors making daily bus journeys in West Yorkshire, 16% of the total daily passengers. <p><u>Younger age groups (based on national data):</u></p> <p>Research from Urban Transport Group has shown that women, those without access to a car, young people and people with lower skill levels are particularly dependent on bus services.</p> <ul style="list-style-type: none"> - Young people are among the biggest users of bus services. 		
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	<ul style="list-style-type: none"> - Bus use declines after the age of around 20 but increases again as people enter their 60s. • Government annual bus usage statistics display that the total concessionary journeys (elderly or disabled, and youth concessions) in the financial year ending 2022 made up 32.7% (928 million passengers journeys) of all local bus passenger journeys in England. • Further government research indicates that young people, particularly those under the age of 16, are less likely to have alternative modes of transport e.g. private car to travel. • In 2020 34,000 (7% of total) under 26/students and 101,000 (22%) of total, daily bus passengers in West Yorkshire (Bus operator ticket data, March 2020 <i>as found in Bus Reform Compelling case for change document</i>). <p><u>West Yorkshire Public perceptions of transport survey results 2022/23:</u></p> <ul style="list-style-type: none"> • 15% of 16 - 34 year olds recorded themselves as being dissatisfied with bus 		
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	<p>frequencies, compared to 34% who recorded themselves as satisfied.</p> <ul style="list-style-type: none"> • 20% of 35 - 64 year olds recorded themselves as being dissatisfied with bus frequencies, compared to 34% who recorded themselves as satisfied. • 21% of 16 – 34 year olds recorded themselves as being dissatisfied with bus punctuality, compared to 28% who recorded themselves as satisfied. • 20% of 35 – 64 year olds recorded themselves as being dissatisfied with bus punctuality, compared to 34% who recorded themselves as satisfied. • 17% of those aged 65+ recorded themselves as being dissatisfied with bus punctuality, compared to 45% who recorded themselves as satisfied. • 2.8% of those aged 16 to 34 recorded themselves as being dissatisfied with ease of purchasing bus tickets, compared to 63% who recorded themselves as satisfied. • 1% of people aged 35 – 64 recorded themselves as being dissatisfied with ease of purchasing bus tickets, 		
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	<p>compared to 80% who recorded themselves as satisfied.</p> <ul style="list-style-type: none"> • Less than 1% of people aged 65+ recorded themselves as being dissatisfied with ease of purchasing bus tickets, compared to 45% who recorded themselves as satisfied. • 12.72% of 16 – 34 year olds recorded themselves as dissatisfied with bus ticket prices, compared to 36% who recorded themselves as satisfied. • 21.94% of 35 – 64 year olds recorded themselves as dissatisfied with bus ticket prices, compared to 54% who recorded themselves as satisfied. • 9% of people aged 65+ recorded themselves as dissatisfied with bus ticket prices, compared to 50% who recorded themselves as satisfied. • Those aged 65+ were identified as a group that felt unsafe when travelling by bus after dark. 		
Disability	<p><u>Centre for Ageing Better – Ageing and mobility: A grand challenge:</u></p>		

	<ul style="list-style-type: none"> • People with a mobility disability might find it difficult to walk to the bus stop, while visual decline will stop some people from being able to drive anymore, highlighting the importance of access to bus stops and the potential of increased reliance on the bus network. <p><u>Urban Transport Group – The cross-sector benefits of backing the bus:</u></p> <ul style="list-style-type: none"> • The bus is the most commonly used form of public transport among disabled people. • Disabled people are less likely to have access to a car, and more likely to use bus services than non-disabled people. <p><u>Governments annual bus usage statistics:</u></p> <ul style="list-style-type: none"> • Total concessionary journeys (elderly or disabled, and youth concessions) in the financial year ending 2022 made up 32.7% (928 million passenger journeys) of all local bus passenger journeys in England. 		
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	<ul style="list-style-type: none"> • Adults with mobility issues typically use local buses less than those who do not. <p><u>UK government – The Inclusive Transport Strategy: achieving equal access for disabled people:</u></p> <ul style="list-style-type: none"> • This strategy explains the legal requirements of operators and local authorities to provide bus services, including infrastructure, to a standard which makes it accessible to people with a disability. • The government’s long-term plan is for all passengers to be able to plan journeys which meet their needs as easily as non-disabled passengers do at present. • Accessibility standards on buses are expected to keep pace with the evolving need of disabled people and the mobility aids they use. • Between January and March 2023, the employment rate of disabled people was 53.7% (this statistic is reflected in the WYCA EqIA toolkit which highlights people with a disability as more likely to be unemployed and more likely to be reliant on public transport to access 		
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	<p>employment and educational opportunities) significantly lower than the rate for non-disabled people – 82.7%.</p> <p><u>Bus operator ticket data (March 2020):</u></p> <ul style="list-style-type: none"> • 2020 bus operator data informs us that 29,000 disabled/companion passengers accessed the bus, accounting for 6% of the daily passengers in West Yorkshire. <p><u>The Transport Accessibility Gap:</u></p> <ul style="list-style-type: none"> • Disabled adults make 38% fewer trips than those with non-disabled adults, and travel just 46% of the distance travelled by the latter. <p><u>Transport: disability and accessibility statistics, England: 2019 to 2020:</u></p> <ul style="list-style-type: none"> • Disabled adults undertook 26% fewer trips by public transport than those with non-disabled adults. They are more reliant on trips by taxi and trips as car passengers. <p><u>Disabled people’s travel behaviour and attitudes to travel:</u></p> <ul style="list-style-type: none"> • In terms of public transport use, disabled people are more likely 		
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	<p>to use the bus and less likely to use rail.</p> <p><u>West Yorkshire Public perceptions of transport survey results 2022/23:</u></p> <ul style="list-style-type: none">• 22% of people who disclosed they had a 'little disability' recorded themselves as being dissatisfied with current bus frequencies, compared with 37% who reported being satisfied.• 24% of people who disclosed they had 'a lot of disability' recorded themselves as being dissatisfied with current bus frequencies, compared with 30% who reported being satisfied.• 23% of people who disclosed they had 'a little disability' recorded themselves as dissatisfied with current bus punctuality, compared to 32% who recorded themselves as satisfied.• 31% of people who disclosed they had 'a lot of disability' recorded themselves as dissatisfied with current bus punctuality, compared to 29% who recorded themselves as satisfied.• 4% of people who disclosed they had 'a little disability'		
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	<p>recorded themselves as dissatisfied with ease of buying a bus ticket, compared to 62% who reported being satisfied.</p> <ul style="list-style-type: none"> • Less than 1% of people who disclosed they had ‘a lot of disability’ recorded themselves as dissatisfied with ease of buying a bus ticket, compared to 57% who recorded themselves as satisfied. • 13% of people who disclosed they had ‘a little disability’ recorded themselves as dissatisfied with price of a bus ticket, compared to 39% who recorded themselves as satisfied. • 7% of people who disclosed they had ‘a lot of disability’ recorded themselves as dissatisfied with price of a bus ticket, compared to 47% who recorded themselves as satisfied. <p><u>Mayor’s Big Bus Chat:</u></p> <ul style="list-style-type: none"> • 11% of people who responded agreed that bus shelters are well designed for disabled people. • 70% of people who are limited a lot by a disability disagreed that bus shelters are well designed for disabled people. 		
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	<p><u>West Yorkshire state of the region report (2022):</u></p> <ul style="list-style-type: none"> • Females, people from some ethnic minority groups and disabled people face a greater exposure to access inequality due to a combination of reasons, including higher likelihood of living in a deprived area, lack of access to a car and greater reliance on the bus network. 		
<p>Gender reassignment</p>	<p><u>National LGBT Survey Research Report (2018):</u></p> <ul style="list-style-type: none"> • 68.7% of trans women who responded to the survey avoided being open about their gender identity on public transport for fear of a negative reaction from others. • 58.7% of trans men who responded to the survey avoided being open about their gender identity on public transport for fear of a negative reaction from others. • 67.8% on non-binary people who responded to the survey avoided being open about their gender identity on public 	<p>In addition to the following information, post-assessment we will also run a statutory public consultation on franchising to enable us to gather primary data and statistics on public perceptions and attitudes towards bus franchising. EDI is embedded in our public consultations by design, both in terms of how we reach our local population and in terms of the type questions that we ask. As part of our stakeholder engagement we will seek to engage with various local stakeholders that are representatives of protected characteristic groups to ensure that any decision taken on is</p>	

	<p>transport for fear of a negative reaction from others.</p>	<p>inclusive of all members of our community.</p>	
<p>Race</p>	<p><u>Women’s Budget Group – Towards gender-inclusive and sustainable transport systems</u></p> <ul style="list-style-type: none"> • The WBG report identified that BAME women are twice as likely as white workers to have insecure work, largely including low-paid health and social care jobs and are therefore disproportionately affected by transport systems that do not adequately enable care-related journeys, as they are built to optimise long distance radial journeys into city centres during peak hours. <p><u>West Yorkshire Combined Authority EqIA toolkit:</u></p> <ul style="list-style-type: none"> • Females, ethnic minorities and people who are disabled are less likely to be in employment – but may be more reliant on public transport to access employment and educational opportunities. 		

	<p><u>English indices of deprivation 2019:</u></p> <p>The most disadvantaged areas in West Yorkshire are clustered around town and city centres and their periphery. A key issue of concern is that a third of residents in the most deprived areas are from an Ethnic Minority group.</p> <p><u>West Yorkshire Public perceptions of transport survey results 2022/23:</u></p> <ul style="list-style-type: none"> • 14% of people who categorised as an ethnic minority recorded themselves as dissatisfied with bus frequencies, compared to 39% who recorded themselves as satisfied. • 20% of white British people recorded themselves as dissatisfied with bus frequencies, compared to 35% who recorded themselves as satisfied. • 15% of people who categorised as an ethnic minority recorded themselves as dissatisfied with bus punctuality, compared to 37% who recorded themselves as satisfied. 		
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	<ul style="list-style-type: none"> • 21% of white British people recorded themselves as dissatisfied with bus punctuality, compared to 34% who recorded themselves as satisfied. • 3% of people who categorised as an ethnic minority recorded themselves as dissatisfied with ease of buying a bus ticket, compared to 66% who recorded themselves as satisfied. • 1.44% of white British people recorded themselves as dissatisfied with ease of buying a bus ticket, compared to 72% who recorded themselves as satisfied. • 10% of people who categorised as an ethnic minority recorded themselves as dissatisfied with price of bus tickets, compared to 37% who recorded themselves as satisfied. • 8% of white British people recorded themselves as dissatisfied with price of bus tickets, compared to 51% who recorded themselves as satisfied. <p><u>Car or van ownership, Gov.uk statistics:</u></p>		
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	<ul style="list-style-type: none"> In most ethnic minority groups, a higher proportion of adults live in households without access to a car or a van than is the case for the white group. For example, only 17% of white adults live in a household without access to a car or van, increasing to 22% for Asian / Asian British and 39% for Black / African / Caribbean / Black British groups. <p><u>Travel by distance, trips, type of transport and purpose:</u></p> <p>Data on the average number of trips on local bus services made per person by ethnicity shows that Asian and White groups take significantly fewer trips via this mode. Nationally, people from the black and mixed groups made the highest average number of trips by local bus at 55 and 51 per annum respectively, compared with a figure of 36 for the white group and an average for all ethnic groups of 36.</p> <p><u>West Yorkshire state of the region report (2022):</u></p> <ul style="list-style-type: none"> Females, people from some ethnic minority groups and disabled people face a greater exposure to access inequality 		
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	<p>due to a combination of reasons, including higher likelihood of living in a deprived area, lack of access to a car and greater reliance on the bus network.</p> <ul style="list-style-type: none"> In most ethnic minority groups a higher proportion of adults live in households without access to a car or a van than is the case for the White group. For example, whereas only 17% of White adults live in a household without access to a car / van, the proportion increases to 22% for Asian / Asian British and 39% for Black / African / Caribbean / Black British groups. <p>The evidence gathered from the above source indicates changing the governance of the bus service would have a disproportionate impact on the people as above due to an existing reliance on the network.</p>		
<p>Religion or belief (or lack of)</p>			
<p>Sex</p>	<p><u>Age UK – The future of transport in an ageing society:</u></p>		

	<ul style="list-style-type: none"> • Women, those with lower incomes, and those without a car were less likely to state that public transport was inconvenient. • The proportion of men aged 50-59 who use public transport steadily increased, from 15% in 2006 to 20% in 2012. • There are differences in the use of public transport between women and men with older women tending to use public transport more regularly (35% of women in their 70s use public transport at least weekly compared to less than 30% of men). • Public transport usage is highest for both women and men in the 70-79 age group (35% and 28% respectively). <p><u>Urban Transport Group – The cross-sector benefits of backing the bus:</u></p> <ul style="list-style-type: none"> • Women are less likely hold a full driving licence and more likely to use the bus than men. <p><u>'Invisible Women' by Caroline Criado-Perez (2019):</u></p>		
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	<ul style="list-style-type: none"> • The book highlights inequalities within the transport network - specifically that women are more likely to use buses than men, yet public transport networks are geared towards centres of employment and around traditional peak hour working patterns, not the more complex (and challenging to serve) trip patterns of many women. <p><u>National Federation of Women’s Institute – A new route for local bus services:</u></p> <ul style="list-style-type: none"> • Women are more likely than men to have caregiving duties and be in part-time work which can mean taking multiple short journeys during the day. • Just 18% of the people who responded to the survey said that they had access to a frequent, reliable bus service, compared with 50% in non-rural areas. • Women are hesitant to rely on evening bus services as a result of few and irregular services. When asked how comfortable they would feel using the bus after 5pm, 43% of female 		
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	<p>respondents said ‘not comfortable’ or ‘very uncomfortable’. This has significantly affected those who work part-time or have caring responsibilities, which often fall outside of the peak 9am-5pm hours. 50% said more bus services would encourage them to use the bus more, and 36% said bus timetables that meet their needs.</p> <p><u>Women’s Budget Group – Towards gender-inclusive and sustainable transport systems</u></p> <ul style="list-style-type: none"> • The WBG report identified that BAME women are twice as likely as white workers to have insecure work, largely including low-paid health and social care jobs and are therefore disproportionately affected by transport systems that do not adequately enable care-related journeys, as they are built to optimise long distance radial journeys into city centres during peak hours. <p><u>West Yorkshire Combined Authority EqIA toolkit:</u></p>		
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	<ul style="list-style-type: none"> • Women are statistically more likely to use public transport than men. • Females, ethnic minorities and people who are disabled are less likely to be in employment – but may be more reliant on public transport to access employment and educational opportunities. <p><u>West Yorkshire Public perceptions of transport survey results 2022/23:</u></p> <ul style="list-style-type: none"> • 20% of females recorded themselves as dissatisfied with bus frequency, compared with 35% who recorded themselves as satisfied. • 16% of males recorded themselves as dissatisfied with bus frequency, compared with 39% who recorded themselves as satisfied. • 19% of females recorded themselves as dissatisfied with bus punctuality, compared with 35% who recorded themselves as satisfied. • 19% of males recorded themselves as dissatisfied with 		
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	<p>bus punctuality, compared with 35% who recorded themselves as satisfied.</p> <ul style="list-style-type: none"> • Less than 1% of females recorded themselves as dissatisfied with ease of buying a bus ticket, compared with 74% who recorded themselves as satisfied. • 3% of males recorded themselves as dissatisfied with ease of buying a bus ticket, compared with 66% who recorded themselves as satisfied. • 5% of females recorded themselves as dissatisfied with cost of bus tickets, compared with 51% who recorded themselves as satisfied. • 12% of males recorded themselves as dissatisfied with cost of bus tickets, compared with 41% who recorded themselves as satisfied. • 43% of females reported feeling confident about personal safety while using a bus in the dark, compared with 69% for males. <p><u>West Yorkshire state of the region report (2022):</u></p> <ul style="list-style-type: none"> • Females, people from some ethnic minority groups and disabled people face a greater 		
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	<p>exposure to access inequality due to a combination of reasons, including higher likelihood of living in a deprived area, lack of access to a car and greater reliance on the bus network.</p>		
<p>Sexual orientation</p>	<p><u>National LGBT Survey Research Report (2018):</u></p> <ul style="list-style-type: none"> • 70% of respondents with a minority sexual orientation said they avoided being open about their sexual orientation for fear of a negative reaction from others. The most commonly cited locations for this were on public transport and in the workplace. • Public spaces considered unsafe and therefore sometimes avoided altogether by respondents included public transport, such as trains and buses. • Gay and lesbian respondents were more likely to avoid being open about their sexual orientation, for example, on public transport (71%). 		

<p>Marriage and civil partnership</p>			
<p>Pregnancy and maternity</p>	<p><u>Transport Scotland Equalities Impact Assessment (2022):</u></p> <ul style="list-style-type: none"> • Pregnant women are more vulnerable to the adverse effects of air pollution including an increasing risk of miscarriage as well as premature births and low birth weights. <p><u>London Sustainable Transport Walking and Cycling draft EqIA (2021)</u></p> <ul style="list-style-type: none"> • Evidence shows that women are likely than men to be travelling with buggies and/or shopping, and often find that travelling with children and buggies can be difficult and stressful at times, especially on buses. Qualitative research by Transport for London on the experience of people travelling with buggies on buses found that they often experienced overcrowding, which can make it difficult to manoeuvre 		

	<p>a buggy and keep their child/children safe. They also cite negative attitudes of other passengers, difficulties getting on and off the bus and drivers refusing to allow buggies on as barriers.</p>		
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3. Analysis of the evidence

Does your analysis indicate a disproportionate impact relating to Age ?	Y	N	
<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>The data tells us that franchising the bus system will have a disproportionate impact on younger and older people in West Yorkshire because they rely on the existing bus network the most. The data speculates why this might be.</p> <p>Older people have identified barriers to bus use:</p> <ul style="list-style-type: none"> - Services do not go where older people need them to go - There is not enough access to bus services in rural areas <p>The data also demonstrates that there is a disparity in older people using the bus network between men and women with any potential changes impacting older women to a greater degree.</p> <p>Franchising the bus network would give control of decisions of where the network runs and fleet standards to the Combined Authority.</p>		
<p>What can you do?</p>	<p>Franchising could give the Combined Authority more control to plan bus services and fare incentives that support young and old people to travel by bus.</p>		

<p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 	<p>Franchising will give the Combined Authority more control over the onboard offer and provide a consistent onboard service.</p> <p>Franchising the bus service will allow the Combined Authority to create a single point of contact for customers, helping to make bus system more navigable. Customer complaints could be streamlined.</p> <p>The Combined Authority will need to be conscious of services it provides - technology should be suitable for older/younger people. However, franchising will help customers navigate the bus system more easily.</p> <p>The data illustrated that older people feel more unsafe when travelling by bus after dark. A greater focus on marketing the bus safety feedback tool to this group would give the Combined Authority a greater understanding of the safety experience of this group and approach improvements appropriately.</p> <p>Increased after-dark services could be considered with control over the network. This will benefit younger people. UK statistics show that over 40% of night-time workers are under 24.</p>
<p>What are your next steps?</p> <p>Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network could have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and understanding how franchising may affect different groups of people will be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined</p>

	<p>Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p> <p>In 2022 the Combined Authority piloted a bus safety feedback tool that allows passengers to report what types of things are making them feel unsafe and where and when that is happening. Further analysis of this data will be explored, and actions planned appropriately.</p>		
<p>Does your analysis indicate a disproportionate impact relating to Disability?</p>	<p>Y</p>	<p>N</p>	
<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>Bus is the most used form of public transport for people with a disability. But people with a long-term illness or a disability reported feeling unsafe when travelling by bus after dark.</p> <p>There are legal requirements for operators to provide accessible bus services, but there is little appetite to go above and beyond this outside of London due to existing governance structures.</p> <p>The data collected does not differentiate between different types of disability. The Combined Authority could seek to capture this data through public consultation.</p>		
<p>What can you do?</p> <p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative</p>	<p>Journey and bus information should have accessibility assurances attached, so those with visual and cognitive conditions can easily access information.</p> <p>Franchising would provide the Combined Authority with control over the accessibility of the bus fleet through ownership of vehicles and allow for a consistent onboard offer with adequate space for wheelchairs. Through Franchising, the Combined Authority would look to introduce a standardised fleet so that those facing accessibility challenges were offered a consistent service.</p>		

<p>impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 	<p>The Combined Authority would have control over the information offer in the event of a decision to franchise the bus system. The offer could then be made consistent, ensuring passengers understand the accessibility standards and support available across the region.</p> <p>Franchising would give the Combined Authority control over the network and the ability to consider social implications of decisions more widely.</p> <p>Franchising would give the Combined Authority control over the bus fleet and where buses run.</p>		
<p>What are your next steps?</p> <p>Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network would have on protected characteristics will be considered as part of the bus reform assessment. While the existing data does help to illustrate the experience of using the bus for people with disabilities, further steps could be taken to further understand different types of disability and how that impacts experience of the bus system.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p> <p>In 2022 the Combined Authority piloted a bus safety feedback tool that allows passengers to report what types of things are making them feel unsafe and where and when that is happening. Further analysis of this data will be explored, and actions planned appropriately.</p>		
<p>Does your analysis indicate a disproportionate impact</p>	<p>Y</p>	<p>N</p>	

<p>relating to Gender Reassignment?</p>			
<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>UK government research indicates that trans people feel unsafe being open about their gender identity for fear of a negative reaction from others on public transport.</p>		
<p>What can you do?</p> <p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 	<p>Franchising the bus system would give the Combined Authority the ability to design a network that aligns to the Bus Service Improvement Plan objective to provide a fully inclusive network – this includes the onboard offer and customer service.</p>		

<p>What are your next steps?</p> <p>Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network would have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and understanding how franchising may affect different groups of people could be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p> <p>In 2022 the Combined Authority piloted a bus safety feedback tool that allows passengers to report what types of things are making them feel unsafe and where and when that is happening. Further analysis of this data will be explored, and actions planned appropriately.</p>	
<p>Does your analysis indicate a disproportionate impact relating to Race?</p>	<p>Y</p>	<p>N</p>
<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>The data illustrates that the impact of franchising the bus network is likely to have a greater impact on people depending on their ethnicity.</p> <p>Ethnic minorities are more likely to be reliant on public transport links to access education and employment opportunities.</p> <p>Generally, in West Yorkshire, people from an Ethnic Minority background reported higher levels of satisfaction with bus punctuality and reliability than White British people.</p> <p>However, White British bus passengers reported more satisfaction with the ease of buying a bus ticket and the cost of a bus ticket than passengers from an Ethnic Minority.</p> <p>The NUS has reported that Black and Asian communities are disproportionately facing higher levels of air pollution, which is then linked to higher risk of respiratory and cardiovascular diseases.</p>	

<p>What can you do?</p> <p><i>Negative impacts</i> - What are the potential actions you can take to avoid, reduce or mitigate any negative impacts/potential negative impacts?</p> <p><i>Are there opportunities to:</i></p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 	<p>Franchising the bus system would give the Combined Authority control over network and the ability to design a network that aligns to the Bus Service Improvement Plan objective to provide a fully inclusive network.</p> <p>Franchising the bus system would give the Combined Authority autonomy over fares and ticketing policy. Action could be taken to address differences in satisfaction in ticketing between White British and Ethnic Minority bus passengers.</p> <p>Franchising would give the Combined Authority control over the bus fleet and where buses run. A zero emission fleet could be expedited and deployed in areas worse affected by poor air quality.</p>
<p>What are your next steps?</p>	<p>The possible impact franchising the bus network will have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and</p>

<p>Please indicate what actions will be taken to address these impacts.</p>	<p>understanding how franchising may affect different groups of people could be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p>	
<p>Does your analysis indicate a disproportionate impact relating to Religion or belief (or lack of)?</p>	<p>Y</p>	<p>N</p>
<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>Evidence suggests that individuals who identify with particular religions or beliefs in the UK have faced marginalisation due to ethno-religious identities and migratory backgrounds. This may mean that they face multiple deprivation.</p>	
<p>What can you do?</p> <p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative</p>	<p>If the bus system was franchised, the Combined Authority would have control over comms, marketing and customer service, all of which could be inclusive of this protected characteristic.</p>	

<p>impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 			
<p>What are your next steps?</p> <p>Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network will have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and understanding how franchising may affect different groups of people could be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p>		
<p>Does your analysis indicate a disproportionate impact relating to Sex?</p>	<p>Y</p>	<p>N</p>	

<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>The data indicates that women are more likely to use public transport and buses than men, but existing bus networks are not designed for the more complex (and challenging to serve) trip patterns of many women.</p> <p>This is true of older women, with older women using public transport more frequently than older men.</p> <p>Women are also less likely to use evening bus services due to safety concerns.</p>
<p>What can you do?</p> <p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those 	<p>Franchising the bus system would give the Combined Authority control over fares and ticketing. The Combined Authority could investigate fares and ticketing that would make travel easier and more affordable for many women making multiple trips. The ability franchising gives to determine services and frequencies can also help create a more cohesive network which would allow for easier interchange.</p> <p>There is also the ability to recognise the barriers to older women travelling, who make up a more significant proportion of older people travelling. There are particular barriers to note that cut across the protected characteristics of age and sex.</p> <p>Franchising the bus system would give the Combined Authority more ability to introduce the Bus Service Improvement Plan’s aim to deliver an inclusive and safe bus system. A key element of the BSIP and have more ability to influence this across the bus system under franchising due to the potential standardisation of the bus offer</p> <p>Franchising the bus network would allow to standardise customer service training to all drivers.</p>

<p>who are not? (See guidance)</p>			
<p>What are your next steps? Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network will have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and understanding how franchising may affect different groups of people could be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p> <p>In 2022 the Combined Authority piloted a bus safety feedback tool that allows passengers to report what types of things are making them feel unsafe and where and when that is happening. Further analysis of this data will be explored, and actions planned appropriately.</p>		
<p>Does your analysis indicate a disproportionate impact relating to sexual orientation?</p>	<p>Y</p>	<p>N</p>	
<p>What does the data tell you? Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p>	<p>The 2018 Equalities Office report on experiences of LGBT people found that 65% of respondents said they hid their sexual orientation on public transport. For all respondents, public transport was sometimes avoided because of safety fears and concern about negative reactions from others.</p>		

<p>If no impact is identified, please explain your rationale based on the data.</p>	
<p>What can you do?</p> <p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 	<p>Franchising the bus network would allow the Combined Authority to design a bus network more closely aligned to the Bus Service Improvement Plan objective to create a fully inclusive bus network.</p>
<p>What are your next steps?</p> <p>Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network will have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and understanding how franchising may affect different groups of people could be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual</p>

	<p>engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p> <p>In 2022 the Combined Authority piloted a bus safety feedback tool that allows passengers to report what types of things are making them feel unsafe and where and when that is happening. Further analysis of this data will be explored, and actions planned appropriately.</p> <p>It could be beneficial for the Combined Authority to commission independent research to understand more greatly how LGBTQ+ people in West Yorkshire experience the bus network, similar to the study Transport for London published in 2012.</p>		
<p>Does your analysis indicate a disproportionate impact relating to marriage and civil partnership?</p>	<p>Y</p>	<p>N</p>	
<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>There is no data to suggest franchising the bus network would have a disproportionate impact on people with this protected characteristic.</p>		

<p>What can you do?</p> <p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 	
<p>What are your next steps?</p> <p>Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network will have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and understanding how franchising may affect different groups of people could be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p>

	<p>In 2022 the Combined Authority piloted a bus safety feedback tool that allows passengers to report what types of things are making them feel unsafe and where and when that is happening. Further analysis of this data will be explored, and actions planned appropriately.</p>	
<p>Does your analysis indicate a disproportionate impact relating to pregnancy and maternity?</p>	<p>Y</p>	<p>N</p>
<p>What does the data tell you?</p> <p>Describe the nature of any disproportionate impact/s or potential impacts as indicated by the data.</p> <p>If no impact is identified, please explain your rationale based on the data.</p>	<p>Pregnant women may be mobility restricted, particularly at later stages of pregnancy. Whilst pregnancy and maternity transect all of society, pregnant women from more deprived backgrounds are less likely to have access to a car and more reliant on public transport.</p> <p>Improvements in air quality are likely to disproportionately benefit pregnant people. Polluted air is harmful for babies in the womb and can cause premature birth or low birth weight – factors associated with infant mortality. New-born babies and infants, who are more vulnerable to pollution due to their developing airways and rapid breathing, are also likely to disproportionately benefit from improved air quality.</p> <p>Evidence shows that women are more likely than men to be travelling with buggies and/or shopping, and often find that travelling with children and buggies can be difficult and stressful at times, especially on buses. Qualitative research by Transport for London on the experience of people travelling with buggies on buses found that they often experienced overcrowding, which can make it difficult to manoeuvre a buggy and keep their child/children safe. They also cite negative attitudes of other passengers, difficulties getting on and off the bus and drivers refusing to allow buggies on as barriers.</p>	
<p>What can you do?</p> <p>Negative impacts - What are the potential actions you can take to avoid, reduce or mitigate any negative</p>	<p>Under franchising the Combined Authority would have control over the bus fleet and would have more autonomy to ensure there is enough pram space on buses. Franchising the bus network would also give the Combined Authority more control over the timescales to achieving a 100% zero emissions bus fleet.</p>	

<p>impacts/potential negative impacts?</p> <p>Are there opportunities to:</p> <ul style="list-style-type: none"> • Advance equality of opportunity • Foster good relations between people in any protected group and those who are not? (See guidance) 	<p>In addition to greater autonomy over physical infrastructure, franchising the bus system would give the Combined Authority control over the network and could seek to improve accessibility to medical facilities for pregnant women.</p>
<p>What are your next steps?</p> <p>Please indicate what actions will be taken to address these impacts.</p>	<p>The possible impact franchising the bus network will have on protected characteristics will be considered as part of the bus reform assessment. Further steps to collecting data and understanding how franchising may affect different groups of people could be taken as part of the formal statutory consultation if agreed to proceed.</p> <p>Furthermore, understanding the needs of customers is key to the development of franchising. Future opportunities to collect passenger feedback will be considered, in particular the need for continual engagement to ensure the benefits of greater control and certainty over the bus network are fully realised in regard to customers. Whilst future engagements are still to be determined the Combined Authority could look to existing panels, such as the Bus Futures Group to better understand impacts on people with protected characteristics.</p> <p>In 2022 the Combined Authority piloted a bus safety feedback tool that allows passengers to report what types of things are making them feel unsafe and where and when that is happening. Further analysis of this data will be explored, and actions planned appropriately.</p>

Seek approval and confidence in the impacts and mitigation detailed by Head of Service sign off:

Name: Alexander Clarke

Date: 29.02.2024

Service: Bus Reform

Signature:

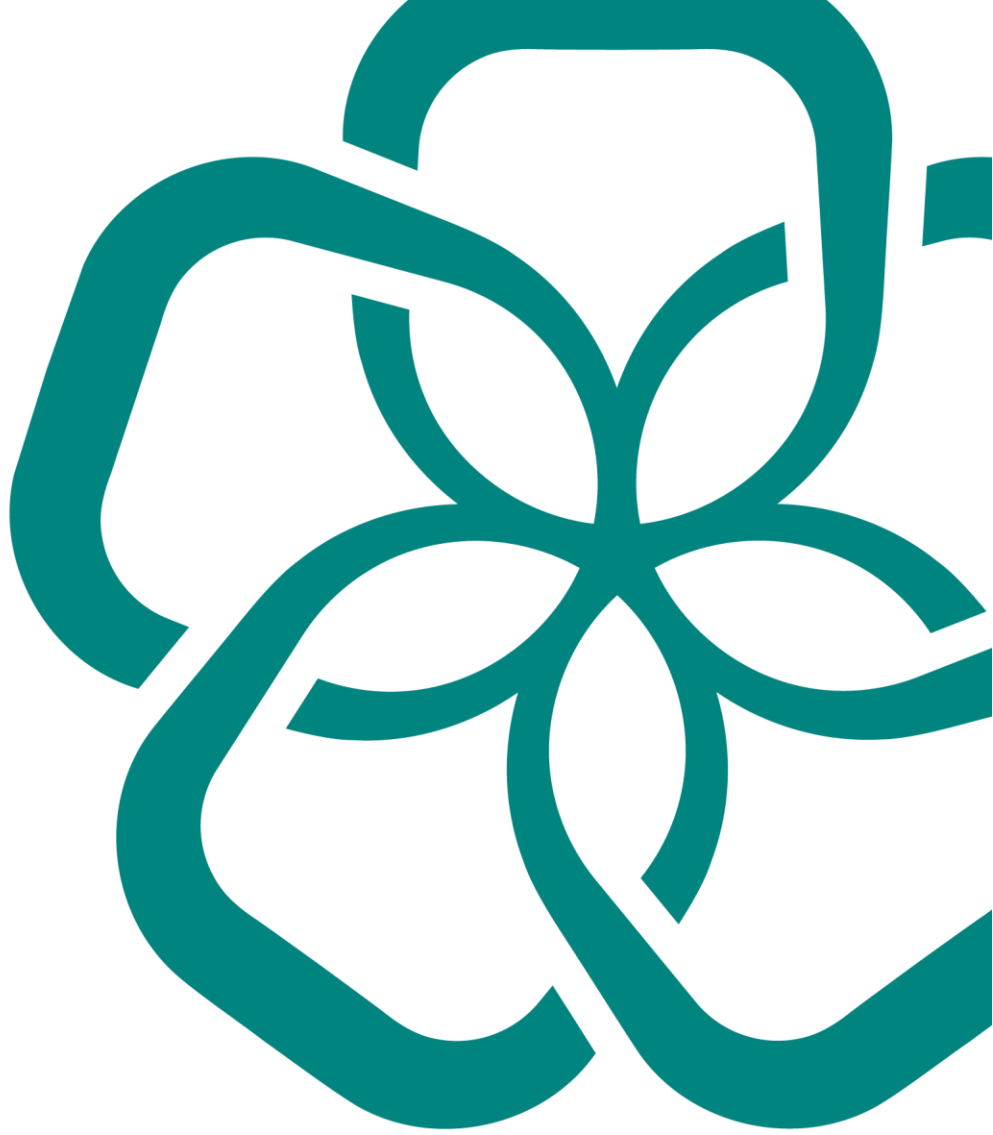
3. SMO Paper

The following paper sets out how, in conducting the procurement process for the provision of local services, the Combined Authority will facilitate the involvement of small and medium-sized operators in the provision of local services.



West
Yorkshire
Combined
Authority

Tracy
Brabin
Mayor of
West Yorkshire



Bus Reform

Facilitating the Involvement of
Small and Medium Sized
Operators

06 March. 24

Facilitating Involvement

Commercial Success Factors

As part of assessing the commercial case for bus reform, the Combined Authority highlighted the need to facilitate involvement of small and medium operators (SMOs) as part of the commercial success factors. The Authority has been clear that any model must facilitate the participation of small and medium sized operators and new entrants to the market by removing unnecessary barriers to entry, encouraging competition to enable quality and value for the Authority. A plan has been developed to ensure that this can be achieved.

Lotting Strategy

The lotting strategy has been drafted to include smaller lots that are specifically designed for small and medium sized operators. The smaller lots will typically have a peak vehicle requirement of between 1 and 45. The contract length of these smaller lots will be determined on a contract-by-contract basis and may be shorter in length, with the option to extend to 7 years.

The Combined Authority may take the decision to disqualify any of these smaller lots from being run from the same depot as the larger lots, which would remove a tendering advantage from the larger operators.

Ticketing

In the current deregulated market SMOs can have difficulty growing their businesses because larger Operators encourage customer loyalty through discounted, single operator tickets. Therefore, it can be uneconomic for customers to occasionally use a smaller operator, and this can make it difficult for them to grow and compete.

Under Franchising all operators under franchised agreements would be providing services for WYCA and therefore the ticketing structure would not affect the ability for operators to compete for the franchise contracts, thereby removing this barrier to growth for SMOs or entrants of new SMOs.

Growth of SMOs

The above proposals allow SMOs to consolidate and enter the market but WYCA also intends to put in place additional measures to help SMOs to grow.

Part of this could be by offering larger packages under B lots which would allow a paced level of growth. This could be by combining lots or moving certain services from A lots into B lots over time.

Procurement

WYCA intend to use the procurement process to maximise the value for money of the services procured under the franchising scheme and ensure that: the involvement of small and medium sized operators is facilitated; competition is driven for franchises; a continuing viable market is developed; the risk allocation described in this Assessment is reflected in the contracts; and WYCA and operators can successfully adapt to the reality of implementation of Franchising across West Yorkshire with risks of transition mitigated so far as possible for all parties.

The approach to procurement will reflect and support the lotting strategy, mitigating risks from procurement and aiding transition from the current deregulated environment to a franchised environment.

WYCA is mindful that this will become a continuing process, with new franchise contracts let on a rolling basis once franchising is fully implemented. Therefore, the approach taken must not only allow for effective procurement of the initial local service contracts, but also allow for efficient procurement on an ongoing basis, enabling the creation and retention of a competitive franchising market to ensure value for money can continued to be delivered. In particular, the strategy should support effective bidding by small and medium sized operators in the franchising process.

For the Lot B and Lot C contracts, WYCA is mindful of the need to ensure that the process does not accidentally exclude SMOs through placing an onerous burden on them in terms of bid costs and time. Therefore, whilst WYCA may use a simplified version of the competitive flexible procedure for larger Lot B contracts it expects that for most Lot B and Lot C contracts it will make use of the open procedure, with very specific minimum requirements for compliant tenders, similar to those currently required for secured service contracts of a similar scale. This will allow the Combined Authority to draw on best practice from its current secured services and schools procurements in procuring these lots, but also ensure that there are limited process changes for SMOs bidding for these franchise contracts, compared to the tenders they currently make for secured services, lowering the barrier to entry, and ensuring that they can focus on putting forward good tenders, rather than adapting to a new procurement process. For similar reasons the intent is that the contract structure for these contracts will be similar to those which operators are used to in the existing secured service market, again allowing them to focus on quality bids rather than having to adapt to a wholly new contract model.

This approach would not give SMOs an advantage in bidding, as all operators will be tendering on the same level playing field, but it does ensure that they are not disadvantaged by being unable to access larger bidding teams with experience of responses to wider public tenders, which could otherwise have been a disadvantage for such smaller operators without access to experienced bid teams.

Learning Lessons

It is important that the procurement process does not remain static and adapts to ensure that it continues to deliver value for money. This will include responding to the way that bidders (including SMOs, large incumbent operators, and any new entrants) react to the tendering process; engaging with the market to understand what factors impact the value of their tenders; carrying out lessons learnt sessions both during and after each procurement; and re-visiting this in the context of contractual performance, to ensure that procurements are driving best value and reflecting the outcomes aspired to by the procurement process.

Once the first round of franchises has been let and there has been a full transition to the franchised bus market, WYCA will be able to consider changes to the procurement approach based on its contracted market, drawing on practical experience of franchised services in practice, allowing testing of elements of the contract and procurement strategy that have driven value for money, and identifying areas where improvements could be made either for WYCA or bidders. This will also allow continued analysis as to whether the procurement strategy continues to provide opportunities for SMOs, and to ensure that it continues to drive a vibrant market for bus operators, by responding to market inputs. This information will be brought to the Combined Authority as part of the performance monitoring of the roll-out of a franchising scheme.

Response from Consultees

The proposals for bus reform were published for public consultation. There were several responses regarding the proposals and their potential impacts, highlighting both opportunities and concerns, on the participation of SMOs. The full response to these queries can be found in the consultation report.

General comments on the impact on SMOs included the importance of smaller operators within the market which give the current market diversity. It was noted that if the PFS was pursued, it would be important to fully ensure appropriate market opportunities for SMOs and community transport.

Concerns Raised

During consultation, points were raised about the security of the future of small and medium sized operators if they were to be unsuccessful in tendering. Similarly concerns that if smaller operators are unable to compete for enough lots there is a risk that SMOs might exit the market. The Combined Authority recognises the importance of SMOs within a healthy bus market and remains of the view that the Proposed Franchising Scheme provides opportunities through a lotting strategy that supports smaller lots. It is important to note that we will continue to review lessons learnt which can be incorporated into contract design if the decision to proceed with the Proposed Franchising Scheme is made.

Concerns were raised about EV infrastructure and the potential impact on SMOs. Many SMOs lease their depots, and this restricts their ability to install high voltage charging equipment due to fire risk and it could be that SMO depots can't support electric vehicles. If this is a common issue for SMOs, then this will need to be addressed if ZEBs are to be rolled out across all West Yorkshire services under any of the options, as is considered in the objectives set out in the Strategic Case. Introduction of franchising potentially offers the opportunity to explore solutions regarding provision of infrastructure and vehicles to operators in a way which is less likely to distort competition than where this was provided in the current deregulated market. The staged process of letting and reletting franchise agreements will also allow the Combined Authority to consider when is the best time to seek to roll out ZEBs on Lot B and C contracts, so that this can take into account the extent to which some of these risks become more manageable as technology and its use matures.

The Combined Authority received responses asking for assurance that the SMOs were not financially disadvantaged through the Proposed Franchising Scheme, particularly through the loss of depots should an SMO not win a particular lot. As many SMOs lease their premises, providing a flexible availability of depots to the SMO market in West Yorkshire, SMOs should not be disadvantaged as part of franchising, nor should the absence of a depot prevent them for bidding for the lot B and lot C contracts. .

Concerns on the ability of operators, but particularly SMOs, to compete were raised by several incumbent operators, citing specific concerns on the barrier of the scale and process of bidding. J&B raised a concern that further larger operators may enter the market, with the loss of SMOs.

Several SMOs raised concerns around their ability to manage particular working practices and negotiations with unions and bus groups. TUPE issues were raised as a particular concern from SMOs. The issue on recruitment could also limit SMOs ability to improve the network without significant additional resources. . A more detailed plan for the application of TUPE will need to be developed in due course, including a communication and engagement strategy with employers and employees throughout the procurement and mobilisation of franchised contracts.

Opportunities Identified

Several respondents noted that the Proposed Franchising Scheme presents flexibility to operators and would be beneficial to competition, particularly for new operators or SMOs. It was noted that SMO participation helps to moderate competition through the bidding process. In addition, several responses noted that opportunities for SMOs were included in the lotting strategy.

Support was given to the approach taken on lot size, with consultees believing that the lotting strategy would facilitate competition and allow SMOs to participate.

Some smaller operators gave positive comments on the possibility of negotiation on contract length contained within the Commercial Case allowing SMOs to extend B and C lot contracts to 7 years and this will allow greater investment in services.

Conclusion

The Combined Authority has produced a plan for including small and medium operators in its proposed franchising system. Consideration has been given to the points raised during consultation and the Combined Authority is comfortable that the proposals in the assessment have already mitigated many of the concerns raised, and understanding these issues will allow the Combined Authority to mitigate many of these risks through its contract and procurement strategy as the detail is developed. The commercial levers that will be used to help facilitate and continue SMO participation in the market including how contracts and lotting will be managed were set out earlier in this report and as such, the Combined Authority believes that its plans for franchising will provide a solid basis for small and medium operators to be involved.



Find out more
westyorks-ca.gov.uk

West Yorkshire Combined Authority

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**West
Yorkshire
Combined
Authority**

**Tracy
Brabin
Mayor of
West Yorkshire**

All information correct at time of writing

Appendix 1 – Draft Franchising Scheme

Transport Act 2000

The West Yorkshire Franchising Scheme for Buses 2024

Made 2024



Arrangement of the Scheme

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The West Yorkshire Franchising Scheme for Buses 2024

- A The Transport Act 2000 (as amended) (**2000 Act**) makes provision for a franchising authority to make a franchising scheme covering the whole or any part of its area. WYCA is a franchising authority as defined in the 2000 Act.
- B WYCA gave notice of its intention to prepare an assessment of a proposed scheme in accordance with sections 123B and section 123C(4) of the 2000 Act on 24 June 2021. Having complied with the process as set out in the Act, WYCA may determine to make the scheme in accordance with sections 123G and 123H of the 2000 Act.

Now, therefore, the Mayor on behalf of WYCA, in exercise of the powers conferred by sections 123G and 123H of the 2000 Act, and of all other enabling powers, hereby **makes the following franchising scheme (Scheme)**:

1 Citation and commencement

- 1.1 This Scheme may be cited as the West Yorkshire Franchising Scheme for Buses 2024 and is made on [REDACTED] 2024.
- 1.2 This Scheme shall come into operation on 28 March 2027 and shall remain in operation thereafter unless varied or revoked in accordance with the 2000 Act.

2 Interpretation

In this Scheme:

1985 Act means the *Transport Act 1985*.

2000 Act has the meaning given to it in recital A.

EP Plan means The West Yorkshire Enhanced Partnership Plan made on 31 March 2022 by WYCA, City of Bradford Metropolitan District Council, Calderdale Metropolitan Borough Council, Kirklees Council, Leeds City Council and City of Wakefield Metropolitan District Council pursuant to section 138A of the *2000 Act*.

EP Schemes means each enhanced partnership scheme which is associated with the EP Plan and made by WYCA, City of Bradford Metropolitan District Council, Calderdale Metropolitan Borough Council, Kirklees Council, Leeds City Council and City of Wakefield Metropolitan District Council pursuant to section 138A of the *2000 Act*, including:

- (a) The West Yorkshire Enhanced Partnership made on 31 March 2022;
- (b) The West Yorkshire Enhanced Partnership made on 1 November 2022,

and **EP Scheme** shall be construed accordingly.

Franchising Scheme Area means the WYCA Area.

Local Service Contract has the same meaning as in section 123A(5) of the *2000 Act*.

Local Services has the same meaning as in section 2 of the *1985 Act*.

Scholars' Service means a Local Service providing transport for pupils to and/or from schools within the Franchising Scheme Area which does not provide transport to the general public.

WYCA means the West Yorkshire Combined Authority.

WYCA Area means the area consisting of the areas of the metropolitan borough councils for the local government areas of Bradford, Calderdale, Kirklees, Leeds and Wakefield (as shown for illustrative purposes only in the plan at Annex 4).

3 The Franchising Scheme Area

3.1 The WYCA Area is hereby designated as the area to which the Scheme relates¹.

4 Entry into Local Service Contracts

4.1 The date on which a Local Service Contract to provide a Local Service may first be entered into shall be 28 June 2026.²

4.2 The minimum period that is to expire between the date on which a Local Service Contract is entered into and the provision of a Local Service under that Local Service Contract shall be a period of nine (9) months³.

4.3 The date on which a Local Service may first be provided under a Local Service Contract shall be 28 March 2027.

5 Services under Local Service Contracts

5.1 Subject to article 6, the Local Services that are appropriate, and are intended, to be provided under Local Service Contracts are those specified in Annex 1 and Annex 2 to this Scheme⁴.

6 Exceptions from the Scheme

The Local Services excepted from regulation arising because of the Scheme are those listed in Annex 3.

7 Scheme facilities

7.1 The additional facilities that WYCA consider appropriate to provide in the WYCA Area are:

- (a) such depots as may facilitate the letting of the Local Service Contracts; and
- (b) such zero emission buses as may facilitate the letting of Local Service Contracts.

¹ Section 123H(2)(a).

² Section 123H(2)(c).

³ Section 123H(2)(d)

⁴ Section 123H(2)(b).

8 Plan for consulting on operation of the Scheme

- 8.1 WYCA will consult such organisations being those that appear to WYCA to be representative of users of Local Services, and may consult other organisations and persons, as WYCA thinks fit.
- 8.2 The purpose of any consultation undertaken in accordance with this article 8 is to seek the views of the users of Local Services on how well the Scheme is working⁵. WYCA will consult in accordance with this article 8 within a period of 24 months from the date set out in article 4.3 and at such other times periodically as WYCA considers appropriate.
- 8.3 Any consultations carried out in accordance with this article 8 shall last for such period of time as WYCA thinks fit so as to ensure that those organisations and persons described in article 8.1 have sufficient time to respond.
- 8.4 WYCA will make available to the public its response to any consultation carried out in accordance with this article 8.

9 Variation and Revocation of the Enhanced Partnership

- 9.1 Immediately after the dates on which subsections (2) and (3) of section 123J of the 2000 Act apply to the Franchising Scheme Area, the EP Plan and each EP Scheme shall be revoked in respect of the Franchising Scheme Area.⁶

THE MAYOR OF WEST YORKSHIRE

 2024

⁵ Section 123(A)(9).

⁶ Section 123(H)(6)(b).

Annex 1 - Services included (article 5)

Origin	Via	Destination
Aberford	Barwick in Elmet & Cross Gates	Leeds
Adel	Headingley	Leeds
Almondbury	Moldgreen	Huddersfield
Alverthorpe	Flanshaw	Wakefield
Alwoodley	Chapel Allerton	Leeds
Alwoodley	Moortown	Leeds
Ashenurst	Lowerhouses	Huddersfield
Baildon	Shipley	Bradford
Bankfoot	Bradford Royal Infirmary	Shipley
Bankfoot	East Bowling	Bradford
Barkisland	Greetland & Elland	Brighouse
Beaumont Park		Huddersfield
Beeston	Leeds & Headingley	Lawnswood
Ben Ryhdding	Hebers Ghyll	Ilkley
Bingley	Shipley	Bradford
Fieldhead	Batley	Dewsbury
Black Hill		Keighley
Blackmoorfoot	Linthwaite & Thornton Lodge	Huddersfield
Blackshaw Head	Slack & Heptonstall	Hebden Bridge
Boulderclough	Sowerby	Halifax
Bracken Bank		Keighley
Brackenhall	Huddersfield & Birkby	Bradley
Brackenhall	Sheepridge & Bradley Bar	Huddersfield
Bradford	Stanningley & Armley	Leeds
Bradford	Pudsey	Leeds
Bradford Royal Infirmary	Heaton	Bradford
Brighouse	Wyke	Bradford
Brighouse	Cleckheaton	Leeds
Brighouse	Scholes, Cleckheaton & East Bierley	Bradford
Brighouse	West Vale & Copley	Halifax
Brighouse	Southowram	Halifax
Brockholes	Holme Valley Hospital & Thongsbridge	Holmfirth
Broomhill		Keighley
Buttershaw	Wibsey	Bradford

Buttershaw	Bradford, Five Lane Ends & Thackley	Shipley
Buttershaw	Wibsey, Bradford & Eccleshill	Greengates
Carr House	Highcroft	Todmorden
Castleford	Normanton	Wakefield
Castleford	Cross Gates, Garforth & Kippax	Leeds
Castleford	Woodlesford & Swillington	Leeds
Castleford	Woodlesford, Garforth, & Ledsham	Wakefield
Chequerfield		Pontefract
Claremount		Halifax
Clayton	Scholemoor	Bradford
Cleckheaton	Heckmondwike	Batley
Cleckheaton	Kirkheaton & Roberttown	Huddersfield
Commons	Sowerby Bridge, Ripponden & Rishworth	Halifax
Cottingley	Allerton	Bradford
Cottingley	Shipley	Bradford
Cottingley	Holbeck	Leeds
Cragg Vale	Mythomlroyd	Hebden Bridge
Crimsworth	Dodd Naze, Old Town & Pecket Well	Hebden Bridge
Crosland Moor	Huddersfield	Bradley
Cross Gates	Scholes	Seacroft
Cross Gates	Seacroft & Scholes	Leeds
Cross Lee		Todmorden
Cullingworth	East Morton, Bingley & Wilsden	Keighley
Dalton	Moldgreen & Huddersfield	Lindley
Dalton	Moldgreen	Huddersfield
Darrington		Pontefract
Deighton Bar	Wetherby & Collingham	Leeds
Deighton Bar	Wetherby & East Keswick	Leeds
Denby Dale	Skelmanthorpe & Kirkburton	Huddersfield
Denby Dale	Shepley	Huddersfield
Dewsbury	Cleckheaton, Roberttown & Mirfield	Bradford

Dewsbury	Chickenley & Ossett	Wakefield
Dewsbury	Morley	Pudsey
Dewsbury	Dewsbury Moor	Heckmondwike
Dewsbury	Batley & Birstall	Bradford
Dewsbury	Batley, Howden Clough & Birstall	Bradford
Dewsbury	Woodkirk	Wakefield
Dewsbury and District Hospital	Pinderfields Hospital	Pontefract Hospital
Dewsbury Moor	Dewsbury	Shaw Cross
Dewsbury, Bus Station		Dewsbury, Church Street
East Brierly	Cleckheaton	Brighouse
East End Park	Cross Green	Leeds
Eastmoor		Wakefield
Eldwick	Allteron, Wilsden & Bingley	Bradford
Elland	Lower Edge & Woodhouse	Brighouse
Elland	Lower Edge & Rastrick	Brighouse
Elland Road Park and Ride		Leeds
Esholt		Shipley
Euroway Industrial Estate	Bierley	Bradford
Fagley	Bradford	Brighouse
Fagley	Bradford	Scholes
Fearnville	St James Hospital & Leeds	Old Farnley
Fell Lane	Oakworth Road	Keighley
Ferry Fryston	Airedale	Castleford
Fountainhead	Pellon	Halifax
Garforth	Halton & Leeds	Tinshill
Gawthorpe	Ossett	Wakefield
Gildersome	Morley, White Rose Centre & Holbeck	Leeds
Golcar	Milnsbridge	Huddersfield
Grange Moor	Thornhill	Dewsbury
Greetland	Hullen Edge & Elland	Elland
Greetland	West Vale & Elland	Brighouse
Guard House	West Lane	Keighley
Guard House	North Dean	Keighley
Guiseley	Yeadon	Westfield
Guiseley	Yeadon, Horsforth & Headingley	Leeds
Hade Edge	Thongsbridge	Huddersfield
Hade Edge	Wooldale & Hepworth	Holmfirth

Halifax	Shelf	Bradford
Halifax	Wyke, Scholes & Cleckheaton	Leeds
Halifax	West Vale, Elland & Lindley	Huddersfield
Halifax	Shelf, Odsal & Stanningley	Leeds
Halifax	West Vale & Stainland	Huddersfield
Halifax	Queensbury	Bradford
Halifax	Elland	Huddersfield
Halifax	Blackley, Elland & Greetland	Huddersfield
Halifax	Stainland & Elland	Huddersfield
Halifax	Rastrick, Brighouse & Hipperholme	Huddersfield
Hall Green	Kettlethorpe	Wakefield
Halton Moor	Leeds General Infirmary	Leeds
Halton Moor	Harehills, Headingley & Kirkstall	Pudsey
Havercroft	South Hiendley	Hemsworth
Hawarth	Leeming & Oxenhope	Keighley
Hawarth	Hainworth & Oxenhope	Keighley
Hawarth	Haworth, Stanbury & Oakworth	Keighley
Healey	Ossett	Wakefield
Heaton	Bradford	Bierley
Heaton	Bradford & East Bowling	Bierley
Hebden Bridge		Mytholmroyd
Hebden Bridge	Ripponden, Barkisland & Krumlin	Huddersfield
Hebden Bridge	Ripponden Barkisland & Stainland	Huddersfield
Hebden Bridge	Oxenhope	Keighley
Hebden Bridge, Eaves	Fairfield	Hebden Bridge
Heckmondwike	White Rose Centre, Morley & Batley	Leeds
Heckmondwike	Kirkheaton, Mirfield & Roberttown	Huddersfield
Hemsworth	Crofton, Ryhill & South Hiendley	Wakefield
Hepworth	Honley Bridge, Holmfirth & Scholes	Huddersfield
Highroad Well	King Cross	Halifax

Hirst Wood		Shipley
Holmbridge	Burnlee	Holmfirth
Holme	Holmfirth, New Mill & Honley Bridge	Huddersfield
Holme Valley Hospital	Thongsbridge	Huddersfield
Holme Wood	Bradford & Royal Infirmary	Allerton
Holme Wood	Bradford	Laisterdyke
Holmfirth	Netherthong, Meltham & Slaithwaite	Wilberlee
Holmfirth	Meltham	Halifax
Holmfirth	Shepley, Denby Dale & Skelmanthorpe	Wakefield
Holmfirth	Newsome, Honley & Netherthong	Huddersfield
Holt Park	Cookridge	Horsforth
Holt Park	Pool	Otley
Holt Park	Cookridge & Headingley	Leeds
Holt Park	Headingley	Leeds
Honley	Netherthong	Holmfirth
Honley Bridge	Berry Brow	Huddersfield
Horsforth	Pudsey	White Rose Centre
Horsforth	Horsforth Vale	Pudsey
Huddersfield	White Rose Centre, Dewsbury & Mirfield	Leeds
Huddersfield	Heckmondwike & Birstall	Leeds
Huddersfield	Grange Moor & Netherton	Wakefield
Huddersfield	Emley & Overton	Wakefield
Huddersfield	Brighouse, Wyke & Odsal	Bradford
Huddersfield New College		Huddersfield
Huddersfield, Bus Station		Huddersfield, Railway Station
Huddersfield Royal Infirmary	Huddersfield & Fartown	Bradley
Hunslet	Leeds	Leeds University
Ilkley	Addingham, Silsden & Steeton	Keighley
Ilkley	Otley	Leeds
Illingworth	Ovenden	Halifax
Ireland Wood	Halton & Leeds	Garforth
Jagger Green	Blackley	Elland

Keighley	Cullingworth & Denholme	Bradford
Keighley	Cullingworth & Denholme	Halifax
Keighley	Bingley & Shipley	Bradford
Keighley	Rodley, Greengates & Shipley	Leeds
Keighley	Rodley & Greengates	Leeds
Kippax	Thorpe Park	Leeds
Knottingley	Pontefract & New Sharlston	Wakefield
Knottingley	Ferrybridge, Pontefract & Sharlston	Wakefield
Knottingley	Ferrybridge & Fryston Village	Castleford
Laisterdyke		Bradford
Lawnswood		Leeds
Laycock	Braithwaite	Keighley
Leeds Beckett University	Headingley	Leeds
Leeds Bradford Airport	Horsforth & Kirkstall	Leeds
Liversedge		Heckmondwike
Longfield		Todmorden
Longwood	Paddock	Huddersfield
Mankinholes	Walsden & Lumbutts	Todmorden
Marsden	Marsden, Railway Station	Hey Green
Marsden	Meltham	Honley
Marsden	Slaithwaite	Blackmoorfoot
Marsden Dirker	Slaithwaite	Huddersfield
Marten Nest	Netherton	Huddersfield
Meanwood	Moortown, Alwoodley & Pool Bridge	Otley
Meltham	Netherton & Marten Nest	Huddersfield
Meltham	Netherton	Huddersfield
Meltham	Blackmoorfoot, & Slaithwaite	Wilberlee
Meltham	Honley	Thurstonland
Meltham	Meltham, Morrisons	Meltham, Westfield Avenue
Middlestown	Waterloo & National Coal Mining Museum	Huddersfield
Middleton	Leeds & Chapel Allerton	Roundhay Park
Middleton	Leeds	Brackenwood

Middleton	Leeds	Gledhow
Middleton	Hunslet	Leeds
Middleton	Parkwood, Beeston & Holbeck	Leeds
Middleton	Holbeck, Armley & Bramley	Rodley
Midgley	Luddenden & Booth	Halifax
Mixenden	Wheatley	Halifax
Mixenden	Wheatley & Pellon	Halifax
Mixenden	Ovenden	Halifax
Mixenden	Mount Tabor	Halifax
Monkswood	St James's Hospital & Leeds	Bramley
Moor Allerton	Meanwood	Leeds
Morley	Elland Road	Leeds
Mount	Oakes	Huddersfield
Mount	Oakes & Huddersfield Royal Infirmary	Huddersfield
Newall	Wharfedale Hospital	Otley, Bus Station
Newstead	Crofton	Wakefield
Northowram	Stump Cross	Halifax
Norton Tower	King Cross	Halifax
Norwood Green	Hipperholme	Halifax
Oakworth	Exley Head	Keighley
Oakworth	Haworth	Keighley
Old Farnley	Armley	Leeds
Old Farnley	Bramley, Rodley & Farsley	Pudsey
Ossett	Gawthorpe	Batley
Otley	Leeds Bradford Airport, Shipley & Guiseley	Bradford
Otley	Kirkstall, Horsforth & Guiseley	Leeds
Otley	Burley in Wharfedale	Ilkley
Otley, Bus Station		Otley, Cambridge Drive
Parkhead	Honley Bridge, New Mill & Holmfirth	Huddersfield
Pellon		Halifax
Pinderfields Hospital	Eastmoor	Wakefield
Pinderfields Hospital		Wakefield
Pontefract	Castleford & Jct 32	Leeds
Pontefract	Featherstone & Ackton	Castleford

Pontefract	Featherstone, Normanton & Pinderfields Hospital	Wakefield
Pontefract	Altofts	Wakefield
Pontefract		Knottingley
Pool	Otley & Shipley	Bradford
Portobello		Wakefield
Primley Park	Chapel Allerton	Leeds
Primley Park	Carr Manor	Leeds
Pudsey	Bramley	Leeds
Pudsey	Leysholme, Swinnow & Troydale	Leeds
Rastrick	Brighouse	Halifax
Rawthorpe	Moldgreen & Huddersfield	Lindley
Ripponden	Sowerby Bridge, Barkisland & Copley	Halifax
Ripponden	Copley, Barkisland & Sowerby Bridge	Halifax
Rishworth	Stainland, Barkisland & Ripponden	Huddersfield
Sandal	Kettlethorpe	Wakefield
Scapegoat Hill	Milnsbridge & Golcar	Huddersfield
Scholes	Wooldale	Holmfirth
Seacroft	Scholes	Leeds
Seacroft	Gipton & Leeds	Pudsey
Seacroft	Gipton, Leeds & Pudsey	Fartown
Seacroft	Cross Gates	Halton
Seacroft	Cross Gates & Rothwell	Castleford
Seacroft	Cross Gates	Leeds
Seacroft	Leeds	Horsforth
Shadwell	Moortown	Leeds
Shadwell	Scott Hall	Leeds
Shelf	Brighouse & Southowram	Halifax
Shelf	Ovenden, Bradshaw & Queensbury	Halifax
Shipley	Bolton Woods	Bradford
Shipley	Bolton Woods	Bradford
Shipley	Five Lane Ends	Bradford
Shipley	Four Lane Ends & Cottingley	Bradford
Shipley	Bradford	West Bowling

Shipley	Nab Wood	Cottingley
Shipley Glen	Idle	Bradford
Siddal		Halifax
Silsden	Airedale Hospital, Steeton & Addingham	Keighley
Skircoat Moor	King Cross	Halifax
Slaithwaite	Milnsbridge & Wellhouse	Huddersfield
South Crosland	Netherton & Marten Nest	Huddersfield
South Crosland	Lockwood & Netherton	Huddersfield
South Elmsall	Crofton, Ackworth & Upton	Wakefield
South Hiendley	Hemsworth & South Elmsall	Pontefract
South Hiendley	South Elmsall & Low Ackworth	Pontefract
South Leeds Stadium	Hunslet & East End Park	St James Hospital
Sowerby	Sowerby Bridge	Halifax
Stanbury	Haworth	Keighley
Stanley	Wrenthorpe	Wakefield
Stocksmoor	Almondbury & Farnley Tyas	Huddersfield
Storthes Hall Park	Waterloo	Huddersfield University
Storthes Hall Park	Huddersfield & Waterloo	Huddersfield University
Stourton Park and Ride		Leeds
Taylor Hill	Newsome	Huddersfield
Temple Green Park and Ride		Leeds
Thornhill		Dewsbury
Thornton	Four Lane Ends	Bradford
Thorpe Audlin	Darrington & Wentbridge	Pontefract
Thwaites Brow		Keighley
Tingley Mills	Elland Road & Morley	Leeds
Tinshill	Leeds	Garforth
Tyersal	Laisterdyke	Bradford
Upperthong		Holmfirth
Upton	Hemsworth & South Elmsall	Pontefract
Upton	South Elmsall	Wakefield
Wainstalls	Pellon, Mixenden & Wheatley	Halifax

Wakefield	Robin Hood & Outwood	Leeds
Wakefield	Ossett & White Rose Centre	Leeds
Wakefield	Rothwell, Carlton, Stanley & Pinderfields	Leeds
Wakefield	Rothwell, Woodlesford, Stanley & Pinderfields	Leeds
Wakefield	Dewsbury, Heckmondwike & Cleckheaton	Bradford
Wakefield	East Ardsley, Morley & Drighlington	Bradford
Wakefield	Belle Isle	Wakefield, Westgate Railway Station
Walsden	Mankinholes, Lumbutts & Walsden	Todmorden
Warley	Highroad Well	Halifax
West Bowling	Bradford & Five Lane Ends	Thorpe Edge
Wetherby	Boston Spa, Aberford, Garforth, Woodlesford & Outwood	Wakefield
Whinmoor	Seacroft, Leeds & Bramley	Pudsey
Whinmoor	Seacroft, Leeds, Bramley & Rodley	Pudsey
Whinmoor	Swarcliffe, Cross Gates, Leeds & Woodhouse Moor	Moor Grange
White Rose Centre	Middleton, Morley & Cottingley	Leeds
White Rose Centre	Holbeck & Cottingley	Leeds
White Rose Centre	Leeds & Chapel Allerton	Brackenwood
White Rose Centre	Leeds & Chapel Allerton	Gledhow
White Rose Centre	Rothwell, Garforth & Seacroft	Horsforth
White Rose Centre	Rothwell	Seacroft
White Rose Centre	Middleton & Leeds	Chapeltown
White Rose Centre	East Ardsley & Wrenthorpe	Wakefield
Wibsey	Buttershaw	Bradford

Wilberlee	Milnsbridge, Wellhouse & Slaithwaite	Huddersfield
Wilberlee	Slaithwaite	Huddersfield

Annex 2 - Services to schools (article 5)

Abbey Grange Academy
All Saints Catholic College
Appleton Academy
Batley Girls High
Beckfoot Oakbank School
Beckfoot School
Beckfoot Thornton Academy
Beckfoot Upper Heaton
Belle Vue Girls' School
Benton Park High School
Bingley Grammar School
Bishop Young Academy
Boston Spa Academy
Brighthouse High School
Brigshaw High School
Bronte Girls Academy
Brooksbank School
Bruntcliffe Academy
Calder High School
Cardinal Heenan Catholic High School
Carleton High School
Carr Manor Community School
Castleford Academy
Cockburn Laurence Calvert Academy
Cockburn School
Colne Valley High School
Co-op Academy Prieshorpe
Corpus Christi Catholic College
Crawshaw Academy
Crofton Academy
Crossley Heath School
Dixons Allerton Academy
Dixons Cottingley Academy
Farnley Academy
Featherstone Academy
Feversham College

Garforth Academy
Guiseley School
Heckmondwike Grammar
Holmfirth High School
Honley High School
Horbury School
Ilkley Grammar School
John Smeaton Academy
Kettlethorpe High School
King James's School
King's School
Kirkburton Middle School
Lawnswood High School
Leeds City Academy
Leeds East Academy
Leeds West Academy
Lightcliffe Academy
Minsthorpe Community College
Mirfield Free Grammar School
Morley Academy
Mount St Mary's Catholic High School
Netherhall Learning Campus
Newsome High School & Sports College
North Halifax Grammar School
Oulton Academy
Outwood Academy Hemsworth
Outwood Grange Academy
Park Lane Academy
Parkside School
Pontefract New College
Prince Henry's Grammar School
Ralph Thoresby High School
Rastrick High School
Rodillian Academy
Ryburn Valley High School
Salendine Nook High School
Scissett Middle School
Shelley College
St Bede's & St Joseph's Catholic College

St John Fisher Catholic High School, Dewsbury
St Mary's Menston Voluntary Academy
St Thomas A Becket Catholic Secondary School
St Wilfrid's Catholic High School
Tadcaster Grammar School
Titus Salt School
Todmorden High School
Tong School
Trinity Academy Bradford
Trinity Academy Grammar
Trinity Academy Halifax
Wakefield College (Glasshoughton Campus)
Wetherby High School
Whitcliffe Mount School
Woodkirk Academy

Annex 3 - Excepted services (article 6)

- 1 The following Local Services shall be excepted from regulation arising because of the Scheme (as further set out below, as applicable):
 - 1.1 a Scholars' Service;
 - 1.2 a Local Service provided where a railway service has been temporarily interrupted;
and
 - 1.3 any Local Service specified in Annex 1 or Annex 2 to this Scheme up until the effective time of the first Local Service Contract in which such Local Service is specified.

Annex 4 -West Yorkshire Bus Franchising Scheme Area





Find out more
westyorks-ca.gov.uk

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**West
Yorkshire
Combined
Authority**

**Tracy
Brabin
Mayor of
West Yorkshire**

All information correct at time of writing