

BRISTOL CITY COUNCIL

Scrutiny Commission

23 October 2014

Report of: Peter Mann - Service Director, Transport

Title: Public Transport Update

Ward: Citywide

Officer Presenting Report: Peter Mann

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RECOMMENDATION

To note progress and provide comments on the following topics:

1. Partnerships, agreements and contracts with bus operators
2. Approach to Park and Ride provision
3. Supported bus services
4. Community Transport

Summary

1) Partnerships, agreements and contracts with bus operators

There are a number of approaches that can be adopted to deliver improvements to public transport provision. Different options can be delivered in isolation or in combination.

a) Voluntary Quality Partnership

Work in close partnership with bus operators to deliver local improvements within a flexible voluntary arrangement. Recent success includes the fare review that delivered improved ticket pricing and the ongoing phased approach to introducing smart ticketing in the West of England. Risks and issues relate to the lack of direct mechanisms to influence bus operators should improvements be required.

b) Statutory Quality Partnership Scheme (QPS)

Formally agree with bus operators standards associated with quality and frequency. Requires a "quid pro quo" approach with investment from both transport authority and bus operator in common aim. Breach of partnership can be enforced by Transport Commissioner but at present it is unclear how this would manifest.

Currently, the Greater Bristol Bus Network (GBBN) utilises statutory quality partnerships and future MetroBus services will be procured using a statutory quality partnership backed up by a Voluntary Partnership Agreement.

c) Voluntary Partnership Agreement (VPA)

As part of Metrobus it is proposed to further strengthen the QPS agreement with the creation of an additional legal agreement between the Councils and the operator(s). These will enable local authorities to specify and agree standards that are not possible through the QPS legislation and to have a much tighter partnership between the Councils and the operator(s). Whilst not enforceable by the traffic commissioner the agreements will be legally binding in a court of law and will secure a level of commitment over and above the QPS.

d) Punctuality Improvement Partnerships (PIP)

Agreement that specifically targets punctuality of services through agreeing levels of improved enforcement, targeting poor performing routes and introducing improved priority

The Bristol PIP was developed and agreed between the Council and First Group for a period of 5 years from 1st April 2007. The PIP was created for the parties to jointly work toward the following objectives:

- To achieve the Traffic Commissioner's target of the specified percentage of journeys arriving within the window of 1 minute early to 5 minutes late at published timing points, in accordance with the Traffic Commissioner's Practice Direction.
- To ensure that at least 99% of advertised journeys are operated each year.
- To reduce journey times and increase the frequency of bus services where this is possible and sustainable.
- To reduce operating costs and increase patronage sufficiently to enable continued investment in services and the holding down and/or reduction of fares in real terms (on routes where Council investment stimulates real growth) whilst providing an adequate return on investment for the operator.
- To reduce vehicle emissions (resulting from more consistent speeds and reduced delay).

The City Council is currently working on renewing the PIP but fundamental objectives are likely to remain the same. It is proposed, however, that the PIP is supported by higher level engagement from both operators and BCC to ensure there is strategic direction and ownership of the partnership.

e) Better Bus Areas (BBAs)

Bristol, in partnership with South Gloucestershire and Bath and North East Somerset has been designated one of the pilot Better Bus Areas nationally. As part of this we are benefitting from the Bus Service Operators Grant (BSOG) plus a 20% uplift being gradually transferred from payment to the operators to the local authorities over a three and a half year period to invest in key corridors

The objective of the package is for a series of infrastructure schemes and operational measure to be funded and put in place that will, in turn, grow patronage that will make up for the loss of BSOG to operators.

The West of England corridor bid is one of only a handful of areas that secured the support of operators to agree to the transfer of BSOG.

A “partnership board” is used as a steering group for overseeing the BBA programme but ultimately the decision making sits with the local authorities.

In developing the bid it was essential to secure the support of operators in working in partnership with us on the programme over the next three years.

f) Bus Quality Contract (BQC)

Bus Quality Contracts (BQC) allow an authority to, in effect, suspend the deregulated market in a specified area and instead determine the routes, fares, quality standards and frequency of bus services through tendered contracts.

Scheme promoters are free to define area of scheme, so could be enacted county wide or in a small area as required. The theory (untested) is that lower margins required by operators for providing services in a protected franchise environment can lead to either supported services budget savings, lower fares or greater network output.

To date, no BQCs are in existence in the country though a number of authorities have investigated options for implementing a BQC type scheme - Tyne and Wear (Nexus) West Yorkshire (Metro) and South Yorkshire

Following request from full council in 2012 a study was commissioned in 2013 to provide information to inform discussion on BQCs in Bristol and the wider West of England area (Appendix A).

Under a BQC the City Council would be responsible for taking on the risks associated with running local bus services. If for instance, fuel prices increased dramatically during an awarded BQC, this extra cost would have to be funded either through more public subsidy, fares would have to go up, or services changed. Other risks include -

Implementation costs and risk of challenge – legal framework is untested and may be successfully challenged. The authority must be satisfied that the scheme satisfies the 5 public interest criteria:

- increase use of bus services in the area
- Bring benefit to users by improving quality of services
- Contribute to the implementation of local transport policies
- Contribute to the implementation of those policies in a way that is economic, efficient and effective
- Any adverse effect on operators will be proportionate to the improvement of the well being of persons living or working in the QCS area

Running costs – Specific improvements that BCC may desire (such as higher vehicle standards) may impose high costs on the network which would have to be supported by higher fares or public revenue support

Headline Risks of BQC

- No QCS exist and BCC would have to take forward the legal “test case”.
- Potential challenge from neighbouring authorities if they did not support a QCS in Bristol.
- Better Bus Area – A QCS scheme would be in direct conflict with the BBA we have entered into with DfT and operators.

- MetroBus - If BCC were to pursue a QCS it would change the agreed mechanism (with partner authorities) for securing the bus services through commercial partnerships and QPS with supporting VPA. We are currently in advanced negotiations with operators to deliver these services commercially and a QPS is due to be advertised next year.

2) Approach to Park and Ride provision

a) *Strategic Approach*

The provision of park and ride as a solution to provide improved sustainable connectivity in Bristol to increase accessibility, tackle congestion and improve air quality is imbedded with local land use (Core Strategy) and transport policy (West of England Third Local Transport Plan).

Current feasibility work is being undertaken to identify and develop business cases for park and ride sites on key transport corridors connecting Bristol.

Part of this work has focused on identifying sites to serve the M32 corridor in north Bristol has not revealed any new opportunities at this stage that are currently deliverable. Several sites have been identified that would technically work transferring trips from car to bus into Bristol but have been discounted for reasons including:

- Impact on the HA strategic road network
- Extant and pending planning permissions on land required
- Planning policy designation conflicts in S. Glos. on land required
- Public and political opposition to proposed sites e.g. Stapleton allotment site

Small park and ride sites are being provided already at Bristol Parkway and a further site is being provided at Emerson's Green. Both of these will be served by MetroBus.

We are broadening our study work jointly with South Gloucestershire Council to understand what the sustainable travel needs are for those travelling into Bristol from the North, North –West and North-East of the City.

b) *Operational Delivery*

Bristol is served by three dedicated Park and Ride (P&R) sites on the A4 Bath Road at Brislington, on the A370 at Long Ashton and the A4 Portway at Shirehampton. Each of the sites has a direct service into central Bristol.

All three services operate between the hours of 0615 until circa 2100 Monday to Friday and 0730 until circa 1900 Saturdays. Operating hours were extended in September 2013 to support residents parking rollout and to fit with later shifts, including at the BRI.

Passenger usage on the original Park & Ride is showing a small decline. The latest full year figures show a reduction in usage of 1.35% from 2012/13 to 2013/14. The total number of passenger journeys in 2013/14 across the 3 original P&R services was 1,274,600.

In April 2014, service 505 (previously Bower Ashton campus to Southmead Hospital) was revised to commence at Long Ashton Park & Ride. This service therefore provides opportunities for Park & Ride to Southmead Hospital but also to Clifton. The frequency of the Long Ashton to Clifton part of the service was also enhanced to every 15 minutes in

the peak to support P&R to Clifton.

In September 2014, a new service, 901, was introduced from Portway P&R to Clifton, providing opportunities for commuters, shoppers and visitors. The service runs every 20 minutes Monday to Saturday from roughly 0700 to 1900. A short term contract was awarded to allow the commencement of the service in September, with a longer term contract to be procured for early 2015. The annual gross cost of this service is currently circa £327k, the overall net cost to the Council being dependent on revenue generated.

A future aspiration is to revise the route of service 501 (Avonmouth to Bristol Parkway) to call at the Portway P&R in both directions (stopping outside the site on the Portway), so we can promote further P&R opportunities to Southmead Hospital.

There are a variety of tickets available to passengers including day returns, 10 journey tickets, 20 journey tickets and annual passes. Group tickets are also available in the off peak. These are aimed at the off peak shopping market, to stimulate usage in the quieter parts of the day. In April 2014 TravelWest smartcards were launched on the Park and Ride services which allowed passengers to use a purchase a smartcard, load it with Day Rider tickets and an e-purse section to add credit. Customers can add Day Riders or stored value to their cards over a web portal.

The Long Ashton Park & Ride will be withdrawn and replaced by the AVTM MetroBus service in Summer 2016. The Portway and Brislington P&R service contracts are due expire in September 2016, and options for the retendering of this service will considered at the start of 2015.

3) Supported bus services

This section of the report provides an update on supported bus services, in the context of changes to the network and the budget saving target for 2015/16. The supported bus service budget aims to fill the gaps in the commercial bus network, by providing services that it considers to be socially necessary. These are operated under Terms and Conditions that include deductions for specific failures against the specification, such as early, late or non-operation, adherence to route and stopping arrangements and vehicle requirements.

The core budget for supported bus services in 2014/15 is approximately £3m. This covers around 47 contracts, that provide 'standalone' services, Park & Ride services and 'add-ons' to the commercial bus network in the morning, evening and at weekends. These contracts came into effect in September 2011, after a major consultation, review and retendering process, which included a saving requirement of £1m. The network established at that time is fundamentally the same as now, with a few changes, which will be described below.

In determining what services to support, the key factor is the need for the Council to have regard to the operators of commercial services, and the network that is provided commercially. Council subsidy for bus services should complement this commercial network. The Council is therefore likely to be supporting services that are not considered to be commercially viable, but that it feels are socially necessary.

The historic supported network was aimed at ensuring that services were in place that connected areas with their neighbourhood centres. In addition it was also felt important that the bus network was maintained into the evenings and weekends. As the commercial network became predominantly focused on high frequency radial routes, Local Transport Plan consultation responses in the early 2000's highlighted a dearth in orbital bus routes. The development of Park & Ride also established 3 regular P&R services from 2002

onwards. These groups of services, (commercial add-ons, Park & Ride, standalone orbitals and local shopper services) represents the services currently supported.

There is an ongoing assessment of supported bus services, on the basis of the cost per passenger journey. Where this figure is very low, it demonstrates some commercial potential. Where the figure is very high, it questions the value for money of the service being provided. In the context of review of the network, the focus should be on services that have either a very low or a very high cost per passenger journeys.

Providing new services is of course dependent on funding being available, and assessment of the demand. The last major review of the supported bus network in 2010/11 included a major consultation exercise and an assessment of traffic data to identify potential gaps in the network. Regrettably, the budget saving requirement that was part of the review precluded any of the potential new service contracts being awarded.

The most significant change to the network since 2011 has been the withdrawal of service 507 (Kingswood to Southmead Hospital), which was replaced by the commercial provision of service 17 by First. The financial resource that had been used on the 507 was reallocated to service 506 to improve reliability, and service 505 to make Long Ashton Park & Ride its southern terminus and provide a high frequency connection to Clifton.

The supported services budget is supplemented by s.106 funding from specific developments. In April 2014 a number of services to/from Southmead Hospital have had frequencies and/or operating hours enhanced through s.106 funding. Other developments include South Bristol Hospital, which has supported service 515, and Imperial Park which provides support through the Dundry View Neighbourhood Partnership for service 52.

In September 2014, a new supported Park & Ride service 901 began operation from Portway Park & Ride direct to Clifton. This provides options for commuters, shoppers and visitors from the north of Bristol and the M5 corridor to get to Clifton, Clifton Village and Bristol Zoo.

The 2011 savings target included the phasing out of the supported night bus network. After discussion with local bus operators, agreement was reached with First to provide a different approach to night services. Instead of bespoke weekend only services, the new approach was for 6 day a week operation until circa 0200 on a number of First's established routes. This has proved successful and some services are now commercially in operation all night and every day of the week.

The savings target for 2015/16 is £350k, and the requirement is that this saving be made from the amount spent on contracts with First Group for the 'commercial add-ons'. In order to best mitigate the potential impact of funding reduction, BCC held a series of meetings with First to identify a strategy for contract withdrawal that would have the least impact on the bus travelling public.

First Group have agreed that some journeys will be operated on a commercial basis from the beginning of April 2015, meaning that there will be no reduction in service, despite the withdrawal of Council financial support.

Some of the BCC 'commercial add-on' contracts have been related to services that have been withdrawn by First Group. This has recently included services 4 and 20. These contracts were terminated in line with the commercial withdrawal and therefore make up some of the proposed savings.

The remaining savings have been made through a review, and subsequent reduction, of

the costs of the service 24 contract; the withdrawal of support for the 8 and 9 on Monday to Saturday evenings and the 50 and 51 and Sundays; as well as a package of one off investment in the 40/41 corridor that will secure savings on the 40A contract. First have indicated that their hourly commercial services on both the 50 and 51 will continue, so common sections of route will receive a half hourly service. First have not indicated their intentions on the whether the 8 and 9 evening services will continue on a commercial basis.

Almost all the existing supported bus service contracts are due to expire in September 2016, with options to extend up to a further 3 years if required. It is proposed that all services will be reviewed, a consultation exercise undertaken and consideration of service requests received since the current contracts were awarded. This would include consultation with Members and Scrutiny Commission(s).

4) Community Transport

The Commissioning Strategy for Community Transport (CT) in Bristol was subject to consultation in 2013, and the feedback was considered and amendments have been made to the strategy. The original intention was to have the new strategy agreed in Spring this year, with a subsequent grant process undertaken under the revised strategy for implementation from April 2015. Due to the reorganisation of staff, and the need for further consideration of some of the issues in the strategy, this timescale is no longer being pursued. Officers have sought to assure Community Transport providers that the intention still remains to re-commission services under a refined strategy. To ensure the appropriate timescale for this, to allow for a review of the strategy, commissioning of new services and de-commissioning if applicable, it is now proposed to aim for April 2016 for newly commissioned services.

The process for allocating grant funding in 2015/16 has now therefore begun. The Commission will recall that the Council's budget for 2015/16 does include the removal of the reimbursement for concessionary travel on Community Transport. This will need to be factored in to the consideration by CT providers for their grant applications for next year.

Appendices

Appendix 1: Quality Bus Contracts Report

Appendix 2: Minutes of Scrutiny discussion on 'Review of Bus Services' dated 19th December 2013

Policy

The overarching policy context for public transport is the Joint Local Transport Plan 2011-26. A summary policy context paper is included in the papers for this Scrutiny Commission.

Consultation

Internal

This report is a factual update and as such requires no separate consultation.

External

This report is a factual update and as such requires no separate consultation.

Context

See Policy section above.

Proposal

N/A

Other Options Considered

N/A

Risk Assessment

This report is a factual update and as such requires no separate risk assessment.

Public Sector Equality Duties

N/A

Legal and Resource Implications

There are no Legal or Resource implications related directly to this report.

Bristol City Council

**Bus Quality Contract Scheme
Proposal**

Preliminary Study

232089-00/4.50/003

Draft 1 | 20 November 2013

Draft

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

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Appendices

Appendix A

Outline of Tyne & Wear Quality Bus Contract Scheme Proposal

Draft

1 Introduction

Bristol City Council (BCC) is committed to deliver improved public transport services throughout the local authority area. BCC is considering introducing a Quality Contract Scheme (QCS) provision for bus services to cover the majority of services operating in the local authority area, in order to improve the standards of local bus services across the city.

Quality Contracts Scheme provides a legal method to create a simple, transparent public service aimed at giving greater value for money for the customer and taxpayer. It allows a local authority to introduce concessions for bus services in an area, with private operators bidding to provide groups of services in contracts covering all routes, frequency, fares and vehicle and customer service standards.

The purpose of this report (prepared by consultants Arup and Elan PTC) is to provide details of a study undertaken in order to consider the case for implementation of a Quality Contract Scheme (QCS) for the Bristol City.

Following this introduction the report is structured as follows:

- Section two – gives an understanding of the current bus market in Bristol, in terms of the operators, the fares, and passenger satisfaction ;
- Section three – gives an overview of the level of interventions permitted under current legislative requirements associated with the bus services;
- Section four – gives an overview the current use of interventions for local bus services in England and Wales;
- Section five – identifies sets out the aims of a QCS and identifies key risks;
- Section six identifies a process for taking forward a QCS, and sets out preliminary options for implementing a QCS in the Bristol area;
- Section seven sets out conclusions in respect of developing plans for bus network and operating principles under a QCS or alternative partnership approach – and sets out potential next steps.

2 Local Bus Services in Bristol

2.1 Passenger Numbers

Bus services are an important part of public transport services for Bristol, providing an alternative to private car use and providing options for those without car access or choosing not to use a car. Around 27.5¹ million bus passenger journeys were made by local bus in Bristol during 2012/13. Table 3.1 shows the number of annual local bus journeys originating in the city of Bristol from 2009/10 to 2012/13. This shows a small decrease in annual bus journeys for the year 2012/13.

Table 2.1: Local Bus Journeys in Bristol

Year	2009/10	2010/11	2011/12	2012/13
Journeys (millions)	28.1	28.7	28.8	27.5

Source: Bus statistics, Department for Transport

2.2 Passenger Satisfaction

Bus Passenger Survey (BPS) for West of England: To understand the passenger satisfaction of bus passengers in the Bristol area, the Bus Passenger Survey (BPS) carried out by Passenger Focus was examined. The BPS compares passenger views on various aspects of their bus journey for several transport authority areas of England annually. Bristol City results are reported for the West of England region, (comprising the four unitary authorities areas of Bath & North East Somerset, Bristol City, North Somerset, and South Gloucestershire).

In March 2010, Passenger Focus published research on Bus Passenger Priorities for Improvement². Figure 2.1 compares the priorities revealed for the south west (largely the ‘West of England’ area) compared to priorities nationally. Highlighting indicates those factors considered to be higher priorities in the Bristol area than elsewhere. According to the report, passengers both nationally and in the south west rated “*improved punctuality*” and “*improved service frequency*” as their first two priorities for improvement. However, passengers in the south west were more concerned than those elsewhere about “*value for money of fares*” (3rd highest priority compared to 6th nationally), concurred that “*multi operator tickets*” were 4th priority but were then more concerned about “*staff attitudes and performance*” (5th compared to 7th) and “*multi modal tickets*” (7th compared to 9th). “*Ride and driving quality*” compare badly in the south west (11th compared to 15th) as does “*passenger space and amenity*” (12th compared to 16th). This assessment of passenger priorities gives a useful context in which to assess the issues that a QCS would be expected to resolve.

¹ Department for Transport statistics - Table BUS0109a - Passenger journeys on local bus services by local authority: England, from 2009/10. Available online: <https://www.gov.uk/government/statistical-data-sets/bus01-local-bus-passenger-journeys#table-bus0109>

² Bus Passenger Priorities for Improvement, Passenger Focus, March 2010

Figure 2.1 Comparison of passenger priorities for service improvements

Source: Bus Passenger Priorities for Improvement, March 2010

Appendix A – Priorities for improvement in the South West		
Improvement	Rank	
	SW	All
More buses are on time or within five minutes of when they are scheduled to arrive	1	1
Buses run more frequently at times when you want to use the bus	2	2
Bus fares, tickets and passes offer better value for money	3	6
Tickets and passes are available that entitle you to travel on all bus services in your local area, not just those operated by a specific bus company	4	4
All bus drivers are helpful and have a positive attitude	5	7
All passengers are able to get a seat on the bus for the duration of their journey	6	3
Tickets and passes are available that entitle you to travel on all types of public transport in your local area, not just buses	7	9
Buses go to a wider range of destinations in your local area	8	5
Accurate timetable and route information is available at all bus stops	9	8
All bus stops have a well-maintained shelter	10	10
All buses drive at an appropriate speed and are free from jolting	11	15
All buses have sufficient room for wheelchair users and people with a buggy or pushchair to travel in comfort without obstructing other passengers	12	16
Bus tickets, travelcards and passes can be purchased more easily and from a wider range of sources	13	19
The correct route number and destination is clearly displayed on the outside of all buses	14	14
Electronic displays showing the correct length of time until the next bus is due to arrive are available at all bus stops	15	12
All buses have low floors and are easy to get on and off	16	17
Bus stops are located closer and with easier access to other forms of public transport e.g. rail stations	17	18
Bus stops are located closer and with easier access to where you live	18	22
Personal security while waiting for the bus is improved through the use of CCTV cameras at all bus stops	19	11
Information on fares is available at all bus stops	20	26
The length of time your bus journey takes is reduced by five minutes	21	23
The inside of the bus is clean and litter-free at all times of the day	22	21
Printed timetables, route information and other useful information is provided inside all buses	23	25
All bus stops are clean and free from graffiti	24	20
Personal security onboard the bus is improved through the use of CCTV cameras on all buses	25	13
The temperature inside the bus is regulated at all times of the year to ensure it is neither too hot nor too cold	26	24
The seats onboard the bus are very comfortable	27	27
The name of the next bus stop is announced or displayed electronically on the bus during the journey	28	28
The outside of the bus is clean and in better condition	29	30
All bus drivers are smartly dressed and have a professional appearance	30	29

The 2013 BPS³ reported that, on average 82 % of passengers in West of England Partnership area were satisfied overall with their bus journeys. However, only 35% of fare-paying passengers were satisfied with the ‘value for money’ of their journey, an 8% reduction in comparison to 2012 results. The percentage of users satisfied with ‘value for money’ for the West of England partnership area was amongst the lowest of the areas surveyed in England (as shown in Figure 2.2). For example, Nottingham City had satisfaction for ‘value for money’ of 70%, Nottinghamshire of 65% and Oxfordshire of 58%.

Passenger Focus have drilled down into the reasons for value for money rating using their 2012 and 2011 survey results⁴, revealing in Figure 2.3 that the contribution from the level of fares increased from 45% to 47%, several points above the unitary authority average which fell from 44% to 42% in the same

³ Bus Passenger Survey, Passenger Focus, March 2013

⁴ Bus Passenger Survey – autumn 2012 results West of England Partnership area, Passenger Focus, March 2013

period. Respondents in West of England Partnership area were more likely to think that fares compared unfavourably with everyday items than in other unitary authority areas (as shown in Figure 2.4).

Figure 2.2: Satisfaction with value for money- Fare paying Passengers (%)

Source: Bus Passenger Survey, March 2013

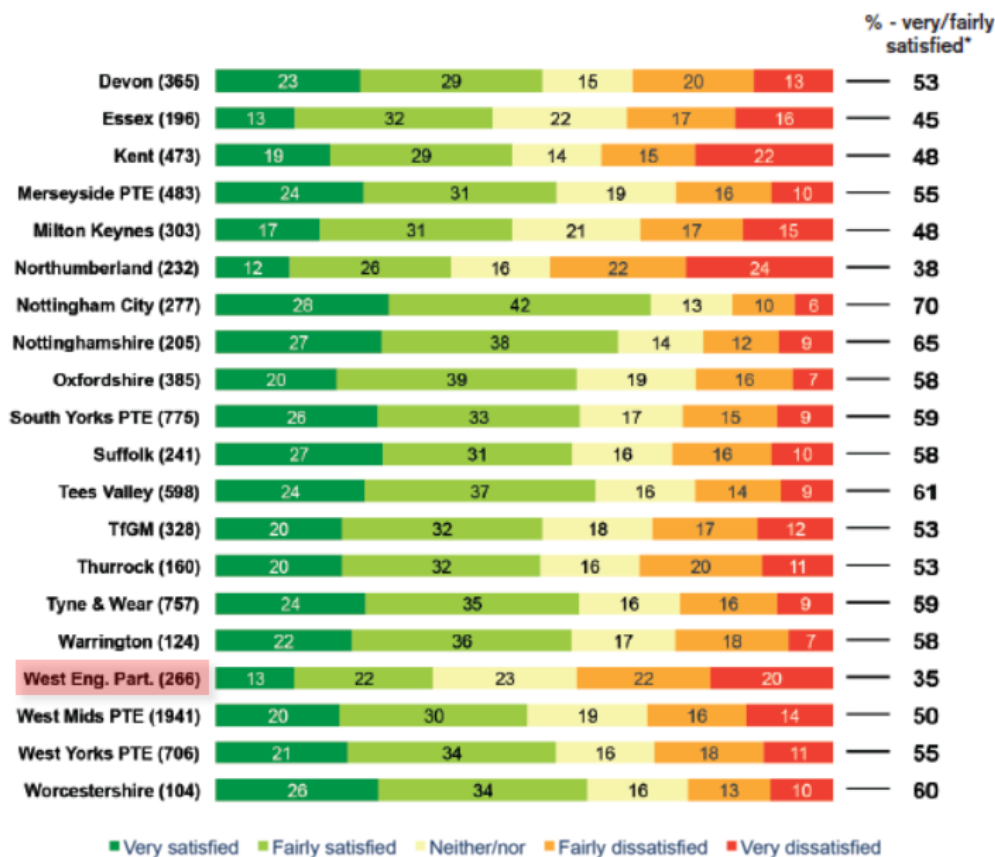
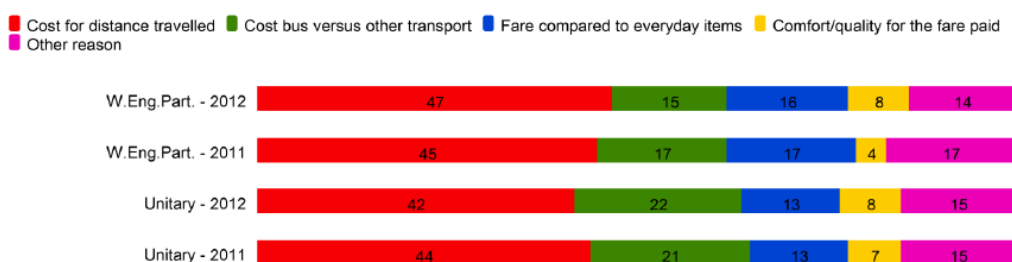


Figure 2.3: What influences value for money rating

Source: Bus Passenger Survey – autumn 2012 results West of England Partnership area



On closer analysis, the survey shows that, as well as fare levels and reliability, passengers in West of England Partnership area were **most dissatisfied** with following aspects of their bus journey:

- The amount of personal space around them in the bus, a factor relating to vehicle design or seating design;
- The comfort of the seats, another factor relating to vehicle design;

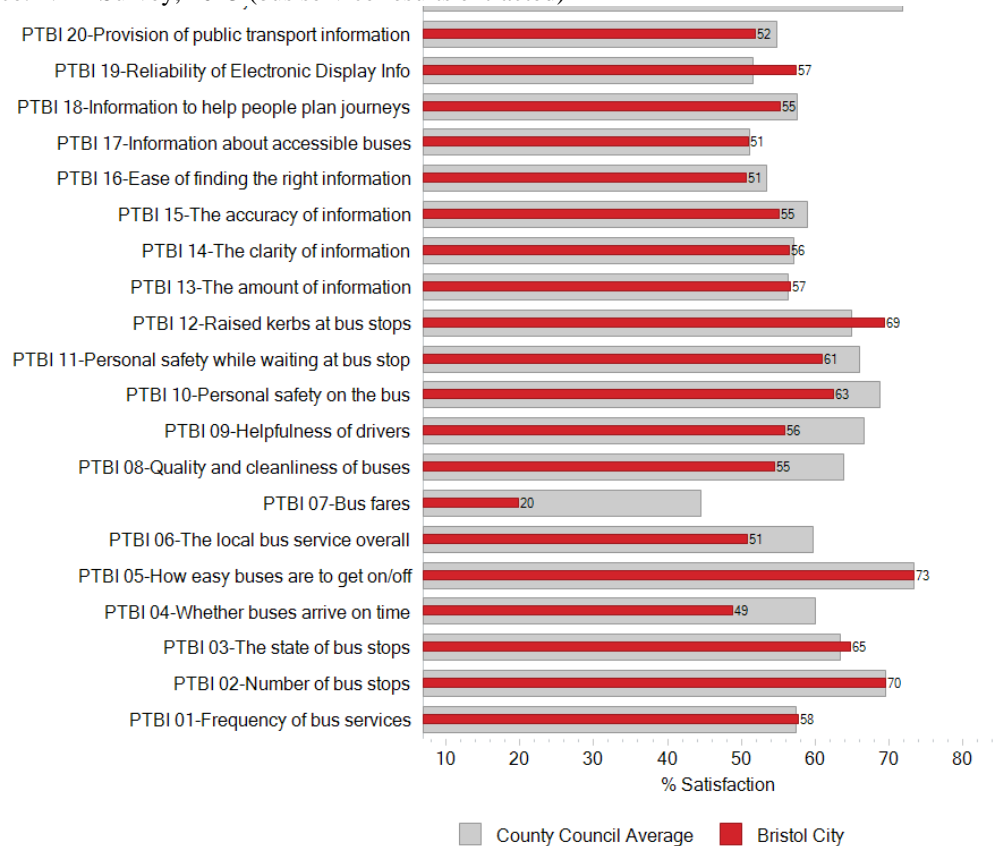
- The cleanliness and condition of the inside of the bus which reflects operator standards of presentation and performance monitoring;
- Smoothness/freedom from jolting during the journey which reflects driver training and monitoring of performance standards;
- The information provided at the stop which is related to provision of display panels and potentially electronic information at bus stops and shelters.

Of these five factors, two relate to the vehicles used and two may be ascribed to the culture of the operators in relation to the standards expected and the training and attitudes (“pride in the job”) of staff. The final factor relates both to the transport authorities and to the operators, the former responsible for the roadside infrastructure, the latter for the quality of information to be provided.

National Highways & Transport Network (NHT) Bristol survey: Further information on passenger satisfaction is available from the NHT survey. Figure 2.4 uses data from the NHT survey to compare satisfaction scores for Bristol (red) to that the national county council average (grey). In comparison to the BPS survey, this survey shows much lower overall satisfaction with bus journeys of around 51%. However, the NHT survey found similar results in terms of lower passenger satisfaction in the Bristol area than nationally for ‘bus fare’ in particular, together with poor satisfaction on ‘bus cleanliness’ and ‘punctuality’.

Figure 2.4: Bristol City satisfaction scores for Public Transport

Source: NHT Survey, 2013 (bus service results extracted)



Value for Money research (BPS): Further work by Passenger Focus on Bus passenger views on value for money⁵ was published in October 2013. The key findings of this new qualitative research (which followed a different methodology to that in 2010) give a useful checklist for assessing what is required in a QCS and are listed below.

- *“The ‘core’ product is all important. When passengers buy a ticket they expect a punctual, reliable service and a seat in return – something that can easily be forgotten when looking at fares and ticketing initiatives. Focusing on performance will also improve perceptions of value for money.*
- *Better access to information is essential. Passengers relied on word of mouth and the bus driver for information on times, routes and fares. 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? Passengers didn’t realise what ticket types existed, how they could buy them or where they could 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. It also emphasised the importance of live updates on bus running – something also found in our research on disruption.*

⁵ Bus passenger views on value for money, Passenger Focus,, October 2013

- *The bus driver is the face of the company. One feature shone through all this work – the driver is responsible for far more than driving the bus. They are the main source of information on fares, the provider of information on delays and disruption, and a reassuring presence when it comes to personal security. The driver’s attitude can make a big difference – so good training in customer service is essential.*
- *Younger passengers 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.”*

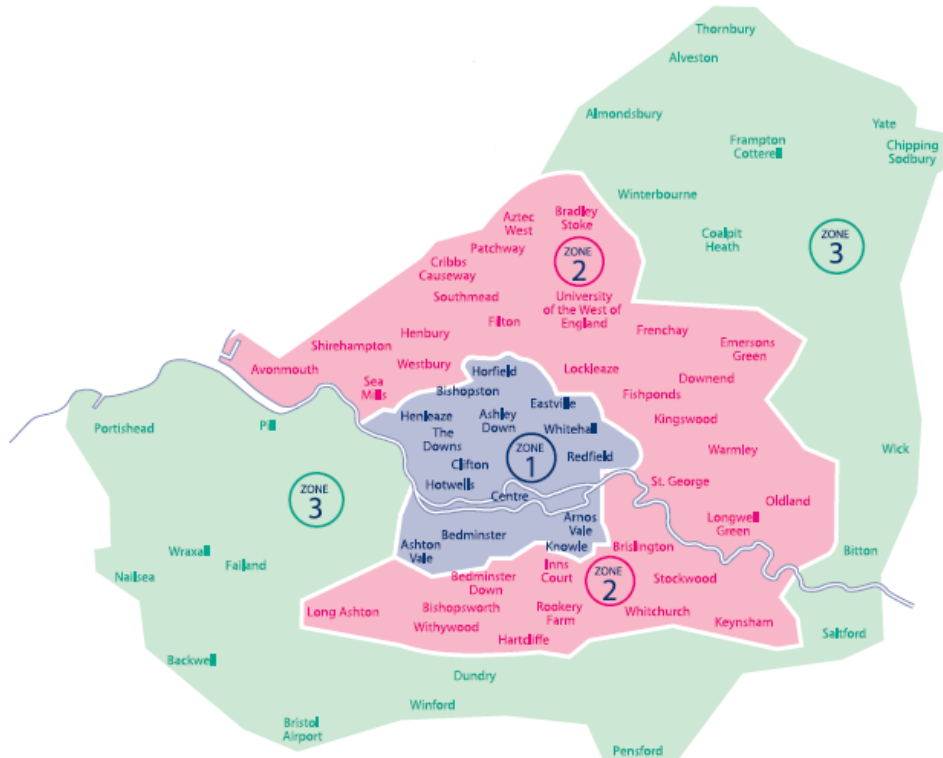
Summary of Surveys: In summary, the results from the Passenger Focus and NHT research reports reveal that the Bristol area has one of the lowest levels of satisfaction in England with “value for money” of bus journeys. This clearly reflects the view that fares are expensive but also includes dissatisfaction with the lack of inter-available (multi-operator) and multi-modal tickets as well as dissatisfaction with standards of operation. Reliability and frequency of services rank higher as they do elsewhere, but other key aspects of the services with scope for improvement include the passenger amenity of the vehicles used, the information provided before and during trips, the attitudes of bus staff and their standards of performance in driving and vehicle cleanliness.

2.3 Bus Fares

The Bristol Bus Network as operated by First Bus was until recently divided in to three travel zones as shown in Figure 2.5. The cost of the bus travel varies according to the travel zone.

Figure 2.5: Previous Bristol Bus Fare Zone Map

Source: First Bus, 2013



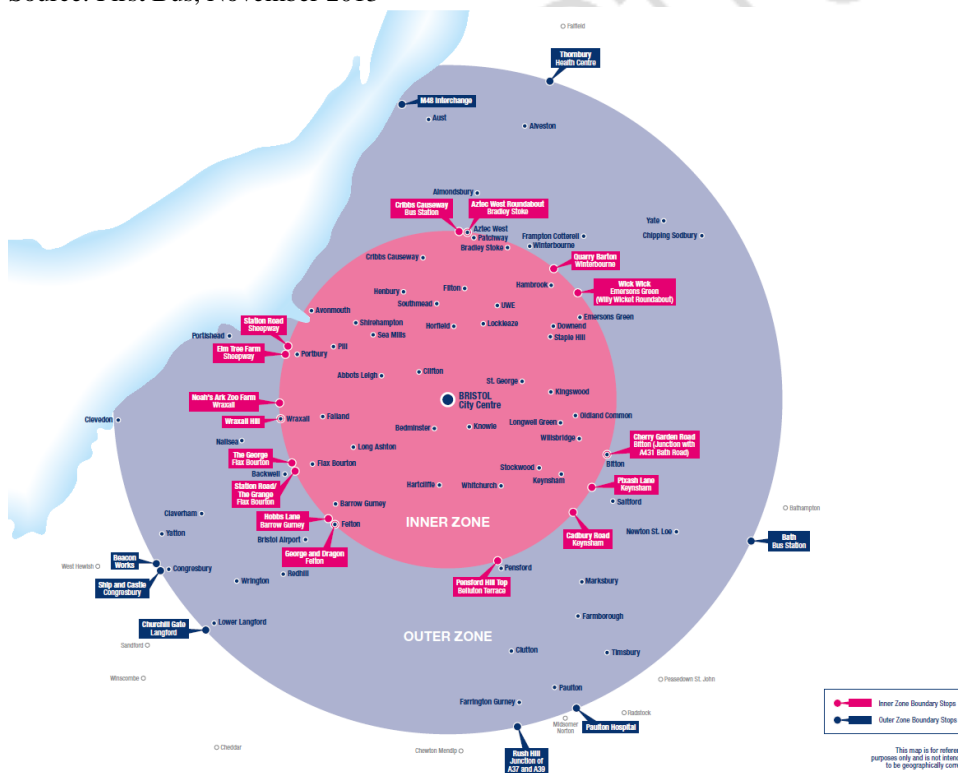
Recently, First Bus carried out a consultation around the cost of bus travel in the Greater Bristol area. Following three months of public consultation, First received more than 7,500 responses. As a result, travel zones and bus fares in the city were revised from 3rd November 2013 into Inner and Outer Zones, as shown in Figure 2.6. The Inner Zone replaces the old zones 1 & 2 (and extends a little further), and the Outer Zone extends up to 12 miles from Bristol city centre, including Clevedon, Thornbury and Bath Bus Station. The comparison of fares is shown in Table 2.2 below. Most adults, children and young people now pay less for single fares compared to what they paid before November 2013.

Table 2.2: Bus Fares in Bristol

Ticket Type	October 2013	November 2013
	Bristol First 1,2 and 3 Zones	Bristol First Inner and Outer Zones
Adult Single	£1.70 (Zones 1), £2.30 (Zones 1), £2.90 (Zones 1), £3.30 (from zone 1 to zone 2)	£1 (up to 3 stops), £1.50 (up to 3 miles), £2.50 (up to 6 miles), £3.50 (beyond to 6 miles within inner zone)
Day	£4 (Zones 1&2), £6 (Zones 1, 2&3)	£4 (Inner Zone only), £6 (Inner & Outer Zone)
Weekly	£18.50 (Zones 1&2), £22 (Zones 1, 2&3)	£17 (Inner Zone only), £22 (Inner & Outer Zone)
Yearly	£800 (Zone 1&2) £1250 (Zones 1, 2&3)	£650 (Inner Zone only), £840 (Inner & Outer Zone)

Figure 2.6: Current Bristol Bus Fare Zone Map

Source: First Bus, November 2013



2.4 Current Status of the Bus Market in Bristol

Information from the Cabinet Meeting report (4 October 2012) has been utilised to provide information on the current status of the transport market in Bristol.

2.4.1 Bus Companies

First dominates the market for the provision of local bus services in Bristol and the sub region. In recent years there has been some increased competition, although in 2011 First accounted for 88% of bus journeys in Bristol. A number of small operators have always provided some limited services either commercially, by finding a ‘niche’ not served by First, or by competing for LTA contracts. A significant change occurred in 2007 when the Rotala Group entered the local market by winning two of the Bristol Park & Ride contracts. From this foothold and trading as Wessex Connect they competed for other LTA contracts in the sub region, as well as the University of West of England funded services.

In 2011, CT Plus, a social enterprise company, also entered the local market, again by winning two of Bristol’s P&R contracts, and have expanded to take on some home to school contracts (not registered as local bus).

The present situation is that competition for LTA contracts involving free standing services is satisfactory (an average of 5 bids for P&R services and generally two for other freestanding services in Bristol in 2011) and has kept prices down, but there is no competition for the provision of additional journeys on otherwise commercial routes (First was the only bidder in 2011).

In terms of ‘on the road’ competition (i.e. between commercial services), this is confined to just a few corridors, e.g. Stockwood to City Centre (Abus) and Nailsea to Bristol (North Somerset Coaches). Therefore, when considering the operators, by far the most significant impact of a QCS in Bristol would be on First.

2.4.2 Revenue Support & Operator Returns

Table 2.3 compares revenue support levels in the three areas. When considering the figures it must be borne in mind that London and West Yorkshire have a much greater proportion of their public transport network being rail based.

Table 2.3: Bus & Rail Services Net Revenue Support

Characteristic	Bristol	London	W Yorkshire
Population	428,200	8,174,100	2,242,000
Bus Service Contracts	£3,295,000	£374,000,000	£22,328,000
Per head Bus	£7.70	£46	£10
Relative to Bristol Bus	1	+6	+1.3

Notes: Figures exclude Concessionary Travel, bus stations, on-street infrastructure or information but includes P&R; Sources: BCC 2012/13 Budgets, Transport For London 2012/13 Budget, W Yorks PTE 2012/13 Budget, Office for National Statistics 2010-based Sub national Population Projections issued 21 March 2012

Data in Table 2.3 shows that, on a per capita basis, W Yorkshire currently spends almost a third more, and London almost six times more, than Bristol on bus service contracts.

Regarding operator profitability, reported operator margins for 2010/11 show that First’s West Yorkshire operation is their best performing subsidiary with 20.6%,

with Bristol also amongst the better at 13.7%. The average for English metropolitan areas being 11.4% and the best individual return being Stagecoach Midland Red South at 27.8%. In London which is closest to a QCS it is understood that profits for the equivalent periods are below 10%.

2.4.3 Service Stability

As a result of concerns over the very frequent changes to routes and timetables, a code of conduct was agreed in 2011 between the West of England councils and the local bus operators in Bristol. This makes provision for changes to take place on four fixed dates each year plus, for rail-connected services, the two national rail timetable dates, it also sets down notice periods over and above the statutory minimum. The code of conduct forms an annex to all Quality Partnership Schemes that have been made in the West of England area.

It could be argued that this number of changes is too many, although school transport requirements have a significant impact, and that any major network changes should take place much less frequently, eg twice per year as for rail, annually or even less frequently. It is probably more important that the public should be made aware of when a service is next due for review and it is noted that First has started to consult prior to service changes in several areas apparently with good results. However, operators in a competitive market where, at least in theory, new entrants could appear at 56 days-notice are unlikely to agree to be bound into fixed review dates.

2.4.4 Vehicle Quality

First and Wessex have made a significant investment in new vehicles, such that the average age of their fleets are 7-8years, and virtually all are low floor. In London, TfL specifies that all vehicles must be low floor and the average age of the fleet in 2010/11 was 5.9 years. This compares with 7.9 years in metropolitan areas and 8.8 years elsewhere. It is important to note that cascading vehicles out of London has been an important feature of the second hand bus market in the past.

Whilst age does not exactly correspond to quality, the lower the figure the better the emissions performance and the greater the proportion of low floor vehicles. Coupled with ticketing systems, vehicle specification has a significant impact on stop dwell time. Following the provision of additional bus priorities and improved enforcement, stop dwell times are a major cause of delay on many routes in Bristol. Unlike almost all commercial operators outside London whose priority is maximising revenue collection, TfL specifies multi door vehicles to minimise dwell times coupled with maximised off bus ticket sales (cash fares are not accepted on buses in central London), a penalty fare system and extensive use of both plain clothes revenue inspectors and mobile revenue protection teams.

2.4.5 Partnership Working

Partnership working between LTAs and the operators has been in place since the mid 1990s – with some successes such as the GBBN project. However, even here and despite the large public sector investment, operators have been unwilling to share patronage data. An attempt at network planning in Bristol some 5 years ago

ultimately came to nothing and changes are frequently made to commercial services with little or no consultation with the LTA or passengers. Operators are even more reluctant to involve the LTAs in discussions about fares as the 1985 Transport Act specifically excludes them from involvement in setting fares and also staffing matters. LTAs can only specify vehicle types on services that are wholly contracted and have little or no influence on vehicles operated on commercial services (sometimes the local operating company doesn't either and have to accept what HQ deems appropriate). There has also been a reluctance to develop new markets without public funding e.g. Hengrove Park.

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3 Legislative Context for Local bus Services

This section describes the legislative frameworks with regard to the procurement of public transport services.

3.1 The Transport Act 1985

Except in London and Northern Ireland, the provision of local bus services in the United Kingdom is, in principle, fully deregulated through the Transport Act 1985. Subject to holding the appropriate operator and vehicle licences together with certificates of professional competence for at least one manager and all drivers, any company can provide public bus services on any route and at any fares that they choose after giving 56 days' notice of registration to the Traffic Commissioner for the area served. A Traffic Commissioner can only refuse to accept a registration if the applicant has failed to satisfy the licensing and competence requirements appropriate to the company's business including the new route, or if the route would infringe any traffic regulation conditions imposed by the Commissioner after consultation with the relevant Local Transport Authorities (LTAs).

LTAs have power to subsidise essential services that would not otherwise be provided on a commercial basis. These services are generally procured by competitive tender.

3.2 Transport Act 2000 & Local Transport Act 2008

The Transport Act 2000 and The Local Transport Act 2008 provide several levels of interventions to local authorities outside London to modify the operation of the local bus market in order to deliver quality bus services and increase bus use. These provisions supplement the non-statutory Quality Bus Partnerships (QBPs), widely practiced since the mid-1990s, whereby LTAs and operators have agreed on a voluntary basis to work together to improve the operation of services by mutual agreement on matters such as investment in infrastructure, traffic management and operational practices such as types of vehicles used and aspects of quality including information but not timetables, frequencies and fares.

Quality Bus Partnerships

The reasoning behind QBPs (which were first proposed by a Chartered Institute of Transport Working Party in 1993) was that effective bus services depend not only on the routes, timetables and vehicles that operate them but also on the management of the highway network to facilitate reliable operation, together with good facilities at bus stops or stations and effective information, publicity and promotion. Responsibility for passenger facilities, information and promotion varies across the country and is sometimes shared between authorities and operators.

QBP agreements are frequently not legally enforceable. In some cases their effect has been limited because of failures to maintain adherence to their conditions on both sides, for example by operators transferring new vehicles elsewhere or failing to maintain service standards and by authorities failing to maintain

infrastructure or to implement appropriate traffic regulation measures. For the majority of areas in which bus services are recognised to be performing well there is strong co-operation at both organisational and personal levels between local authority officers and bus company managers, notwithstanding the continuation of robust public stances reflecting the political and commercial objectives of the authorities and companies.

QBPs were endorsed by the Ministerial Working Parties involving local authority and operator representatives established under successive governments from 1992 onwards. The Transport Act 2000 and the Local Transport Act 2008, gave statutory backing to the principles underlying QBPs and formally introduced alternative forms of governance.

Powers available to Councils under the Local Transport Act 2008

Voluntary Partnership Agreements (VPAs) effectively extend traditional QBPs by relaxing some provisions of competition law. VPAs are non-statutory agreements either between one or more LTA(s) and one or more bus operator(s) or between bus operators themselves. VPAs can allow some types of agreement, for example relating to timetables, frequencies or fares, which would otherwise contravene the Competition Act 1998 to be the subject of a bespoke bus based competition test contained in the Local Transport Act 2008. VPAs enable operators and LTAs to make progress in delivering better quality and more stable services without necessarily invoking more rigorous and further reaching statutory processes.

Qualifying Agreements (QAs) are agreements that satisfy the competition test within the Local Transport Act 2008. They may themselves be part of a wider VPA or extend a QBP and they can also be used in conjunction with Statutory Quality Partnerships (SQPs) and Quality Contracts (QCs). They can include ticketing agreements made under the Public Transport Ticketing Schemes Block Exemption to Section 8(3) of the Competition Act 1998. If the intention of the QA is to modify (generally to restrict) competition the test must be passed otherwise the agreement does not qualify. The test's three stages may be summarised as:

- 1) Does the agreement lead to better outcomes for bus users or the local community? (i.e. secure better vehicles or facilities or secure other improvements in local services or reduce congestion or air/noise pollution);
- 2) Are the restrictions imposed on bus operators essential to achieve those outcomes? If not, the test has failed;
- 3) If any operator that is party to the agreement is able to eliminate competition that is not related to achievement of the better outcomes then the test has failed.

Statutory Quality Partnerships (SQPs) are legally enforceable agreements subject to oversight by the Traffic Commissioners that enable transport authorities to agree with one or more operators to limit competition in their areas or parts of them. Their intent will generally be similar to non-statutory QBPs but the authority is able to intervene to ensure that any registrations in the relevant area meet the requirements of the SQP. SQPs may include a number of separate QAs.

Quality Contract Schemes

Quality Contract Schemes (QCS) and Quality Contracts (QCs) were introduced by the Transport Act 2000 and further refined by the Local Transport Act 2008. In general terms they are believed to give transport authorities, such as Bristol City Council, the power to take control of local bus services in a similar way to local bus franchising in London. However, this similarity is misleading, as circumstances in London are considered completely different to those in the rest of the UK for the following key reasons:

- bus services in London have never been deregulated;
- bus services in London are procured by a system of route franchising rather than the area based franchising envisaged under Quality Contract Schemes;
- the financial support and sources of income available to Transport for London are more generous than the support made available for bus services elsewhere.

A Quality Contract Scheme (QCS) is a scheme under which the authority or several authorities acting together determine what local services should be provided in the area to which the scheme relates, the standards to which they should be provided, the fares to be charged and any additional facilities or services which should be provided in that area. A QCS may lead to more than one QC (it could be envisaged that there might be several QCs in Bristol reflecting different social, economic, environmental or traffic priorities between separate parts of the city). Each QC is, in effect, an exclusive area franchising scheme that is put out to competitive tender. This has the effect of closing the deregulated market in the area to which it applies for the duration of the scheme.

In principle, no other operators may function in the QC area without the specific approval of the authority, although the possibilities that a franchisee could provide some services through sub-contracting or that the authorities might develop forms of contract that specify that specific requirements might be met by, for example, community transport or taxis have not – so far as we are aware – been explored. Before a QC can be implemented it has to be consulted on and then approved by a Board appointed by the Senior Traffic Commissioner. These statutory processes may take a significant time but as yet have not been tested.

Under the Act, an authority making a QCS must be satisfied that five “public interest” criteria are met. These criteria are that:

- the proposed QCS will result in an increase in the use of bus services in the QCS Area;
- the proposed QCS will bring benefits to persons using local services in the QCS Area, by improving the quality of those services;
- the proposed QCS will contribute to the implementation of the local transport policies of the LTA;
- the proposed QCS will contribute to the implementation of those policies in a way which is economic, efficient and effective; and
- any adverse effects of the proposed QCS on Operators will be proportionate to the improvement in the well-being of persons living or working in the QCS Area.

The attraction of a QCS is that an entire local bus network can be specified, monitored and controlled (through the terms and conditions of the contract) by the transport authorities concerned. This control brings with it considerable advantages, for example in terms of network coverage, service levels, fares and integrated ticketing, and co-ordination of timetables. However, these advantages bring with them financial and operational consequences and risks that should be evaluated fully before a QCS is made.

Tables 3.1 and 3.2 shows more detail of the alternative instruments for governance and regulation available for local bus services (for the '1985 Transport Act' and '2000 Transport Act' respectively).

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Table 3.1: Potential Governance and Regulatory Structures for bus services in Bristol within the 1985 Transport Act

Instrument	Description and Benefits	Timescale for implementation and Costs	Risks
Quality Network/ Partnership	Voluntary partnership agreement covering a number of bus operators in a defined geographical area, which could be a unitary authority, county or smaller area, such as a district. Agreement would typically cover vehicle and driver standards, information protocols, service change dates, bus stop and shelter standards. Could include Qualifying Agreements covering some aspects of service (e.g. ticketing) or be underwritten through a Better Bus Area.	<ul style="list-style-type: none"> • Range of partnerships in use across UK. • Quality Network appears to be most effective where LTA is already controlling market (e.g. in rural areas where nearly all routes are tendered) • Can be enacted relatively quickly if operator agreement can be obtained. • No application to DfT required although LTA may have to attract funds to provide a hook for operators to invest (e.g. stop/ shelter upgrades, real time information systems etc). 	<ul style="list-style-type: none"> • Operators may not wish to take part in the Quality Partnership/ Network. • LTA may not be able to invest to a sufficient level to get operators interested in partnership. • Potential financial/ reputational risks to authority from qualifying agreements or other financial instruments.
Form new bus operators	LTA provides funds (e.g. through LTP major scheme) for bus operators to invest in new vehicles. In some cases this has been used to set up new bus operators who can bid against an incumbent who is perceived to be underperforming or behaving in a monopolistic fashion.	<ul style="list-style-type: none"> • One to two years, although can be done more rapidly if funds available. Costs range with new buses costing between £75k and £200k depending on size and specification (although these costs could be recovered through a leaseback mechanism). 	<ul style="list-style-type: none"> • Potential problems with EU state aid law. • Potential reputational damage if business of the supported operator fails.
Single supplier contracts	A single supplier is procured to provide all supported services, e.g. home to school travel, SEN, social services and other LTA transport needs. Supplier carries obligation to co-ordinate services to achieve efficiency gains (e.g. Powys, or Dorset on a sectorised basis). Main supplier may sub-contract individual services to other suppliers.	<ul style="list-style-type: none"> • Two years plus from a standing start. Cost of procuring new supplier may be offset by efficiencies downstream. 	<ul style="list-style-type: none"> • Upfront cost of procurement process, with outcome uncertain, may not be recouped. • Transition to new supplier – probable loss of work and jobs for local companies and subsequent political opposition. TUPE risk. • Transitional problems – new supplier may need time to “bed in” with subsequent teething problems. • New supplier may not achieve contracted savings. • Once embedded, new supplier is difficult to remove in the event of operational problems without substantive compensation on contract termination.
Selected market intervention	LTA may intervene in a specific market with perceived cost/ quality problems to improve service, achieve better value for money or political objectives (e.g. mode shift). Mechanism would be through investment in vehicles and facilities (e.g. project to provide “Yellow Bus” school bus vehicles in West Yorks).	<ul style="list-style-type: none"> • Two to three years from a standing start. Longer if proposed intervention is not included in LTP Implementation Plan. 	<ul style="list-style-type: none"> • Intervention in a specific market reduce or eliminate integration benefits (e.g. a dedicated school bus fleet may increase provision costs because vehicles have low use during day (not used for excursion work as many “school buses” are currently) • Potential state aid problems. TUPE risk. • Downstream problem of how to attract funds to replace any assets once they are life expired.

Table 3.2: Potential Governance and Regulatory Structures for bus services in Bristol within the 2000 Transport Act

Instrument	Description and benefits	Timescale for action and costs	Risks
Statutory Quality Partnership (SQP)	Legally enforceable partnership agreement. Covers a specific geographical area related to an investment (e.g. bus priority measures). Could include co-ordinated fares, tickets etc between operators.	<ul style="list-style-type: none"> • Timescale depends on infrastructure measure around which SQP is based. Could be two-three years for some measures (e.g. extensive priority schemes, guideways etc). • Costs relatively low level apart from those of capital measures – e.g. officer time, legal time to formulate agreement. 	<ul style="list-style-type: none"> • Substantial implementation risk if operators will not agree to legal framework or dilute it. • Complex consultation requirements. • Once implemented relatively risk free – essentially a mechanism to prevent low quality operators from undermining local authority investment by providing poor quality services which use it.
Quality Contract Scheme (QCS)	<p>LTA specifies fares, frequencies, routes, branding, co-ordination of timetables, interchange connections etc. Operators provide route services under a series of franchises.</p> <p>Scheme promoters free to define area of scheme, so could be enacted county wide or in a small area as required.</p> <p>Theory (untested) is that lower margins required by operators for providing services in a protected franchise environment can lead to either supported services budget savings, lower fares or greater network output.</p> <p>Also applicable in a circumstance where widespread market failure within the bus industry is making it impossible for a local authority to implement its local transport plan.</p>	<ul style="list-style-type: none"> • Timescale of two to three years minimum from a standing start. May be possible to piggyback on a scheme being enacted by another authority. • Costs – high legal and third party consultancy costs in making case for scheme, drawing up contracts etc. There will also be costs for ‘managing’ the QCS network (or managing the operating contracts); work by Competition Commission suggests a running costs could be £1million + pa to administrate contracts once QCS enacted. 	<ul style="list-style-type: none"> • Substantial implementation risk – legal framework untested and may be successfully challenged. • Once implemented LTA takes revenue risk on bus network – exposure to financial risk through this. • Cross-boundary services – requires consultation with all adjacent authorities who may object to scheme. • Substantial tendering risk – low competition between operators may lead to high tender costs. • Transitional risk – incumbent operators may run down or withdraw services if they are unsuccessful in winning contracts to operate under QCS. TUPE risk. • Skill gap – LTA would need to increase personnel to operate network, but skills of this type not widely available on market – downstream risk to contract management. • QCS may fail to deliver cost savings or quality advantages scoped out in proposers’ business case.

4 Review of Best Practice

In considering the most appropriate approach towards improving the level and quality of bus service in Bristol, initiatives in respect of bus partnerships made by a number of transport authority areas has been investigated (with information taken from a review of press and other publicly available information).

4.1 Metropolitan Counties

Tyne & Wear Integrated Transport Authority (TWITA)

The Tyne and Wear Passenger Transport Executive (TWPTE) using the brand name of Nexus, is the Passenger Transport Executive for the Tyne and Wear region of North East England. Nexus is the operations arm of the Tyne and Wear Integrated Transport Authority (TWITA). The local authorities within the Nexus area coverage are unitary authorities: Newcastle upon Tyne, Sunderland, Gateshead, North Tyneside, and South Tyneside.

Nexus is progressing a Quality Contract Scheme (QCS), covering the whole Tyne and Wear metropolitan area including all commercial and secured bus services in that area. Having looked at the options including a partnership approach in an area that has generally high levels of bus services as well as the Tyne and Wear Metro, the TWITA has decided that a QCS represents the best way forward to secure delivery of improved bus services. The QCS proposals for Tyne and Wear are outlined in further detail in Appendix A.

West Yorkshire Integrated Transport Authority (WYITA)

West Yorkshire Passenger Transport Executive (WYPTE) is the Passenger Transport Executive for the county of West Yorkshire. It is the executive arm of the West Yorkshire Integrated Transport Authority (ITA).

WYPTE brands its operations as Metro, covering Leeds, Bradford, Wakefield, Huddersfield, and Halifax, and is responsible for setting transport policy in the area, and subsidising bus services, and funding local train services.

The West Yorkshire Metro is progressing proposals for a QCS, but is still urging operators to improve their partnership offer as an alternative. In addition, Metro has carried out a network review of their tendered services in conjunction with operators in an attempt to reduce costs whilst also providing better value for money. This has led to an increased proportion of de minimis payments that are key to the delivery of the changes. This approach, whereby a more collaborative approach is taken to network development so that low cost extensions to commercial operations, can be considered more readily than under the traditional separate specification of services for tendering following identification of unserved needs or commercial de-registrations appears to result in better targeting of subsidy in relation to social need. Earlier work by Metro intervened in the market to improve the operation of school travel and promote modal split. This was done through a major LTP scheme involving acquisition of a dedicated fleet

of Yellow School Buses provided to operators to operate under subsidised service contracts on a network specified by Metro.

Strathclyde Partnership for Transport (SPT)

SPT have indicated that while they are not against QCS, or some other form of franchising that might be enabled by proposed changes to the Scottish legislation, they are concerned that the possible costs might not be affordable and that a more contractual approach to partnership could represent better value for money.

South Yorkshire PTE (SYPT)

SYPT have gone one step further than SPT, by delivering a contractual approach to partnership that has subsequently secured them pilot Better Bus Area status for Sheffield, with QCS rejected because they would deliver a similar outcome to partnership but would be more bureaucratic and probably at higher public cost.

Transport for Greater Manchester (TfGM)

TfGM have not been as vocal as other metropolitan areas about the use of area-wide QCs or partnership, but have instead introduced a Code of Conduct in conjunction with the Greater Manchester Bus Operators' Association, with regular monitoring of operator performance against targets used to enforce improvements in the quality of operation. In addition, it is noted that TfGM use a strict monitoring regime in relation to their tendered services, such that operators can be removed from the approved suppliers list if a defined level of performance is not maintained.

4.2 Shire and Unitary Authorities

The majority of published information on QCs has related to metropolitan county areas as these have been where the needs for “something better” have been perceived to be greatest and the resources to examine alternatives have also been greater. Nevertheless there have been a number of innovative interventions using existing powers that are worthy of notice:

- Some counties, for example Cornwall, Dorset and Herefordshire have supported the formation of new bus operations (for example through funding vehicle purchase) that are expected to take on a proportion of the tendered and home to school network.
- Powys and Dorset have aggregated all home to school, SEN and tendered services provision into single supplier contracts.
- Nottingham City Council introduced a SQP covering the City Centre. There are strong partnerships including business stakeholders supporting both commercial and social services designed to promote bus travel around the City and a network of airport services in which neighbouring authorities are also involved. The success of these arrangements led to a successful application for SQCs covering all main corridors in the City area funded as a Better Bus Area.
- Oxfordshire has had QBPs with the principal bus operators for many years. Stagecoach and City of Oxford Motor Services (a Go Ahead Group company)

have a pioneering VPA approved by the County Council with QAs covering timetables frequencies and fares designed to improve efficiency and reduce congestion in central Oxford.

- City of York Council has a strong QBP including, perhaps uniquely, representation for stakeholders such as users, community organisations representing disabled people, young people and businesses. York has been successful in gaining Better Bus Area status and the QBP has been designated to oversee delivery of the schemes defined in the two Better Bus Area applications.

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5 Objectives and Risks of QCS in Bristol

5.1 Current Bus Service Arrangements

At present the bus network in Bristol is procured under the 1985 Transport Act within a deregulated industry structure. In summary:

- Commercial bus operators run the services which they assess can cover their operating costs. Bus operators are free to specify routes, frequencies and fares on these services.
- The City Council has a mandate to purchase additional bus services which it believes are socially necessary but which cannot cover their costs. The City Council specify routes, frequency and fares for these services.
- Commercial operators or the City Council can vary or terminate the services they provide as long as the required notice of changes through the Traffic Commissioner.

5.2 Existing Bus Initiatives

The Joint Local Transport Plan's (JLTP3) Vision for Public Transport is for 'A comprehensive, high-quality, integrated public transport system that meets the needs of all potential users and is accessible, affordable, clean, comfortable, inclusive, punctual, reliable and safe and contributes to a reduction in greenhouse gas emissions.'

Key initiatives in Bristol (and surrounding areas) in respect of improving bus transport are:

- **Greater Bristol Bus Network (GBBN):** This initiative involved implementation of cross council boundary bus infrastructure (with a value of around £80M). GBBN covered 10 strategic bus routes with nearly 1,000 improved bus stops (new shelters, new information panels, level access), more than 300 new real-time information displays, new bus priority signals at junctions that turn green when buses approach helping them stay on time, Bus Priority Lanes allowing buses to bypass general traffic, improvements to pedestrian and cycle access and safety, road widening in key traffic hot spots, and public realm/environmental improvements in local areas. GBBN also includes introduction of "quality partnership schemes" on all the GBBN corridors will ensure that operators and councils work together to maintain a high standard of bus services and associated facilities over the next five years. Quality partnership schemes have been agreed on all the GBBN corridors to ensure that operators and councils continue to work together to maintain a high standard of bus services and associated facilities over the next five years.
- **Better Bus Area Fund 2012:** This focused on improved enforcement of bus lane and gates through fixed cameras and a camera car, and the rollout of real time information equipment to all bus services in the West of England.
- **Better Bus Area Fund 2013:** The West of England councils have worked with local bus operators to agree a suitable scheme and eight corridors have been selected for improvement, spanning more than 35 kilometres including Bath and North East Somerset, Bristol and South Gloucestershire Councils.

The bid centres around delivering targeted interventions including new and extended bus lanes, bus gates, CCTV monitoring and enforcement cameras, parking controls, improved signage, bus stop upgrades and extended active operational control of the road network to evenings, Saturdays and for events. The schemes will be implemented over the period 2013 to 2017, with a total cost of around £1.3M.

- **MetroBus network:** The MetroBus (rapid transit) network is three interlinked ‘rapid transit’ bus routes: Ashton Vale to Temple Meads, North Fringe to Hengrove Package and South Bristol Link. MetroBus will be an express service, separate from general traffic in places, with faster and more reliable journey times. The Transport and Works Order for the Ashton Vale to Temple Meads MetroBus route has been granted by the Secretary of State for Transport. The planning application for the scheme will be addressed by Bristol City Council before the end of 2013. The overall MetroBus infrastructure cost is in the region of £200M. It is presently not confirmed how the Metro bus *operations* will be procured.

5.3 Aims of a QCS

Prior to setting out potential ways to progress a QCS, the key objectives of such a scheme need to be identified. Bristol City Council’s current objectives for enhanced bus services were expressed clearly in the ‘Bus Quality Contracts’ Cabinet Report of 4th October 2012, as follows:

- Working with the bus operators through QPS schemes on GBBN corridors supported where necessary with voluntary partnership agreements (VPAs) to achieve a stable core network with maximum frequencies and fewer service changes
- Punctuality Improvement Partnerships to work alongside QPS and VPAs
Seek voluntary agreements with operators on fare levels and zoning and integrated smart ticketing
- Co-ordination of services (within and between modes)
- Work with operators to reduce the average age of the fleet and promote green means of propulsion
- Upgrading passenger facilities, raised platforms, shelters, parking/loading enforcement at stops
- Enhance information provision together with marketing/promotion
- Improving personal security on the network

Using the above objectives, and the key messages from passenger feedback (as recorded in a number of surveys as described in Section 3.2), a set of objectives and potential solutions involving a QCS are set out in Table 5.1.

Table 5.1: Bus Service Objectives and Potential Solutions delivered by QCS

Bus Service Enhancement Objective	Potential Solutions Delivered by QCS ¹
A stable core network with fewer service changes	<ul style="list-style-type: none"> •Authority led approach to network design (to ensure routes and frequencies provide appropriate access and mobility in line with LTP3 policy objectives).
High standards of reliability and punctuality	<ul style="list-style-type: none"> •Bus Priority Measures (including the range of methods from segregated lanes to traffic signal bus activation) i.e. Completing the GBBN corridors and reducing delays on non GBBN routes. [LA] •Smart Ticketing (to speed boarding). •Multiple door entry and exit (to speed boarding). •Enforcement of Bus Stops, parking, waiting & loading restrictions, Bus lanes [LA]
Inter available multi-operator and multi-modal ticketing.	<ul style="list-style-type: none"> •Smart ticketing: Allow cross operator transfers (including bus to rail). •Smart Ticketing: On-street ticketing equipment, on-bus ticketing equipment, off-bus retailing network. •Cross-operator agreement on fare income distribution.
Better waiting conditions	<ul style="list-style-type: none"> •High quality bus shelters. [LA]
Reliable and up-to-date information to passengers before and during trips	<ul style="list-style-type: none"> •Up-to-date printed timetable information. •Bus stop Real Time Passenger Information. •On-bus passenger information (e.g. interchange with other services). •Real time 'next bus' SMS •Web-based real time information on bus services.
Co-ordination of services (within and between modes)	<ul style="list-style-type: none"> •Authority led approach to network design (with timetable designed according to 'connection time' requirements - to other bus and rail services).
Improve Comfort of Vehicles & Ride Quality	<ul style="list-style-type: none"> •High quality road surface. [LA] •Driver training, performance standards and effective monitoring.
Improve passenger space and amenity.	<ul style="list-style-type: none"> •Vehicle specification (to provide appropriate seat configuration). •Authority led approach to network design (should ensure vehicle size and / or frequency balanced well with demand).
Reduce bus stop dwell times.	<ul style="list-style-type: none"> •Smart Ticketing (to speed boarding). •Multiple door entry and exit (to speed boarding). •Enforcement of Bus Stops, Parking, waiting & loading restrictions (to speed access to and from bus stop).
Promote green means of propulsion	<ul style="list-style-type: none"> •Vehicle specification (to require 'green' fuelling options - such as hybrid diesel-electric, CNG).
Vehicle cleanliness and presentation	<ul style="list-style-type: none"> •Performance standards and monitoring regime.
Maximised patronage through public awareness	<ul style="list-style-type: none"> •Branding, marketing and promotion.
Ensuring that customer service standards and are improved.	<ul style="list-style-type: none"> •Performance standards and monitoring regime.
Extending the geographical reach of services	<ul style="list-style-type: none"> •Authority led approach to network design (e.g. feeder to trunk services). •Release revenue surpluses - from the higher earning routes to less used routes.
Extending the operational time of services (early morning, late night)	<ul style="list-style-type: none"> •Release revenue surpluses - from the higher earning periods to off-peak periods.
Passenger Affordability	<ul style="list-style-type: none"> •Smart Ticketing (to allow transfer journeys in particular to be made more convenient and attractive and will not involve paying 'twice') •Revenue benefits overall from increased patronage (to minimise fares).
Minimise bus operation costs	<ul style="list-style-type: none"> •Bus Priority Measures (to speed bus journey). [LA] •Smart Ticketing (to speed boarding). •Multiple door entry and exit (to speed boarding). •Enforcement of Bus Stops, parking, waiting & loading, bus lane regulations (to speed bus journey). [LA]

Note: 1. All Solutions would need Local Authority and Bus Operator actions, expect for those marked [LA] which will primarily require the Local Authority to take forward.

From Table 5.1, the key solutions, or features, delivered by a QCS can be organised into categories, namely: Network; Fares and Ticketing; Information and Branding, System Monitoring, and Financial Management. The intended outcomes in respect of these categories of implementing QCS are summarised:

Network

- Control over **Network design** by the local authority will allow significant improvements to integration aspects (e.g. feeder to trunk services, timetable designed according to ‘connection time’ requirements - to other bus and rail services, and ensure vehicle size and / or frequency balanced well with demand.
- **Bus Priority Measures** which match well with network operation (including the range of methods from segregated lanes to traffic signal bus activation)
- **Vehicle specification** will allow potential to introduce particular types of bus (e.g. articulated, with specified seat configuration), to require ‘green’ propulsion systems (such as hybrid diesel-electric, or CNG), and to provide include multiple door entry and exit (to speed boarding).
- **Enforcement** of Bus Stops, parking, waiting & loading restrictions, and bus lanes by the Local Authority will speed up buses, giving better journey times and reduced operational costs
- **High quality bus shelters** across the network will increase the perception of a cohesive and integrated network.
- **A high quality road surface** should be maintained by the local authority to give a good ride quality for passengers.

Fares and Ticketing

- **Smart Ticketing** (within a an integrated ticketing system) will allow transfer journeys (including ‘bus–bus’ and ‘bus–rail’) in particular to be made more convenient and attractive (and will not involve paying ‘twice’), will remove the perceived barrier of transferring between different operators buses, will allow for speedier boarding, and would be likely to involve on-street ticketing equipment, on-bus ticketing equipment, and off-bus retailing network.

Fully integrated ticketing requires an agreed system of apportionment of revenue across operators (who may carry the same passenger on different parts of their journey). In a de-regulated bus system (such as in Bristol), the traditional barrier to integrated ticketing has been an inability to agree how to reallocate ‘shared passenger’ income across a number of private operators (and indeed potential illegality if competition is not maintained); this has been a key barrier to full integration from the passengers point of view (that is, passengers will often have to pay again if a different operator is used for a return or onward journey).

Under a QCS, distribution of fare income amongst operators is a key aspect of the operator contract – and allows payment to operators to be based largely on operator mileage and performance rather than on the number of passengers and journey distances. This arrangement has a knock-on benefit of allowing bus services to be routed as feeders to ‘trunk’ rail or express bus but with no

loss of income due transfer of 'passenger.kms' to competitor services, and hence to reduce 'waste' on parallel competing services.

Within a QCS, the exact system of Smart Ticketing will need to be devised; however, the traditional barriers to integrated ticketing are generally overcome with a QCS in place.

Information and Branding

- **Passenger Information** will be presented in a 'unified' manner for all services, in the form of on-bus passenger information (e.g. interchange with other services); Real Time 'next bus' SMS; Real Time Information at bus stops; up-to-date printed timetable information; and web-based real time information.
- **Branding, marketing and promotion** will be approached in a comprehensive manner for the whole bus network, irrespective of operator.

System Monitoring

- A **Performance Standards and Monitoring** regime will ensure a consistent level of service across the network.
- **Driver training and performance standards**, and effective monitoring, will ensure a consistent level of driver skills and behaviour across the network.

Financial Management

- **Control and oversight of revenue** will allow release of revenue surpluses - from the higher earning periods to off-peak periods, and from the higher earning routes to less used routes.
- The **potential for increased revenue** surplus from increased patronage (due to improved quality of overall bus services) and reduced operating costs (due to network efficiencies and bus priority measures) - which could allow fares to be minimised.

5.4 Key Risks

The key risks (and their associated costs where present) have been assessed in respect of implementation, and ongoing operation, of a QCS, and are set out in the following paragraphs.

5.4.1 Cost of Implementation

The set up costs associated with establishing a scheme, including developing and planning the network are estimated at around £1M-£1.5M (based on Nexus's estimation of abortive costs if the proposed Tyne and Wear QCS is aborted). There may also be a need to subsidise some parts of the network over the transitional period to QCS.

5.4.2 Running Costs

The management of the quality contracts will necessitate a significant staff resource. As per estimations made in the Competition Commission's December 2011 report into the local bus market, this could be up to £1M per annum. The ongoing cost of a QCS to the Local Authority would be dependent on the nature of the contract(s) specification. Revenue and other risks would be transferred to the Local Authority from the bus operators. The ongoing cost would need to be established by network analysis.

Desired improvements in Bristol (e.g. higher vehicle standards) may impose very high costs on network which would have to be supported by higher fares or public revenue support. It is noted that initially there will be data asymmetry between the proposing authority and bus operators – because operators have access to far better information on industry costs and (for incumbents) revenue on routes in Bristol, allowing them to potentially “game” the tendering process to their advantage.

5.4.3 Bus Operators' Attitude and Approach

Bus Operators' attitudes to a proposed QCS would present risks as follows:

- Local operators in Bristol may not co-operate with preparations for QCS. For example, on Tyneside, Stagecoach has threatened to withdraw all its services and not make its depot facilities available to other operators. A legal challenge by an incumbent operator (or consortium of operators) could also be possible.
- Operators could also run down their existing networks in advance of their transfer into the Quality Contract, leaving a very poor quality network for the QCS to start from.
- It is also possible that tendering sections of network under the QCS fails to bring any new entrants into the market.

5.4.4 Change in Operators under QCS

Low quality new operators may seek to enter the QCS market, or there may be “teething problems” with established operators as routes change hands and drivers change employers (e.g. some drivers may transfer, and some may choose to leave the industry).

There would also be potentially significant TUPE costs through transfer of staff from one organisation to another as part of the tendering process.

5.4.5 Adjacent Authorities

It is clear that co-operation with neighbouring authorities would be needed. In Bristol, the major transport initiatives in recent years has been undertaken under the umbrella of the West of England Partnership (covering Bath and North East Somerset, Bristol and South Gloucestershire Council areas) e.g. Better Bus Area. It is likely therefore that a productive and efficient QCS would be similarly best developed as a cross-boundary initiative. Risks in respect of neighbouring authorities are considered to be as follows:

- Challenges from adjacent authorities who do not support a QCS in Bristol (either for political reasons or because they fear it may damage their own bus networks by making operators concentrate their resources on Bristol).
- Co-operation with South Gloucestershire Council in particular would be needed to enable a QCS to cover the whole of the continuously built up area. Whilst it could be possible to proceed without this co-operation, a scheme would be likely to be considerably more effective with South Gloucestershire's involvement.
- The lack of buy-in or involvement of any of the West of England Partnership local authorities would damage the multi-modal and multi-operator ticketing impacts of a QCS in Bristol.

5.4.6 Local Authority Commitment

It must be borne in mind that preparing a QCS scheme that addresses the requirements on paper is a technical challenge that members and officers will readily be motivated to overcome, assisted by external resource if necessary.

Based on experience in both West Yorkshire and Tyne and Wear the whole process could take up to 5 years, although it may be possible to save some time by adapting the design, internal challenge and stakeholder consultation procedures that Metro and Nexus have used. This would require a continuing political commitment over this time within Bristol and probably South Gloucestershire also. Unless the new Mayor supports making a QCS and there is also cross party support, there will be a significant risk that the process is not seen to a conclusion, incurring high levels of abortive costs.

When such a scheme passes the hurdles of consultation, scrutiny by a QCS Board and adoption, hopefully without legal challenge, the City Council (possibly with other authorities) will be ultimately accountable for its success. However its delivery will depend on:

- commitment by the contracted operators and their staffs (it is considered unlikely that a single contract would be feasible or desirable),
- “commercial” appeal of the package to the travelling public (in the sense of continued growth in patronage),
- effective leadership, monitoring and management by the authority over a ten year period – equivalent to two and a half political administrations.
- Engagement and commitment by all stakeholders.

An effective way of gaining operator commitment will be for all contracts used under the QCS to be performance based, incentivising operators with premium payments when targets are exceeded and penalties deducted when they are not. Operators in turn can obtain staff commitment by using their own incentivised performance regimes aligned to the QCS standards.

It is also relevant that a QCS would bring significant ‘Reputational’ and ‘Accountability’ responsibilities to Bristol City Council. That is, in a QCS the Local Authority, not the operators, would be primarily responsible for any deficiencies in the bus services.

6 Developing a QCS for Bristol

6.1 An Approach to Developing a QCS

In order to ascertain the feasibility of a QCS in Bristol a number of network, patronage, legal and financial investigations would need to be undertaken. An outline approach to progress a QCS is set out in the following paragraphs.

6.2 Network Review and Specification of Principles

Building on the bus strategy and policies set out in LTP3, it is recommended that a first stage of detailed investigation of a QCS should be to assess the 'West of England' bus network to identify the characteristics of that network (or parts of the network). This process would effectively seek to:

1. Define the current network in terms of routes, accessibility, frequency, patronage, operating costs etc in order that a complete operational model can be developed of the 'Existing Situation'.
2. Define the operational costs of operating the network, and identify the total resources currently used from public (local and central government), operator and other sources (e.g. contributions from stakeholders such as the Universities or NHS) to support buses across the Partnership area.
3. Define a planned 'optimum' network of services (including frequencies and periods of operation) which could be operated with the same level of resource. The 'optimum' network should take the current bus network as a start point, and make incremental changes to address specified requirements (e.g to connect directly and on time with rail services). At this stage, demand modelling may be necessary to ascertain the potential patronage changes which may occur.

The notional QCS network can be compared with the current combined commercial and tendered networks, and the key differences identified. It may be possible of course to maintain some existing services outside the QCS but still subject to partnership agreements. This might apply, for example, to some longer distance cross-boundary services.

In addition to identifying the network of services, specifications of the standards of vehicles, ticketing arrangements, infrastructure and operational performance expected should be developed, and the financial impact ascertained.

It would also be beneficial at an early stage to set out draft heads of terms for Quality Contracts and Qualifying agreements to be used under the QCS. The contracts should be performance-based incorporating targets against which operators would be incentivised using premium payments for performance exceeding targets and penalties for failure to meet them.

6.3 Definition of QCS area

The Bristol City Council boundary does not include the whole of the built-up area that would logically be regarded as the City of Bristol, particularly to the north and east where large parts are within South Gloucestershire.

Adopting a notional and outline approach for purposes of this Report, there appear to be five logical areas that might be considered for QCSs, as follows (and each has been given a ‘name’ for ease of identification):

1. **Westbus:** the whole West of England Partnership area;
2. **Citybus:** the City Centre to be locally defined;
3. **Northbus:** BCC area north of the river and South Gloucestershire (SG) either to a boundary drawn round the built up area – including Avonmouth/Sevenside, Cribbs Causeway, North Fringe, Kingswood etc. – or (if SG are complicit) the whole SG area. The motorways could be useful in delimiting a northern east-west boundary);
4. **Southbus:** BCC south of the river to the city boundary;
5. **Urban bus:** essentially Northbus and Southbus combined.

1, 3 and 5 depend on agreement with at least one other authority. It would also be possible to select particular sectors of the city or movement corridors for QCS (although other instruments such as SQPs and QAs could also be applicable).

6.4 Outline Analysis of options

A number of options for developing a Quality Contract Scheme in Bristol are set out in Section 6.3. All build upon Bristol City Council’s objectives for developing the scheme as proposed in the Cabinet Report of October 2012. Tables 6.1 to 6.5 give an assessment of these potential options, although it should be made clear that, in the absence of any existing Quality Contract Scheme in the UK, all conclusions in respect of outcomes and risks are preliminary, and there are risks of unforeseen consequences which would add to implementation timescales and costs.

Table 6.5 notes that a possible pilot and exemplar is the MetroBus BRT system. The future MetroBus is a ‘Flagship’ project and is not constrained by the presence of incumbent operators. Although no promoters of BRTs in the UK have used QCS thus far, there is a good justification for using this model as a “Flagship”.

There would be additional justification on the basis of BCC seeking to maximise the return on public investment in the new system. In so doing they would gain experience to smooth the path of any future QCS. Implementation could be viewed as a 10 year management contract, effectively an enhanced, all embracing development from existing Park and Ride contracts which have already proved beneficial in attracting new operators to enter the West of England bus market.

A MetroBus Flagship QCS could set the standards for operators to aspire to in other parts of the Bristol area. Parenthetically this offers the best option for using multi-door vehicles and evaluating full use of all doors together with advanced ticketing and revenue control systems (unlike most cases in the UK where centre/rear doors, where present, have been exit only).

Table 6.1: Outline Analysis of multi-authority QCS

Option	How would it work?	Authority structure for delivery	Impact on operators	Key Benefits and Risks
<p>Westbus (West of England Partnership network)</p> <p>Northbus and Urbanbus would be similar but involving only Bristol City Council and South Gloucestershire Council</p>	<p>A single quality contract scheme would cover entire wider Bristol area, including Bristol City, South Gloucestershire, Bath and North East Somerset and North Somerset Councils. (Northbus and Urbanbus BCC and SGC only)</p> <p>All services within area would be tendered to the Joint Transport Executive Committee (JTEC) or other consortium empowered to exercise the relevant powers jointly on behalf of all the participating transport authorities.</p> <p>There could either be a single contract covering the whole network, or, more likely, a number of contracts for sectors of the city area, corridors or routes.</p> <p>Contracts would specify routes, timetables, vehicle standards and possibly fares (see below). For some longer distance services the QCS might allow service registrations outside the scheme to be accepted.</p> <p>An important decision is whether contracts should specify fares and ticketing schemes, or operators may be left to take their own revenue risk.</p>	<p>If the JTEC were not able to exercise the necessary powers, an appropriate cross boundary partnership for procuring and managing bus services would need to be formed, including representatives from all the participating authorities.</p> <p>The partnership agreement would need to set out clearly how financial risks would be borne and by whom.</p> <p>The partnership would need to employ staff (a preliminary estimate suggests around 20-30) to tender services, monitor performance, manage joint ticketing schemes and account for network revenue (if the QCS took revenue risk for services).</p> <p>It may be possible to engage third party contractors to undertake some functions, particularly where economies of scale could be gained from using already existing facilities, skills and expertise.</p>	<p>Operators within the area would lose control of those services which would be subject to QCs.</p> <p>It is highly likely that First would lose market share and there would be new market entrants. However, some of the larger group players might be reluctant to enter because of fear that First would redeploy its resources to compete in “good territory” elsewhere.</p> <p>Packages of operating contracts would need to be carefully designed to ensure a mix of sizes – larger contracts to tempt in new market entrants, but also some smaller contracts to sustain smaller local firms.</p> <p>Cross boundary services into QCS from outside likely to continue as now.</p>	<p>Benefit that new body could take on a wider transport co-ordination function, also covering rail, and possibly even strategic highways.</p> <p>Risk that it may not be politically possible to deliver cross boundary partnership taking account of the exposure of parties to potentially high revenue risks.</p>

Table 6.2: Outline Analysis of Bristol City Council area only QCS

Option	How would it work?	Authority structure for delivery	Impact on operators	Key Benefits and Risks
Bristol City Council network	<p>A single scheme covering the Bristol CC area, administered by BCC. Operating contracts could cover whole area, sectors or routes.</p> <p>Cross boundary services would probably be excluded from the formal contract, but could be required to have an operating licence in Bristol, controlling fares, ticketing, vehicle standards etc.</p>	<p>Scheme would be administered by BCC.</p> <p>BCC would need to employ staff to tender services etc – perhaps 10-20, depending on contract requirements.</p>	<p>Many routes likely to be excluded because they are cross boundary into Bath and North East Somerset or South Gloucestershire, although licensing would allow some control (but probably not of frequencies and routes).</p> <p>Size of scheme may not be great enough to attract new market entrants.</p>	<p>Benefit that scheme would be clearly associated with Bristol and its governance structures (e.g. BCC and Mayor).</p> <p>Probably fewer benefits compared to Westbus and Northbus options, but also fewer, and better contained, risks.</p> <p>Risk that scheme could simply cement existing situation because of complexity of cross boundary issues and limited scheme scope.</p>

Table 6.3: Outline Analysis of Bristol City Centre only QCS

Option	How would it work?	Authority structure for delivery	Impact on operators	Key Benefits and Risks
<p>City centre only</p>	<p>“Light touch” Quality Contract Scheme whereby operators are only permitted to operate in Bristol City Centre if they meet specific criteria relating to, for example, fares, tickets, vehicle standards etc</p>	<p>As now, although, depending on standards adopted, may be necessary to employ enforcement staff.</p> <p>Likely administrative cost of running contract (perhaps 2 staff). Possible costs of running a fares scheme (e.g. establishing ticketing company etc)</p>	<p>As now, although operators would have to meet specified standards. However, is likely that they would continue to control routes, frequencies etc, although fares may be controlled through QCS agreement.</p>	<p>Benefit – potential lower cost mechanism for asserting more control across whole bus network.</p> <p>Innovative approach – key risk is that it may not, in practice, be possible to implement. Would require detailed legal advice and analysis before proceeding.</p> <p>Risk that publically perceived change would be very small.</p> <p>Risk that costs of fighting an operator led legal challenge would be disproportionate to benefits of the scheme.</p> <p>Risk that operators would game a badly designed scheme (e.g. by terminating services on the edge of the city centre, outside the QC scheme boundary – hence exempting them.</p>

Table 6.4: Outline Analysis of Bristol City Council Sector or Corridor QCS

Option	How would it work?	Authority structure for delivery	Impact on operators	Key Benefits and Risks
Sectored approach on selected areas or corridors	<p>QCS would be drawn up to apply only to areas of the city with known problems (for example, overbussing through on-road competition, high fares or low service output).</p> <p>Other options could include:</p> <ul style="list-style-type: none"> - a sectoral approach for an area with particular needs (e.g. high deprivation or poor incumbent operators) - an approach based on serving an area with new development which would otherwise be underserved by public transport <p>Operators would bid for operating concession.</p>	<p>Scheme would be administered by BCC – however, if scheme crossed a local authority boundary, the other local authority would also need to be involved in the administration and financially accountable for scheme revenue etc</p> <p>Depending on size of the scheme, it could be administered using existing resources, or require a small number of new staff.</p>	<p>Scheme would be unlikely to attract new operator into the area, unless very large (>100 vehicles), so would be resourced by incumbent operators.</p> <p>Ticketing would be difficult – would it be LTA specified within QCS, or same as fares/ tickets within the rest of Bristol urban area?</p>	<p>Would confer benefits in local area of scheme, but no network wide benefits (so would not solve problem BCC is seeking to solve?)</p> <p>Potential approach for park and ride in Bristol?</p> <p>Risk that costs of fighting an operator led legal challenge would be disproportionate to benefits of the scheme.</p> <p>Risk that scheme, if implemented, would, in practice, be perceived to be no change by public.</p> <p>High chance that benefit could be achieved through a lower-level intervention – for example a qualifying agreement or SQP.</p>

Table 6.5: Outline Analysis of Pilot QCS for the BRT network and exemplar for other areas of the City and West of England

Option	How would it work?	Authority structure for delivery	Impact on operators	Key Benefits and Risks
<p>Using the BRT network as a Flagship pilot for QCS</p>	<p>QCS would be drawn up to apply only to the BRT network. The reasons for selecting this can be easily justified as retaining public control to ensure that all aspects of the BRT system are managed coherently to give the best return on major public investment.</p> <p>The QCS would cover all aspects of the network, vehicles, frequencies, timetables, fares, information, infrastructure management etc.</p> <p>The intention would be that the BRT system should become an exemplar for bus operations to aspire to elsewhere in the city area, whilst the QCS should be more easily and quickly achieved than those which require absorption of existing services.</p> <p>Operators would bid for operating concession.</p>	<p>Scheme could be developed by existing BRT project teams and may require a small staff to manage it after implementation.</p>	<p>Scheme should be seen as prestigious and would attract interest from all major UK and possibly international groups, several of whom already operate high quality BRT concessions in Europe. Several UK groups have experience of busway operations.</p>	<p>High public visibility.</p> <p>Would confer benefits in sphere of influence of BRT network of scheme, and if successful as an exemplar “ripple” benefits across the remainder of the area network.</p> <p>Experience of developing this QCS could be usefully applied to any others necessary and at minimum shows a “stick” if operators fail to deliver partnership benefits elsewhere.</p> <p>Unlikely that any large operator would mount a legal challenge to the QCS per se although competition issues might arise if the BRT was considered to be abstracting revenue from the existing network.</p>

6.5 Processing a QCS

An outline of the formal process of taking a QCS forward to implementation is set out below (once a QCS proposal has been designed):

- ⇒ Bristol City Council or the appropriate 'Transport Authority' would need to approve the Bus Quality Contract,
- ⇒ A 'Public Interest Statement' would be prepared and published. This is a public document that will set out more details about QCS proposals and must show how a Bus Quality Contract Scheme would be in the interest of the public in Bristol. The 'Transport Authority' would consult with industry partners and stakeholders to produce the Public Interest Statement,
- ⇒ If the Statement makes the case for a Quality Contract Scheme, then the Transport Authority would 'give notice' of its intentions to the Department for Transport and the Senior Traffic Commissioner, who will form a Quality Contracts Scheme Board (which would make the decision whether to approve the QCS),
- ⇒ A formal consultation on the QCS plans would then take place. Once responses have been analysed and taken into account, the final Scheme would be submitted to the QCS Board,
- ⇒ The QCS Board would make a decision to approve QCS or not - and any legal objections by the bus operating companies would need to be addressed if they occur,

The bus service procurement process would start, initially with a tender process followed by award of contracts.

6.6 Alternatives to QCS

Part of the process of gaining approval for a QCS will be to show that the City Council (possibly with partners) has considered alternatives. As discussed in Chapter 4, even though no QCS has yet been made in the UK there is experience of the QCS preparation process, and of alternatives involving innovative partnership working and performance incentives. A short list of possible options for consideration by the City of Bristol with West of England authority partners if necessary could be:

- 1) Formulating a QCS, using the work carried out by Metro and Nexus for guidance;
- 2) Developing a contractual approach to area-wide partnership, with the Sheffield example and the Strathclyde proposals potentially used to support the development of the approach;
- 3) Introducing a consistent monitoring regime applying to commercial services as well as tendered services, perhaps using TfGM's Code of Conduct as a starting point;
- 4) Changing the contractual basis underpinning the operation of tendered services, using experience gained by Metro in re-specifying and funding the

network more collaboratively and perhaps using TfGM's approach to monitoring the performance of these services.

- 5) Continued negotiation with operators to persuade them of the need to work together to achieve the stated objectives of the QCS, but under a Bus Quality Partnership regime. This could be underpinned by using the option of QCS as a "stick" against the "carrots" of increased commercial freedom by achieving the same or better outcomes through partnership.

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7 Conclusions

7.1 Progressing a QCS

This report discusses a number of factors that Bristol City Council needs to take into account before resolving to pursue a Quality Contract Scheme including the reasons in terms of passenger opinions and network performance for doing this.

There are as yet no QCS made in the UK although Nexus has commenced the process for Tyne and Wear. Alternative statutory interventions based on partnership provisions in the Local Transport Act 2008 are described and may provide ways forward for BCC should one or more QCS prove to be too time consuming, expensive or risky.

A number of possible areas for QCS in the West of England Partnership area have been identified and a cursory outline appraisal of what would be involved in each of these has been carried out indicating scope, resources, impacts on operators, likely benefits and risks.

If BCC do wish to proceed with a QCS then the most promising options appear to be:

- A scheme covering the whole of the West of England Partnership area; or
- A scheme covering the combined areas of Bristol City and South Gloucestershire Councils; or
- A scheme covering Bristol City Centre only.

Whether or not a wider QCS is pursued there may be a good case for a pilot or “Flagship” QCS for the BRT “MetroBus” network in order to ensure that the returns on this major public investment are achieved.

7.2 Optimum Network and Operational Principles

Whether or not a QCS is progressed, or a partnership approach is maintained, it would be beneficial to develop an optimum ‘target bus network’ which seeks to deliver the QCS outcomes. Similarly, the operational principles in respect of vehicles, integrated ticketing, standards of infrastructure and operational performance would need to be developed.

This ‘target’ bus network and operation would need to be developed with involvement of operators, passengers and other stakeholders, in a transparent manner in terms of how the network is developed and how it responds to key areas of policy.

The ‘target’ network and operation could then be subject to investigation of delivery via ‘partnership’ or QCS mechanisms (and). It is considered that a decision concerning the delivery *mechanism*, in the absence of a decision concerning *what* it is that is to be delivered, could result in legal challenge by operators if a QCS were to be progressed. For example, prior to the Sheffield Bus Partnership being signed, SYPTC developed and consulted on a ‘target bus network’. Whilst it was originally envisaged that this would be delivered using QCS, a partnership has subsequently been chosen in preference.

7.3 Possible further steps

As noted in Section 7.2, an **initial** series of actions in a longer-term process to improve the bus network would be to set out a ‘**target network and operational principles**’ in the following manner:

- Define the ‘West of England’ bus network in terms of the characteristics of routes, accessibility, frequency, patronage etc in order that a complete operational model can be developed of the ‘Existing Situation’.
- Define the operational costs the network, and identify the total resources currently used from public (local and central government), operator and other sources (e.g. contributions from stakeholders such as the Universities or NHS) to support buses across the Partnership area.
- Set out desired operational principles of a future bus network in respect of specifications of the standards of vehicles, how integrated ticketing would be need to be operated, standards of infrastructure and operational performance.
- Develop an ‘optimum’ network of services (including frequencies and periods of operation) which could be operated with the same level of resource as the ‘Existing Situation’ (i.e. no additional spend). The ‘optimum’ network should take the current bus network as a start point, and make incremental changes to address specified requirements (e.g. to connect directly and on time with rail services). Demand modelling may be necessary to ascertain the potential patronage changes which may occur.

A **secondary** action, once the ‘target network and operational principles’ have been set out, is to **identify the best means to deliver the ‘target network’**, that is a more detailed review of adopting a QCS or ‘Partnership’ approach, with a stakeholder engagement as part of the process of decision-making on the way ahead.

Appendix A

Outline of Tyne & Wear Quality Bus Contract Scheme Proposal

Draft

A1 Introduction

The Tyne and Wear Passenger Transport Executive (TWPE) using the brand name of Nexus, is the Passenger Transport Executive for the Tyne and Wear region of North East England. Nexus is the operations arm of the Tyne and Wear Integrated Transport Authority (TWITA). The local authorities within the Nexus area coverage are unitary authorities: Newcastle upon Tyne, Sunderland, Gateshead, North Tyneside, and South Tyneside.

Nexus is progressing a Quality Contract Scheme (QCS), covering the whole Tyne and Wear metropolitan area including all commercial and secured bus services in that area. Having looked at the options including a partnership approach in an area that has generally high levels of bus services as well as the Tyne and Wear Metro, the TWITA has decided that a QCS represents the best way forward to secure delivery of improved bus services. The proposed arrangements for the QCS are set out in the following sections (referenced from 'Because buses matter', Proposals for the future of bus services in Tyne and Wear; Tyne and Wear Integrated Transport Authority, 2013).

A2 Network Proposal

- The proposed QCS will cover the whole Tyne and Wear metropolitan area
- The QCS scheme is based on the current route network and it is proposed that all local bus services operating within the QCS Area when the scheme is made, except where they have been specifically excluded.
- Virtually all bus services in Tyne and Wear will be operated to a consistent standard with a common fare structure, and will be managed with a standard approach to monitoring performance and governing future changes
- The QCS network will replicate as closely as possible the existing deregulated bus network in place at the point that the QCS is formally adopted, although it will be improved by an immediate growth in bus resources of 2% (approximately 18 vehicles).

A3 Standards and performance

- A Customer Charter will state clearly what customers can expect, what performance targets have been set, and how services are performing against these.
- Service commitments will include: easy to identify vehicles, a minimum standard for vehicles including compulsory low-floor access and reach a certain emissions quality, extended real time information, Smart Ticketing, a central point of customer contact, consistent and improved standards of customer service and care, and enhanced marketing.
- Performance standards will include: reliability, punctuality and customer satisfaction.
- A Performance Management System (PMS) will allow poor performance to be penalised and good performance incentivised, while the PMS could influence whether bus operators are eligible for contract extensions.

A4 Fares and ticketing

- The proposed QCS includes a completely new fares structure that consists of: single trip, all day, weekly, four weekly and annual tickets.
- The fares structure, including products and pricing, will be exactly the same for all bus services, Metro (commuter rail network) and other public transport services.
- Smart Ticketing will be available on all buses and will include fare capping, providing customers with a “best price guarantee” capped at the cost of the equivalent day ticket.

A5 Fare Impact Forecasts

Fares will be as follows:

- Average fare paid will reduce by 2.5% (£0.03),
- 69% of adult fares will cost less than now,
- 12% will cost the same,
- 17% will cost up to £0.50 more,
- 2% will cost over £0.50 more.
- Average fare increases will be no more than the Retail Price Index and will only change once per year for the 10-year duration of the QCS (subject to exceptional and/or unforeseeable cost pressures).
- Customers eligible for free Concessionary bus travel will continue to be carried free of charge, but a local enhancement to the Concession system, permitting all day travel on bus, Metro rail, and Sunderland to Newcastle local rail for an annual fee.

A6 Information and branding

- Buses will take on a new identity based on a new ‘brand’ during the first year of a QCS.
- Nexus (the transport authority) will be the single point of contact for public transport information
- Information for all public transport journeys will be available in many ways including: Travel Shops, a local-rate customer services helpline, and digital media, as well as at bus stops, interchanges and on buses themselves.
- Nexus intends to provide real-time information for all buses, so passengers can see when the next departure is due at their stop, in some cases through on-street information or via a smart phone or website.

A7 Monitoring and Overseeing

- A Bus Committee within the Integrated Transport Authority will be responsible for overseeing the operation of the QCS Network.

- Local Bus Boards will be established as advisory working groups to monitor and review the performance of the network at a local level.
- The QCS Network will be reviewed each year through an annual development cycle led by the ITA and taking account of consultation and recommendations from local Bus Boards.

A8 Procurement of contracts

- The QCS as a whole will be made up of a number of individual contracts let by Nexus on behalf of the ITA.
- Contracts will be let as follows:
 - 3 multi-service contracts of between 227 and 275 vehicles each
 - 25 mini/midi bus contracts of between 1 and 8 vehicles each
 - Taxi bus contracts for 1 vehicle each
 - 95 works and services to schools contracts for 1 vehicle each
- Contract durations will be for 7 years plus an extension of up to 3 years.
- The contracts will be let on a gross cost basis.
- The ITA will determine the fare structure and pricing approach to ensure integration and therefore will also collect all fare revenue and retain the risk in doing this, while also being able to re-invest surplus money.
- Bus companies are forecast to be able to make a reasonable profit from the payments they would receive, while being incentivised by the Performance Management System to deliver a high quality service.

A9 Financial Forecasts

Nexus has carried out a financial assessment of the proposed QCS operation which has identified the following conclusions:

- Based on the best available estimate of the likely cost and revenues, forecasts made using established commercial analysis confirm that the proposal is affordable, and deliverable within acceptable tolerances.
- Bus services as a whole in Tyne and Wear generate a profit at the moment and the proposed QCS is aimed at making improvements to maintain and possibly grow passenger numbers, and with that fares income.
- Nexus will be responsible for forecasting and managing fare revenue of around £100m a year.
- If the QCS were abandoned immediately prior to contract award the wasted cost of developing the scheme could be in the region of £1.5m, but it is assessed that the chance of this is low and the risk acceptable.
- The proposal allows for £78m in risk contingency over the 10 year duration of the scheme, to allow for costs associated with fare revenue or inflation being different to that forecast, costs associated with employees transferring to new jobs as contracts are set up, and responsibilities under collaboration agreements with neighbouring authorities.

SDT
39.12/13 REVIEW OF BUS SERVICES IN BRISTOL

APPENDIX 2

The Commission considered a report of the Interim Strategic Director - Regeneration (agenda item 11) outlining the present situation with bus services in Bristol.

The Commission first heard statements relating to this item. The Chair welcomed the following witnesses who were in attendance:-

- Linda McCord – Passenger Focus;
- Shaun Craigie – Pier Buses;
- Paul Matthews – First – Managing Director;
- Nigel Tarrant - Commercial Development Manager, Wessex
- Stephen Haseldon - Strategic Development Manager, Wessex;
- John Burch - Confederation of Passenger Transport;
- Steve Ward – Travel Planner UWE;
- Alan Peters – Abus;
- John Gibby – Youth Select Committee;
- Florence Ralston – Youth Select Committee

Geoff Mills, Passenger Transport Services Manager, introduced the report as follows:-

- Bus services legislation from 1986 allowed for competition to dominate. Bus operators were free to operate the services they saw fit while the Local Authority filled in the gaps. The 2008 Act changed this for a moderate free market and example of this was in London where the local authorities specified the routes. This was the basis for Quality Contracts;
- Locally, there had been a lot of dissatisfaction with bus services for many years. Recent surveys showed improvements but it was still not as far ahead as other areas primarily relating to fares;
- Going forward, passenger numbers were steadily growing and both First and Wessex had introduced new low floor buses. First had recently reviewed its fare structure within Greater Bristol which had generally been well received;
- Of concern was the time being taken to implement a multi-operator and multi-modal smart and integrated ticketing system in the area. This was a principal objective of Government and the WoE authorities. The infrastructure was already in place as it was used for the Concessionary Travel Scheme and a pilot scheme had been operating on the Park and Ride service;
- Punctuality was another area of dissatisfaction with road works

- causing major problems, particularly for Park & Ride services;
- This authority was working closely with statutory undertakers on bus priorities and bus dwell time. It was proposed to move to more multiple vehicles so that passengers could jump on and off quickly.

Linda McCord, Passenger Focus, made the following comments:-

- Based on a national perspective and evidence and research based, the following key issues were highlighted:-
- Better value for money - There was uncertainty around fares with reliance on drivers for information. A central amalgamated information source on bus information, including timetabling was recommended, along with clearer ticketing structures which were standardised across operators. Electronic payment cards were also a popular proposal. The needs of younger passengers should be given greater attention – they required greater flexibility and resented having to pay adult fares when they were on low or no income.
- Smart ticketing – the South East flexible ticket scheme for rail had produced research which could be applied to bus operations. Customers had a better perception of value for money with a smart ticket scheme and expected such a scheme to be tailored, secure, simple, flexible, convenient and leading edge. Existing passenger research suggested that the biggest barrier for non-users was a fear or reluctance around ticketing and a Smart Card would overcome these concerns and persuade them to use the bus. Regarding the use of apps, this had surveyed positively though it was noted that this was not for all. There were some good apps available but there was a low awareness of how they could be used and what they were;
- Quality contracts and voluntary partnerships – surveys suggested that operators and Local Authorities should work together but were less interested in the model of doing this but agreed felt that any agreement needed to be backed up if contracts did not meet the expectations of customers. Passengers did not care what the arrangements were called as long as Local Authorities and operators worked together for improvements. A voluntary partnership in the West Midlands demonstrated improvements to punctuality with the use of enforcement officers dealing with pinch points ;

At this point, Councillor Martin arrived.

- Shaun Craigie, Pier Buses, stated that his company had operated since March 2013 the X 7 service from Temple Meads to Clevedon. He was keen to engage with the Local Authority as he wished to expand the business but found it almost impossible to get the same opportunities as larger operators. It had been a big decision to start a new business employing seven people in the middle of a recession. He emphasised that the Local Authority would push smaller operators out of the market if it pursued quality bus contracts.
- Paul Matthews, First, initially made the following key issues. This Autumn punctuality had been at its worst due to the considerable number of road works commenced at short notice. He believed that First now had a good working relationship with officers which could be further improved in order to manage traffic disruption from road works. Trip rates per head in Bristol were the lowest in the UK but there were opportunities in Bristol to drive these up and First wished to be involved in this. He asked the Commission to be mindful of the effects on the commercial network as a result of the introduction of Metrobus which would operate with 95% of its services as commercial ones.

The following points were raised in the question and answer session:-

- John Gibby, Youth Select Committee, believed that First's ID card for proof of under 18 was a profit making scheme as he did not it cost the £10 charged for it and asked why drivers could not accept other forms of ID. He owned 3 forms of ID that proved he was under 18. First replied that drivers had a challenging job and there was a need to make the boarding process as swift as possible with an instantly recognisable form of ID. The charge covers a 4 year period. Discussions were taking place regarding the possible waiving of charges.
- Alan Peters, Abus confirmed that they used First's ID as there was no other ID that confirmed someone was under 18.
- Wessex confirmed that any form of ID was accepted by them, this included college ID's as well as Universities;
- John Burch, Confederation of Passenger Transport, suggested that the NUS card had been the most obvious form of under 18 ID but he was happy to discuss alternatives that could not be fraudulently imitated;
- John Gibby asked why First had stopped return tickets as it was not a complicated example of a fare. Paul Matthews replied that it had been a difficult decision to remove but was not based on their complexity but on a desire to strip out the less used complicated discounts. He added that overall the response to the fare review had been positive;
- Florence Ralston, Youth Select Committee, asked why fares seemed to change for long journeys. Paul Matthews replied without specific information he could not respond but generally there was no reason

why that should be the case;

- Councillor Negus asked whether First were prepared to engage positively with the quality contracts process and whether he recognised that a public transport system should have more altruistic objectives than the bottom line. Paul Matthews, First replied that the present operating environment was not of their making but First was able to operate in any regulatory framework prescribed to them. What was best for the market depended on other factors such as the degree of public money to support that framework. He particularly highlighted the costs of networks in Bristol being disproportionate to the levels of public subsidies operators received. First could operate anywhere but he did not think quality contracts was the right thing to do as the market could provide the network and services demanded by customers and if this failed alternative mechanisms would kick in;
- Both First and Wessex confirmed that they had not been involved in the quality contracts report due for early 2014;
- Alan Peters, Abus stated that they were a small operator and it was difficult to imagine working in a quality contracts situation. He would need to expand by 50% to operate a quality bus contract and he would not be able to raise the funding or provide the infrastructure;
- Councillor Negus asked whether it was felt that quality contracts were prejudicial to small operators. Alan Peters of Abus replied that however it was split, most contracts would be too big for his company;
- Wessex stated that they operated competitively with other operators in equivalent cities such as Bath, West Midlands and Worcestershire. First stated that the level of competition varied but they did operate competitively with other operators;
- Councillor Negus reported that a recent customer satisfaction survey in Bristol had come out at 50%. Paul Matthews, First, accepted that survey results were below the national average. He wished to get above the national average but did not accept that the figures were half of what they were achieving in other cities they operated in;
- Councillor Negus reported that the £2.2m the Council had put into funding IT for the introduction of Smart Cards and asked for progress on this project. Geoff Mills clarified that this funding was for the setting up of a back office for the concessionary travel scheme initially. The Chair asked whether this would be rolled out for all operators in April. Wessex replied that Wessex and First used the same card and Wessex also had their own card with UWE;
- Alan Peters, Abus reported a 75% take up of the squid system which allowed customers to top up using a card and offered the cheapest possible journey. It was hoped to extend the use as this was currently just for the Nailsea service. First added that a Travel west could be used by all operators. This allowed customers to put money on a card and then use it on First services or any other operator's services. He added that First intended to introduce the Smart Card on

a staged basis so that in April it would be possible to get on a bus and top-up a card instead of buying a pass. By the Autumn there would be e-purse capability;

- John Burch, Confederation of Passenger Transport, made the following comments. The South West Smart Card Scheme operated throughout the South West and its equipment was capable of being used for any smartcard scheme. The success of the Avon Rider ticket had been borne out by sales which had jumped dramatically across the four Unitary Authorities. There was enthusiasm for a regional scheme and if this became a Smart card numbers would further increase. Regarding quality partnerships versus quality bus contracts and speaking for the Confederation of Passenger Transport, this organisation did not generally support quality bus contracts but preferred partnerships. He reported that West Yorkshire had not yet introduced quality bus contracts and suggested that Councillors look at the effects on traffic from operators on the South Yorkshire model. He also suggested that the other regulated part of the country, Northern Ireland, should be studied for the effects the regulated environment had had on the networks which had become stagnant with far less opportunities for travel than here. In response to comments regarding punctuality, he encouraged Councillors to read the proposals of the Traffic Commissioner as a result of a recent consultation which were worrying. With respect to London's regulated environment, he pointed out that TfL liaised closely with operators who were able to influence what happened so was in fact partnership working despite its model;
- Councillor Martin asked for confirmation that the Smart Card would be able to work across all operators and be monthly or weekly and be able to go anywhere. He also asked whether there would be technology on the card to show you were under 18. First replied that the card would have the same capability of a Ticket Rider ie. it could be weekly or monthly and could be used with any operator. The goal was to use on local rail too. He confirmed that the cards were capable of being used as an ID card so that the £10 ID card could be stopped. He added that as there had been technical issues with the introduction of Smart Card on the Park and Ride service, it was decided to test the service properly in a staged process;
- The Chair asked when the card would be multi-modal and be useable on the Severn Beach Line. Paul Matthews, First replied that he would not offer a date as dates in the past had not been delivered. However, he added that it was his personal goal to introduce multi-modal use, this was technically not years ahead but there were internal mechanisms to resolve;
- Alan Peters, Abus referred to the Freedom Pass which covered the whole of the West but only certain operators could use it and it was rather expensive. He added that the Bus Operators Association met 3 monthly. It had been difficult to discuss joint ticketing arrangements as

this was anti-competitive and it had taken a considerable time to reach agreement on the splitting of income from routes with operators shared. This would become even more complex with Smart Cards.

- Peter Mann pointed out that franchisee for GW integrated services was required to deliver an integrated bus and rail smart card as part of the agreement;
- Councillor Willingham highlighted that the river network should be included in multi-modal smart cards;
- Councillor Negus asked for assurance from First that they would operate more transparently with respect to cross-subsidy. First replied that there was a balance to be struck but recent discussions had been much more open than in the past. Profit and loss data would not be shared but he was happy to engage and share other data where appropriate;
- Councillor Negus stated that he had experienced difficulties in accessing passenger data regarding the uplift of the service since GBBN was in place. Paul Matthews, First replied that he had no difficulty in sharing such data but would be more sensitive to providing data on profits. He confirmed that there had been a double digit increase year on year across the network and the fares review had prompted further growth. Councillor Martin observed that the perception of the public was that First services were not that successful so it would be interesting to see the growth data;
- Councillor Martin asked whether First had done a deal with the Mayor regarding lower fares. Paul Matthews replied that there had been pressures from all areas – particularly a compelling public focus survey that suggested that First did not provide value for money. As a result, a fares consultation was undertaken and was acted on in good faith. The Mayor did not have the ability to guarantee more bus users but could work to reduce car dependency and encourage bus use through car restraint measures. No targets had been set with the Mayor;
- Councillor Martin asked how First educated the public to know they could get a refund for pricing errors. Paul Matthews, First, replied that there had not been a PR campaign as the public were not shy if they felt that they had been over charged. Drivers would also advise on incorrect pricing. Fares were mostly correct and where problems have arisen they had been responded to quickly;
- Councillor Pearce asked for an update on fleet modernisation. Paul Matthews, First reported that 48 new vehicles had been added to the fleet with £10 m expenditure last year and this year and 140 vehicles had been completely refurbished which was a step change in the quality of the fleet and was not an insignificant investment. There would also be 10 fully electric vehicles in operation on the Park and Ride from April 2014;
- Nigel Tarrant, Wessex replied that they operated hybrid vehicles in Solihull so had the expertise to operate in Bristol but had no immediate

plans to do so. Paul Matthews, First replied that they operated a hybrid vehicle at the Park and Ride in Bath and that air quality emissions were delivering what hoped for. The cost was, however, far greater than a diesel and therefore did not quite make the business case to introduce across the board;

- Councillor Pearce enquired about the bus network review. Alan Peters, Abus replied that branches of the network were constantly reviewed but rarely all done. The primary issue was that the public wanted a bus from and to every possible destination. A Bus provided routes in the most populated areas and Keynsham to Bristol was their best route. His company would not be able fund all route requests. Paul Matthews replied that a complete review was a challenge they had been set. First did not ignore the network, it was constantly evolving on a segmented basis and was formally reviewed four times per year. He added that customers did not like change and First were very sensitive to customer's views;
- Alan Peters, Abus believed that Temple Meads was the wrong location for a transport hub and that Broadmead was the ideal place. Wessex agreed and believed that it would probably cost more to go to a hub and that termination in the City Centre was more sensible;
- The Chair asked whether the integration at Temple Meads was adequate and Paul Matthews, First replied that it was a reasonable place for a good interchange but not for a hub. Integration at Temple Meads was partially successful with some services going up to the ramp but the quality of shelter and infrastructure on the main road outside was wholly inadequate;
- Peter Mann reported that the network review needed to be flexible enough to respond to increased demand as rail growth was significant and was expected to grow with increased numbers coming through Temple Meads. It was therefore important to reconfigure Temple Meads to improve bus access. It was important that the bus network responded to demand changes with better services through that area;
- Councillor Willingham requested that operators engaged with members at a local level through the Neighbourhood Forums when service changes were proposed and before they had been submitted to the Traffic Commissioner. He also asked what work was being done to make services more disability friendly, especially when some disabilities were less obvious. Paul Matthews, First replied that drivers were given a basic level of disability training and had also introduced a card for customers to present to the driver at entry so that assistance could be given in a discreet way;
- The Chair asked how effective operators were in working across local authorities. Paul Matthews, First replied that partnership working was effective for securing funding but offered both challenges and opportunities. He noted that there were two control room in South Gloucestershire and Bristol which First staff operated

from and this was an example of where better more joined up working would assist with traffic monitoring. Customers were not concerned with boundaries but simply wanted a seamless journey. Alan Peters, Abus reported that small operators were forgotten in communications and Abus only found out about road works when speaking to First;

- The Chair asked for an update on real time travel data and apps. It was noted that Wessex had just launched a mobile app in Bath and at the end of February would launch in the West of England. Regarding real time, units had been fitted to their fleet and drivers trained and they were therefore confident of their progress in implementing the service. Paul Matthews replied that First have had a journey planning app for some time and in January would introduce an app to identify a journey and a single fare. Alan Peters, Abus replied that as a smaller operator they used a server to server link from ticket machines that appeared to be more reliable.

At this point the Chair concluded the item and thanked witnesses for their attendance. The membership reconvened after witnesses had left to consider any recommendations they wished to put forward to Cabinet.

Recommendation 1

The Commission supported the introduction of smart cards as soon as possible. They needed to be multi- modal (including river transport) and a single brand needed to be adopted across operators for ease of use by the public. Any smart apps needed to follow the same principles, with bespoke journey planning linked to prices and timings.

Recommendation 2

Considering the large scale development planned within and around Bristol, the imbalance of bus provision and the length of time since the last network review, the Commission supported and believed a root and branch review of bus services was long overdue. Such a review should involve Neighbourhood Partnerships to focus on local areas and explore any gaps in services, including integrating services with ferries.

Recommendation 3

The Commission welcomed the fares review and that the vast majority of fleet was low floor and all would be low floor in 2014. With regards to Quality Partnerships and Quality Contracts, the Commission recognised the nervousness of operators to work within

these arrangements but believed this Council should not be deterred from exploring them.

Recommendation 4

The Commission looked forward to receiving a report on Quality Partnerships and Quality Contracts but has concerns that such arrangements will push out the smaller operators which was an unwelcome deterrent to competition. The Commission would wait to see what developed in 2014.

Recommendation 5

The Commission welcomed the establishment of closer partnerships between the Council, operators and passengers and urged the setting up of a permanent Public Transport Partnership Liaison Board as soon as possible, as suggested in the Motion to Full Council on 17th December 2013. A regular forum to focus on issues which might impinge on the network should also be set up at an operational level.

Recommendation 6.

The Commission welcomed the phased introduction of Smart Cards on First buses but asks that their dual use as ID cards for under 18's be explored so that the current charge of £10 for an ID card could be stopped.

Recommendation 7.

The Commission is concerned about the lack of transparency of cross-subsidy budgeting by bus operators. It recommends that an application by company for subsidy for loss-making routes should be supported by access to information on the viability of other services.

RESOLVED –

That the recommendations as noted above be considered by Cabinet as this Commission's response to the future development of bus services in Bristol and the West of England area.