

WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

**AT A MEETING OF THE BUS WORKING GROUP
HELD AT WELLINGTON HOUSE, LEEDS ON
MONDAY 28 SEPTEMBER 2009**

PRESENT: Councillor D Congreve (Chair)

Councillors C Greaves, A Pinnock, D Robinson and K Watson (to minute 7)

In attendance: Mr N Featham - Arriva Yorkshire (to minute 5)
Mr B Drury - Arriva Yorkshire (to minute 5)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors R Downes and E Firth.

2. DECLARATIONS OF INTEREST

There were no personal or prejudicial interests declared by members.

3. MINUTES

RESOLVED - That the minutes of the meetings held on 11 September 2008, 11 February 2009 and 10 July 2009 be approved.

4. PRESENTATION BY ARRIVA YORKSHIRE

The Working Group received a presentation by Arriva Yorkshire representatives Mr N Featham (Managing Director) and Mr B Drury (Operations and Commercial Director) regarding the performance and investment programmes at the company.

Mr Featham advised members that over the past 2 years Arriva had focussed on quality of customer service. This included actively encouraging customer feedback to enable a better understanding of customer priorities. This had been achieved via annual customer surveys, customer panels, surgeries, telemarketing and through their customer care centre. Customer priorities included the delivery of frequent, punctual and reliable bus services, as well as clean and comfortable vehicles driven by smart/polite drivers. In this respect, Arriva had, over the past year, achieved good levels of punctuality and improved reliability with 99.6% of mileage operated on a consistent basis. Punctuality had also risen 5% during the period March to August compared to

the previous year. It was explained that these improvements had been achieved through active use of real time data to adjust bus running times and develop realistic service timetables.

Arriva's strong service delivery had resulted in a year on year increase in customer satisfaction between 2003 and 2008, with 62% of customers now extremely/very satisfied with the company's services. The improved performance had resulted in passenger growth, which was now being adversely affected by the current recession.

Over the past year the company had introduced over 80 new vehicles. It was noted that older low floor vehicles were presently being refurbished and that CCTV and electronic destination 'blinds' would be installed across the entire fleet. Mr Featham also reported on the successful re-refresh of the Heckmondwike service/operational network, which had been undertaken to provide a customer focus step-change in service quality. This had been achieved through consultation with Metro, local councillors, utilising market research data and targeted/sustained marketing support.

Mr Featham welcomed the current focus on partnership working with Metro in order to meet the needs of bus users and reported on the work undertaken on the development of the Kickstart Wakefield Town Services. The company was also seeking to be more environmentally responsible with the implementation of the Eco Manager system to 150 of their vehicles to reduce CO2 emissions.

Members commended the company's improvements to service delivery and their approach to future developments, particularly with regard to the Eco Manager emissions reduction initiative. Members queried how Arriva aimed to combat the issue of anti-social behaviour on buses and in bus stations. In response, Mr Featham reiterated that CCTV systems would be fitted across Arriva's entire fleet and that the company was working with West Yorkshire Police to resolve anti-social issues in bus stations, such as Wakefield. Metro officers also advised that a funding package had recently been agreed with local bus operators for an additional police liaison officer, who would help tackle anti-social behavioural issues.

RESOLVED - That Mr N Featham and Mr B Drury from Arriva Yorkshire be thanked for their presentation.

5. OFT INVESTIGATION OF THE BUS MARKET

The Working Group considered a report of the Passenger Transport Executive regarding the Office of Fair Trading's (OFT) decision to consult on their recommendation to refer competition in the bus market to the Competition Commission.

The main findings of the report were outlined to members and an Executive Summary was attached as Appendix A. A number of potential remedies

suggested by the OFT included tighter controls on 'over-bussing', depot divestments, mandatory multi-ticketing arrangements and encouraging the use of Quality Contracts.

Responses to the OFT's decision were required by 15 October 2009. Pteg had welcomed the enquiry, in particular the positive support it offered for the implementation of Quality Contracts. Members noted that the potential costs and additional work streams to provide information to the enquiry would be met from current budgets/staffing levels.

Members welcomed the report and the further review by the Competition Commission.

RESOLVED -

- (a) That the report be noted and that further developments be reported to a future meeting of the Working Group.
- (b) That the analysis along with the need for further investigation be welcomed.
- (c) That the encouragement of Quality Contracts as a potential remedy be welcomed.

6. DfT GUIDANCE ON THE IMPLEMENTATION OF QUALITY CONTRACTS

The Working Group considered a report of the Passenger Transport Executive regarding the current draft guidance on Quality Contracts recently issued by the Department for Transport (DfT).

It was reported that since the inception of the Local Transport Act 2008 guidance regarding Quality Contracts had been much slower to emerge compared to that for Bus Quality Partnership schemes. The DfT had now published draft guidance for consultation, which defined the process for implementing Quality Contracts in greater detail. That included the development and implementation of a scheme, as well as dealing with TUPE, pensions and "operator of last resort" issues. The process for making a Quality Contract scheme was outlined to members and was detailed in the submitted report.

The guidance also set out the basic public interest test that should be met by a proposal for a Quality Contract scheme. That criteria consisted of factors such as whether a contract would increase use of bus services, increase benefits through improved quality and contribute to local transport authority policies. Metro had, in liaison with other PTEs, developed a bus model to assist the assessment of associated costs, benefits and affordability of a Quality Contract scheme. Metro would also contribute to a joint response to the DfT regarding the draft guidance by the 7 October 2009 deadline.

Members welcomed the draft guidance which made Quality Contracts a more realistic option placing greater emphasis on local determination.

RESOLVED -

- (a) That the draft guidance be noted.
- (b) That Metro provide input into a joint ITA/Pteg response to the current Quality Contract consultation.

7. DEPARTMENT FOR TRANSPORT TICKETING STRATEGY CONSULTATION

The Working Group considered a report of the Passenger Transport Executive regarding input into the Pteg response to the Department for Transport (DfT)'s draft consultation on the Smartcard and Ticketing Strategy. Members also received a presentation on the next steps in developing smartcard ticketing in West Yorkshire, building on the outcomes of the Yorcard pilot.

The Strategy's vision was outlined in the report. The benefits accrued from integrated ticketing and smartcards included increased patronage and meeting wider objectives, such as reduced boarding times and improved information about customer demand. It was reported that in order to encourage bus operators to equip vehicles with smartcard readers and real time information units the DfT had proposed changes to the way BSOG (Bus Service Operator Grant) was reimbursed to operators.

The Working Group endorsed a Pteg response to the DfT consultations highlighting the importance of integrated ticketing and the desirability of the widespread adoption of smartcard ticketing. A copy of the response was detailed as Appendix 1 to the submitted report. However, concern was expressed over the wording in the Vision, which stated that "... tickets will be loaded onto mobile phones instead of smartcards ...". Members, therefore, requested that the wording in the Pteg response to the DfT be changed to 'would' in order to avoid it sounding compulsory.

It was reported that following initial implementation problems the Yorcard scheme had provided valuable information, which would help the wider roll out of smartcard technology. A key consideration of any system was the development of a 'back office' to manage on bus transactions and revenue allocation. Whilst the larger operators would be incentivised to build their own smartcard infrastructure as a result of changes to BSOG, that would be difficult for the smaller operators who would require Metro's future support in this area.

RESOLVED -

- (a) That officers be thanked for their presentation.

- (b) That the Pteg response to the Department for Transport be endorsed.
- (c) That recommendations be made to the Authority regarding the development of smartcard ticketing, building on the Yorcard pilot.
- (d) That the wording in the Pteg response to the DfT regarding "... tickets will be loaded onto mobile phones instead of smartcards ..." be changed to 'would'.

8. BUS STRATEGY

The Working Group received a presentation and also considered a report of the Passenger Transport Executive regarding the Bus Strategy and future approach to partnership working and Quality Contracts.

Partnership Approaches

Members were advised that partnership working had produced some successes such as increased operator fleet investment and focus on reliability/punctuality, which had been facilitated by data from the real time information system. However, it was reported that fares had significantly increased, fare paying patronage had declined and service levels had reduced. It was further reported that the market position of MetroCard products had also weakened as operators had significantly increased prices. Relationships with First had also deteriorated due to the service cuts in Spring 2009.

The Local Transport Act 2008 had provided opportunities for enhanced partnership working and ITAs/PTEs had sought to explore these through discussions with bus operators via the Confederation of Passenger Transport. Discussions between stakeholders had resulted in a set of Framework Agreements relating to issues such as ticketing/fares, vehicle specification/driver training standards, branding, marketing/customer relations, data sharing, service monitoring and improved bus journey times/enforcement. In this respect, Metro had agreed to test how progress could be achieved through these Agreements by undertaking initiatives in the Wakefield and Leeds areas with operators, Arriva and First. The schemes details were outlined in the submitted report. It was also noted that the relevant Highways authorities would be requested to support the schemes.

Bus Quality Contracts

The Working Group was informed of the process, benefits and risks of the implementation of a Bus Quality Contract scheme. In this respect, members were advised that the DfT had recently issued draft guidance for consultation on Quality Contract schemes, which sought to minimise barriers to local transport authorities bringing forward scheme proposals. It was reported that this development, along with the continuing dissatisfaction of ITA and District

Council members with current arrangements, had accelerated work on the development of a Quality Contract scheme.

Members were advised that Metro had developed a financial model and had identified 14 operating areas within the West Yorkshire area, based upon depot size and vehicle operation. It was explained that these could be progressed as separate Bus Quality Schemes or as one scheme. Members noted that in developing a Bus Quality Contract scheme, the Authority would assume greater responsibility for the quality of bus services and decisions on service levels and fares. The next steps and timescales were outlined to members.

It was agreed that a further report to discuss the 'geographical' aspects of the scheme be submitted to the next meeting of the Working Group.

Members also requested an ITA seminar disseminating the process, geographical implications and risks of implementing a QC scheme.

RESOLVED -

- (a) That the report be noted.
- (b) That the enhanced partnership approaches set out in the report be endorsed and that the timescales and success criteria be reported to the next meeting of the Working Group.
- (c) That a further report to discuss the 'geographical' aspects of the scheme be submitted to the next meeting of the Working Group.
- (d) That the ITA hold a seminar disseminating the process, geographical implications and clear risks of implementing a QC scheme.
- (e) That a further report on the development of Bus Quality Contract Scheme(s) be submitted to the next meeting of the Authority.

9. GREEN BUS FUND

The Working Group considered a report of the Passenger Transport Executive regarding the Department of Transport's (DfT) recent announcement to fund the purchase of new low carbon buses in England through the Green Bus Fund.

It was reported that £30m fund supported the purchase of several hundred new vehicles via a grant awarded to successful bidders following a competition, which closed in November 2009. It was confirmed that £1m to £1.5m of the £30m fund could be allocated to West Yorkshire. The aim of the fund was to encourage bus technology and stimulate the market for low carbon buses, as well as cut greenhouse gas emissions into the environment. The funding would be available in 2009/10 and 2010/11, but would only cover

the incremental cost of low carbon buses. The DfT's bidding criteria was outlined to members. It was reported that factors that would be considered by the DfT included the operating and CO2 performance of vehicles to be used, the cost of each vehicle and the ability to have new vehicles in service by the end of December 2010.

Discussions ensued in respect of whether smaller operators would be eligible to invest in the scheme due to the costs and implications of maintaining technologically advanced vehicles such as gas, hybrid and electric units compared to diesel buses. In response, Metro officers confirmed that the details of the fund had been submitted to a recent small operators' group meeting and no interest in applying to the fund had been generated.

In view of the tight implementation timescales of the initiative, it was confirmed that initial discussions had taken place with First to investigate opportunities to replace vehicles on the Leeds FreeCityBus network. It was explained that to concentrate efforts in one area rather than across all of the freecity/town bus networks would result in a more significant environmental benefit.

RESOLVED - That the report be noted.