



West Midlands
Combined Authority

WEST MIDLANDS GREENER TOGETHER PANEL

BUS FRANCHISING WORKSHOP 1 (14 September 2024)

Welcome back

- **Involve:** the UK's public participation charity, on a mission to put people at the heart of decision-making
- **West Midlands Combined Authority:** led by the directly-elected Mayor of the West Midlands. Combined Authorities are set up to invest in their regions through collaboration with partners, including local councils.
- **Facilitators: Rob, Amanda, Anita, Paul, Sean, Linnea supporting**
- **Supporting: Katie and Jackie (WMCA)**
- **Speakers: Steve and Heidi (WMCA)**

Ground rules

- There are no right or wrong answers
- If you don't understand something, just ask
- Respect each other and our different views and experiences
- Be mindful how you phrase things to avoid others taking offence or feeling singled out
- Give each other time to speak – the facilitator will help with this
- Give each other your full attention – stay engaged
- Stick to one conversation at a time
- Respect confidentiality
- Try to stay on topic

Adaptations recap

We continue to focus on the theme of **climate adaptation**:

The actions we can take to adapt to the changes in climate that we are already seeing and which – even if we successfully reduce our greenhouse gas emissions – we will continue to see in the decades ahead.



SEP

14

What's coming up this month

Today we'll be learning about bus franchising – what it means, what's changing in the West Midlands and why the WMCA wants to run a region-wide consultation on how it works.

Your reactions, responses and questions will help them design that consultation so that the WMCA – and the public – can get the most out of it.



SEP

28

What's coming up this month

In two weeks' time we'll be meeting face to face and

- a) Picking up the bus franchising discussion that we start today
- b) Sharing your most recent feedback on the whole assembly process and asking for your opinions on how the WMCA takes it forward

Today's programme

TIME	ITEM
10.00	Welcome and introduction to the session
10.15	Warm-up conversation followed by feedback
10.45	Presentation – introduction to bus franchising <ul style="list-style-type: none">- What is it and how does it work?- What impact does it have on pricing, routes, accountability for poor service etc.?
11.00	Buzz in groups + Q&A
11.30	BREAK
11.45	Introducing the consultation on bus franchising <ul style="list-style-type: none">- Why we're consulting and what exactly we're consulting on- WMCA's ambition for that consultation – e.g. to hear from a range of people etc.- What will be the potential 'ingredients' of the consultation?
12.00	Q&A
12.15	In groups: which of these 'ingredients' would you be most motivated to input on in a consultation?
12.40	Feedback
13.00	Close



Presentation 1: An introduction to bus franchising

Got questions? Jot them down ready for our Q&A

Bus Franchising

Greener Together Panel

14th September 2024

Steve Hayes, Head of Transformation, TfWM

Why are Buses Important?

- West Midlands: over half a million bus journeys are made each day!
- There are 4 times more bus journeys in the region than rail/metro journeys
- Over 25% of households in the West Midlands do not have a car
- Bus is crucial in connecting people to work, education, retail, leisure
- Bus supports objectives to reduce congestion, reduce emissions and ensure transport affordability
- KPMG Report* (Sept 2024) suggests 'bus' worth £4.4bn per year to the West Midlands economy, confirming similar figure calculated by WMCA

* <https://www.cpt-uk.org/media/couiy5y/240902-economic-impact-of-bus-final.pdf>

Who runs the buses?

The UK Bus Market

- Since 1986 (outside London), all aspects of providing bus services (routes, timetables fares, operating hours, vehicles etc) have been set by bus operators
- Operators need a license to run buses from the traffic commissioner, primarily for safeguarding purposes, but the operators design the routes and timetables.
- Fundamentally, there is no contractual relationship between the bus operators and the Local Authorities.
- The primary objective of bus companies is to make money for their owners / shareholders
- In the West Midlands, most buses are operated by National Express (over 90%)
- Anyone on this call could set up a bus company and run buses wherever and whenever they want!

Some exceptions... (1)

- Local Authorities can provide subsidy for routes where they consider a social need for a service not provided commercially (e.g at times or in places where there are few passengers)
- Contracts for these services are awarded following a competitive procurement process and is why some routes have a different operator on the last few journeys of the day for example
- About 10% of routes are subsidised in this way

Some exceptions... (2)

- It's recognised that it is important for operators and Local Authorities to work closely together. Buses run on congested roads managed by the Local Authority, and provide a public good
- Legislation therefore encourages partnership; 2017 Bus Services Act enabled 'Enhanced Partnership', which places binding commitments on Authorities and operators, but Authorities can't compel operators to do anything without agreement
- Lots of examples of strong partnership working in the West Midlands – e.g. bus operators agree to invest in low emission vehicles in return for Local Authorities providing bus lanes

So what do TfWM do?

- Provide subsidy for non-commercial routes (c.£26m p.a.)
- Facilitate Partnership Agreements between operators and councils
- Provide and manage infrastructure (e.g. bus stops and stations)
- Co-ordinate multi-operator ticketing schemes and multi-operator passenger information – noting that most operators also provide their own tickets and information for just their own services
- Co-ordinate concessionary travel schemes
- Multi-operator marketing campaigns
- Promote and fund bus priority schemes
- **But** – the Local Councils (not TfWM) manage the roads

Responsibility

- Responsibility split between different organisations who have responsibility for different parts of the system.

I'm waiting in a dirty bus shelter. The bus turns up 10 mins late because it's stuck at some broken traffic lights. When it finally arrives, the driver is rude and won't accept the ticket which I bought on a previous bus, operated by a different company, when I asked for an all-operator day-ticket.

Who do I complain to about this experience?!

Funding

- About half of operator income in West Midlands is farebox revenue (est. £250m p.a.)
- A small amount is from other commercial income e.g. advertising (est. £25m p.a.)
- The rest is from public sources, including:
 - Payment for carrying concessionary passholders for free (c. £52m p.a.)
 - Subsidy for non-commercial services (c. £26m p.a.)
 - Post-covid network support grant (c. £50m p.a.)
 - 'BSOG' - which is a fuel duty rebate (est. £60m p.a.)

Franchising

- 2017 Act provides provision for Mayoral Combined Authorities to switch to a '**Franchising**' system, similar to London model
- It is not Local Authority (municipal) ownership /operation of buses!
- Under Franchising, the Authority specifies the bus network it wants, services standards, fares etc, and then awards contracts to the private sector to provide the services
- Legislation requires a detailed business case, followed by external Audit and Consultation to determine whether it is the best way for bus services to be organised in the area
- Manchester in process of implementing contracts. Liverpool and West Yorkshire also have taken formal decisions to proceed.
- TfWM completed the Business Case in July 2024, which is now being audited.
- Following Audit, we need to decide how best to meaningfully consult on this topic!



Reflections and questions



BREAK



Presentation 2: Introducing the WMCA consultation on bus franchising

Got questions? Jot them down ready
for our Q&A



Making Consultation Useful

Greener Together Panel

14th September 2024

Coree Kirby

What is consultation?

- During consultation decision makers ask for feedback on a plan and **use this feedback to help make decisions.**
- We can't always make the changes people ask for, but we take comments, concerns and ideas into account.

Why does *how* we consult matter?

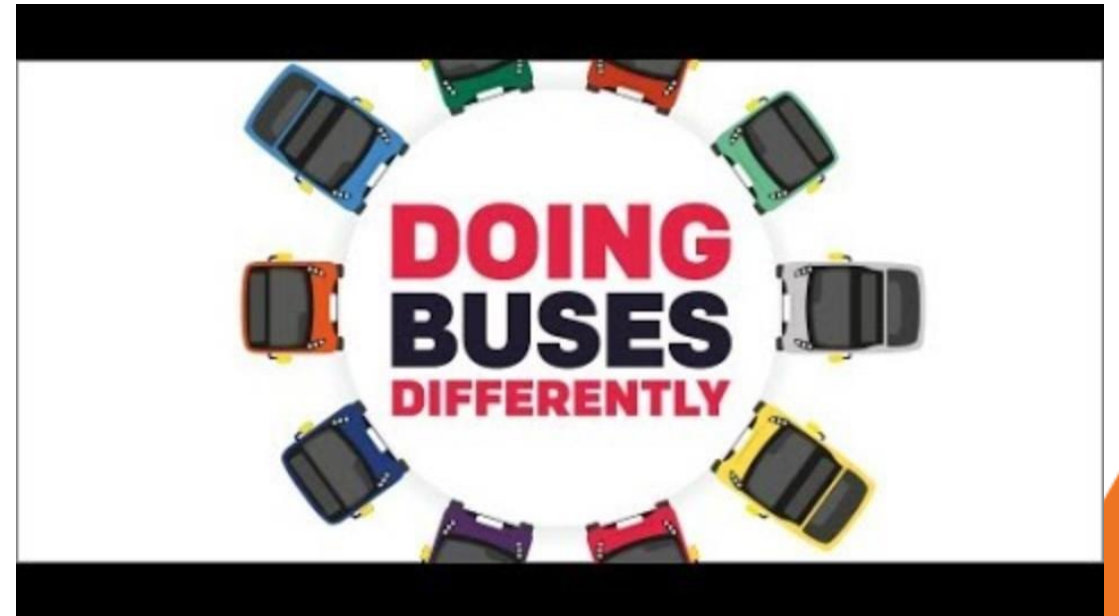
- People who usually respond to public consultations are disproportionately male, older and white when compared to the actual population. Consultations will be more valuable and impactful if they attract responses from a better cross-section of West Midlands residents.
- There are lots of things that put people off taking part in consultations, from believing they've nothing useful to say to believing it won't make a difference to feeling bombarded with information they find hard to make sense of.
- People are experts in their lives and their communities, and we want people to give **informed feedback** on big decisions that are going to affect them for a long time.
- One thing we can do to improve this is provide information – and pose questions – in ways that encourage more people to take part. That's where we would like your help today.



**How do you want to see bus
franchising happen in the
West Midlands?**

Building the Bee Network in Manchester

- Greater Manchester Combined Authority began their franchising consultations in 2019.
- They gave residents a full overview of all the work behind the scenes and asked people: **should** the buses be franchised?
- They had a survey of over 50 questions that explored all of the ingredients for franchising.



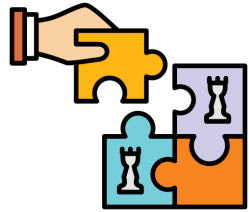
Ingredients of Bus Franchising

These are all ingredients of bus franchising that we could build into our public consultation:

1. The strategic case
2. The economic, financial and commercial cases
3. How the bus system is managed
4. How routes are determined
5. How fares are set
6. Customer experience
7. Value for money



Ingredients of Bus Franchising



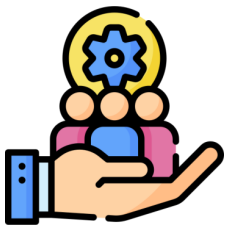
The strategic case

What are the big picture benefits? What does the current bus landscape look like in the West Midlands and why will franchising be a better option?



The economic, financial & commercial cases

Would franchising cost the public purse more than what we currently spend on supporting the bus network? Would it likely make or lose money for the tax payer? Can TfWM afford to make the changes? What are the financial risks?

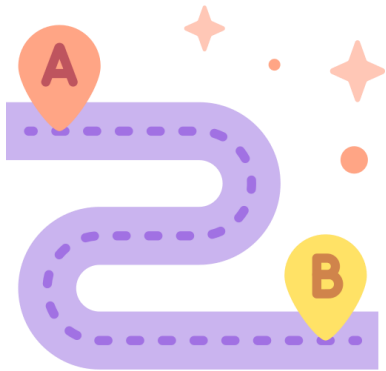


What it means for how the bus system is managed

Does TfWM have the structures in place to manage the change to a franchise model?

What steps can we take to get those structures ready and how long is this likely to take?

Ingredients of Bus Franchising



What it means for the bus network and bus routes

How sustainable are the plans for protecting people's access to buses where they live? Is there a plan for how we might design the bus network in the future?

We won't know any changes to specific bus routes yet, but we will know passenger numbers on the current network and the support we currently give.



What it means for how fares are set

What will the impact of franchising options be on bus fares? Is there a plan to keep tickets affordable? What are the benefits and risks of this for passengers?

Ingredients of Bus Franchising



What it means for customer experience

From catching the bus to contacting customer services, how hassle-free is it for people to use the bus service at the moment? How will franchising improve issues that bus users currently have, like Real Time Information screens?

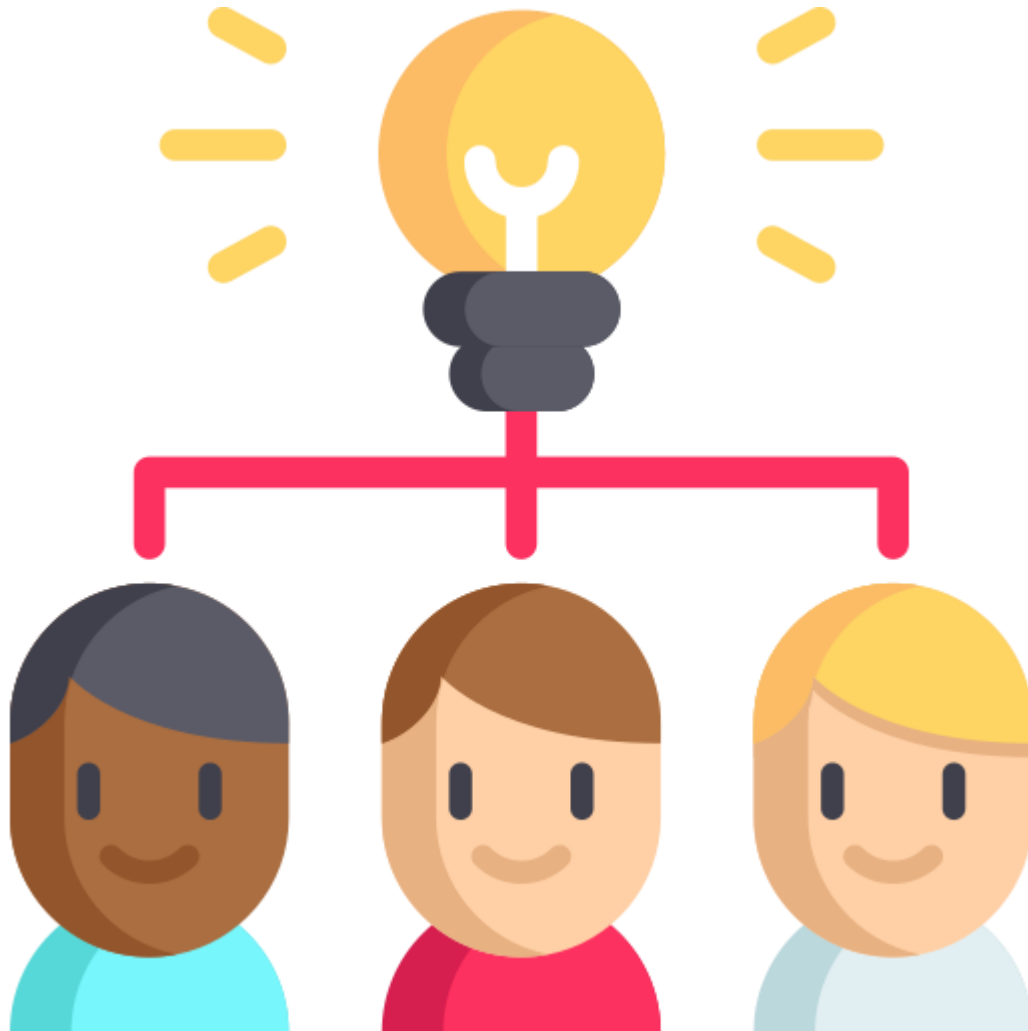


What it means for value for money

Is it worth spending public money for the overall changes to bus services that franchising will bring?



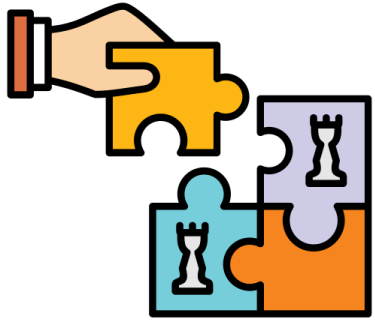
Reflections and questions



Group work:

Which ‘ingredients’ of the bus franchising topic would you be most motivated to comment on in a public consultation?

1. The strategic case for bus franchising



This is about the ‘big picture’ benefits that franchising could deliver in the West Midlands. It’s about zooming out and considering how the bus system works now and how that might change under a franchising model.

Is this something you would be interested to see information about as part of a consultation process, and something you would want to give opinions on?



1

2

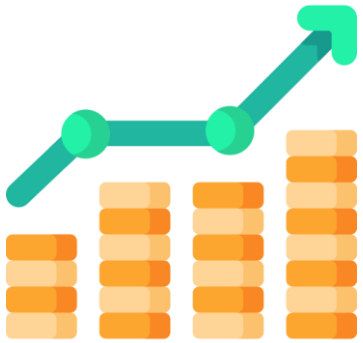
3

4

5



2. The economic, financial and commercial cases for bus franchising



This is about whether franchising would cost the public purse more than it does under the current system. Would it likely make or lose money for the tax payer? Can TfWM afford to make the changes? What are the financial risks?

Is this something you would be interested to see information about as part of a consultation process, and something you would want to give opinions on?



1

2

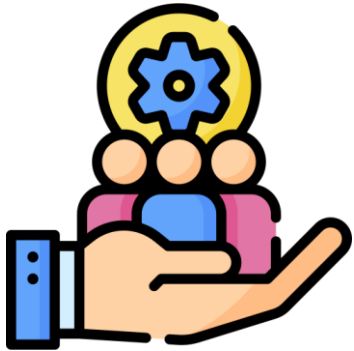
3

4

5



3. How the bus service is managed



This is about how management of the bus service would be done differently under a franchising model, and whether Transport for the West Midlands is be well-placed to manage a franchised bus service.

Is this something you would be interested to see information about as part of a consultation process, and something you would want to give opinions on?



1

2

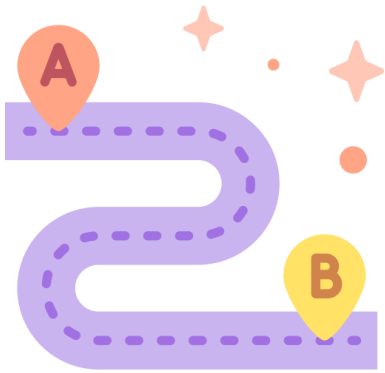
3

4

5



4. The bus network



This is about how we can protect people's access to buses in their area under a franchised model and the changes it could mean for how bus routes are designed in future. Through the consultation we won't be asking people what they think about specific routes, but we could talk about *how* routes are decided now and how that could change in future with a franchising model.

Is this something you would be interested to see information about as part of a consultation process, and something you would want to give opinions on?



1

2

3

4

5



5. The fares system



This is about understanding the impact franchising could have on bus fares. For instance, how could it enable us to keep tickets affordable? And what could be implications of different approaches for passengers?

Is this something you would be interested to see information about as part of a consultation process, and something you would want to give opinions on?



6. Customer experience



This is about understanding how franchising could impact on 'customer experience' in getting information and using the bus network.

Is this something you would be interested to see information about as part of a consultation process, and something you would want to give opinions on?



7. Value for money



This is about considering whether will franchising will represent good value, bearing in mind the sorts of changes to bus services that may come as a result.

Is this something you would be interested to see information about as part of a consultation process, and something you would want to give opinions on?





Headline messages from each group



West Midlands
Combined Authority

**SEE YOU IN BIRMINGHAM
ON 28TH SEPTEMBER!**