



**Notice of meeting of
Scrutiny Management Committee (Calling In)**

To: Councillors Healey (Chair), Funnell (Vice-Chair), Orrell, Scott, Simpson-Laing, Taylor, R Watson and Waudby

Date: Monday, 7 December 2009

Time: **4.30 pm**

Venue: Guildhall, York

AGENDA

1. Declarations of Interest

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Committee's remit can do so. The deadline for registering is **5:00 pm on Friday, 7 December 2009.**

3. Minutes

(Pages 3 - 6)

To approve and sign the minutes of the meeting held on 9 November 2009.

4. Called In Item: Introduction of a Quality Contract for Bus Service Provision in York (Pages 7 - 30)

To consider the decisions taken by the Executive on 17 November 2009 with regard to the above item, which have been called in by Cllrs Alexander, Merrett and Potter in accordance with the Council's Constitution. A cover report is attached setting out the reasons for the call-in and the remit and powers of the Scrutiny Management Committee (Calling In) in relation to the call-in procedure, together with the original report to and decisions of the Executive.

5. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Name : Fiona Young

Contact Details:

- Telephone : 01904 551027
- E-mail : fiona.young@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting.

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

About City of York Council Meetings

Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোআবী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550

我們竭力使提供的資訊備有不同語言版本，在有充足時間提前通知的情況下會安排筆譯或口譯服務。電話 (01904) 551 550。

اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ مہیا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

Informacja może być dostępna w tłumaczeniu, jeśli dostaniemy zapotrzebowanie z wystarczającym wyprzedzeniem. Tel: (01904) 551 550

Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Committee Minutes

MEETING	SCRUTINY MANAGEMENT COMMITTEE (CALLING IN)
DATE	9 NOVEMBER 2009
PRESENT	COUNCILLORS HEALEY (CHAIR), ORRELL, SCOTT, SIMPSON-LAING, TAYLOR, R WATSON, WAUDBY AND HORTON (SUB FOR CLLR FUNNELL)
IN ATTENDANCE	COUNCILLOR B WATSON
APOLOGIES	COUNCILLOR FUNNELL

29. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

30. PUBLIC PARTICIPATION

It was reported that there had been four registrations to speak at the meeting under the Council's Public Participation Scheme.

Dee Bush, spoke as a resident of Beckfield Lane and made representations against the extension of the cycle route. She expressed concern over the proposals for the continuation of an off road cycle route on Beckfield Lane with the added risks of conflict between vulnerable pedestrians and cyclists. She referred to disability groups who did not advocate the provision of shared use pavements. She pointed out that all other forms of traffic calming should be examined as an alternative to this scheme.

Linda McElroy made representations on behalf of the York Access Group and Peter Pagliaro. She confirmed that they supported the extension of the cycle path but pointed out that the scheme should not be delayed whilst investigations were undertaken on the crossings proposals. She confirmed that there were difficulties with sight lines but that these could be overcome. She felt that expenditure on this scheme was worthwhile and well thought out and would provide a safe route not only for pupils at Manor School but to cyclists and those with Special Needs.

Mary Fairbrother, made representations on behalf of York Blind and Partially Sighted Society. She referred to the number of vulnerable users of this stretch of road. She pointed out that shared use facilities were unnerving for the visually impaired and that such schemes should only be used as the last resort as they caused friction between pedestrians and

cyclists. She pointed out that there appeared be a lot of opposition to the scheme.

Sonia Tate, also spoke as a resident of Beckfield Lane. She referred to the traffic survey recently undertaken, details of which had been set out in the Officers report. She felt that this was incorrect information and that the user opinion survey was not representative of the Ward. She referred to the petition which she had submitted from those Beckfield Lane residents directly affected by the proposals and to their overwhelming objections to the scheme. She confirmed that there were numerous elderly residents that used this section of the path and she felt that they could lose their independence if the scheme went ahead.

31. MINUTES

RESOLVED: That the minutes of the Scrutiny Management Committee (Calling In) meeting held on 26 October 2009 be approved and signed by the Chair as a correct record.

32. CALLED-IN ITEM: BECKFIELD LANE - EXTENSION OF CYCLE ROUTE

Consideration was given to a report, which asked Members to consider the decisions made by the Executive Member for City Strategy at the Decision Session held on 20 October 2009.

Details of the Executive Members decisions were attached as Annex 1 to the report. The original report to the Decision Session was attached as Annex 2. The decisions had been called in by Councillors Simpson-Laing, B Watson and Horton on the grounds that:

“The Executive Member:

- *Pre-judged the issue and failed to take into consideration the numerous objections of local residents*
- *Failed to respond to the financial justification arguments*
- *Failed to respond to legal highway arguments*
- *Showed ignorance of the layout of Beckfield Lane and its geometry*
- *Failed to take notice of the City Council's Cycle Champion's comments and those of the Cycle Campaign Group.”*

Members were invited to decide whether to confirm the decisions of the Executive Member (Option A) or to refer them back to the Executive Member for re-consideration and/or amendment (Option B).

Councillor B Watson addressed the meeting on behalf of the Calling In Members. He pointed out the dangers of shared use facilities and particularly to the speed of cyclists. He referred to the poor sight lines on Beckfield Lane, which were obscured by trees and hedges, and to the dangers posed to cyclists with drivers reversing and accessing the numerous drives and side roads. He also referred to the pedestrian islands which had previously been provided for safety reasons, following accidents in the area and which it was now proposed to remove. He pointed out that

this was a badly thought out scheme which took no account of residents and other consultees views.

In response to Cllr B Watson's comments and Members questions, Officers confirmed that shared use paths were potentially less safe but that Department of Transport guidelines provided support and advice on how they could be provided in a safe manner. It was pointed out that similar shared facilities were used around the city with no problems being encountered.

After a full debate, Cllr Horton moved that Option B be approved and that the decisions be referred back to the Executive Member for consideration and that he be asked not to progress the scheme in its current form but give consideration to it later in the programme. Cllr Simpson-Laing seconded the motion, which was then put to the vote and declared CARRIED and it was therefore

RESOLVED: That Option B be approved and that the decisions be referred back to the Executive Member for City Strategy for reconsideration, and in doing so the Executive Member be asked to:

- a) not progress the scheme in its current form and
- b) give further consideration to a revised scheme later in the programme, following the completion of other more well supported cycling schemes.

REASON: In accordance with the procedures set out in the Council's Constitution for dealing with called-in decisions, and to address the points raised by the Calling-in Members.

Councillors Orrell, R Watson and Waudby abstained from this decision.

Cllr P Healey, Chair

[The meeting started at 5.00 pm and finished at 6.35 pm].

This page is intentionally left blank



**Scrutiny Management Committee
(Calling – In)****7 December 2009****Report of the Head of Civic, Democratic and Legal Services****Called-in Item: Introduction of a Quality Contract for
Bus Service Provision in York****Summary**

1. This report sets out the reasons for the call-in of the decisions made by the Executive on 17 November 2009 in relation to a report produced in response to a motion agreed by Council on 2 April 2009, outlining the process by which a Quality Contract Scheme for bus services might be introduced in York under Section 124 of the Transport Act 2000. This covering report also explains the powers and role of the Scrutiny Management Committee in relation to dealing with the call-in.

Background

1. An extract from the decision list published after the relevant Executive Meeting is attached as Annex A to this report. This sets out the decisions taken by the Executive on the Quality Contract item. The original report to the Executive is attached as Annex B.
2. Councillors Alexander, Merrett and Potter have called in the Executive's decisions for review by the Scrutiny Management Committee (SMC) (Calling-In), in accordance with the constitutional requirements for post-decision call-in. The reasons given for the call-in are:

“That the Executive:

- 1. Has failed to take into account the primacy of Full Council's passing a motion on Quality Contracts on 2nd April this year;*
- 2. Has also failed to explore using the tools that a Statutory Quality Contract would make available to improve bus reliability, punctuality and the level of fares;*

3. Is blind to the opportunity provided to introduce cross-ticketing given that some local bus companies are not prepared to co-operate, thus creating an incentive for the public to use local bus services; and

4. Failed to consider the possibilities of seeking Government funding to be the first authority to implement a Quality Contract scheme.”

Consultation

4. In accordance with the requirements of the Constitution, the Calling-In Members will be invited to attend and/or speak at the Calling-In meeting, as appropriate.

Options

5. The following options are available to SMC (Calling-In) in relation to dealing with this call-in, in accordance with the constitutional and legal requirements under the Local Government Act 2000:
 - (a) To confirm the decisions of the Executive, on the grounds that the SMC (Calling-In) does not believe there is any basis for reconsideration. If this option is chosen, the decisions will take effect from the date of the SMC (Calling-In) meeting.
 - (b) To refer the matter back to the Executive, for them to reconsider their original decisions. If this option is chosen, the matter will be re-considered at a meeting of the Executive (Calling-In) to be held on 8 December 2009.

Analysis

6. Members need to consider the reasons for call-in and the basis of the decisions made by the Executive and form a view on whether there are grounds for reconsideration of those decisions.

Corporate Priorities

7. An indication of the Corporate Priorities to which the Executive's decisions are expected to contribute is provided in paragraphs 62-65 of Annex B to this report.

Implications

- 8. There are no known financial, HR, Legal, Property, Equalities, or Crime and Disorder implications in relation to the following in terms of dealing with the specific matter before Members; namely, to determine and handle the call-in:

Risk Management

- 9. There are no risk management implications associated with the call in of this matter.

Recommendations

- 10. Members are asked to consider the call-in and reasons for it and decide whether they wish to confirm the decisions made by the Executive or refer the matter back for re-consideration at the scheduled Executive Calling-In meeting.

Reason:

To enable the called-in matter to be dealt with efficiently and in accordance with the requirements of the Council’s Constitution.

Contact details:

Author:
Dawn Steel
Democratic Services Manager
01904 551030
email:
dawn.steel@york.gov.uk

Chief Officer Responsible for the report:
Alison Lowton
Interim Head of Civic, Democratic and Legal Services

Report Approved **Date** 24/11/09

Specialist Implications Officer(s) None

Wards Affected: All

For further information please contact the author of the report

Annexes

Annex A – decisions of the Executive on the Quality Contract item (extract from decision list published after the meeting on 17/11/09)
Annex B – report to Executive meeting held on 17/11/09

Background Papers

Agenda and minutes relating to the above meeting (published on the Council’s website)

This page is intentionally left blank

EXECUTIVE**TUESDAY, 17 NOVEMBER 2009****DECISIONS**

Set out below is a summary of the decisions taken at the meeting of the Executive held on Tuesday, 17 November 2009. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

Members are reminded that, should they wish to call in a decision, notice must be given to Democracy Support Group no later than 4pm on the second working day after this meeting – that is, Thursday 19 November 2009.

8. INTRODUCTION OF A QUALITY CONTRACT FOR BUS SERVICE PROVISION IN YORK

RESOLVED: (i) That the contents of the report be noted, and in particular the fact that no government guidance has yet been issued on the introduction of a Quality Contract Scheme.

(ii) That it is recognised that the costs outlined in the report are well beyond the resources available to the Council unless central government were to underwrite them.

(iii) That, nevertheless, it is accepted that a Quality Contract Scheme might offer some advantages to passengers, particularly if focused on a corridor (or corridors) which are poorly served by public transport.

(iv) That Officers therefore be requested, once guidance from central government becomes available, to further develop a trial scheme based on a corridor approach and to report their findings to a future meeting.

REASON: In order to respond appropriately to the Council motion, in the light of the current economic climate and the lack of resources and guidance currently available for the introduction of a Quality Contract Scheme.

This page is intentionally left blank



Executive**17th November 2009****Report of the Director of City Strategy****Introduction of a Quality Contract for bus service provision in York****Summary**

1. The meeting of Full Council on 2nd April 2009 passed a motion requesting that the Executive make an application to take up the available powers to impose a Quality Contract scheme as set out in Section 124 (see annex 1) of the Transport Act 2000.
2. This report outlines the process by which a Quality Contract might be introduced and identifies benefits and disadvantages of so doing.

Background**Operational Regime**

3. Prior to the Transport Act of 1985, bus services in York and across the United Kingdom were largely operated by publicly owned bus operators in a regulated environment.
4. The motion proposed at Full Council does not seek a 're-nationalisation' of bus services, but rather seeks to address the issue of re-regulation through the introduction of a Quality Contract Scheme.
5. The City of York has long been held up as an example of good, sustainable public transport planning with bus operators providing a high quality service and a local authority that understands that bus priority measures are required for the effective operation of the bus network.
6. The voluntary quality bus partnership (which can be most closely aligned to a 'voluntary partnership agreement' as described in the Local Transport Act 2008) has assisted with these objectives. The Council motion, however, presents the case that York's travelling public would benefit from greater local authority control over the network of bus services in the City.
7. The Government, through the Transport Act (2000) and as amended in the Local Transport Act (2008), introduced a means to better control bus services through either:

- a Voluntary Partnership Agreement (between local authorities and bus operators)
 - a Statutory Quality Partnership scheme
 - a Statutory Quality Contract scheme (QCS).
8. The last of these measures would equate to the re-regulation of the York bus network. A majority of bus services in the City currently operate on a commercial basis and are outside Council control. The introduction of a QCS would enable the Council to issue contracts for routes (or a combination of routes), specifying service levels, monitoring contract performance and regulating frequencies and fares.
9. The Department for Transport issued a consultation document on the draft regulations and guidance that would support the delivery of re-regulation through a QCS (as established in the 2000 Act and amended in the 2008 Act). The draft guidance indicates that an independent panel (including the Traffic Commissioner and two independent experts) be satisfied that the introduction of a QCS would be the best means of serving the 'public interest'. In short, the five measures of 'public interest' as outlined in the consultation document are as follows:
- Increased bus patronage in the scheme area.
 - Improved quality of local bus service.
 - Contribution to the policies of the Local Transport Authority (LTA).
 - That the scheme contributes in an economic, efficient and effective manner to the LTA policies.
 - Any adverse effects of the scheme on operators are proportionate to the improvement in the well being of persons living or working in the scheme area.
10. The public interest measures, in theory, make the introduction of a QCS more achievable. The 2000 Act, in contrast, only permitted the introduction of a QCS if there was no other means of supplying a workable bus network in an area. For this reason, there are currently no Quality Contract Schemes in operation. If York were to introduce a scheme we would be leading the way with no UK example to follow.
11. Whilst the Transport Act made provision for introducing a QCS, until the results of the consultation and subsequent regulations are made available the approved mechanism for introducing a QCS remain unclear. Publication of this guidance by the Department for Transport is likely to be in early 2010.
12. Bus Operators are statutory consultees in the process and it is not the case that the Council can simply impose a QCS without a detailed proposal

submission to Quality Contract Scheme Board, the Board's endorsement and extensive consultation.

Stability

13. The introduction of a QCS to York would bring stability to the bus network and would enable the introduction of a number of passenger-focussed initiatives, including multi-operator ticketing products.
14. Currently bus service routes and schedules are changed on a frequent basis, undermining the ability for the Council to invest in bus stop infrastructure and bus priority schemes, safe in the knowledge that they will be used in perpetuity.
15. The principal bus operator in York focuses its attention on those corridors which can be operated without Council subsidy (or with support at the margins of the day and Sundays). The introduction of a QCS for the bus network in York would allow the local authority to better plan for a sustainable, comprehensive bus network, ensuring that profitable services subsidise those which are less profitable but which still play a very important accessibility role in the local community.
16. In addition to the regular network changes, year-on-year increases to bus fares have served to make bus travel less attractive when compared to the private car.
17. The Council has been unable to reach agreement with bus operators to launch an integrated ticketing product. With the exception of the poorly used 'PlusBus' product and the statutory Concessionary Fares Scheme, there is no integrated ticketing between the various bus operators in York. A QCS, would enable the Council to insist on such a product being accepted on all bus services within the area and would better allow for the control of bus fares.

De-regulation

18. The factors listed in the section above help to make the case for the introduction of a QCS in York, however de-regulation has brought some positive elements to the bus network.
19. The re-organisation of the bus network in 2001, largely concerning bus services operated by the major city operator, transformed a confusing array of bus services with a multitude of infrequent services (often with a number of route variants, eg 6A, 6B, 6C, etc) into a simplified, colour coded network. The Council and the operator has been able to build on this base and, through the Quality Bus Partnership, introduce a colour coded bus route map which appears in every York bus shelter.
20. Some variations have been made to this network, but it has remained largely in tact with a number of high frequency services operating at every ten to fifteen minutes for most of the day. There is a possibility that removing

the need for services to be commercially viable may result again in a pre-2001 network with a less attractive range of services.

21. Further, the overwhelming majority of the York based bus fleet is still under ten years old, significantly more modern than many towns and cities with an equivalent passenger base.

Alternative courses of action

a) Voluntary Quality Partnership

22. The existing voluntary Quality Bus Partnership has delivered a number of initiatives which have benefited the bus travelling public in York, including the recent 'Car Free Day' which gained active support from a majority of bus operators in the city. A comprehensive summary of the Partnership's achievements is included as annex 2 to this report.
23. In spite of the completion of a number of 'easier' initiatives, the voluntary partnership has not been able to reach agreement on some of the more difficult issues facing bus passengers in York, principally the inter-acceptance of tickets between bus operators. In some part, this has resulted from the close attention paid by the Office of Fair Trading (OFT) to ensure that collusion between bus operators does not take place, hampering competition, on either timetabling or fares levels. Bus operators are wary of discussions which might compromise their commercial integrity, even when chaired by the Council.
24. The voluntary partnership does, however, provide a forum for bus operators to openly discuss operational concerns and problems with Council officers. If the existing voluntary partnership working between the Council and bus operators is to continue, the arrangements could be enhanced to reflect more formal cooperation and targets. This could include the introduction of one or more Punctuality Improvement Partnerships with identified targets for both the operators and the Council to meet for the improvement of bus services.

b) Statutory Quality Partnership Scheme

25. If followed through, the Council motion as adopted in April, would see the network of bus services move from an entirely unregulated system to a regulated system. It is possible that many of the aims of a QCS could be implemented through a third solution, a statutory quality partnership.
26. The statutory Quality Partnership Scheme (QPS) model was introduced by the 2000 Transport Act. Under such a scheme the Council (or a number of councils) agree to invest in improved facilities at specific locations along bus routes (e.g. bus stops or bus lanes) and operators who wish to use those facilities undertake to provide services of a particular standard (e.g. new buses, or with specified driver training standards).

27. Only those operators prepared to provide services to the standards specified in the scheme are permitted to use the facilities. Whilst other operators are not generally prevented from providing local services in the area covered by the scheme, they cannot use the facilities provided by the LTA for the scheme. The 2000 Act, associated regulations and guidance, set out the procedure for introduction of a QPS. The QPS model is flexible in that schemes can be route or corridor specific, or could cover larger networks of routes (i.e. the whole of York).
28. The Local Transport Act (2008) extended the scope of a QPS, allowing the LTA to specify requirements as to frequencies, timings or maximum fares as part of the standard of service, in addition to quality standards. The Act also provides important safeguards to ensure that unrealistic conditions are not imposed on operators, and that their legitimate right to a fair commercial rate of return on their investment is not denied.
29. A bus operator can object to particular standards included in a scheme relating to frequencies, timings or maximum fares. The responsibility is placed on the operator to justify the grounds for their complaint, thus minimising the scope for vexatious or frivolous objections. The QPS model is intended to be used as a true partnership between consenting parties.
30. As with the Quality Contract Scheme, the making of a QPS would be subject to a period of formal consultation and its implementation would be decided by the Traffic Commissioner.
31. The introduction of a QPS would require a significant level of funding to be identified to deliver the capital measures required to effectively 'balance' the demands the Council might make of bus operators through the scheme. Under the rules of the scheme, a number of these measures may already be in place (installed no longer than ten years ago). The Council would be bound to maintain the facilities installed for such a period as the scheme was to continue. The cessation of this maintenance would also equate to termination of the scheme.
32. Such a scheme would support and underpin the existing voluntary partnership and would complement rather than replace the existing work. Bus operators, whilst not necessarily in favour of the implementation of such a scheme, would be more accepting of its introduction than they would of a QCS which would have far more wide reaching implications for their commercial freedom.
33. A QPS has the potential for agreements to be reached more easily with operators, would reduce the risk of removing an existing operator from the city and raise standards. However, it would not necessarily reshape the bus network in the city.
34. A QPS could be introduced in a staged manner e.g. on a route or corridor basis and need not necessarily cover the whole city as is the case in Sheffield where one QPS exists and two more are proposed. (It should be

noted that this is currently the only statutory QPS in England, reflecting the difficulty in implementing such schemes.)

Proposal

35. The meeting of Full Council on 2nd April 2009 passed a motion requesting that the Executive make an application to take up the available powers to impose a Quality Contract scheme as set out in Section 124 of the Transport Act 2000.

Analysis

36. The introduction of a Quality Contract Scheme (QCS) would give City of York Council regulatory powers for the bus network in the local area. This responsibility would not come without significant cost, as outlined in table 2 at paragraph 55, but would deliver benefits for the bus travelling public.
37. The scope of a City-wide QCS would include all of the bus routes operating wholly within York (currently 17 services excluding Park & Ride) and possibly to include services operating to nearby towns for example Easingwold (a further 14 services)
38. Routes would be contracted on an individual or package basis and it is assumed and the Council would seek to retain services from all of the eight major bus companies operating services in York.
39. The scope of a trial, corridor or area based, QCS could potentially include all of the bus services operating within or to and from a specific area or corridor. By example, an A59 area QCS could potentially include some or all of the services outlined in the following table 1:

Table 1 Service which might be included in an A59 QCS

Poppleton Park & Ride	Poppleton P&R site via A59 to York
Route 10	Poppleton - A59 - York
Routes 24 & 26	Askham Lane - Acomb - A59 – Leeman Road – York
<i>Routes 142/143 (if scheme included longer distance services)</i>	<i>York – A59 – onwards to Ripon</i>
<i>X54 (if scheme included longer distance services)</i>	<i>York – A59 – onwards to Harrogate</i>

40. It is unclear as to whether or not the existing Park & Ride network (5 routes) could be accommodated into a QCS. An exclusive licence agreement with

First Group commenced in February 2009 to run for a period of five years, with a possible two year further extension period to 2016.

Benefits

41. Residents and visitors to York would benefit from a more easily accessible network of bus services through a series of measures which, with the necessary finance, might include:
 - Integrated ticketing. Passengers could make through-journeys on the services provided by a number of different operators. The only passengers currently able to achieve this in York are those who are in possession of a concessionary bus pass, either because of age or disability, or those who have a 'PlusBus' add on to their rail ticket.
 - Contracting/franchising services. Passengers would benefit from routes remaining in operation for at least the length of the contract period (probably five years). Quality standards for service delivery, performance, bus cleanliness, etc would be set and monitored by the Council in much the same way as the York Park & Ride network of services is let currently (and London's Quality Incentive Contracts system).
 - Services would operate outside the sphere of purely commercial interests. Bus services could be tendered with high and low patronage routes packaged together (eg an Acomb area package). This could ensure that rural communities as well as those requiring bus services in the evening and on Sundays would benefit from an improved bus service compared to that currently on offer. It would also ensure that smaller bus operators were still able to compete with the major national operators
 - Local bus fares have increased on a regular basis, with the principal local operator's day-pass product increasing in price from £2.20 in April 2004 to £3.70 by January 2009. Under the terms of a QCS fares would be regulated and any changes could be justified in a transparent manner and would result from changes to operational cost or priority at a local level.
 - The Council would be able to plan bus stop infrastructure and bus priority measures with confidence that the services impacted by any changes would continue for a significant period of time without alteration to the route or timetable at just fifty-six days notice (the existing period required for de-registration or alteration of a bus service).
42. In recent years a number of major service changes and fare increases have hampered Council efforts to encourage modal shift across the city and achieve Local Transport Plan objectives. There have been twelve significant alterations to service levels across the network and seven occasions on

which routes (or sections of routes) have been withdrawn, four of which have been within the last two years.

43. Whilst a Council decision to introduce a QCS is unlikely to be met with favour by bus operators, the contract would provide bus operators with a guaranteed revenue stream, allowing them to focus more closely on operational and performance issues.

Disadvantages

44. Since 2007 there has been an increase in the number of services provided by different bus operators. This has been very good for local bus industry competition, in some cases providing the passenger with a choice of operators. Whilst it remains to be seen whether the current levels of competition are sustainable, it is possible that the competition between commercial operators on the corridor between the University and the City Centre will drive down fares for intending passengers.
45. The introduction of a QCS would take the commercial incentive away from bus operators to provide a variety of ticketing and service initiatives to attract new customers. Under a QCS, operator interest in the quality aspect of their services could be retained through the introduction of Quality Incentive Contracts, with operators being financially rewarded for achieving certain standards, but this would be at the expense of the Council.
46. The third, significant disadvantage is that nowhere in Great Britain has, to date, introduced a Quality Contract Scheme. This does not mean that it is unachievable and in many respects, York could win plaudits for 'leading the way'. However, there is a commonly held view amongst transport professionals that the difficulty and cost of introducing a QCS, even with the 2008 legislation, outweighs any possible benefits.
47. It is possible that a QCS needn't be applied to the whole city. It may be that there are specific areas of York which would benefit from a QCS whilst the service in others is satisfactory at present (for instance, it may be felt that a QCS would be of benefit for bus passengers on the A59 corridor between Poppleton and York but would not be of as great value on the Haxby – York corridor). Whilst the administrative and legal costs of introducing a corridor based scheme are still likely to be high, the initial funding for capital infrastructure works and ongoing revenue support would be significantly lower than a network wide QCS. It is anticipated that the publication of scheme guidance would better inform officers as to the budget necessary to deliver both corridor-specific and area wide schemes.

Procedure

48. The earliest date work could be started to establish the case for introduction of a QCS would be 2010, once the necessary guidance has been issued by the Department for Transport. It is anticipated, however, that it could be 2012/13 before a Quality Contract was introduced. This is due to the significant amount of work which would be required on the part of the Council in order to present a business case for formal public consultation,

consideration by the independent 'Quality Contract Scheme Board' and if approval is granted, the 'making' of the scheme.

49. Table 2 at paragraph 55 demonstrates the costs and timescales of the principal elements of the scheme and is based on the process defined by the Department for Transport for the establishment of a QCS.
50. It is important to note that there is no alternative route by which local authorities are able to fully regulate bus services.
51. The Traffic Commissioner is currently responsible for ensuring that bus operators run services according to their timetable. Were a QCS to be launched, these powers would transfer to City of York Council. Consultation with neighbouring Councils and the Commissioner would be required to understand the geographic limits of the QCS and to ascertain their views on the transfer of responsibilities. Furthermore, a significant amount of work would be required to put the necessary measures in place for the Council to fulfil the monitoring requirements as set out in legislation.

Funding

52. The financial implications of introducing a QCS should not be underestimated. The current bus network is sustained through a combination of fare-box revenue, Bus Service Operators Grant (from Central Government), Concessionary fares reimbursement and Council subsidy. If the Council decided that an increase in the level of service (or reduction in fares) was required, then there would be likely to be an increase in cost.
53. In the event of budgeting for re-regulation, the Council would need to consider if a rationalisation of the bus network would be possible to achieve savings without disadvantaging the passenger (i.e. establishing whether there are corridors served by two bus operators' services currently which would only require one service).
54. The Council would also need to assign funding to increase its staff establishment for the purpose of introducing the scheme, letting contracts and monitoring the services, which would become a legal responsibility (see paragraph 51) for the Council rather than the Traffic Commissioner.
55. The introduction of a QCS would require significant funding be made available. Officers anticipate that the process for introduction of the QCS would be likely to take four to five years. Whilst specific details cannot be identified at this stage, table 2 provides an approximation of the funding and timescales required.

Summary of process for implementing a Quality Contract Scheme

Table 2

The Department for Transport has not yet issued statutory guidance confirming the exact process to be followed. The following provides an indication but this will not be confirmed until, earliest, Spring 2010.

Local Authority actions	QCS Board / Tribunal actions	Minimum timescale	Estimated cost
Establishment of a QCS project team		13 weeks	£5,000
Preparatory work to develop a proposal for consultation – including discussions and data collection with local bus operators, transport users, bus company employees & other interested parties and network design.		39 weeks	£400,000 (est staff cost for scheme implementation)
LTA gives notice and carries out public consultation on its proposals	Copying consultation document to the senior traffic commissioner triggers the setting up of a QCS board. The Board can advise LTA and consultees on procedural questions, and may also begin familiarising with early consultation responses.	12 weeks	£75,000
Send copies of responses to QCS Board. LTA considers consultation responses and decides whether, and if so how, it intends to proceed. Seek Member approval on determined course of action LTA submits scheme to QCS Board, with request to prepare an opinion.		10 weeks	
	Board prepares and publishes opinion and any recommendations	6 weeks	
LTA finalises its proposals in light of QCS Board's opinion and any recommendations. Seek Member approval if required.		9 weeks	
<i>LTA may choose to ask QCS Board for further opinion based on a revised proposal</i>	<i>Board prepares and publishes opinion and any recommendations</i>	<i>6 weeks?</i>	
Having published its response to QCS Board, LTA may make its scheme	<i>Depending on QCS recommendation, any objections may go to tribunal. The LTA must act on any outcomes from the tribunal.</i>	52 weeks	£20,000 (legal contingency)
LTA issues invitation to tender for service, assesses bids and enters into quality contracts with successful bidders. This process is likely to take a minimum of 9 months.			£2,500,000 (to finance capital works/tendering)
Scheme comes into operation (either on a single date or phased in)			
Total		147 weeks	£3,000,000

56. With such a degree of up-front expenditure required, the risk element cannot be ignored. Adoption of a 'gross cost' contract approach, in addition to the capital investment, would result in the Council adopting the risk associated with fluctuating bus patronage from the private sector. Any operational risks, however, would remain with the private sector as the proposal is not for the establishment of a Council owned and managed transport operation. A 'net cost' contract approach would leave the revenue risk with the operator, but that risk would be considered in the submission of contract tender prices. Again, publication of DfT guidance on the introduction of a QCS will allow officers to provide a clearer indication of the necessary procedures and associated costs.
57. It is estimated that in addition to the cost of scheme implementation, an ongoing revenue cost of £500,000 per annum would be required to adequately manage the contract and maintain the infrastructure.
58. Further investigation into a possible scheme can be carried out prior to the Department for Transport (DfT) issuing its scheme guidance in Spring 2010. This would be accommodated within the existing budget for 2009/10. There are, however, currently no identified sources of funding for the detailed preparation and introduction of a QCS. Whilst additional capital funding to the Local Transport Plan might be achieved through a regional funding allocation, such a scheme is not currently a regional priority.
59. On the basis of the cost estimates outlined in table 2 above and in light of the budgetary pressures currently faced by the Council, it is thought at this stage that the cost of the scheme could be prohibitive. A 'corridor' approach to The DfT guidance may show that the costs are significantly lower. Officers will update members in a further report when the guidance has been published.

Consultation

60. The implementation of this proposal would require formal consultation as part of the process outlined in table 2. As well as consulting with bus users groups and the general public at large, neighbouring authorities and the traffic commissioner would need to be included in any discussions.
61. No consultation has been carried out with bus operators in the creation of this report. The planning of a Quality Contract Scheme would require input from bus operators but the decision to actually seek to implement one or other of the schemes would be one for the Council to take and it is likely that a vast majority, if not all, of the bus operators would be opposed to a QCS.

Corporate Objectives

62. The Sustainable Communities Strategy identifies a number of strategic aims and actions which would be supported by the re-regulation of bus services in the City:

- To build on York's established role as a strategic transport hub by developing sustainable means of travelling to, from and within York that meets the needs of residents, visitors and the economy.
 - To reduce, by progressive planning, the distances people need to travel for all purposes and to promote walking and cycling.
 - To create an integrated network of public transport that is of the highest quality, priced in the public interest and given priority in use of road space to achieve maximum operational reliability.
 - To substantially reduce the volume, speed, noise, pollution and visible intrusion of motor traffic.
63. The introduction of statutory Quality Contract or Quality Partnership schemes would not only assist the Authority in the introduction of integrated ticketing in the City but would also ensure that the public transport network is better co-ordinated, ensuring that bus routes do not duplicate one another, reducing the number of vehicles on the road and protecting less commercially viable services. A Quality Contract scheme could also enable the Authority to ensure that fares are better controlled and more attractive (as is already the case on the Park & Ride network where fares are considerably lower than on service buses) if the necessary funding was available.
64. A reduction of vehicles on specific corridors and the ability to stipulate vehicle emissions standards would assist the Authority to meet its Local Area Agreement (LAA) target (NI186) of reducing the per capita CO2 emissions in the local area. A more attractive bus service would also encourage residents to use the bus rather than drive and would assist the Authority in meeting LAA target NI167, to reduce congestion, demonstrated by the average journey time per mile during the morning peak (LAA).
65. The introduction of either a Quality Contract or Statutory Quality Partnership would also assist in the delivery of the Local Transport Plan, in particular:
- Indicator 3B and 1B, the reduction of traffic levels and a reduction in the modal split of car trips used to travel to work (through increased bus usage)
 - Indicator 3A, increase bus passenger trips (through a more comprehensible and accessible bus network)

Implications

66. **Financial** – Initial investigation work into the introduction of a Quality Contract Scheme can be undertaken within the existing budget for 2009/10. A further report should be taken to members to further progress this scheme once the financial pressures of introduction of such a scheme are better understood. To place the scheme in context, the current Council investment in the bus network is outlined in table 3 below.

Table 3 2009/10 Council expenditure on the York bus network

Area of expenditure	Cost (£)
English National Concessionary Travel Scheme (bus passes)	4,000,000
Support for bus services	710,000
Monitoring of bus services	60,000
Provision of bus information (inc. telephone/internet service, Real Time Passenger Information and printed information)	53,000
Provision of new bus stop infrastructure/bus priority measures	300,000
Maintenance of existing bus stop infrastructure/priority measures	140,000
Annual total	5,263,000

67. **Human Resources (HR)** – The introduction of a Quality Contract Scheme will require a significant increase in staff levels, in the short term for the introduction of the scheme and in the longer term for contract and service management purposes.
68. **Equalities** – The introduction of this proposal will remove the opportunity for bus operators to make commercial decisions within the boundaries of the Quality Contract Scheme area.
69. **Legal** – Significant. The implementation of a QCS will demand a great amount of legal advice in the preparation of the documentation for the scheme and subsequently to address any admissible objections from third parties. In addition, there would be likely to be ‘TUPE’ implications for bus operator staff moving from companies as a result of the QCS
70. **Property** – N/A
71. **Crime and Disorder** – N/A
72. Information Technology – N/A

Risk Management

73. In compliance with the Councils risk management strategy the main risks that have been identified in this report are those which could lead to the inability to meet Corporate (e.g. Local Transport Plan) objectives (Strategic) and to deliver an effective range of public transport services (Operational), leading to financial loss, which might result from the adoption of public transport revenue (fares) risk (Financial), non-compliance with the

legislation laid out for introduction of a Quality Contract (Legal & Regulatory), damage to the Council's image and reputation and failure to meet stakeholders' expectations (Governance). Measured in terms of impact and likelihood, the risk score all risks has been assessed at less than 16, This means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.

Recommendations

The Executive is requested to:

- a) Note the contents of this report.
- b) Consider the benefits, disadvantages and costs of introducing a Quality Contract Scheme and advise officers as to whether or not to proceed with the first stages of enquiry into a possible launch.

and/or

- c) Ask officers to consider whether introduction of a Quality Contract Scheme on specific bus routes or corridors might be possible and if so, identify a corridor(s) which might form the basis of a trial Quality Contract Scheme. Request that officers report findings back to a future meeting.

Contact Details

Author:

Andrew Bradley
Principal Transport Planner
(Operations)
City Strategy
01904 551404

Chief Officer Responsible for the report:

Damon Copperthwaite
Assistant Director, City Strategy

Report Approved



Date 04.11.2009

Specialist Implications Officer(s)

Financial

Patrick Looker
Finance Manager, City Strategy
01904 551633

Wards Affected: all

All

For further information please contact the author of the report

Background Papers:

None

Transport Act 2000, section 124**Quality contracts schemes**

- (1) A local transport authority, or two or more such authorities acting jointly, may make a quality contracts scheme covering the whole or any part of their area, or combined area, if they are satisfied that—
- (a) making a quality contracts scheme is the only practicable way of implementing the policies set out in their bus strategy or strategies in the area to which the proposed scheme relates, and
 - (b) the proposed scheme will implement those policies in a way which is economic, efficient and effective.
- (2) A quality contracts scheme may not be made unless the authority or authorities—
- (a) have complied with the notice and consultation requirements imposed by section 125, and
 - (b) have obtained the approval of the appropriate national authority in accordance with section 126.
- (3) A quality contracts scheme is a scheme under which—
- (a) the authority or authorities determine what local services should be provided in the area to which the scheme relates and any additional facilities or services which should be provided in that area, and
 - (b) local services may only be provided in that area in accordance with quality contracts (subject to section 127(4)).
- (4) In this Part “quality contract”, in relation to a quality contracts scheme, means an agreement entered into under section 130 or 131 under which—
- (a) the authority or authorities grant to another person the exclusive right to operate the local services to which the contract relates, and
 - (b) that person undertakes to provide the services on such terms (including in particular as to frequency, fares and standard of service) as may be specified in the agreement.
- (5) A quality contract may be made on terms—
- (a) which include provision for the making of payments by the authority or authorities to the person undertaking to provide the local service, and
 - (b) requiring one or more of the parties to provide additional facilities or services.
- (6) Section 88(1) of the [1985 c. 67.] Transport Act 1985 (application to subsidy agreements of sections 89 to 92 of that Act) does not apply in relation to quality contracts.
- (7) The authority or authorities must keep under review the extent to which quality contracts entered into by them are complied with.
- (8) In carrying out their functions under this Part in relation to quality contracts schemes, local transport authorities must co-operate with one another.
- (9) In considering whether to make a quality contracts scheme, a local transport authority must have regard to the desirability, in appropriate cases, of making a scheme jointly with another authority.

This page is intentionally left blank

York's Quality Bus Partnership

The York Quality Bus Partnership (QBP) operates on a voluntary and largely informal basis and has been in existence since 2001. The QBP was re-launched in August 2007 to officially recognise the new chair, John Carr (ex West Yorkshire PTE director), to provide increased publicity for the group and to provide new stimulus to take the partnership forward. City of York Council provides administrative support to the partnership, which consists of the following companies, organisations and people.

City of York Council Officers	First West and North Yorkshire
Yorkshire Coastliner / Blazefield	Transdev York
Arriva	York Pullman
Reliance Motor Services	East Yorkshire Motor Services (EYMS)
Executive Member for City Strategy	Shadow Executive Member for City Strategy
Confederation for Passenger Transport (Yorkshire Region)	Bus Users UK

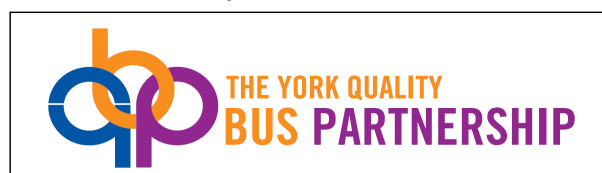
This membership offers comprehensive coverage of the bus services in the city and whilst some of the smaller operators do not attend, the Confederation of Passenger Transport is able to speak regarding the issues they may have. Political representation is important to the partnership in order to maintain the high status accorded to pro-bus schemes in the city and also to highlight any operational or strategic bus issues to the members.

The main Quality Bus Partnership group meets quarterly and in addition to this the three sub-groups - the performance group, the marketing group and the bus users group, meet on a similar basis prior to the main group meeting. The sub groups do meet more regularly when working on 'task and finish' projects.

Recent achievements of the partnership:

Branding:

The majority of buses running in the city now carry the QBP brand in order to publicise the cooperation and commitment to improvement of the partnership members. Most operators display the logo on their timetables and it is also prominent on the York Bus Route Map.



Bus Route Map:

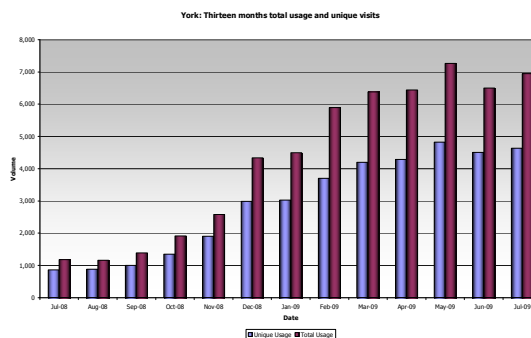
Operators were consulted through the partnership to produce the first York Bus Route Map in two years in 2008. The marketing group was also integral to the delivery of the map. This is revised twice a year and is proving a popular addition to the sustainable travel information offered by City of York. The launch of the map was held using a modified events bus in the heart of the city centre to ensure a high profile was given to the product.

Car Free Day:

York will be holding it's first Car Free Day on the 22nd September. The Quality Bus Partnership has been a vital part of working towards this being a success. The events bus will again be used to provide sustainable travel information so the marketing group has had input into this. Three of the bus companies in the city are also offering a free day ticket for travel in the city on the 22nd.

Real-time Information:

The partnership, mostly through the performance sub group has dedicated significant effort towards improving the quality and quantity of real-time information offered in the city. A QBP led workshop was held with all operators that had an interest in real-time information, neighbouring authorities and the real-time information supplier. This highlighted several issues with the system, enabled organisations to take responsibility for actions that require their attention and as a result, has improved the information provision to the public. Yournextbus, the sms-messaging component of real-time information, has also seen a significant increase in use since 2008 as shown by the graph below:



Bus Users:

A successful meeting was held with representatives of Bus Users UK, both local and national, which has led to the formation of a 'bus users' group. The items from this group are put to the full partnership and allow for both greater interaction between bus users and bus operator managers and also for a broader cross section of users opinions to feed into the partnership rather than having one representative as was previously the case.

Other items are high on the agenda of the QBP, such as, integrated ticketing, improving access for disabled bus users, the YOzone concessionary pass for secondary school pupils and getting input from bus operators into the third Local Transport Plan for the city