

Annex A: Park and Ride Retender

Background

1. Although York's park and ride is very important in serving the city's visitor economy (the city attracted 9m visitors in 2024) it is also important in a more general way for intercepting car trips approaching York (be they for commuters, visitors, shoppers or another journey purpose) and converting them into public transport trips in inner York, which has neither the highway or parking capacity to accommodate those trips if they are car borne.
2. The service is a success story for the city. Starting from a single site in the late 1980s, the system carried 4.6 million passengers from six sites in 2024, nearly one-third of all the bus passengers in York. On a typical day the 2,000 vehicles parked across the system's terminals could form a queue 10km long – all the way from the Askham Bar terminal to Monks Cross. On a peak day when the system's nearly 6,000 spaces are in use (such as in the run up to Christmas) the queue would stretch from York to Malton.
3. Some of the UK's first electric buses were introduced on the service in 2014, 5 of 6 sites were electric from 2020 (the largest electric fleet in the UK at the time), and the system went fully electric in 2024. The development of York's park and ride network is undoubtedly one of the reasons why bus use in York increased by two-thirds between 2000 and 2019, whilst it fell virtually everywhere else in the UK outside of London. It is also an ingredient in York seeing some of the highest levels of bus use in the UK (11th of England's 80 Local Transport Authority) and one of the best post-covid patronage bounce backs – with bus use in 2023/24 back to 97% of the 2019/20 level. Park and ride has also scored consistently highly in York's surveys of bus passengers¹ - amongst the highest quality services in England and often the best service in York. More generally, the existence of a "gold standard" exemplar service in York acts to encourage quality enhancements across the board. Readers are asked to consider what a counter-factual – a York bus network without park and ride – might look like - and then consider that this is the current position in most UK

¹ See Transport Focus Bus User Surveys

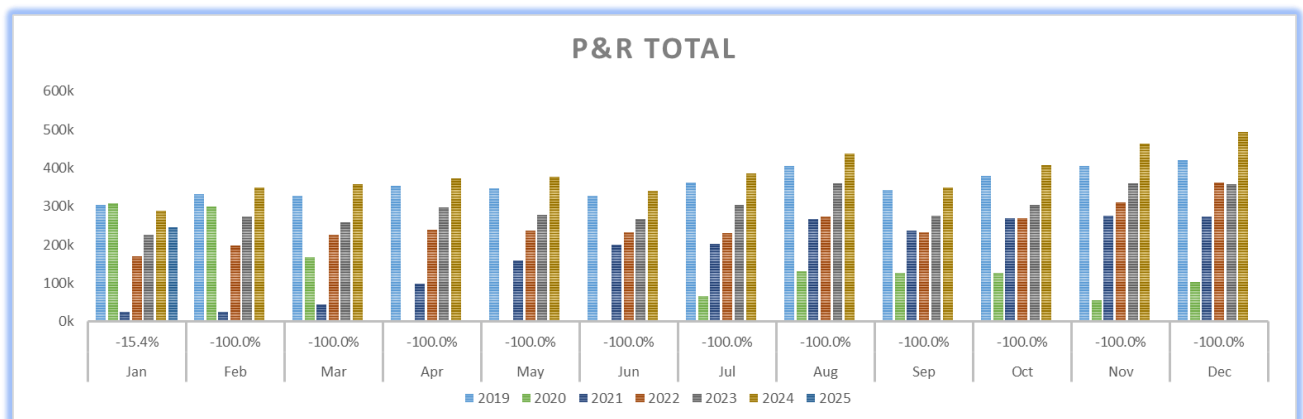
towns and cities – and would be in York too without sustained investment and support by YCC, CYC and bus operators over the last 35 years.

4. Park and ride has (with the exception of the covid and post-covid period) been a net contributor to CYC's finances – unlike many other UK park and ride systems, which operate at a net cost to their host authority. It is also perhaps important to point out that park and ride in York is not just about providing onward travel to people arriving at the terminal car parks by car and going to the city centre – in fact over half the trips on the system are not linked with a car trip – and park and ride provides important access to Monks Cross, York College and the Designer Outlet, as well as a regular stopping service on Fulford Road, service from intermediate stops on several other routes, access to the Community Stadium etc etc. During the covid pandemic two sites were repurposed in-line with the national emergency – with the Poppleton site becoming a testing centre and Askham Bar the vehicle marshalling area for the vaccination centre on the “old” park and ride site near to Moor Lane. The six sites also include many hectares of woodlands, bodies of water and nature reserves, with two also hosting electric vehicle charging hyper-hubs.
5. Availability of the service has informed some of the Local Plan land allocations – with strategic sites near to Monks Cross, Grimston Bar and Poppleton Bar benefitting from and, in some cases, contributing to park and ride services. The Poppleton Bar and Rawcliffe Bar services form important elements of the York Central access strategy.
6. Ranged against this is park and ride's place in a changing market. The move to more frequent home working has reduced its commuter market, as has the movement of office space and retail away from York city centre. Patronage has increased recently across the board (in fact 2024 was a busier year than 2019) but is increasingly skewed towards weekends and busy visitor periods. Cost inflation in bus operations (with a typical bus now costing around £250k pa to operate) has inevitably affected the underlying financial performance of the operation. Also, increasingly peaked traffic in York on busy visitor days impacts on buses – slowing

them down and reducing efficiency when a fast and efficient service – which also maximises system capacity – is most needed.

7. Figure 1 shows park and ride patronage in York between 2019 and 2024. Key observations are:

- 2024 patronage is higher than 2019 patronage in every month except January, and is significantly higher in November (10%) and December (17%)
- 2020 saw complete collapse in use from March as the Lockdowns took effect. In April and May and skeleton service operated to Rawcliffe Bar (kept open because of the service to the Hospital) and Designer Outlet (although the car park was closed), with the other 4 services stopped
- The 2021-22 recovery was slow, with significant passenger increases only in 2023 (coincident with reopening the service from Poppleton Bar).



8. York’s Bus Service Improvement Plan (BSIP) award for its competitive funding bid of Autumn 2021 – of £17.3m has helped with development of park and ride. Approximately £2m of BSIP revenue funding was used to restart the Poppleton Bar service after its market was destroyed by the 2 year site closure for use as a covid testing centre, and other services also received some revenue support to bring operations back. The service, as a whole, is now nearly financially self-sustaining again (a £150k pa support was provided to the Poppleton Bar service this financial year). Approximately £4m of BSIP capital funding is being used to improve the terminals, providing overnight parking to cater for York’s hotel guests and rail travellers, and stops for coach and

longer distance bus services. Some of the older terminal buildings are also being replaced or renovated. Other central government grants were sought to support electrification of the service.

9. The network effect of park and ride is complex. The service offer varies from corridor to corridor – on Tadcaster Road it is an express service with no stops between the city centre and Moor Lane, whilst the Fulford Road service stops at every stop on Fulford Road – and most of its use is for local journeys rather than park and ride. The other four services stop at some, but not all, stops between their terminals and the city centre. The Monks Cross service makes a loop around the Monks Cross retail/ business park after it has called at the terminal. There is a link between presence of a park and ride service on a corridor and the ability of that corridor to support other bus services. Corridors such as Tadcaster Road and Shipton Road saw higher frequency conventional services before they had park and ride services and there is a clear “walk-up” catchment for park and ride which would perhaps otherwise use conventional bus services in the absence of park and ride. All services access the Rail Station except the Grimston Bar/ Hull Road service, which goes no further than Piccadilly – although the proposed City Centre Sustainable Transport Route, and the bus turning loop at the station, provides the potential to extend this service in the future.
10. Various service enhancements have also been tried during the current contract period – a service from Rawcliffe Bar to York District Hospital operated between 2019 and 2021; some services were run later into the evening to support the evening economy in 2018-19. Both have now ceased because they required ongoing financial support and because the Hospital service was difficult to operate reliably with the high levels of congestion around the Hospital.
11. Park and ride in York has, with the exception of the first few years of the service (ending in 1995), been operated by First York, with the service now supporting a substantial proportion of their fleet and passenger journeys operated. The market dynamic here is also complex: First’s ability to retain park and ride allows their York operation to enjoy economies of scale which it would

otherwise not have (without park and ride First York's operation would be really quite small for an operator of that type and higher unit costs could translate into higher fares or reduced operating hours), and there are undoubted ticketing integration benefits of the same operator providing park and ride and many of the city services. There are also benefits from First being able to provide additional vehicles to support the service at busy times – either reallocating vehicles within the York fleet (ie from Unibus during university holidays) or from their depots in West Yorkshire. First have also innovated on park and ride – most recently in introduction of electric vehicles. Nonetheless, there is a perceived quality difference between First's park and ride services and the city network, which can sometimes be seen in the results of Transport Focus's bus passenger surveys for York. It might be argued that the relatively rigid operating contract for park and ride has protected the service from some of the service reductions seen elsewhere on the network – and the service provides a potential model for bus service franchising more generally.

Local Transport Strategy

12. York's newly adopted Local Transport Strategy contains a specific park and ride policy:

“Policy 4.4 – Work with Park & Ride operators to deliver an enhanced commercially viable service with the aim of increasing the use of Park & Ride buses, and develop Park and Ride sites as access hubs for local communities and villages and for inter-urban buses and coaches. Use all tools available including infrastructure design, network management, route planning and car parking charges to drive up patronage and maximise the reliability and efficiency of the Park and Ride services.”

13. The BSIP projects are already starting to deliver against this policy, with the proposed changes to parking prices in the city centre making a further contribution.
14. More generally, the Strategy contains an aim to increase bus patronage in York by 50% by 2030 to achieve carbon reduction targets. This is something which is increasingly challenging (a) as the time to 2030 reduces and (b) given that bus use in York is already high in absolute terms.

National Transport Strategy

15. Central Government is currently consulting on a new Integrated National Transport Strategy. Legislation to reform local bus services is also making its way through Parliament, with the Bus Services Bill introduced to Parliament in December last year with an expectation that it will be enacted during the current parliamentary session. As it currently stands the Bill makes substantial changes to the powers local transport authorities have over bus services in their area, particularly in respect of the power to franchise services and the introduction of more flexible ways for authorities to franchise their services, including potentially greater roles for municipally-operated bus companies.

Retendering

16. Whilst the current service operating contract for park and ride in York is more or less revenue neutral at the moment, there is no guarantee of this and City of York Council is directly exposed to any revenue requirement for operating the service – as, in fact, it was during the covid and post-covid periods. It is worth remembering that the cost of operating park and ride for one year is probably around £10m (£250k per bus for 30 buses plus costs for staffing and maintaining the 6 terminals), so CYC's financial exposure to the contract is high in absolute terms – and this is in addition to the risks posed to the Council's transport and land use strategies by a weakening of the park and ride service offer.
17. The current operating contract began at the start of February 2018, for an initial period of five years. Contracting regulations allow bus service contracts to be extended for 3 years before retendering is required, and this has happened in this case. This means that the current tender period finishes on 31st January 2026, and a new arrangement must be in place from that point. As with any new contract, there is a possibility that the terms achieved for the new contract period are different to those for the preceding period – and they may be better or worse. Because of the changes to the market for park and ride there is a risk that future terms may be worse than now, with a revenue neutral contract being achieved only through service reductions at some or all

sites, removal of some of the high-quality aspects of the service, such as site supervision or electric buses, or higher fares.

18. There is also a need to ensure multiple operators can bid for the contract to ensure a contested tender process. This can be difficult for a contract of this size if let as a single lot (it is so large that any new operator would need a new depot in York – or operate it distantly from their depot which could make operations like driver changeover difficult). The use of electric buses on the service may also make it unattractive for some operators to bid for the service – particularly as government support (via a funding bid which would need to be prepared (and assuming there was an open funding contest at the time)) would almost certainly need to be sought by an incoming operator.

19. Indeed, electric buses are a particular question on retender. The current fleet are owned or leased by First, although the additional costs of using electric (as opposed to diesel) buses were met through central government grants which CYC bid for – and First are the only bus operator in York currently with the ability to charge electric buses. The grant conditions from DfT require the electric buses to be used in York for 5 years following purchase. This period is already over for the 14 buses purchased in 2014, will expire before contract end for the 23 Optare buses delivered in 2020/21 and will end in 2029 for the 6 buses used to operate the Rawcliffe Bar service which were delivered in 2024. If the contract was placed with a different operator then that operator would need to install charging equipment for electric buses – or could potentially operate the service with diesel buses if the contract allowed that. Obviously, reintroducing a large number of diesel buses into York would undo some of the good work achieved in improving air quality.

20. In York there also remains significant uncertainty around tendering arrangements for park and ride as the Mayoral Combined Authority is now York's Local Transport Authority, in which the duties to procure socially necessary bus services as set out in the 1985 Transport Act are vested. However:

- The MCA has yet to set out in detail how it will discharge its duties in relation to bus services

- As the park and ride service is actually predicated on the basis of access to private land (ie the six terminals) it is not, within the strict wording of the 1985 Act, a socially necessary service in any case. As such, it is arguable that it is not within the duty of the MCA's activities if CYC wish to retain control of it (pre-1996 the service was procured by York City Council, as a second tier authority (with the 1985 powers vested in North Yorkshire County Council), so there is a precedent for this).
- Park and ride is also an essential part of the access strategy for York city centre – responsibility for which remains with CYC. In particular, there is a strategic benefit of CYC controlling park and ride if it also controls (as it will) the supply and pricing of car parking in central York – and if park and ride is not controlled by CYC, there is a risk of CYC losing control of a major part of its access strategy.

21. Consequently, there is likely a choice about which authority operates park and ride in York going forward.

Enhancements

22. There is, of course, at retendering, an opportunity to enhance aspects of the park and ride service. At one extreme these changes could be small changes to service frequencies, routes, fares or vehicle specification. At the furthest extreme there could be fundamental changes to how the service operates with the current single contract split between operators; or a move from a net cost contract (where the operator takes financial risk on the contract) to a gross cost contract (where the contracting local authority collects all the revenue from the service – but also takes the risk if revenue dips below operating costs). It goes without saying that providing additional services or enhancing vehicle specifications load additional costs onto the contract and there would be uncertainty about whether these can be recovered through the farebox. Of course, there is a mechanism for varying the service during the contract too (as was used to introduce the evening services in 2018/19) – enhancements cannot only be introduced at contract start.

23. There is also a question about franchising, which is not possible to resolve before the Bus Services Bill becomes law. Park and ride operates at the moment as a stand-alone service – with its own ticketing and fares structure (at least, outside of the relatively more expensive “All York” multi-operator tickets). It has to do this within the context of an otherwise deregulated network – but potentially, within a franchised network, park and ride could be integrated with other services – perhaps forming a high-quality overlay, providing express services from the terminals on a limited-stopping basis, but with tickets valid on other services on the corridor to. This could allow:

- higher effective service frequency as passengers could use any bus on a corridor to reach the terminal, not just the park and ride service
- opening hours of the terminals to be increased without the cost of additional park and ride services because early morning/ evening services could be provided by other services on the corridor who already operate longer service hours
- the terminals could become bus interchanges. Rural, interurban and coach services could possibly meet there with interchange between them
- reduction in the number of buses in central York because there could be less need for an entirely separate park and ride service

24. Obviously, these changes would be significant and would fundamentally change the current operating model for park and ride and their benefits, costs, risks and unintended consequences would need to be considered in detail before they could form the basis of a future operating contract.

The 2026 retender

25. Time for retendering York’s park and ride service for 2026 is now short. When the service was last retendered (in 2018), by this date in the process (relative to contract end) service options had been evaluated and supplier pre-engagement had been ongoing for 12 months; the Invitation to Tender had already been published and returns from operators were expected at the beginning of April to inform a Decision by Executive on contract award at their mid-May meeting. This would then give a potential new operator an

eight-month mobilisation period to acquire new buses (of which approximately 40 were then required to operate the service) and potentially establish a new local depot.

26. York's new Local Transport Strategy provides an opportunity to rethink what park and ride does, but the delivery context in relation to both the MCA and the 2024 Bus Services Bill still has significant uncertainty. Given the short time remaining to retender park and ride for the end of January 2026, and CYC's financial exposure to the outcome of a rushed and potentially mis-specified process there is a strong argument for a short term contract which does not seek to make significant change to the service, but would allow a further retender after the MCA has established its positions and the enabling powers in the Bus Services Bill are clear. There is a precedent for this in the extension of the 2008 contract for two years (to 2018) following a failed tender process in 2016 (no compliant tender bids were received from operators).
27. Of course, a shorter tender period need not prevent service changes (e.g. changes to routes, new routes, different operating hours etc). This could potentially be explored in a variant lot.
28. As such, and in relation to the retender process, Members at Scrutiny are asked for a view on:
- what aspects of York's current park and ride contract would they like to see retained in a new contract?
 - what aspects of the contract would they like to see changed? What enhancements might they wish to see?
 - What is their preference in whether the contract should remain with CYC or pass to the MCA?
 - Do they have a preference in relation to tendering the service for the standard 5 year period now, or is the option of a shorter tender period to allow some key questions about the service and delivery context to be resolved more attractive?