

## Transport for West Midlands (TfWM) Bus Franchising Consultation

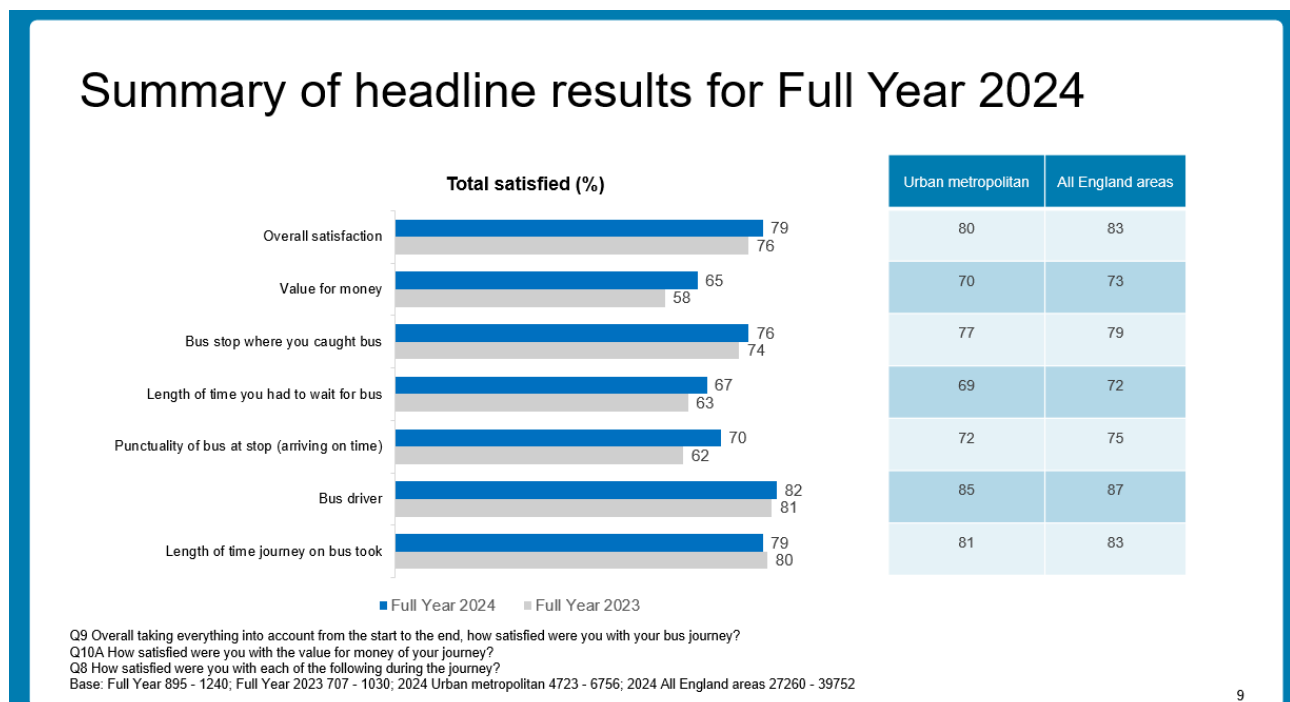
### Response from Transport Focus

#### Introduction

Transport Focus is the independent consumer watchdog promoting the interests of bus, coach, and tram passengers across England, outside London; rail passengers throughout Great Britain; and users of the Strategic Road Network in England. This submission specifically responds to the plans for bus franchising in West Midlands Combined Authority (WMCA) by Transport for West Midlands (TfWM) and is based around the assessment, the consultation document, and the short questionnaire. This should not be used to infer views on franchising plans or proposals in other areas.

**S1. There are several challenges facing the West Midlands Bus Network which means that it is not performing as well as it could. Do you have any comments on this?**

Transport Focus undertakes and compiles research on bus user satisfaction and perceptions across the country. As part of our '[Your Bus Journey](#)' survey, specific research was also undertaken across West Midlands Combined Authority, from which a comparison of the Authority's bus performance and user satisfaction can be tracked against the rest of the country. The bar chart below shows headline satisfaction ratings (%'s) of different factors of a bus journey in West Midlands throughout 2023 and 2024.



(WMCA / TfWM Your Bus Journey 2024)

When viewed within the wider context of a national league table, our findings show that currently the West Midlands sits below our national average in terms of users' satisfaction across the seven metrics presented in the bar chart above. For example, West Midlands is placed 38<sup>th</sup> out of the 39 areas in England studied for overall satisfaction, 37<sup>th</sup> for satisfaction with value for money and 37<sup>th</sup> for satisfaction with waiting times. In terms of areas classified as 'Urban Metropolitan', the West Midlands placed 5<sup>th</sup> on ratings of overall journey satisfaction out of 6 areas.

It is telling that the areas which have improved most dramatically from a poorer punctuality performance in 2023, also tend to be those with the biggest increases in journey satisfaction overall. These include the West Midlands, which, while remaining in the bottom section of the table, has seen improvements of three percentage points in overall satisfaction – a great achievement relative to other urban metropolitan areas.

The Your Bus Journey research also asks people for their general perceptions of local bus services within the West Midlands. Key results include:

Attribute	% rating as good or very good
Cost of bus fares	51
Frequency of services	65
Reliability of services	57
Ease of getting to local amenities	83
Connections with other forms of public transport	80
Range of different bus tickets and passes available	74
Information provided about bus services	62

These results can be reviewed against bus passenger priorities, which emphasise the importance of frequency, reliability and affordability.

Your Bus Journey does not cover non-users within the survey. The consultation document explains that bus ridership is in consistent decline leading to a reduction in commercial viability. As a result, the Combined Authority is having to increasingly subsidise journeys, largely due to Supported Services WMCA provides.

This contraction of the bus network reduces access to bus services and makes it less attractive to potential users. TfWM may find it helpful to engage more with non-users to understand what the key factors are as to why bus patronage has decreased and is forecast to continue to decrease in the coming years.

**S2. Reform is considered to be the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?**

We agree that reform is needed to address the challenges facing the local bus market. The assessment in the consultation shows that the franchise option achieves better outcomes (for example in terms of ridership) than the 'do nothing' and Future Partnership options.

Transport Focus' research has shown that the key priorities for bus passengers are an affordable, frequent and reliable bus service. From the information provided the Franchising proposal would allow greater flexibility when specifying routes and times and through this help address 'gaps' in the network that impact on existing users and act as a barrier to new users. It would also seem to provide flexibility when it comes to providing a simplified and integrated fares and ticketing structure – another key passenger aspiration. Though we also note that some of the proposed benefits to passengers are also achievable under the Future Partnership model.

We believe the proposal would be of benefit to existing and potential passengers across the West Midlands Combined Authority (WMCA) area and, as a result, is something we would support – subject to the specific points we make below, especially around importance of reliability, engagement with passengers, commitment to satisfaction, and accessibility.

Having the proposal cover the whole area of West Midlands will help ensure consistency of delivery across the region. This in turn should help to foster a common understanding and expectation amongst passengers on things like how to find information on routes, times and fares and on how to make a complaint. This familiarity should make it easier for passengers to engage more with operators. Transport Focus research '[Motivations and barriers to bus usage](#)' (2023) found that there are gaps in knowledge of local services, even for frequent bus users. A common approach across the whole area could help to address this.

**S3. Do you have any comments on the approach to procuring, operating, and managing the Proposed Franchising Scheme?**

One potential concern of the proposals is the uncertainty of negotiating the transfer of depots and vehicles from bus companies. Another concern is the risk of network disruption during transition to franchised operations, as set out in the Commercial Case. Careful consideration should be given to both these factors during the implementation of the proposal.

In recent years the role of the driver has become even more prominent. The challenge to retain and recruit in drivers in some areas has been a significant challenge for the industry.

In turn, shortages of drivers have been a significant challenge for the industry and impacted on the reliability of services for passenger. Our most recent research ([Making great bus journeys](#) – 2024) showed that the bus driver is the second most important ingredient in terms of delivering a great journey (after timeliness/ punctuality). The role of the driver is instrumental in turning a good journey into a great one.

Transport Focus would like to see clarification of any strategy for driver training and standards. Will this be left to operators running the franchise services or would TfWM be involved in things like training specifications? Effective recruitment and retention of drivers will be essential to support effective service delivery. The bus driver must also consider the comfort and safety of diverse groups of passengers, who may have a variety of needs. And while many passengers may have limited interaction with drivers, they do observe how drivers handle requests for such help from fellow passengers.

The role of the driver is often under the microscope and noted by passengers. Our research shows differences in satisfaction levels for passengers with a disability that for some is markedly lower. To improve this, there must be a focus on support and training for drivers, particularly for passengers with a seen or unseen disability.

Finally, we welcome the outline of the plan for consulting on how well the scheme is working set out in section 8 the draft scheme and elaborated on in the Management Case. However, while we are pleased to see broader references elsewhere to conducting surveys and focus groups, we would like to see more detail on the approach to be adopted in this specific Plan (e.g. written surveys, user groups, on-street surveys, focused meetings with individual stakeholders) and the information provided. In particular, we would like to understand how it is envisaged that these consultations will complement the regular performance monitoring which we expect TfWM to be doing and how that performance data and any resulting action plans will be shared with users and their representatives. We would welcome an opportunity to work with the authority to develop the plan in more detail.

Whoever operates services in the WMCA area will need access to depots and buses. Incumbent operators already have this and would therefore have an inbuilt advantage over any potential new entrants to the market when bidding for contracts. WMCA propose to acquire and lease buses and depots to successful operators. By providing fleet and depot access to operators WMCA will reduce this barrier to entry. We agree that this should encourage greater competition for contracts and, in turn, result in a wider range of high-quality bids to the benefit of passengers.

We agree with the conclusion that the proposed franchising scheme would mean a significant expansion of the TfWM and WMCA's accountabilities which would require additional skills and capabilities. The consultation document does refer to a skills audit to be undertaken by the WMCA. Transport Focus would note that as part of this audit, customer service and complaints are taken into account. Building a relationship and trust

requires a focus on these qualitative functions and is key to improving customer confidence in their local bus network.

**S4. It is suggested that the Proposed Franchising Scheme will offer value for money. Do you have any comments on this?**

We note the conclusion that the Franchising model offers the Combined Authority advantages over the current model. We do recognise that the Future Partnership model has a higher benefit to cost ratio (BCR) and generates £4.20 for every £1 compared to the Franchising option which only generates £2.10.

The results show that, based on the current analysis the discussed Future Partnership and Franchising schemes would both achieve a positive Net Present Value (NPV) but at £470.80 the Franchising scheme has the highest NPV. However, within this Transport Focus does acknowledge that there are wider socio-economic benefits to the Franchising Model, WMCA estimating this to be £683m over the 40-year assessment period. We agree that this wider assessment represents value for money for public investment.

However, it is disappointing to see that the economic case within the consultation document predicts a continuation in the decline of bus patronage across WMCA, this decline being predicted in both the Franchising Scheme and Future Partnership models, albeit a marginally smaller 37 per cent decline under Franchising at £107m by 2041-42, compared with £99m under the Future Partnership – especially given the 11 per cent increase in passenger journeys in the WMCA region for the year to March 2024, against the year to March 2023, reported by [DfT annual statistics](#).

Finally, we also agree that the franchising model could offer a more stable operating environment for operators while giving TfWM autonomy over network design and enabling more effective cross-subsidy of routes. Conversely it would increase risk for the Combined Authority as it will become responsible for fluctuations in demand and cost inflation.

**S5. It has been concluded that the WMCA could afford to introduce and operate the Proposed Franchising Scheme, but this carries additional financial risk.**

Transport Focus notes that the conclusion in the consultation is that the proposed franchise scheme would be affordable. However, it is disappointing to note that under all options there would be a need to reduce services over time if bus provision is to remain affordable. We also note, and agree, that the franchising scheme has the capacity to increase revenue and cost risks for WMCA and TfWM. Another concerns the sensitivity of the affordability with operating costs forecast to increase as WMCA and TfWM gain control over more of the network. If revenue does not increase in line with these costs, then the

affordability may become an increasing issue over the longer term. These will need to be carefully managed. In particular the downside funding and demand scenarios described in the Financial Case introduce a higher level of risks to the affordability of bus services with serious potential consequences for passengers should these conditions arise.

## **S6. To what extent do you support or oppose the introduction of the Proposed Franchising Scheme?**

From Transport Focus's perspective the key challenge is whether WMCA's proposal reflects the needs and priorities of both existing and potential passengers. The closer that the specifications and targets reflect people's needs, the better the chance that they will deliver the type of services that people want and value and will draw in new users to grow the market.

To that end we believe that the proposal could have a transformative effect on local bus services across the West Midlands. Franchising would seem to provide additional flexibility when specifying routes and times and through this help address 'gaps' in the network that impact on existing users and act as a barrier to new users. It would also seem to provide the most flexibility when it comes to providing a simplified and integrated fares and ticketing structure – another key passenger aspiration. The franchising proposal could also deliver benefits when it comes to customer experience – though we acknowledge that many of these could also be provided through the Future Partnership option. The chief benefit of franchising in this regard would be the opportunity of setting a consistent set of standards across all routes and services. It could also facilitate a more unified real-time passenger information service.

We note the conclusion that the Franchising model offers the Combined Authority advantages over the Future Partnership. We agree that franchising will give the Combined Authority more control over the design and implementation of the bus network, ensuring that the wider benefits from investment and enhancement target those who are likely to gain most.

## **S7. Are there any changes that you think would improve the Proposed Franchising Scheme?**

Transport Focus would note that to get the most value out of the proposal it will need to be accompanied by an engagement strategy setting out how Transport for West Midlands (TfWM) will engage with passengers and how they will use the information gathered through this. This engagement would include:

- Engagement and consultation with passengers and non-users – especially on significant changes to routes and frequencies, or fares, ticketing and information. We were pleased to see the commitment in the Management Case to conducting



passenger research and customer consultation exercises when carrying out network reviews.

- Measuring passenger satisfaction and making corresponding improvements to services. The best judge of how well services are being provided is the people using those services. Implementing standards and targets for passenger satisfaction will help create an environment of continuous improvement. Passengers should have a say in the performance regime set out in the Commercial Case.
- Setting out passengers' rights to standards of service, with effective mechanisms for redress.
- Making performance information available to passengers. Publishing this information is regarded as right in principle and is good for trust because 'it helps keeps the industry honest'. This is the case even if individuals have little personal appetite in seeking it out – the fact that others are looking at it can often be enough.
- A good complaint handling system.

Transport Focus would welcome a clear commitment from TfWM and WMCA on each of these above bullet points.

Building in such engagement from the beginning would help to improve the relationship between passengers and operators. Trust has both a rational and an emotional element. At the rational level it means running the buses on time, being reliable, coping with disruption, resolving problems and offering value for money. Service delivery (in other words delivering the essentials) is at the heart of this rational element. The better the operator runs the service, the higher the levels of trust generated. Being unreliable or inconsistent has a large detrimental impact on levels of trust.

However, it is the more emotionally engaging factors that build real affinity. This includes things like staff going the extra mile, and feeling like the company really does care what happens to you – as evidenced by interacting with passengers and involving them in the decision-making process. Passengers feel that more should be done to consult them and their representatives. It also means operators communicating well, especially during disruption. The 'radio silence' approach leaves passengers unable to assess the alternatives, update work/family on amended arrival times and not feeling in control of the situation.

### **S8. Do you have any comments on the Health and Equity implications as set out in the Health and Equity Assessment?**

The Consultation Document does set out the results of a Health and Equity Impact Assessment (HEIA). Transport Focus would like to see what plans TfWM and WMCA have

in place to continue to monitor impact assessments moving forward throughout the funding period, regardless of the operating model that is chosen by the local authority.

Additionally, who would be responsible for producing Equality Impact Assessments, for ensuring compliance with disability regulations on such things as vehicle and passenger information designs, and on general efforts to make travel more accessible? We would also emphasise the importance (and the value) of engaging directly with people with a lived experience of disability. Where changes are being considered then it will be essential that disabled people have the opportunity to influence those decisions through public consultations, focus groups or other means.