

Independent Review of Implementation Pathways for Bus Franchising Scheme to Cambridgeshire and Peterborough Combined Authority Transport Committee, 17 June 2026, Agenda Item 18

Leon Daniels's opening statement

My name is Leon Daniels and I chair the Independent Review of the report that you have seen. The technical work in that was done by the consultancy firm Steer. Of course I have pressure tested and challenged the report and we unanimously agree it.

It was never the intention to reopen the question about bus franchising. That decision was made in the previous mayoralty. The purpose of the Independent Review was to really recommend a way forward to introduce franchising under the present Mayor's policies and also take into account changes in the general marketplace. So of course it is about how we do franchising as opposed to whether we should do franchising. It presents a way forward. It is a sort of hybrid way forward as you will have read.

We are not immune from the social and economic changes that are going on which is generally depressing public ridership nationally and even though the report does indicate that we expect passenger ridership to continue to decline, the truth is that the if we were not doing franchising, the existing commercial bus operators would be coming for more money in any case and the great advantage of the franchising arrangements that we are recommend is that the authority is able to manage that process and make those decisions directly and have it under control.

It's a phased approach because we're short on data - much of the data is the property of current commercial operators. It would be very unwise to have a big bang overnight. The history of this is that if you change operators, change the routes, change the fares and change everything overnight, it is a disaster. Therefore the recommended approach broadly gets us going on franchising by a combination of competitive tendering for a small amount of services and Direct awards which are permitted under the legislation for the rest of the services. That allows data to be gathered and allows for further review of the performance of services. It brings it under some sort of control and broadly recommends that we do franchising carefully so as that we don't put any shocks in the system and also while we get data and while we gain experience and competence inside the Authority.

Questions from Committee Members

Question/statement Cllr Alex Beckett (Lib Dem, County Council): Firstly, Leon, thank you very much for your work on this. You're clearly passionate about buses, and it is brilliant to have that. Now that I think many of us in this room are also passionate about buses and public transport in general, I think that's really good. This report, particularly the Steer report, leaves me with a lot of questions and a lot of concerns, though....I think firstly, Leon, the Steer report outlines essentially the limitations that were put on you for this and therefore the results of that. I believe that maybe

you can confirm exactly what the limitations were. I believe it was that there was no rise in Mayoral Precept at all. not even in line with inflation, and that there was no significant borrowing.

Response: Leon Daniels: That is correct.

Question/statement from Cllr Alex Beckett continues: And that that leads to, unless other action is taken, roughly a 38% reduction in the number of services, and an 18% or 19% reduction in mileage. That is obviously very concerning to me. While I very much support franchising, it is interesting to see the wording that this isn't due to franchising, this is just the financial situation for buses. That is deeply concerning to me because so many of our residents rely on buses, and buses are so important for so many people across our county. Even if you don't take the bus, they are still really important to you for reducing traffic, reducing everything else. Buses really are vital.

I wondered though whether you could outline for us what a good network looks like. What would other local areas would spend; what would TfL would spend on subsidising public transport compared to we do? I think there are good examples in the UK? What are other places spending? What would we need to give different levels of bus services, either keeping what we have now or a give large increase in bus services.

Response Leon Daniels: It is fair to stay that in London where it's been the policy really since the very first Mayor Ken Livingstone in 2000, that he was prepared to put significant amounts of money into the public transport network in general and buses in particular because he knew it got people to work, got people to find work, got children to school. It lubricated the economy, especially the businesses, restaurants and bars and so on in the evening..... That was a political decision which continues to persist now.

London has a policy of every resident living within 400m of a bus stop and a particularly cheap fare policy - children under 11 are free of course. And the effect of all of that is that the difference between revenue and cost is about £1 billion a year. That's the difference. I'm not using the word subsidy. It's the difference between revenue and cost. There has been compulsory competitive tendering in London since the mid 1980s, and so broadly everything that can be extracted out of the system by competitive tendering has been done so. The Mayor chooses to run the system on that basis because he believes the benefits accrue to other parts of the London economy, and that's a view he's perfectly entitled to have.

Franchising in other parts of the country is in its very early stages. Manchester is the longest operating one. Manchester makes quite a lot of noise about growth. It's awfully quiet about the costs. It's not very possible to see what that looks like, and franchising is gradually being rolled out in the other major conurbations.

The situation here doesn't really have much comparison with the other urban areas because they are large cities where there is a huge density of population and so on. What we are talking about here are Cambridge and Peterborough, which are two quite different sorts of places and a lot of rurality in and around it. You don't need me to describe your area to you. But it would be fair to say that globally it is unusual to find any public transport network operating without public funds.

Question/statement Cllr Angus Ellis (Labour, Peterborough City Council): I am pleased to see this come back to this committee. The decision was made back in February 2025 to do bus franchising. For me, personally, I would rather like to see buses back nationalised. Bus franchising is a kind of a halfway house which gives us a bit more control on routes, by being able to franchise routes we

feel should be the priorities. So I'm pleased we've got where we are. It is a huge report....there are a number of questions and comments I want to make.....

For me, bus franchising is something that is there, but should be there to improve services: make service improvements, or, going forward, having ambition around bus provision for CPCA. I do worry that there have been limitations on this and it feels as if, to a certain extent, it's a lighter version of what was originally proposed back in February 2025. Limitations being the reluctance to look at the Mayoral Precept where we were saying that we're freezing it, which I think is unsustainable, not just around bus franchising but generally. Also I think there may be a need for some borrowing in the future, though I would be reluctant to do too much borrowing because of the costs etc.

I think the report that you put out gives a number of things we need to look at. I'll go through those now. For example we're looking at a phased approach. Now I don't disagree with looking at a phased approach to make sure we're doing it in a considered way. We're not trying to overload ourselves by doing a big bang approach all at once; the phasing is looking at doing it in areas. A phased approach but I kind of agree with it, but I just hope that the phased approach isn't so that we're going too far down the line looking at improvements and changes.

I'm also concerned, as Councillor Beckett mentioned, around possible effects of things....where we've got limited financial envelope. Could that impede us from looking at things like the bidding to cover the costs of services, across a border, especially those perhaps for which aren't so popular, for example some of the ones in the rural areas.

There's also Within the reports let's talk about fleet, the options on that..... Some of the other things are obviously there's different options around how we bring it in and how we link the current contracts and then the new contracts.

Response Leon Daniels: Councillor, I think the only thing I can usually say, because this would mostly comment rather than the question you said that you personally would like to go the whole hog for full nationalisation. I would just say that the recommendations of report involve the Authority owning the buses, depots and options on opening fleets. If you own the property and the vehicles, that's as close to nationalisation as I think you might reasonably get under the existing legislations. Really, just to reiterate what I said earlier, the Authority would be receiving requests from commercial bus operators for more money as a result of the decline in any case. The advantage of franchising is that it brings it under your control. You can make the value-for-money, decisions relating to social value, decisions relating to mobility of groups, prices, and so on. You can make all those decisions yourself, and in fact you did say, the Authority will be able to prescribe the routes and the fares and types of buses used within the proper franchising mechanism, so it gives the Authority significant control.

To your point, I said this earlier: the phased approach is so important. A feature of public transport, unlike retail - if you double the price of cornflakes and nobody bought them, and you halved the price of cornflakes, people carry on to start buying them again. In the case of public transport, if you lose passengers, simply turning things back to how they were, they don't necessarily all come back because they made other arrangements. That's why we recommend this careful approach: make sure we gather the data, make sure that we have pressure tested, if you like, the value of the services and so on. It is, to my great frustration that it can't be done very quickly, but it will be very unwise to do so. I take your point that the downside of the phased approach is that some of the

benefits might be some way downstream because of the phased approach, but I'm certain that that's a much better position than crashing the network or doing it too quickly.

Question/statement from Cllr Tim Bick (Lib Dem, Cambridge City Council): I've always been in favour of franchising. But it never seemed to me like it was going to be a panacea. And it was going to need to be viable, to be accompanied by sustainable funding on top. What it looks to me that we're envisaging here is really the benefit of franchising to manage decline. I get that it's better to manage decline from greater control, but it still looks like decline. I just think that we need to optimistically look at this report as a way of validating or not the political constraint that's been put around funding, because if that doesn't happen then it's a very pessimistic outlook indeed. I think it will provoke more inequality in parts of the population that rely on buses to get to jobs, education, and so on - lower income groups. I think this is really a pessimistic thing. If we see this as all there is to it, obviously doing this gradually and a soft landing makes sense if that's how it pans out, but I think the greater value of this should be that the political constraints are challenged, because this is really not what I think any of us thought bus franchising ought to be achieving.

Response Leon Daniels: The councillor summarises the position exactly. It was the limitation placed around the construction of the report...as with everything, there's a public envelope we have to work around.

Question/statement Cllr Mark Lunn (Liberal Democrat, South Cambridgeshire District Council): I think there is a risk here that the managed decline will end up blamed on franchising. We've got to franchising and the network has declined, therefore it will go to franchising as the mistake. Whereas actually it's funding that is the challenge here and how we fund franchising. I think we need to be very careful on this matter.

Question/statement Cllr Alex Beckett: ... I do find it slightly strange that we are projecting, in the essence, an increase in bus fares by inflation plus 1.58% but not increasing any public subsidy of it. What I was wondering was whether you might be able to flesh out a little bit more for us about what happens if you don't increase public subsidy.... It talks about passenger mileage decreasing and routes decreasing, about how that would happen and how you would manage that, but also then the other options available that can help try and protect it. There's a lot of talk in here about bus priority. What exactly would be needed in the way of bus priority to protect the service at its current investment levels? And also whether you could flesh out... if you haven't been given that as a bounds...that's obviously a political question. It would it be really interesting for us to understand that if you took that political imperative away, what would you need to put it to maintain the bus network in its current state, or what would you need to put it to do something else as well? I don't know whether you flesh out...

Response: Leon Daniels: Maybe I can give you a good example from [Professor David Begg](#), who calculated for London that the shortfall between revenue and cost was roughly equivalent to the cost of congestion. That is to say, if you removed the congestion, you would do what 9,000 buses currently do, with about 5,000 buses, because they would move more quickly and because they would move more quickly the service would be more attractive, and more people would use them because the service is more attractive. Therefore, the congestion alone was equal to the amount of difference between revenue and cost. I can't highlight enough that one of the reasons why there was a decline....There are also reasons why there was a decline in public transport, everything from the consequences of Covid to everything to do with different sorts of work patterns, the general collapse of high streets, more on high shopping and so on - but a key one is the unattractiveness of the speed of the service, because in some urban areas, frankly, bus speeds

have dropped below walking pace, because assuming you're down to 4 mph, you can walk it anyway. And secondly, it's unattractive, and people are making other sorts of journeys and doing things differently.

So bus priority and bus speeds is a key element in making the service more attractive, and all the evidence in the city generally and in other areas is that where the bus gets priority. The beautiful sight of a bus running up the inside of a lane of stationary cars is not lost on the occupants of the cars. You realise it don't you.

I've really just pressed the point that you can arrest the decline and even grow the market if we've got faster bus speeds, and those faster bus speeds are not as fast but more consistent. The consequent choice between reinvesting the resource in more services, or saving resources and saving the money, both of which are choices that we can make. Hopefully that sets out what I would consider to be a commendable thing to try and do.

Cllr Alex Becket statement/question: So what you are saying is that to maintain the service, we either need to increase the investment to be able to have more vehicles, or we need really radical bus priority measures to be able to have that running past cars. You are talking about a fairly significant choice there.

Leon Daniels response: Just to be clear, just adding resource to an ever slowing service is managing decline in its own right, because passenger ridership is going down because it's not very attractive. The cost of providing it's going up because you've got more resources. That's the principal reason why a blend of all known bus priority measures, which includes selective control of traffic signals, the provision of bus lanes and other things that technology can do that basically makes the service more reliable, more dependable and faster, is all very important.

Real-time information at stops, which you're familiar with as well, of course, is super helpful. Although it can actually be revenue reducing. If you can walk it in ten minutes and the next bus is in fifteen, then you probably don't get on the bus, you probably walk in. Whereas before there was real-time information, you'd stand at a stop and take your chances, so sometimes it's like that. In general, all this information and technology is good for the ridership but your point is exactly so. Just adding resource does not make the product more attractive for sure.

Cllr Chris Boden (Conservative, Fenland): Franchising is essentially a financial and operational mechanism. What it doesn't take into account, what has to be thought about - whether in the context of franchising or otherwise - is the technological change that there will be in transport over the next 10, 20, 30 years, and particularly that sort of timescale of what we're talking about here, and particularly the reductions in cost and the increases in flexibility. The possibility of public transport being/utilising autonomous vehicles. Now hasn't formed part of your report because it's not to do with franchising itself, but that would, I'd suggest, you like and I'd our comment that would significantly change the choices which can be made under franchising. I wonder if you just care to speculate in the future about how that could be advantageous to us.

Leon Daniels response: I'm very happy to do so, enjoying as I did in San Francisco, my ride in a Waymo, which, by the way, is much safer and much more sedate than the crazy Mexican who drove me from the airport, who was in every lane, shouting and hooting and so on. It is my guess that autonomous vehicles, a sort of robo-taxi, something in perhaps the six or eight, ten-seat area, is likely to make its first appearance at railway stations in more rural areas where there isn't enough demand for regular bus services, where there isn't even demand for a taxi service. These

autonomous vehicles will take small groups of people - 5s or 6s - from those railway stations to where it is that they live. Those jobs are probably done now by car. The first place where we will see autonomous vehicles is not in urban city centres. It will be in local areas where, frankly, the only mapping information that the vehicle will need is locally....

You are right entirely, Councillor, that in all forms of public transport, the biggest cost is the driver. And for the bus, that is about 50% of the overall cost. I'm not saying in any way we're about to see autonomous full-size buses, but there is no doubt that the removal of the driver takes away a significant amount of cost. You've got some issues with the social costs of employment, but although there's nothing to do with franchising, you are right to raise it Councillor, because it will materially affect what the role of mass public transport is in 20-30 years' time.

As one further observation, at the moment we tend to think very rigidly of vehicles on roads and people on pavements and in buildings, there is no stopping your small autonomous bubble taking you in the M&S rather than dropping you at the front door, so this whole segregation of vehicles and pedestrians and so on is likely to become blurred in the same way we've seen over the years the blurring between cycling, e-bikes, electric scooters, electric motorbikes, and so on. Technology is using a range of products where they're just one or two. You are right to raise it because, during the lifetime of franchising, there will be a material change in the way in which autonomous vehicles are part of the mass transit public transport mix.

And finally, if you could give me 30 more seconds, Councillor, I leave you with the thought that if every vehicle here in Huntingdon was autonomous, when you left here and pressed the button to cross the road, would you wait for the green man or would you step out in front of the autonomous vehicle which you know is going to stop?

Question/statement Cllr Boden: That's an interesting point. I take issue with one word you used there. When you said you were giving us your guess. I would say your guess is equivalent to most of our informed opinions, so I'm really grateful that you did give that thought into the future, because it will materially change the way in which public transport, to the advantage of public transport.

I personally see that in 10-20 years' time there will be a greater economic and convenience reason for people no longer to have private cars, but to utilise what's publicly available in terms of autonomous transport [indistinct]...

Leon Daniels: I think it's very likely, councillor, because the advantage that the private car has is that whereas public transport is from somewhere near home to somewhere near where you want to go - and...whereas the bus drops out of your psyche the moment you get off it, whereas with the car you have to park it. The autonomous vehicle will drop out of your mind as well,; you can get off at your destination and off it will go.

There are some issues for you to consider as part of this in the future. We've been concerned about single occupancy vehicles for many years and we need to be concerned about zero occupancy vehicles in the future, related to congestion. But I'm sure you are right that the flexibility will be welcomed by users and people will not own their vehicle.

Cllr Chris Boden: I was given the responsibility for strategic planning for 2050 [by James Palmer]. I made the point that I thought the private vehicle would have very little place by 2050. There is a lot of rejection of that idea, but things change and things are changing at a rapidly increasing rate. We

in this Committee and in the Combined Authority have to be aware of the likely effect that those changes will have. We've got to be careful not to plan for the past. We need to plan for the future.

Leon Daniels: And may you and I live long enough to see it.

Cllr Chris Boden: Absolutely.

Cllr Angus Ellis: Taking on your point about planning for the future. I do have a keen interest in buses. In Peterborough City Council we did it in terms of consultation on what we'd like to see put forward for bus franchising from a Peterborough perspective. Now some of that is a wish list. Some of that may not be covered by bus franchising. We've spoken about bus lanes and the other things Peterborough doesn't have. It does have some bus lanes but it doesn't have park-and-ride for example. So some of this will be covered by bus franchising, but more generally. But there is an expectation that bus franchising could perhaps meet some of those....It's about how perhaps some of the aspirations can be met through bus franchise improvements as well as just the existing ones. I'll be interested in perhaps getting down to the nitty gritty....perhaps in the next part of the meeting

I'm ambitious and I don't want to be pessimistic. I want to be optimistic, so I want to take your optimism from this....The fact that we're looking at new bus depots...Bus franchising, it's like a computer. It's as good as it is programmed - let's forget about AI for a second. Bus franchising is a tool to bus services. Decisions about how that tool is used are made by the Mayor, by the Combined Authority, by how they do it. What happens outside of that is a consequence of decisions made of how to use bus franchising. So bus franchising, I think it's a great thing, but I just worry about the underuse of it or the underfunding of it, so I think this has got to be an up-and-going discussion that will be raising going forward. Thank you.

Leon Daniels: Councillor you are right, and there are other exogenous factors. Government interference doesn't always help. So for example, as you know, there's a £3 adult fare cap at the moment, previously under the previous government £2. One of the drawbacks of an arbitrary cap is that it has, in the past, stopped the operators from providing superior services because they can't charge any more for it. Therefore, you can't help, in a regime where the price is capped, to force down costs. We know amongst the objections that people have for travelling by bus, is the humble bus stop and shelter. I photographed a number in the Peterborough suburb of Bretton, which probably counted for the most bus shelters in humanity.

Cllr Angus Ellis: I live in Bretton

Leon Daniels: I'm sorry, I didn't know that, but you know what I'm talking about. That waiting environment is very poor and doesn't do anything to attract people. Whilst this is not a direct requirement of franchising, in the current commercial regime where the operators are not allowed to charge more money for improved quality (whether it's leather seats, air conditioning, or a better waiting environment and so on), everything is down to cost. That means all the soft hygiene factors are going to be being worn away. The Authority will have the opportunity to change that as part of improving the prospects.

Cllr Alex Beckett question/statement: I do think I need to say publicly that if we see the level of reduction in services that are currently predicted - that's not due to franchising or not franchising, that's due to investment and congestion, as you've laid out Leon. But If we see a 38% reduction in services over the next ten years, then I think we, as a Combined Authority and as a Mayor, will

have failed. I don't think we can see that level of reduction of services. Our bus services are vital to so many of us and so many people, particularly those most vulnerable. Therefore I think it's incumbent upon us as a Combined Authority and as the Mayor to really work as hard as we possibly can to reverse that and to make sure that we see a growth in public transport.

I know the Mayor is very keen on MRT. That obviously will also require some subsidy. I don't think there's any other MRTs that function without having large degrees of subsidy. I do think we need to be willing to examine this incredibly seriously and look at all the possible options, because for me it's simply not tenable to have our public transport reduced by the same quantity as it is predicted - be there self-driving vehicles or not - I hope that they might improve things. It just needs to be realistic that these services are essential to so many people across our county and we need to focus on that...

Cllr Angus Ellis question/statement: I think decisions made now - they can be reviewed and re-examined around funding and business. The Mayor can choose if he so wishes - if he sees a need which I think there is - to look at the level of the Mayoral Precept in relation.... put it in a ringfence... I think the public would understand that. This is needed to improve services which bus franchising gives, but we need to put a little bit more money. .

The Mayor has the opportunity to look at this in the near future, to look at how things and look how it's progressing. Perhaps look at that and other ways of increasing the funding envelope, because I think the funding envelope is partially empty. I think we need more funds to be able to fund this. This is great, but we need a bit more money to make it work better.

Leon Daniels response: I would say that the advantage of the model that we propose in this report will allow any Mayor in any economic circumstances at any time to turn up or down what it is he or she chooses to do. Franchising is a mechanism by which, ... as I described earlier. Ken Livingstone concluded in London that social benefits were easily worth the subsidy that he provided, and franchising has, in its lifetime, squeezed out inefficient public subsidies. It has been used to hold down a ballooning pay bill. It's been used to add resource to the network in a time-efficient and an economically efficient way in order to provide it... The franchising mechanisms allow the people in charge - the democratically elected people in charge - to play many tunes, in terms of what it wants to deliver.

Leon Daniels OBE, presenting the Independent Review of Implementation Pathways for Bus Franchising Scheme to Cambridgeshire and Peterborough Combined Authority Transport Committee, 17 June 2026. View the [Agenda reports pack](#) for full details of the report, in Agenda item 18 (pp 505 -726). The webcast of the meeting can be found on the [Transport Committee, 17 June 2026](#) page. Leon Daniels speaks and answers questions from around 2hr 55 min.