

The West Yorkshire Combined Authority Franchising Scheme for Buses 2024 Service Permit Policy Statement

The Franchising Schemes (Service Permits) (England) Regulations 2018 Regulation 3(2)(d)

1.1 Introduction

Following the making of the West Yorkshire Franchising Scheme for Buses (the **Scheme**), the West Yorkshire Combined Authority (the **Combined Authority**) will become responsible for the arrangement and operation of local bus services West Yorkshire through the phased introduction of bus franchising between Quarter 2 2027 and Quarter 4 2028.

‘Local services’ that are not provided as part of the franchised network, not excepted from the franchised network or are not an interim service (as defined in s.123O of the Transport Act 2000) will require a Service Permit to operate within West Yorkshire once the Scheme becomes effective.

A **‘local service’** has the meaning given to it by Section 2(1) of the Transport Act 1985 and is **where a public service vehicle is used to carry passengers by road at separate fares**. The route can be of any overall length if a passenger can alight within 15 miles of where they boarded (and there is not a point on the road between those places which is more than 15 miles away from either of them).

School, college, works or other special services may be local services and require a permit, even if they are free services, in accordance with the definition of separate fares given by the Public Passenger Vehicles Act 1981. However, free services where there is no payment of separate fares on behalf of users e.g. supermarket services, are not local services, and do not require a permit. Services are not a local service and do not require a service permit if all the following conditions apply:

- someone other than the operator or their agent is responsible for arranging the journey and for bringing the passengers together;
- the journey is not advertised beforehand to the public;
- all passengers travel to or from the same place (e.g., to a school or factory) or in the case of a tour, all passengers must be carried for the greater part of the journey; and
- passengers pay the same fare no matter how far they travel.

Services to schools within West Yorkshire that are not available to the public, often referred to as “closed” services, are exempt from the franchising scheme and do not require a service permit, but services to schools which are not listed in the Scheme

but are “open” to the public would require a service permit. Services operated under a permit granted under either section 19 or 22 of the Transport Act 1985 also do not require a service permit.

Local services operated where a railway service has been temporarily interrupted are expressly excepted from the Scheme and therefore do not require a service permit. In addition, local services operated under an agreement with a tramway or railway operator where a service has been temporarily interrupted are entitled to operate under section 123J(5)(c) of the Transport Act 2000 and therefore do not require a service permit.

If applicants are unsure whether they require a service permit, they should contact the Combined Authority’s Bus Services team (see contact details at the end of the document) for advice. If it appears to the Combined Authority that a person is operating or has operated a local service in contravention of section 123J(3) of the Transport Act 2000 and in operating that local service, that person is failing or has failed to take all reasonable precautions and to exercise all due diligence to avoid contravening section 123J(3) of the Transport Act 2000, the Combined Authority must inform a Traffic Commissioner.

1.2 The Statutory Test

The criteria that must be satisfied if a franchising authority is to grant a service permit is set out in section 123Q of the Transport Act 2000*.

Under section 123Q(5) of the Transport Act 2000:

The franchising authority must grant the service permit applied for if it is satisfied that—

- a) the proposed service will benefit persons making journeys on local services [which have one or more stopping places] in the area to which the scheme relates, and**
- b) the proposed service will not have an adverse effect on any local service that is provided under a local service contract in the area to which the scheme relates.**

[The franchising authority may not grant the service permit applied for if it is not satisfied as to the matters in both (a) and (b) above [unless the criteria under either section 123Q(5A) of the Transport Act 2000 or section 123Q(5B) of the Transport Act 2000 as set out below is satisfied:]]

[Under section 123Q(5A) of the Transport Act 2000:

If the application is for a service permit for a cross-boundary service, the franchising authority may grant the service permit applied for if it is satisfied that—

- a) the benefits to persons making journeys on the proposed service will outweigh any adverse effect on any local service that is provided under a local service contract in the area to which the scheme relates, or**

- b) the benefits of the proposed service to the economy of the relevant area, or to persons living in that area, will outweigh any such adverse effect.**

Under section 123Q(5B) of the Transport Act 2000:

If the application is for a service permit for a service that is not a cross-boundary service, the franchising authority may grant the service permit applied for if it is satisfied that the benefits of the proposed service to the economy of the area to which the scheme relates, or to persons living in that area, will outweigh any adverse effect on any local service that is provided under a local service contract in that area.]

*The tests shown in this section are reflective of the updated legislation following the enactment of the Bus Services Act 2025 and are due to become active before the West Yorkshire Service Permit Regime becomes active in September 2026.

Service Permit Application Procedure

1.3 Before you Apply

Applicants are advised to check that the proposed route and timetable for a bus service is achievable at all the times of day it is intended to run. It remains the responsibility of applicants to ensure that sufficient resources will be available to provide the service and to consider the overall feasibility, viability and safety of the service before applying for a service permit, including the ability to operate the proposed vehicles along the route. Applicants should also ensure an appropriate level of service is proposed to fully fulfil its purpose, including the operating hours and days of operation.

Applicants are strongly encouraged to speak to the Combined Authority's Bus Services team, in confidence, at least **21 calendar days** before submitting an application to discuss their proposals, particularly where the application includes operation along roads not currently served by buses. This is to ensure that any infrastructure issues can be considered and taken into account by the Combined Authority in determining whether the statutory requirements are met, as this may require the Combined Authority to apply additional conditions or engage with the operator to ensure that they are proposing to provide a service on an appropriate route.

It is through this pre-application engagement process that the Combined Authority and operators will discuss (amongst other matters) the details of the proposed service, such as the route, stopping points and frequency, working together to address any issues which may give the Combined Authority cause to refuse the service permit on application.

1.4 When to Apply for a Service Permit

An application for a new service permit should be submitted at least **70 days (10 weeks)** before the proposed '**effective time**'. The '**effective time**' means the beginning of the day on which a local service may first be provided under the service permit.

If there is a specific need for a service to begin sooner than this, a permit may be granted at fewer than **70 days** at the West Yorkshire Combined Authority's sole discretion.

In particular where the Traffic Commissioner would be entitled to exercise their discretion to allow for a short notice registration under regulation 7 of the Public Service Vehicles (Registration of Local Services) Regulations 1986, then the Combined Authority would also be able to determine that the period for application of the service permit could be reduced to enable that short notice application to be made. Applicants should note that the Combined Authority will retain discretion as to whether to shorten such time periods and applicants should therefore ensure that they provide details to the Combined Authority as to why one or more of the reasons specified in regulation 7(2) of the Public Service Vehicles (Registration of Local Services) Regulations 1986 apply to the relevant service.

By reflecting the short notice provisions that apply to a registration with the Traffic Commissioner the Combined Authority seeks to ensure that the service permit process will not adversely affect any required short notice registrations where these apply on a cross-boundary route, provided that such services meet the requirements for a service permit and satisfy any conditions attached to the service permit.

Services operating under a service permit must be registered with the Traffic Commissioner in accordance with section 123J(4A) of the Transport Act 2000, however the Combined Authority may choose to grant an exemption from the registration requirements to any local service (or class of local services) which are provided under a service permit, in which case the requirements to register that local service (or class of local services) with the Traffic Commissioner would not apply. In the case of services which enter West Yorkshire from neighbouring areas, the sections of services outside West Yorkshire must be registered with the appropriate Traffic Commissioner as appropriate, and if the Combined Authority has not granted an exemption from the registration requirements in respect of that service or a class of services that that service falls into in accordance with section 123J(4A) of the Transport Act 2000, the section of the service that operates within West Yorkshire must also be registered with the Traffic Commissioner. It is recommended that a service permit is obtained before registering sections of services outside of West Yorkshire. Where a franchising scheme is in operation in a neighbouring area, we welcome conversations with applicants to discuss any differing requirements which are imposed in relation to the relevant service in such neighbouring areas prior to an application for a service permit being submitted[, and the Combined Authority will engage with neighbouring Local Transport Authorities in respect of the same as required].

The 70-day notice period allows for the service permit application to be completed prior to such registration whilst continuing to comply with the standard periods for registration with the Office of the Traffic Commissioner. The Combined Authority will liaise with the neighbouring Local Transport Authorities and the Office of the Traffic Commissioner, where appropriate, to ensure proposed start dates meet the requirements of all parties as far as possible.

1.5 How to Apply for a Service Permit

Applicants must complete an application form which can be obtained from **www.wymetro.co.uk/servicepermits**. Applications should be made to the Combined Authority's Bus Services team via a dedicated Combined Authority service permit application email address **Service.Permits@westyorkshire-ca.gov.uk** with an invoice payment system for the accompanying fee (see 1.7 below). Should you require an alternative method of applying for a service permit, please contact the Combined Authority's Bus Services team to discuss.

1.6 Information to be submitted with an application for a Service Permit

In addition to the information required in the application form, applicants must also submit the following information with their application:

- a) A list and map of the full route that the proposed service will serve, this can be the same map as provided previously if this relates to a service which was operated as a tendered service before the introduction of the Scheme
- b) A full list of the proposed stops, stands, and terminal points (both inside and outside West Yorkshire as applicable)
- c) The proposed service number or name
- d) The proposed start date for the service, and if relevant, an expected end date (for short term service permits)
- e) A full timetable, including days of operation, or a relevant TransXchange file that supplies this information
- f) If applicable, confirmation that any proposed bus station site access and departure slots at a Combined Authority bus station or city centre stop have been reserved with the relevant bus station beforehand
- g) The commercial fares that will be charged and any operator or other tickets that would be valid or available on the service in addition to the fares and tickets which will be valid or available on franchised services within West Yorkshire
- h) Details of the vehicle(s) type(s) to be used on the service, including their age, accessibility, seating and total capacity, and emission standards

The above information is to ensure that the Combined Authority has sufficient information to apply the statutory tests and consider what, if any, conditions should be attached to the service permit. The service permit will relate to the service as described in the application form and accompanying information, so care should be taken to ensure that this information is correct, to ensure that the service permit allows operation of the service by the operator once a service permit has been granted.

Whilst the Combined Authority may specify the description of the service in the service permit to allow for minor deviations without the need to apply for a new service permit, the scope of such deviations, if any, will be at the Combined Authority's discretion, due to the need to ensure that any permitted service meets the statutory tests.

Any omissions or inaccuracies in the application information may delay the Combined Authority's ability to consider a service permit application or result in the application being refused. It is particularly important that the application includes full details of the route and ALL of the proposed stops, stands, and terminal points. This will require engagement with the Combined Authority prior to the application being submitted if the application includes roads not currently served by buses (see 1.3 above).

1.7 Application Fee

Applications for new permits, or renewals of permits, should be accompanied by a non-refundable fee of £185.

Applications that relate to the variation of an existing permitted service should be accompanied by a non-refundable fee of £90.

Any failure to pay the application fee may delay the Combined Authority's ability to consider a permit application.

There will be no charge for cancellations of an existing permitted service.

The Combined Authority will review the service permit fees on an annual basis.

Details of the online payment system for payment of the application fee can be found at **www.wymetro.co.uk/servicepermits**.

If an application requires alteration once the fee is paid this can be done at no additional cost but could cause the application to take longer to assess.

Where applicable, the fee shall be waived for services contracted by the Combined Authority, or on behalf of a charitable or not for profit organisation.

1.8 The Period of Validity of Service Permits

A Service Permit will normally be issued for a specified period of up to **five years** where it is considered that the relevant statutory test set out in 1.2 above will be met for that period of time. The period of five years aligns to the minimum franchise contract length. Options to extend the five-year service permit without submitting a renewal by an additional two years (in one plus one year increments) may be available as long as the service in question continues to meet the statutory tests as set out in section 1.2. This will be solely at the Combined Authority's discretion.

Service permits will be **non-transferable** between operators or service routes but it is acceptable for any vehicle owned or operated by the operator named in the permit to be used to operate the permitted service provided that such vehicle(s) meets the conditions stipulated within the relevant service permit.

The Combined Authority may issue a service permit for a shorter specified period of validity where it considers that the requirements referred to above may only be met for that shorter period, and such service permits may be issued for any period of validity which is less than five years, as is deemed appropriate, to minimise the need to revoke service permits. The Combined Authority may also, at its discretion, issue service permits for a specified period of validity which is less than five years where requested by an applicant in extenuating circumstances. It is expected that applicants will stipulate the length of time they wish their service permit to be valid for, and the Combined Authority will give due regard to this request during the application process.

Where a service is being provided under contract to a Local Transport Authority, the period of validity of a service permit may be aligned with the expiry date of the contract to provide the service (a specified period of up to ten years).

A service permit will no longer be valid once the specified period of validity has expired and a new application will be required should an operator wish to continue to operate the local service in the franchised area.

1.9 The Period of Time within which a decision will be made on an application for a Service Permit

The decision whether to grant or refuse the application will be taken by the Combined Authority, which will grant or refuse a service permit application by applying the criteria set out in section 123Q of the Transport Act 2000 (see 1.2 above).

The period within which a decision will be made on an application will be **28 days**, starting with the date on which the application is received.

To inform the decision-making process the Combined Authority will discuss the application for any cross-boundary service with the relevant neighbouring Local Transport Authorities. The Combined Authority may also discuss the application with, and request information from, one or more of the following stakeholders:

1. Highway Authorities
2. West Yorkshire Police, in relation to new routes or infrastructure
3. The Office of the Traffic Commissioner
4. Neighbouring Local Transport Authorities if relevant
5. Any other person or body considered relevant by the Combined Authority

Applicants will also normally be notified of the outcome within a period of **28 days** beginning on the date the application is received. This notification may also include the Combined Authority's written reasons for the decision (if required) but if not, such reasons will be provided in accordance with the statutory timescales set out below:

- a) If the Combined Authority grants a service permit with conditions, it must give notice of its reasons for doing so to the applicant within a period of **14 days** beginning with the date on which it grants the service permit with conditions

- b) If the Combined Authority attaches conditions to a service permit after it has been granted, it must give notice of its reasons for doing so to the holder of the service permit within **14 days** beginning with the day on which it attaches those conditions. Discussions with operators will be held in these circumstances.
- c) If the Combined Authority does not grant a service permit it must give notice of its reasons to the applicant within a period of **10 days** beginning with the date on which it decides not to grant the service permit.

Applicants should identify any information in their application which is commercially sensitive so that in seeking the information referred to above the Combined Authority can, if necessary, seek appropriate confidentiality undertakings from such stakeholders.

1.10 The period of time between the date on which a service permit is granted and the 'effective time'

The '**effective time**' of a service permit means the beginning of the day on which a local service may first be provided under that service permit.

The period of time between the date on which the service permit is granted and the effective time shall generally be **42 days**. This period is consistent with the requirement that applications should be submitted at least **70 days (10 weeks)** before the proposed 'effective time'.

However, where the Traffic Commissioner would be entitled to exercise their discretion to allow for a short notice registration under regulation 7 of the Public Service Vehicles (Registration of Local Services) Regulations 1986, then it is intended to reserve the right to determine that the period for application of the service permit should also be reduced to enable that short notice application to be made. Applicants should note that the Combined Authority shall retain discretion as to whether to shorten such time periods and applicants will therefore need to ensure that they provide details to the Combined Authority as to why one or more of the reasons specified in Regulation 7(2) of the Public Service Vehicles (Registration of Local Services) Regulations 1986 should apply to shorten the period of time from when the service permit is granted to the effective time.

1.11 Publication

Where the Combined Authority grants a service permit such service permit will be granted in writing and will include:

- a) Any conditions attached to the service permit;
- b) The date on which the service permit is granted;
- c) The effective time; and
- d) The period of validity and expiry date of the service permit.

The Combined Authority shall send a copy of the service permit which includes the above information to the applicant and to the Office of the Traffic Commissioner. The

appropriate neighbouring Local Transport Authority (or Authorities) will also be notified in cases of cross-boundary services.

Details of permits granted may be published online no earlier than **42 days** before the effective time.

1.12 Making changes to, or withdrawing a local service

Operators may vary or withdraw a local service which is subject to a service permit, subject to providing at least **56 days ('8 weeks')** notice to the Combined Authority before the changes or withdrawal proposed can take effect.

Where, in the Combined Authority's opinion, a proposed change is not substantive, such as minor timetabling or punctuality changes, these may be permitted where the Combined Authority agrees to such changes following the operator requesting permission to alter the permitted service by contacting the Combined Authority. In such cases, a further service permit application will not be required, however any such changes will be required to align to a West Yorkshire service change date where possible to do so, and will take effect at the next West Yorkshire service change date to occur following confirmation from the Combined Authority that such changes are acceptable and provided, in all cases, that the relevant criteria set out in section 123Q of the Transport Act 2000 will continue to be satisfied by the permitted service.

Where a proposed change relates to a cross-boundary permitted service, where service change dates differ between the relevant Local Transport Authority and the Combined Authority this may be permitted upon consultation with the Combined Authority.

Where a variation requires updates to the service permit as the change is, in the Combined Authority's opinion, substantive, for example due to major timetabling or route changes, this will require a further service permit application to the Combined Authority, which will be subject to the **70-day** application period set out in 1.4 above. Service permit holders are strongly encouraged to speak to the Combined Authority's Bus Services team beforehand to confirm whether a variation to a local service will require a further service permit application.

As noted at 1.10 above, the Combined Authority has discretion to shorten the period of time for registration to take effect in circumstances where the Traffic Commissioner would be entitled to exercise discretion to shorten the notice period for registration, such discretion would also apply to shorten the notice period for changes proposed to permitted services to take effect in those circumstances and it is intended to reserve the right for the Combined Authority to determine that the period of time for any such changes to take effect should be reduced.

However, these circumstances and the decision as to whether short notice may be applied remains at the discretion of the Combined Authority.

1.13 Revocation and Suspension of Service Permits

The Transport Act 2000 and the Franchising Schemes (Service Permits) (England) Regulations 2018 allow for service permits to be revoked or suspended and set out the grounds for doing so, and the procedure to be followed as set out below.

A permit may be revoked or suspended by the Combined Authority in the following cases:

- a) If the service no longer complies with the requirements of section 123Q(5)[, section 123Q(5A) or section 123Q(5B)] of the Transport Act 2000, which provide:

Under section 123Q(5) that a franchising authority must be satisfied that:

- The proposed service will benefit persons making journeys on local services [which have one or more stopping places] in the area to which the scheme relates, and
- The proposed service will not have an adverse effect on any local service that is provided under a local service contract in the area to which the scheme relates

[Under section 123Q(5A) that, in relation to a cross-boundary service, a franchising authority must be satisfied that:

- the benefits to persons making journeys on the proposed service will outweigh any adverse effect on any local service that is provided under a local service contract in the area to which the scheme relates, or
- the benefits of the proposed service to the economy of the relevant area, or to persons living in that area, will outweigh any such adverse effect.

[Under section 123Q(5B) that, in relation to a service which is not a cross-boundary service, a franchising authority must be satisfied that:

- the benefits of the proposed service to the economy of the area to which the scheme relates, or to persons living in that area, will outweigh any adverse effect on any local service that is provided under a local service contract in that area.]

- b) If the holder of the service permit has failed to comply with a condition attached to the service permit; and
- c) If the public would be endangered if the service continued to operate (in which case the service permit may be revoked or suspended with immediate effect).

Where the Combined Authority decides to revoke or suspend a service permit, it must give written notice of its decision to the holder of the service permit. That notice will include:

- The grounds on which the service permit is being revoked or suspended
- The date on which the revocation or suspension of the service permit is to take effect; and
- The effect of the suspension or revocation

Where the service permit is suspended, the notice must also include:

- The measures the holder of the service permit must take to have the suspension lifted
- The date on which the suspension will cease to have effect if the holder of the service permit takes the measures referred to above; and
- Any arrangements for the suspension to be reviewed.

Where a service permit is revoked or suspended, the date on which the revocation or suspension is to take effect will be 56 days after the date on which the notice is given. If the service permit is being revoked or suspended on the basis that the public would be endangered if the service continued to operate however, the Combined Authority may revoke or suspend the service permit with immediate effect (in which case the service permit will no longer be valid from the date notice is given by the Combined Authority).

1.14 Right of Appeal

Before considering whether to refuse an application for a service permit or attach conditions to a service permit, the Combined Authority will take reasonable steps to discuss with the applicant and affected authorities to try and resolve any conflicting issues.

An applicant may appeal against a refusal to grant a service permit or against the attaching of any conditions to a service permit. An applicant may also appeal against the revocation or suspension of a service permit. Such appeals are to be made to the Traffic Commissioner. Further information on the appeals process can be obtained from Traffic commissioner appeals - Franchising service permits -GOV.UK (www.gov.uk).

A person, or the Combined Authority, may appeal to the Upper Tribunal against a decision of a Traffic Commissioner.

1.15 Further Information

For further information, please contact:

Address:

Wellington House

40-50 Wellington Street

Leeds

LS1 2DE

Email: Service.Permits@westyorkshire-ca.gov.uk

Website: <https://www.wymetro.com/servicepermits/>