

NORTH WEST PUBLIC TRANSPORT USERS FORUM - RESPONSE TO TRANSPORT COMMITTEE



BUS SERVICES ACROSS THE UK

Has deregulation worked? Are services better, more frequent, meeting passenger need? Are bus services sufficiently co-ordinated with other forms of public transport; are buses clean, safe, efficient? If not, can deregulation be made to work? How?

In the densely populated city areas, there have been many examples of an increased service level and also improvements in the standards of the vehicles operating these services. Unfortunately, these increased services have been confined to routes and times which are easy to operate and only serve the needs of passengers requiring simple end to end journeys. Even these improvements have only met passengers' needs when the operational needs of the operators have been met. This has given rise to very few early morning and late night buses, plus many services ceasing to operate after about 1800.

In fact, since 1986 there has been a 30% reduction in bus patronage together with a 30% increase in bus mileage and a 30% increase, in real terms, in bus fares. Whilst increased mileage can partly be accounted for by the substitution of more frequent, but also more unreliable, services provided by smaller buses it is mainly the result of excessive wasteful competition. Government subsidy to bus services is now greater, in real terms, than it was in 1986. Operatives wages have also fallen in real terms, and there is now a national PCV driver shortage which often translate to unreliable services. **Overall, it has to be said, deregulation has not been a success.**

Co-ordination with other modes of public transport is extremely difficult, if not impossible, due to

- Deregulated bus services being brought within the scope of competition law which makes any agreements constraining operator's rights to compete (such as common fares and timetables) "anti competitive" and thus illegal. Even in areas where the same operating group provides the bus and rail services these are rarely co-ordinated.
- Deregulated commercial registered local bus services operate within networks of bus services which include tendered services regulated by local transport authorities. These authorities can only specify fares or timetables on their supported services and have no influence over how the commercial operators might make (or not) "connections" or provide (or not) through or interavailable ticketing.
- Taxis and other small passenger carrying vehicles are licenced by local authorities and, with a few little used legislative exemptions, denied the opportunity of providing services at separate fares at times when, or in areas where, demand is low.
- The perception that bus operators do not see co-ordination being required either with other forms of public transport or other bus services.

There has been significant investment in the last five years in new buses by the large operating groups now that they are effectively an oligopoly with local monopolies. Most modern buses are clean, safe, efficient and provide a good standard of service. In contrast, there are still many older vehicles being used which are not suitable for the purpose. These are not only operated by the smaller local companies, but also by some of the large national groups.

Full deregulation does not work. Some form of intervention is always necessary to provide a fully integrated network to fulfil the requirements of the population.

Transport is a public services as much as education and health, and will always require subsidy, especially in rural areas. Deregulation has not addressed this but might be helped to do so in some cases if quality partnerships could be put on a statutory basis which included co-ordination of fares and timetables.

This would however not address the problems which exist over complete networks. There is recent evidence that the big five oligopolies are resorting to tactically deregistering services to force local transport authorities to put these out to tender in the hopes of securing a subsidy to reinstate service which were probably previously commercial. However, escalating labour, fuel and insurance costs may also account for some deregistrations.

In summary there must be a minimum network specification for an area, within which the commercial services will play their part. These commercial operations will be supplemented by socially necessary services, subsidised by the public purse. These secondary services should be co-ordinated by a properly funded transport body such as a PTE or Regional Transport Board. It should not be left to the smaller authorities such as the Shire Counties or Unitary Authorities which are unable to see the full network implications of their actions within their small sphere of responsibility.

Is statutory regulation compromising the provision of high quality bus services?

By definition there is no statutory regulation where there is deregulation. Perhaps the question refers to other statutes such as the Competition Act 1998 and the legislation relating to taxis and private hire cars?

A major function of any regulated system would have to be the specification of minimum standards for all aspects of the services provided and these standards must be set at an attainable high standard which are enforced.

Are priority measures having a beneficial effect? What is best practice?

In a few cases, yes. Current provision is patchy and inconsistent, with new schemes becoming more reliant on unproved, unreliable and expensive technology. This is unnecessary, as there are tried and trusted methods which can still be used safely with confidence.

Local Transport Authorities, including Passenger Transport Executives, are not Highway Authorities, and operators complain, often with reason, that whilst they deliver their commitments to quality partnerships, such as new low floor accessible vehicles driven by drivers trained in customer care, bus lanes and other bus priority schemes are too often incomplete and poorly, if at all, enforced.

Best practice is where a holistic approach is taken to include real time passenger information, bus shelters with boarding platforms and continuous bus lanes or busways. Runcorn Busway, pre 1986, was an exemplar, but must now be open to any operator deciding to register a local service along it. One failing with the Runcorn system was the poor maintenance regime which led to poor road surfaces and severe vandalism problems with the infrastructure.

Guided bus lanes have a limited local impact and give a poor return for the high costs involved in their provision – the special roadways and guidance equipment on buses. Ordinary bus lanes, properly enforced, are superior in both cost and efficiency and this is exemplified by the “Red Routes” in London.

*Is financing and funding for local **community services** sufficient and targeted in the right way?*

Too much emphasis has been placed on “innovation” and the provision of short term funding. There is a great need for planned investment and ongoing sufficient revenue support. Too much money has been wasted by local authorities and other bodies purely on the bidding process for the various funds, with no guarantee of any return for this investment of time and money.

Funding is complex and irrational. Bus Service Operator Grant is based on fuel consumption and

thus roughly paid on a per mile basis. Operators are re-imbursed for accepting concessionary fares on a “revenue foregone” basis, but the new Senior Citizen and Disabled Passenger free travel is funded on a demographic basis which takes no account of the level of existing bus services and their current use (or not) by concessionaires. Rural Bus Grant is based on rural populations and Rural Bus Challenge and the Countryside Agency’s Rural Transport Partnership funds are now discontinued with the money passed via Defra to Regional Development Agencies. These appear to have no countrywide policies as to how (if at all) they intend to spend this money.

In no case is funding related to patronage.

Rural and community services will never be a commercial proposition and will always need support. This needs to be reflected in the way these services are funded, plus a constant review of how they are meeting the needs of the passengers.

***Concessionary fares** – what are the problems with the current approach? Does the Government’s proposal to introduce free local bus travel across the UK for disabled people and the over 60’s from 2008 stand up to scrutiny? Should there be a nationwide version of London’s Freedom Pass – giving free or discounted travel on all forms of public transport?*

The current scheme is a mess – some Counties have co-ordinated very good county-wide schemes complete with cross-boundary provision, whereas others have left it to the Districts which have provided less than useful passes which only allow free travel within that district and no cross-boundary provision. The introduction of the UK free travel passes in 2008 should remove these problems and stop the “us and them” feelings of many people in the latter category. There must be close observation of the Welsh and Scottish schemes and lessons must be learned if there are any major problems revealed. Experience in Scotland suggests that the extra cost of Countrywide travel will not be as great as feared.

As noted above, the reimbursements based on population are unfair and skewed towards rural areas where bus mileage is low. However in these areas the concession is meaningless to rural dwellers who have no accessible bus services.

Ideally free travel should be multi modal if that were affordable. Certain areas already have schemes providing free or reduced travel on other forms of transport, but these are very local in nature, ranging from PTE areas such as Greater Manchester providing free travel on buses, trams and trains to Parish Councils subsidising the provision of Senior Citizens Railcards. A national version of the Freedom Pass would remove the final “us and them” anomalies mentioned above and give a standard approach to the avoidance of social exclusion by transport provision.

*Why are there no **Quality Contracts**?*

The statutory procedures for instigating these are seen by local transport authorities as highly constraining. The time scale from making an order to inception is too long and whilst it was intended to allow for established operators to relocate if unable to participate in the contract, it also allows them to hold authorities to ransom by tendering excessive prices and if not successful withdrawing in the interim thus leaving a bus service deficit.

The rule which requires that QCs should only be introduced where the local transport authority can show they are the only practical way to deliver their bus strategies is also enormously unhelpful.

Authorities also fear that the net cost of service subsidies and premiums over a network will exceed their existing costs. The Passenger Transport Executives’ support of QCs is noted, and the result of the mock tendering exercise for a virtual QC in South Yorkshire Passenger Transport Executive will be interesting, especially as it is reported to have tempted some large non UK operators familiar with such “franchises” in their own countries.

*Are the powers of the **Traffic Commissioners** relevant; are they adequately deploying the powers and resources that they currently have? Do they have enough support from Government and local authorities?*

They are relevant but The Traffic Commissioners (TCs) are woefully under resourced. This has reduced their ability to act in many cases. The awareness of the Traffic Commissioners by anyone outside the industry is virtually nil and they make no effort to make themselves known. Their publications and website are full of legal jargon and are not meant to be easily understood by the general public. Interaction with passengers or their representatives is poor at best and non-existent in some areas.

They cannot be proactive in holding operators to account for unreliability and unpunctuality, and instead rely on passenger complaints to trigger calling operators to public hearings. However, unlike in Scotland and (soon) in Wales, there are no multi modal transport users' consultative committees in England (outside London) to which bus passenger can complain.

Most passengers are also unaware of the non statutory Bus Appeals Body operated by BUUK and the CPT. Where the TCs are effective is in enforcing the safety component of quality licencing via the PSV Operator Licences they issue and the safety checks made on their behalf by VOSA

The Government needs to push their existence into the public domain and provide sufficient funds for them to be readily accessible. The TCs should be more pro-active in helping local authorities to oversee local bus operations.

*Is **London** a sound model for the rest of the UK?*

London is not so different to many Passenger Transport Executives or other large conurbations as is often claimed, and it would be reasonable to expect that these could generate additional bus patronage given the same franchising powers and funding as London, especially if the Passenger Transport Executive or Authority were also the Highway Authority.

***What is the future for the bus?** Should metropolitan areas outside London be able to develop their own form of regulated competition? Would this boost passenger numbers? If not, what would? Does the bus have a future? In addressing rural railways, the Secretary of State has said that we "cannot be in the business of carting fresh air around the country"; is the same true for buses?*

Without drastic government action bus patronage will continue to decline. Government targets may well continue to be met in the short term, but only with the contribution made by the growth in bus patronage in London.

Conurbations should be able to regulate the provision of bus (and rail) services within, to and through their areas. The metropolitan areas should be allowed to operate as above, which combined with the provision of integrated ticketing systems will lead to an increase in passenger numbers.

In rural areas there is a desperate need for core revenue funding for a minimum level network of accessible bus services, although there should also be consideration of feeding this with unconventional and demand responsive services, such as those provided by small passenger carrying vehicles, community minibuses and taxis.

It is true that sudden injections of funding, such as Rural Bus Grant, or concessionary fares reimbursements, can result in unjustifiable support being given to "innovative" services which end up "carrying fresh air". However, new services do take time to be noticed, understood and used and should not be arbitrarily withdrawn before they "bed in". The use of DfT accessibility planning software should prevent too many unsuitable services being tried initially and transport provision

should be tailored to the requirements of the area. It would be ridiculous to send a double-deck bus to serve small villages with just a handful of passengers, just as it would be to send an eighteen seater mini-bus to serve a large town on market day!

References/ further reading

Many of the above points have been researched by the former Rail Passengers Committee for NW England [RPCNW] and the NW Public Transport Users' Forum [NWPTUF].

"Managing Passenger Logistics" Fawcett P, Kogan Page London 2000

"Integrated Transport – are we getting there?" Challis and Fawcett, NWRPC May 2003

"Barriers to Integration" NWPTUF 2005

"Multi Modal Ticketing" NWPTUF Dec 2005

.Letter from T2000 to Defra published 1.2.06

"Rural Transport Funding" NWPTUF, draft version April 2006, to be published.

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