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Transport Committee
House of Commons
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Transport Committee: bus services across the UK

I am responding on behalf of the Community Transport Association (CTA) to the recent press notice that invited evidence on a series of issues that are subject to an enquiry by the Transport Committee. CTA is pleased to have this opportunity to suggest improvements that can be made to the current systems of regulating and financing bus services in the UK.

CTA is a rapidly growing national charity giving voice and providing leadership, learning and enterprise support to over 1500 member organisations across the UK which are delivering innovative transport solutions to achieve social change.

We promote excellence through providing training, publications, advice, information and events on voluntary, accessible and community transport.

Voluntary and community transport exists to meet the travel and social needs of people to whom these would otherwise be denied, providing accessible and affordable transport to achieve social inclusion.

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 short, no. There is evidence that frequency, accessibility and use are improving in London, but outside the capital there is little or no improvement that can be attributed to de-regulation. Free competition has merely resulted in a commercial monopoly while local authorities and community organisations struggle to ensure mobility and access for socially excluded groups. Despite the good work of agencies such as the Disabled Persons Advisory Committee and the Mobility and Access Committee for Scotland, less than a quarter of bus services outside London are estimated to be accessible.

The lack of co-ordination has resulted in a continued reduction of provision in rural areas which has further contributed towards increases in the use of the car. Bus services are increasingly viewed as a last resort for those who cannot afford to run a car and the costs of traveling by bus has continued to increase at a greater rate than car running costs. DfT targets for increasing bus patronage effectively rest wholly on performance in London, where regulation exists.

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

It is the CTA's view that statutory regulation does not compromise high quality services. Indeed, regulation can be used to govern service quality as well as network design.

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

Priority bus measures do, in general, have a beneficial effect, although it is probably true to say that this effect is not as marked as planners had hoped. One issue which arises for CTA members is the understanding by some local officials and enforcement agencies of which services are allowed to utilise bus priority measures. In some areas these are restricted to registered local bus services, whereas allowing community services to access these measures in all areas would improve the level of service they could operate.

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

The funding and finance of community run services should be considered in relation to the regulatory regime under which they operate. These services comprise a vital element of the overall public transport network and they need to be encouraged and permitted to develop more sustainable business models. This means encouraging a social enterprise approach and reducing the grant dependency culture. In order to achieve this, government and local and national funding authorities need to embrace a number of key concepts:

Funding terms – grants, service level agreements and contracts with community operators need to be let over appropriate time periods. There is a need to move away from the more common 1 to 3 year cycle and towards cycles of 5 to 7 years.

Full cost recovery – within these finance cycles the contracting/funding authority needs to recognise their obligations to pay for 100% of the cost of the service they are buying (ie including core running and management costs).

Regulation - There is a need for a comprehensive review of the Section 19 and Section 22 permit regime which governs the operation of most community services. This topic was the subject of a detailed submission to the Department for Transport in June 2004 (copy of the text of that submission is attached for reference). CTA was informed that this submission would form the basis for a consultation of potential changes to the current system, but this has yet to happen.

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 60s 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?*

Concessionary travel is the topic of the CTA's first policy paper of 2006 which is available at www.ctauk.org. It sets out the key stakeholder groups and the difficulties encountered with the current approach. In particular, the current arrangements are potentially discriminatory as they allow concessionary travel scheme administrators the discretion to maintain a system where some travellers can utilise their concessionary entitlement whilst others cannot. Scheme administrators should be compelled to ensure that every eligible passenger can make use of the concession to which they are entitled.

One mechanism for achieving this objective is to make much wider use of community transport services in delivering concessionary travel. Changes are required to the regulatory regime in order to make best use of concessionary travel schemes (see response to previous question above) and by doing so enabling a much wider use of community transport.

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

The London model demonstrates that regulation can and does deliver an effective public transport network. It is likely that similar results can be achieved in other areas whose nature is not dissimilar to London. However, can it work in other areas? One of the areas in the UK which bears the least resemblance possible to London is the Western Isles. Due to the sparse and distributed nature of the population there are no commercial services in the Western Isles. As such, all services are subsidised under contract by the local authority, which enables it to design a network to meet the needs of the communities it serves.

It is the CTA's view that, at the very least, UK Government should embark on one or more pilot projects which will assess the ability of the bus network (which must include the funding and regulatory regime changes for community transport mentioned above) to deliver effective and accessible services to an increased number of passengers.

***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?*

Yes, metropolitan areas should be able to develop their own regulated networks (but within a common framework for the whole country). It is vital that they also receive the support and encouragement to develop a local brand as well. The bus network outside London suffers from an image problem; it is seen as a safety net for poor, disabled and older people. This issue should be addressed so as to increase modal shift. Also, it is important to move away from just looking at a bus network and to start looking at an integrated public transport network. Local networks should be designed by local authorities and should include buses, trams and community transport. They need to include a mix of fixed route and demand-responsive services. Vehicles need to be clean and accessible and services reliable.

I trust the Transport Committee find this evidence useful. Should you require any additional information, then my colleagues and I would be more than happy to expand on any of the issues raised in this submission. And we all of us much look forward to the outcomes of the enquiry.

Keith Halstead
Chief Executive