

JONATHAN BRAY



Bus establishment on the back foot

With the momentum against them defenders of deregulation trying out new strategies... but pushing the same old myths

▶ Well done *Passenger Transport* on having the courage to publish the 'Deregulation is dying - accept it' comment piece from an anonymous bus manager in the last issue (PT099). What's remarkable about the 'bus bubble' of operators, trade press, Bus Users UK and the various fanboys and hangers on is that it has managed to keep its world so hermetically sealed from dissenting voices for so long. But it's a sign of the times that this is beginning to change - even if anonymity is still needed for anyone on the inside who dares to depart from the party line, like Khrushchev's secret speech!

The author's predictions of more angry red-faced blustering from the various bus deregulation fanboys-in-chief will probably be borne out. Meanwhile, there is evidence of a more sophisticated line from the bus establishment.

Firstly say that Manchester is special and therefore something special is happening there (but don't use the words bus regulation - keep the faith, maybe something will turn up!). But in the rest of the country the line is that it's time to stop all this nonsense, knuckle down and get back to managing decline in a quiet, collegiate and highly remunerative way. The North East Combined Authority Quality Contract Scheme doesn't fit the narrative so it's either ignored or dismissed with the inference that people in the North East are not really bright enough to understand what they are getting involved with. Think how far they are away from London after all!

Next step will be a desperate attempt to sell operator-led smart ticketing as having delivered on Oyster and therefore it is checkmate on the case for regulation. After all, as the bus bubble tells itself - and anyone else who will listen - look at Oxford. Integrated ticketing delivered by the private sector - what's the problem? The problem is that if Oxford is the solution then we really are in trouble. That's not to say that the Oxford scheme doesn't have benefits for some bus users in Oxford - it does. But if it's the model for large conurbations then a ticketing dystopia awaits!

In Oxford there are two major operators each with their own ticketing structures and smartcards. There are also a number of joint ticketing products (but not a joint card) for



some (but not all) of the Oxford area, for which a premia may be payable. These joint products do not cover all operators, have no active local transport authority involvement, are not multi-modal and are very complicated to understand across the piece.

Now imagine replicating what Oxford has in a major conurbation. That would mean there will be single operator ticketing structures and cards. This will be overlaid by a series of alliances between different operators over joint ticketing products - often at a premium. There will then be the multi-operator and multi-modal ticketing products and cards - also at a premia. The poor passenger may still need more than one card in their wallet to get the best deal and may still be paying a premia to travel on the services of more than one operator. And that's before we start layering on any rail sector smart ticketing schemes and products. An Oxford solution means saying to passengers: 'You know how much you like Oyster smartcards when you go to London? Well we heard you and we are going to give you not one smartcard and ticketing system - but lots of them!'

Meanwhile, the myths about bus franchising keep on being churned out. It's tricky to keep pace with them as whilst the arguments for bus franchising are the same (as it's a straightforward and simple case) the weaknesses of the counter arguments mean that they keep shifting and moving in a vain attempt to find something that will stick. But one of the most popular at present is one of the most inherently ridiculous which is that if you franchise a bus service it will cost the same as it does in London. As if there was an intrinsic link between the concept of franchising a public transport service and the current costs of providing the best bus service in the world that London currently enjoys.

Indeed, far from being a more expensive way of providing bus services Quality Contracts result in better outcomes for passengers per pound of subsidy because it: allows for less busy routes to be cross-subsidised by the profits from the busiest services (not possible under the current system); eliminates wasteful duplication and over-provision on core routes (which occurs when operators either compete head-to-head or over-provide as a defence against potential competition); ends the leakage of public subsidy into the super profits

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that some operators currently make from local monopolies under bus deregulation; and pools available subsidy into a single pot to buy a single outcome which is more efficient than using separate funding streams to buy unclear outcomes as is the case under bus deregulation.

This is exactly what the North East Combined Authority QCS will do when it uses existing public subsidy to buy a better outcome including: cheaper fares for young people and students; simple and easy to understand zone-based adult fares; future fare increases capped at the level of inflation on average; travel with a single smartcard (the ‘Pop’ card) on all forms of public transport, with a best price guarantee; low-emission, easy access buses with real time information as standard; a stable bus network which delivers £7m per annum savings in local public expenditure without loss of service; and a bus system that is accountable to taxpayers through a public body.

The city regions are not expecting, or seeking to, move to the level and quality of service that London currently has in a single leap. However as the North East example shows, franchising can deliver a better service than passengers have now even with less public subsidy. The advantage of franchising is if more funding is available, or becomes available, then the quality of the network can be further ratcheted up - something that London does certainly demonstrate in spades.

But what about Northern Ireland says David Begg, the former chairman of the Commission for Integrated Transport - no paradise for passengers there. Well first of all buses in Northern Ireland are effectively nationalised and have been for many years, so Northern Ireland is not a direct comparator for the franchising of services. And, historically, bus use in Northern Ireland has been in decline as transport policy gave priority to the private car as this was felt to be the best option for the local economy. However, investment in public transport has increased in recent years - partly as a by-product of the post-Good Friday agreement moves to devolve more power from London to Northern Ireland. Translink (the state-owned company responsible for bus and rail services in Northern Ireland) is far from the caricature of a public sector monolith overseeing decline. Around 10 years ago, Translink introduced a ‘Metro’ network of colour-coded high frequency routes in Belfast,



which attracted new passengers and changed the perception of local bus services.

The recession has put a stop to passenger growth but, still, bus patronage in Belfast has significantly outperformed PTE areas in recent years. Since 2008/09, bus patronage has gone down by only 1%, compared to a fall of 9% across English PTE areas. Bus mileage has dropped by 3% compared to a fall of 6% in PTE areas. Meanwhile, bus fares increases have remained below inflation compared to above inflation growth in PTE areas. Lessons can always be learned - but Northern Ireland is not a direct comparator and the picture there is not as bleak as can be painted from afar.

Another current favourite is to argue that the regulatory format for bus provision is not relevant, worse debating it is a distraction from what should be done, which is to invest in bus priority measures. The reliability and punctuality of bus services is, of course, very important to passengers and bus priority measures are one way of contributing to this - which is why we spend a lot of money on it. For example, Greater Manchester is investing in over 25 miles of new or improved bus priority - one of the largest investments in Greater Manchester’s bus network for decades; and West Yorkshire has delivered three guided busway schemes as well as major bus priority schemes on key radials like the 4km-long A65 scheme.

But important as bus priority is, it is also important to stress that it is not the only factor affecting bus reliability and journey times. Other factors include complex (the way the industry likes it under bus deregulation),

cash fares structures which slow down boarding times, as well as how well vehicles are maintained (the last set of Department for Transport statistics on the issue showed that more bus mileage was lost due to factors under operators control than through traffic congestion). Franchising would address some of these factors directly as it would ensure simpler ticketing and would penalise poorly managed bus providers whilst rewarding those that operated efficiently.

As we all know bus priority schemes can be difficult to implement due to local opposition - based on fears over the impact on local residents and traders. Without regulation there is no guarantee about the extent and quality of the bus service that will use the bus priority, nor can there be a sense of how the scheme fits into a wider plan for an improved and integrated public transport network for the wider area. With regulation it would be easier to persuade local councillors that the short term pain of scheme implementation will be worth it for the longer term gain of a quality bus network. Local authorities will also have a direct stake in the benefits of bus priority as it will affect the economics of the bus franchises. Pitting bus priority against bus regulation is a false choice in that you can do both, and bus regulation gives passengers far more than bus priority does in isolation.

Meanwhile, it’s odd that the industry is so passionate about bus priority as the answer to everything in the bus regulatory debate, but in the debate over BSOG (Bus Service Operators Grant) they consistently argue that the benefits of switching some of the current BSOG bus funding into more bus priority would be a disaster as it wouldn’t reduce costs enough to make up for the shortfall in lost BSOG funding. Hmmm.

Anyway I will leave the dwindling band of diehards to try and keep their spirits up by churning out the myths. As indeed they were before they were so rudely interrupted in the last *Passenger Transport...* by their own side. ■

ABOUT THE AUTHOR

▶ Jonathan Bray is director of the PTEG Support Unit. Before joining PTEG in 2003, his background was a mix of transport policy and transport campaigning.