

Visby Speech – Bus Deregulation in the UK: A Passenger’s View

About Bus Users UK

Bus Users UK is an independent passenger organisation, founded in 1985 as the National Federation of Bus Users by Dr. Caroline Cahm MBE, who was concerned that there wasn’t a voice for bus passengers.

The organisation is still a small one, but performs a vital role on several levels.

We organise “Bus Users Surgeries” in partnership with Local Councils and bus operators, where members of the public are invited to come along and give us their views on local bus services.

We are also a partner in the Bus Appeals Body – a non-statutory organisation that will review unresolved complaints, after the bus operator has attempted to address them. We are partners with the Confederation of Passenger Transport UK – the bus industry’s trade organisation – in this.

From Spring of 2010, the Government-funded Passenger Focus – which currently performs a role for rail passengers – will also have a role in bus passenger representation, although at this stage it is not yet clear what this will be.

What has bus deregulation been like for UK bus passengers?

Well, we’ve had this system for over 20 years in the UK outside London now, and it has developed in several ways.

Initially, the freedom for a bus operator to register their own routes, timetable and fares, led to some severe competition on the streets, especially in areas where there was significant demand, such as in large cities and urban areas. Passengers couldn’t understand why one bus route had a bus every few minutes – provided by different operators – and some others had very few services.

Although this has, to a greater extent, died down in many areas, there are still several examples of on street competition, where, for example, an operator will register a service 5 minutes ahead of a rival operator, then nothing for a long period of time. This was further compounded that the competition authorities in the UK frowned upon any kind of co-operation between operators. This has however been changed in the recent revisions to the Transport Act.

Information provision was – and remains – a significant issue. Most operators, if they produced a timetable, didn’t include other operators services on. So, for example, if one operator ran a daytime service on a route, and another provided an evening service, one may be led to believe that an evening service didn’t exist!

Local Authorities provide different levels of comprehensive information depending on which part of the country they are in, and what available budget they have.

Some are very good, providing comprehensive information for all operators in their area, both in leaflet or timetable booklet form, and often a local map. Others have budget constraints meaning that the information they provide can be very minimal. The internet has proved very useful for gaining information, but there are still significant numbers who do not use this technology in the UK

– especially the elderly, who are using buses in increasing numbers following the recent introduction of free off-peak travel for over 60s in England.

The problem with providing information is that operators only have to give 56 days notice to alter, change, introduce a new route or withdraw an existing service. The danger, as many authorities have found when producing a timetable booklet, is that it can be quickly out of date! Many have abandoned the booklet format, some provide leaflets only, and some leave it to the operators themselves to provide timetable leaflets, which brings with it the potential problems I described earlier.

In areas where operators don't wish to operate services, because they can't make money out of them, the local authority has a duty to provide a level of service as agreed by its local transport plan. This is very much, however, dependent on what is termed "socially necessary" – a very ambiguous term! Again, council finances come into play, and the current economic difficulties only serve to compound the issue, as everyone seeks to make financial savings.

Where a council decides that a service is "socially necessary" and no operator wishes to run it on a commercial basis, the council will offer the service as a tender and invite operators to bid to run it. The cheapest bid usually wins, but some councils are now including levels of quality into this process now, specifying that all buses must be wheelchair accessible, for example.

Another confusing aspect of deregulation for passengers is tickets. Most operators issue tickets for their own services only, meaning that if they purchase a return ticket or a day ticket, they can only use them on that specific operators services only. So for example, if someone goes out for a day and returns on an evening – and that service may be operated by another operator doing a council tender – they cannot use the ticket and will have to pay again! Similarly, when the tender system for the route comes up for renewal – maybe after 3 years, for example – the operator may change, and the poor passenger may also be left with a weekly or monthly season ticket that they can no longer use.

In many large urban areas, such as Manchester or Birmingham, where local authorities have pooled resources to create an ITA – an Integrated Transport Authority – an "all-operator" ticket is often available, and indeed may include other modes of transport in that area such a rail and tram. This, however, is by no means universal in other towns and cities across the UK.

What have been the good points about bus deregulation?

The system has been largely taken out of political hands! Around 75-80% of the UK bus services are provided "commercially" i.e. without subsidy and decided by the private operator on a profit basis. Whilst there are good councillors who are dedicated to a good bus service, there are others who, faced with the pressure of budget cuts, might decide that to cut a bus service may be a more politically acceptable way to balance the books than, say, cut other local authority services such as health, housing or schools for example.

Bus operators are usually good at spotting where demand for services exists, and with the 56 day rule, can quickly respond to demand. The downside of course, is where lightly used services are withdrawn and then become subject to local council tendering. The other downside is the constant

changing of services and times – i receive many documents each week detailing where and when services are changing, so stability potentially suffers.

Major investment from bus operators means that new attractive easy to use vehicles are increasingly seen on the streets. In the UK, 5 large multi-national groups control much of the bus operations – First, Stagecoach, Arriva, Go-Ahead and National Express. All of these also operate trains and have a number of overseas operations as well. Whilst there is concern from certain quarters that bus services are seen increasingly as a pure commercial operation, rather than a social service for these groups, their huge buying power means that they invest heavily in new vehicles and fleet renewal. Would a publicly operated service see such levels of investment?

Much more emphasis in recent years has also been made on customer care training. Increasingly staff are being trained – and re-trained – on customer care, and the customer experience – for example safer and smoother driving, health and safety and carrying disabled and wheelchair passengers.

There is no simple answer to the question “is deregulation of bus services successful or not?”

In London – where the deregulated model was never implemented – is, in many ways, similar to the widespread European model, in that an overall authority – in this case Transport for London – controls all aspects of the bus operation, and issues tenders for routes and areas. These are then run to the required specification by private operators who have exclusive rights to then operate on the routes. Many observers of public transport in the UK hold up London as an example of good public transport, and they are correct! However, London is unique in many ways. It has a congestion charge that brings in revenue to plough back into the system. It has an extensive Underground system that is very effective. It has very expensive car parking that, coupled with the £8 per day congestion charge, creates a real choice for car drivers. The bus network is also highly effective. It also had a Mayor in Ken Livingstone who was rare in that he really supported public transport.

The other side of the coin is that public transport provision in London costs a huge amount of money to provide. Other areas of the UK don't have the integrated system of London, nor schemes such as the congestion charge as an income stream.

But it doesn't mean to say that deregulated areas of the UK can't provide a top class bus network. Nottingham, Brighton, Derby and Edinburgh are all fine examples of how the deregulated system can work.

Bus deregulation can work – our experience is that when local authorities and private operators share the same vision and work closely, the passenger benefits.

Deregulation of buses – the positives:

- Commercial incentives free of political interference for operators to respond to the market, and thus demand.
- Investment through private financial streams for new vehicles and infrastructure.
- Cheap travel deals for regular travellers

Deregulation of buses – the negatives:

- Information provision – lack of comprehensive information
- Commercial operators concentrate resources on most profitable corridors, leaving less commercial routes and areas under threat of poor or non-existent service
- Lack of “all operator” tickets in many areas – a particular problem where there are several operators
- Increasing costs due to claims, staff pay deals, reimbursement from authorities for concessionary pass travel journeys lead operators to consider dropping marginal services. The “safety net” of local authorities subsidising replacements is often an issue as they too are under pressure to reduce spending in their budgets.

Any questions?