

## Local Transport Bill Second Reading – House of Commons

The Local Transport Bill aims to improve local transport by making changes in three key areas: bus services; transport governance and road pricing. The Bill started in the House of Lords and has completed its first reading in the House of Commons. The second reading starts on 26 March.

Campaign for Better Transport welcomes the Local Transport Bill. We believe it offers a vital opportunity to give local transport authorities the tools they need to provide sustainable transport solutions throughout the country. However, if the Bill is to achieve this, it must devolve power in a meaningful way. It must allow local transport authorities to make their own decisions about regulating buses through quality contracts as well as about road pricing.

At the same time, local decisions need to be made in a framework set by Government which recognises the reality of dangerous climate change, and the need for the transport sector to cut its carbon emissions. Transport authorities should be given a duty to reduce carbon emissions in line with targets agreed in the Climate Change Bill. And revenue from road pricing must go towards public transport, not building more roads. Both of these are vital if the Local Transport Bill is to help us move 'Towards a Sustainable Transport System'.

### 1) *Bus services*

*To get people back on to buses, we need to prioritise the passenger. Local authorities need a range of tools – including both quality contract and quality partnership options - that they can realistically use to plan the bus networks that passengers need.*

**Quality contracts should be a realistic option for local authorities as part of wider sustainable transport policies that support public transport and reduce reliance on the car. We think the Bill needs to be changed to ensure this is the case, otherwise it could become like the Transport Act 2000, another white elephant containing powers for local authorities that can't realistically be used. We support the points made by PTEG and local authorities on this.**

The current process envisaged for approvals and appeals is too time-consuming for local authorities. The Approvals Board should play a ratification role only, ensuring that local authorities have followed the required process for introducing quality contracts, including consultation with local people. We do not see the need for a Transport Tribunal, the creation of which would result in a two tier system for appeals against quality contracts.

The Bill needs to provide more protection for local authorities during the implementation of a quality contracts scheme. Stronger provisions are needed for Transfer of Undertakings (Protection of Employment) Regulations (TUPE); there needs to be an obligation on the new operator to transfer staff to ensure continuity of employment. Pensions should also be protected.

In the transitional period after a quality contracts scheme has been agreed, the traffic commissioners should be given additional powers to extend the notice period for withdrawals of existing services, to ensure services changes are consistent with the planned scheme, and to allow the local transport authority to replace withdrawn services.

**The Bill needs to offer more tools to local authorities who want to plan bus networks better, but without introducing quality contracts.**

#### **a) Tendered Network Zones**

Local transport authorities in rural areas sometimes subsidise a majority of the bus routes, but have no ability to coordinate the bus network as a whole. In this situation, the local transport authority needs the powers to ensure that commercial buses are coordinated with the rest; it would then have the opportunity to market an integrated bus network that makes sense to passengers.

The Association of Transport Coordinators have suggested that the Bill should enable the creation of 'Tendered Network Zones'. A TNZ is an area within which a local transport authority can coordinate a single bus network with different buses operating independently but in a co-ordinated way. The authority would plan the network in consultation with bus operators, and it would be enforced by the Traffic Commissioners, if it was in the public interest. We can provide more information about Tendered Network Zones on request.

#### **b) Bus Partnership Schemes**

We think Integrated Transport Strategies should include a framework for introducing area wide (not route specific) quality partnerships over a 10-15 year period: 'Bus Partnership Schemes'. These would help local authorities by providing an explicit framework for linking bus policies with wider long term policies. Schemes would be agreed in cooperation with a range of stakeholders: bus operators; planning authorities; the new bus passenger watchdog.

This idea offers a way to combine partnership with long term planning, and we don't believe the Bill in its current form provides this. It would create a duty for planning authorities to have regard to bus policy, which we think would be a benefit. Schemes would be created during the preparation of a Local Transport Plan or Integrated Transport Strategy, but regular quality partnership schemes could continue to be created at any time – there would be a net increase in the possibilities open to local authorities. The approach would be consensus based, with an expectation of regular, cooperative reviews so that all partners could actively contribute to the scheme over time. The idea of Bus Partnership Schemes was voted down in the House of Lords 171 to 100. We believe the issue should be revisited in the House of Commons.

#### **c) Statutory Quality Partnerships**

The Bill now allows for 'admissible objections' to statutory quality partnership schemes, effectively introducing the potential for a veto on such partnerships. Lord Bassam has said it would be 'highly unlikely' for a local authority to propose a statutory quality partnership with unreasonable requirements, so we believe this clause should be removed; as it is likely to discourage partnership between operators and local authorities. The Bill needs to encourage statutory quality partnerships that can include fares, frequencies and timings in a way that suits both local authorities and bus operators.

**Bus passengers deserve a statutory, independent, Government funded watchdog. The Local Transport Bill must ensure the watchdog has the powers it needs to be effective.**

Campaign for Better Transport has successfully lobbied for a new bus passenger watchdog, which will be set up following secondary legislation. The Local Transport Bill must ensure that the watchdog has the powers it needs. In particular, the new bus passenger watchdog must have the same powers as Passenger Focus and London TravelWatch, including powers to require performance data from bus operators and local transport authorities, through the Traffic Commissioners.

The new watchdog should be well funded by Government, to enable it to have professional, adequately staffed regional offices. Two thirds of public transport journeys are made by bus. There are more than twice as many bus journeys (4.7 billion in 2005/6) as rail journeys (2.2 billion in the same period). This suggests the bus watchdog should receive around twice as much funding as the rail watchdog, Passenger Focus (which receives £5 million a year).

**Competition law must benefit the bus passenger. It should recognise that often, buses are not competing with other buses, but with the car.**

Campaign for Better Transport has lobbied for changes to competition law and we are pleased with the results so far: draft guidance appears to allow agreements between operators when local authorities certify that agreements between bus operators are in the public interest. This should enable operators to cooperate in the interests of passengers, as well as giving operators and local authorities an incentive to cooperate. However, the Office of Fair Trading still does not recognise that competition in the bus market is largely between the bus and the car, not between different bus companies. The Bill should ensure that the OFT has regard to this competition, recognising that the high percentage of journeys made by car is relevant to the public transport market.

**Bus punctuality performance regime must work in passengers' interest.**

The new 'bus punctuality performance regime', designed to improve the reliability of buses, will not help passengers if it addresses punctuality issues without also looking at journey times. The regime as suggested may encourage bus operators to produce 'padded' timetables, to avoid fines from the Traffic Commissioners. The Secretary of State should have a duty to produce guidance on appropriate bus speeds and journey times for different areas, and the Traffic Commissioners should use this information to regulate timetables.

**2) Transport governance**

*Sustainability and democracy must be at the heart of transport governance.*

**Transport authorities should be charged with a duty to reduce carbon emissions in line with the Climate Change Bill targets.**

We welcome the duty for authorities to have regard to environmental matters. However, the threat of climate change and the need for urgent action means there should also be a specific duty to reduce carbon emissions. The targets agreed in the Climate Change Bill should provide a guide to expected carbon reductions from local transport. Transport authorities should have a duty to reduce carbon emissions from transport in line with these targets. This duty should be met through the new Integrated Transport Strategies.

This will ensure that local transport planning prioritises climate change in a way that is consistent with the approach suggested in 'Towards a Sustainable Transport System'.

### **Integrated Transport Authorities must democratically represent their regions**

We believe that Integrated Transport Authorities (ITAs) must democratically represent their regions and as such maintain the current PTA arrangements. Voting members of ITAs should be made up of councillors who have an opportunity to take advantage of outside expert knowledge through advisors or contributors.

### **Taxi licensing should be the responsibility of transport authorities**

Taxis have an important role to play in creating a public transport network that can provide a real alternative to the car. We support the National Consumer Council in their efforts to transfer responsibility for taxi licensing to the local transport authority. We think this would result in better integration between taxis and public transport.

### **3) Road user charging**

*Road user charging should mean tackling climate change and traffic growth by providing people with alternatives to the car, not just a short term fix to reduce congestion.*

### **Revenue from road user charging schemes should only be spent on public transport, walking, cycling and measures that decrease the need to travel**

The Government itself recognises that road building is only a temporary solution to congestion because of induced traffic; building a new road creates new demand. We believe that using road user charging revenue to fund local road construction would lead to an increase in motorised traffic.

Using the revenue to promote positive alternatives to car dependence would increase public acceptability of road user charging, as well as providing local authorities with additional revenue funding for public transport and 'smarter choice' measures such as personalised travel planning and cycle training. Evidence suggests these are far more cost-effective ways to tackle congestion – and they support (rather than undermine) wider health, social and environmental objectives.

## Amendments

### Amendment: Tendered Network Zones

*The effect of this amendment would be to enable local authorities in areas where most services are tendered to provide some coordination by integrating all bus services in an overall network.*

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Insert an extra section 'Tendered Network Zones' at beginning of Part 3 as 13

'1. (a) Where the majority of route miles are subject to tender by the local transport authority, the authority may designate the area covered by these routes a "Tendered Network Zone".

(b) In designating an area as a "Tendered Network Zone" the authority shall propose a network of bus services encompassing commercial, tendered and de-minimis local bus services.

2. (a) If an authority or authorities propose to designate a "Tendered Network Zone" they must give notice of the proposed network scheme in at least one newspaper circulating in the area to which it relates.

(b) The notice must either contain full details of any registration restrictions and registration criteria, or state where such details may be inspected.

(c) After giving notice of the proposed network scheme, the authority or authorities must consult-

(i) all operators of local services who would, in the opinion of the authority or authorities, be affected by it,

(ii) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit,

(iii) any other relevant local authority any part of whose area would, in the opinion of the authority or authorities, be affected by it,

(iv) the traffic commissioner for each traffic area covering the whole or part of the area to which it relates,

(v) the chief officer of police for each police area covering the whole or part of that area, and

(vi) such other persons as the authority or authorities think fit.

3. For the purposes of subsection 2 the following are relevant local authorities-

(a) local transport authorities

(b) metropolitan district councils

(c) London transport authorities, and

(d) councils in Scotland

4. In designating the "Tendered Network Zone" the authority shall define the registration restrictions and registration criteria for local bus services in that area.

(a) If the authority or authorities consider that it is necessary or expedient for any restrictions to be imposed on the registration of-

(i) any local services, or

(ii) any local services of a particular description

they may impose those restrictions ("registration restrictions") by specifying or describing them in the scheme.

(b) Any restrictions so imposed must be for the purpose of preventing or restricting-

(i) the provision of local services

(ii) the variation or withdrawal of local services,

in cases where the authority or authorities consider that any such provision, or (as the case may be) variation or withdrawal, of services might be detrimental to the provision of services under the scheme.

(c) Where a scheme includes any registration restrictions by virtue of subsection (a), it must also specify the criteria ("registration criteria") by reference to which the traffic commissioners are to decide whether or not to accept an application for registration.

(d) In subsections (a) to (c), "registration", in relation to any service,-

(i) means registration of prescribed particulars of the service under section 6 of the Transport Act 1985 (registration of local services), and

(ii) includes a reference to the variation or cancellation of any such registration.

(e) The standard of services which may be specified in a scheme includes-

(i) requirements as to frequency or timing of the services

**Amendment: Bus Partnership Schemes**

*The effect of this amendment would be to provide local transport authorities with a framework for linking bus policies with wider long term aims (in terms of planning, housing, economy and so on) in partnership with other stakeholders.*

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Part 2, 9, (4) as (2C) (a)

'In preparing their local transport plan, the authority may create a bus partnership scheme, covering all or part of the area covered by the local transport plan.

(b) A bus partnership scheme shall agree guidelines and seek consensus on bus routes, frequencies, fares and other matters that shall be agreed, for the period of the local transport plan.

(c) In constructing a bus partnership scheme, the authority shall consult all operators of registered services in the specified area.

(d) In exercising their statutory functions under the Town and Country Planning Acts, the local planning authority shall have regard to the bus partnership scheme and guidance contained therein.'

**Amendment: Watchdog to have powers to access performance data from traffic commissioners**

*The effect of this amendment would be to enable the new bus passenger watchdog to access relevant bus performance data from bus operators and local authorities, through cooperation with the traffic commissioners.*

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Insert at Part 4, 60 as (5)

'Traffic commissioners shall have a duty to make available the operational data they hold to the Public Transport Users' Committee for England'

**Amendment: OFT to have regard to competition between bus and car**

*The effect of this amendment would be to ensure that the OFT recognise competition between the bus and the car, and encourage agreements between bus operators which increase the value of the bus 'product' so that it can compete effectively.*

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Insert at Part 3 as 14

'In exercising its powers under the Competition Act 1998 with respect to bus services, the Office of Fair Trading shall have regard to the competition between bus services and the private car and shall define the market accordingly'

**Amendment: Climate Change Duty in Local Transport Plans and Integrated Transport Strategies**

*The effect of this amendment would be to give local authorities and integrated transport authorities a duty to reduce greenhouse gas emissions in line with the targets in the Climate Change Bill.*

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Insert at Part 2, 8, (4), (2ZB) as (c)

'to reduce emissions of greenhouse gases from local transport activities in line with Government targets as defined in legislation or guidance'

**Amendment: Commit revenues from road pricing to public transport, walking and cycling.**

*The effect of this amendment would be to ensure revenues from road pricing are only used for sustainable transport improvements: public transport, walking and cycling.*

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Schedule 6, amending Schedule 12 of the Transport Act 2000

For sub-paragraph (2)(a) substitute

(a) for application by the authority for the purpose of directly or indirectly facilitating the achievement of policies in the authority's local transport policies which promote, provide or extend facilities for public transport, walking and cycling

**Quality contracts:** we support PTEG's suggested amendments.

**Statutory quality partnerships:** we support any amendment which removes the 'admissible objections' clause

**Nominations to ITAs:** we support PTEG's suggested amendments.

**Taxi licensing powers:** we support the National Consumer Council's amendment

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