

News Update - Who really 'owns' the bus services

Welcome to the Tyne and Wear Passenger Transport Users Group "News Update" focusing on the Bus Quality Contracts debate

If you want to comment on any of the issues we raise – or are interested in becoming an active member of Tyne and Wear Passenger Transport Users Group and want to campaign on behalf of passengers – please contact us at twptug@phonecoop.coop or by using the 'Contact Us' form on our website <http://www.twptug.org.uk>

We'll keep on commenting about the issues until the Integrated Transport Authority makes a decision to go forward with a Quality Contract. If they did decide to abandon the idea of a Quality Contract and try to negotiate a Voluntary Partnership we'll be watching them closely to ensure that any deal provides real benefits for passengers and isn't just a form of 'business as usual' for the operators.

Once the Integrated Transport Authority make a decision we'll turn our attention to looking at how the voice of passengers will be heard in the future.

Who should really benefit from Bus Services?

One key part of the objections to a Quality Contract Scheme from the bus operators is that, as they see it, it is simply wrong that their profitable businesses could be threatened by a system that improves public regulation of their activities. We think that the answer to this argument is simple. Parliament legislated to the effect that, so long as a public interest test was passed, an Integrated Transport Authority could introduce a Quality Contract Scheme. Our view is that the conditions of Section 124(1) of the Transport Act (2000), the section that sets out the public interest criteria, are met. In addition, given the fact that the NEXUS reserves will be exhausted in the near future leading to considerable cuts in services, it is even more in the public interest that a QCS is agreed as soon as is possible.

It is clear that the various parties with an interest in bus transport, whilst they have some interests in common, do not agree on a wide range of issues that particularly include profitability and control. Our view is that the conflicts over these particular two issues go to the heart of the matter. NEXUS reports, in their summary of the informal dialogue and responses to the initial consultation on the concept of a QCS, a view expressed by the Bus Companies that a QCS amounts to a breach of the Human Rights Act and the European Convention of Human Rights. They say that the introduction of a QCS will 'materially interfere with their right to peaceful enjoyment of their businesses'. Our view is that the principal right to enjoyment of buses has to

lie with the wider community who need, for a range of reasons, good and comprehensive public transport. It is that right, to enjoy a good and comprehensive bus service, that is under threat without a Quality Contract Scheme.

We think that public transport needs to be run, so far as is possible, in the interests of the public. We think that the current system, deregulated and run for private profit, encourages operators to take a different view. Ros Paterson, Finance Director of Stagecoach, is on record as saying that “the beauty of buses is that they are mobile so if a particular route is underperforming and we can’t see a plan to get the return we expect, we can redeploy them somewhere else”. In short the operators say that profitability is the most important thing, that fares are only constrained by the willingness of the public to pay, and that any route that does not make enough profit will go unless it is subsidised by the public purse.

We’ve seen a lot in the press about intemperate, if correctly reported, views of the owners of Stagecoach and their apparent threat to withdraw all services immediately if a QCS is introduced. Aside from the fact that this seems to be a fundamental challenge to the rights of a public body to act within the law, and as such could be seen as very close to blackmail, we believe that such an action would not be in their interests. It would attract the interest of other authorities with whom they deal as well as the Traffic Commissioners.