

# Do we need a bus regulator?

Anthony Smith, chief executive of Passenger Focus, offers some personal thoughts on the way ahead for the bus industry

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**P**ASSENGER Focus has started a campaign based on boosting the passenger voice in rail services. In particular we want to see passengers, who are now the main funders of the rail industry having more say in rail franchise replacement. This was based on research we did with rail passengers asking about their understanding of the rail industry and how much they wanted to be involved. The research report, 'Giving passengers a voice in rail services', is available on our website.

We are now turning our attention to boosting the bus passenger voice as well. The research report looking at how much passengers understand about the bus industry and, again, how much they want to be involved, will be launched in October in Manchester. We will publicise the event on our website, [www.passengerfocus.org.uk](http://www.passengerfocus.org.uk), and through our Passenger Voice newsletter – do let us know if you'd like to come along.

The bus industry is, of course, very different to the rail industry in many ways. Essentially de-regulated, competition is meant to provide adequate consumer protection as in many other sectors. If passengers don't like particular services they can, in theory, exit the market and take their business elsewhere.

The reality is different however as many routes are essentially controlled by one operator. If you don't like the bus in many cases you will have to try another form of transport. However, what is

interesting about our research is the lack of knowledge about the bus industry among passengers. You could, quite rightly, argue that they don't need to know, but the level of commercial exposure is not at all clear to most passengers. Many assume the local authority is involved in some way.

Following some explanation passengers plumped for some form of local authority/industry partnership to deliver services that best serve passengers. Our own work on bus punctuality again and again stresses the importance of effective partnerships. But who is best placed to judge the effectiveness of those partnerships? Passenger satisfaction as measured by the Bus Passenger Survey is part of the picture but maybe more is needed?

However, the bus industry is similar to rail in that it is the recipient of fairly large sums of central and local government money. When we were new to the bus sector we were surprised how little the government seemed to ask in return for this investment – performance information for example.

Recent government investment in bus services, through the Better Bus Areas scheme, greener bus schemes and smart ticketing initiatives for example, matched with the longer-term commitment to the so-called Bus Service Operator Grant, prompted thoughts about longer-term planning for bus passenger needs. The concessionary fares scheme continues to channel large amounts of gov-

ernment money into the industry despite the arguments about reimbursement rates.

At present there is an odd patchwork quilt of regulation for bus services. The potential creation of a government company to run the strategic road network in place of the Highways Agency, alongside a five-year funding plan, also shows fresh thinking is coming into road travel.

The traffic commissioners, among other duties, have a role in licensing services and enforcing punctuality. The Vehicle and Operators Services Agency provides limited monitoring of time-keeping alongside safety duties. The Office of Fair Trading, and ultimately the Competition Commission, strive to ensure competition works for passengers. The Department for Transport retains key roles in funding and policy. Maybe it is time to look at streamlining these structures?

Could some form of bus regulator replace this mix? In return for a five-year funding settlement for buses could a new regulator, like the rail regulator, ensure the industry delivers what passengers and government want and monitor progress along the way?

Could such a regulator enforce statutory bus partnerships and bring a focus to local authority duties around punctuality and traffic enforcement? None of this would run across the concept of a de-regulated industry or the power of competition to drive change. What it would potentially do is to put govern-



ment investment, regulation and the safety framework into a more coherent framework that might benefit passengers. It also might benefit the industry as longer-term planning would be possible.

Passenger Focus and the Office of Rail Regulation have very different but complementary roles. Over the years this relationship has matured to the benefit of passengers. Passenger Focus advocates change for

passengers based on research. Passenger Focus has virtually no powers but seeks to persuade on the basis of carefully crafted research. The regulator essentially ensures a level playing field and that the regulated

part of the industry is doing what it has promised to do. This double-headed approach works well.

Maybe it is time to think seriously about such a structure for the bus industry? □



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