

Bus Services Bill [HL]

08 June 2016
Volume 773

Second Reading

🕒 3.54 pm

Moved by

Lord Ahmad of Wimbledon

That the Bill be now read a second time.

The Parliamentary Under-Secretary of State, Department for Transport and Home Office (Lord Ahmad of Wimbledon) (Con)

My Lords, it is a pleasure to lead the debate on the first Bill to focus on bus services alone. I know that many noble Lords are keen to contribute to this debate, for bus services are of enormous importance to local people and their communities. They help connect people to education, jobs and healthcare, together with boosting our local economies.

Buses have an important role to play in our daily lives. Indeed, if we reflect on recent political history, being the son of a British Pakistani bus driver seems to be a sure sign of success. I was asked a similar question and, while I cannot claim to be the son of a Pakistani bus driver, I can certainly claim to be the nephew of one. For my part, my father started his career on the trains, so there is a certain transport connection across the board.

Bus services in the local community are an important lifeline for many, and in some areas they are working well. The latest bus passenger survey from Transport Focus, published in March 2016, reveals that overall satisfaction ranges across areas from 79% to 93%. However, in others there is much room for improvement. We want to increase bus passenger numbers; to help cities and regions to use better bus services to unlock opportunity and grow their economies; and to improve journeys for bus users. Passengers would like to know more about the services available to them, when buses will arrive and what the fare will be. This kind of information is available in London but varies across the rest of England. The Bill will provide the basis for such a step change. It also provides new tools for local authorities and bus operators to use to improve local services.

The Bus Services Bill is not about mandating any particular approach to the management of bus services. Nor does it impose wholesale reregulation. Instead, it is about enabling new opportunities, and giving local authorities new choices about how they can improve bus services in the interests of their residents.

I shall say a little here about the funding of bus services, as I know that many noble Lords have concerns about it. I recognise the financial pressures facing many local authorities throughout the country, not least to provide bus services, particularly in more isolated areas. That is why we devolved £40 million of the £250 million of annual central government support for bus services to councils outside London last year, so that they can decide for themselves how it is spent. It was a key part of our decision to protect this £250 million of funding in last year's spending review. When all the central and local government funding for buses is added together, it comes to around £2 billion per year. Some £330 million of this support comes from local authorities to support socially necessary local bus services. In total, some 42% of bus operators' income comes from public funds.

I am sure that noble Lords from across the House will join me in recognising the importance of reducing the budget deficit. Given our fiscal circumstances, no new additional funding is available for bus services, but the Bill enables local authorities to make better and more efficient use of the funds already available to them. It also allows local councils to influence the commercial bus services provided, which will continue to receive financial support directly from my department.

Before I talk further about the Bill itself, it is worth reflecting on the successes of the bus industry and how it has adapted and innovated in recent years, particularly in relation to ticketing and accessibility. I am pleased that Arriva, FirstGroup, Go-Ahead, National Express and Stagecoach are working to bring contactless payment to every bus outside London by 2022, with many areas benefiting sooner. Smart ticketing, whether on contactless cards, smart cards or mobile phones, can make journeys across transport modes much easier and speed up journey times. It also creates opportunities for new types of fares, which can make the bus a more attractive option for potential passengers. It is good that the bus sector is offering this to customers, and I want to continue to encourage the industry to work with government and local people to introduce products that will make bus travel easier.

I will also take this opportunity to talk about accessibility. The industry has done great things in recent years to provide buses which better meet the needs of disabled passengers, particularly under the Public Service Vehicles Accessibility Regulations. These regulations require facilities such as low-floor boarding devices, visual contrast on step edges, handholds and handrails, priority seats, and provision for passengers in wheelchairs. All full-size single-deck buses used on local and scheduled routes had to be fully accessible from 1 January this year, and all double-decker buses must be fully accessible from 1 January next year.

Our latest statistics show that 89% of buses operating in England already meet these accessibility requirements. This area of concern was raised by several noble Lords at the meeting Peers had with me and my honourable friend Andrew Jones, the Minister responsible for the Bill. Many bus drivers have now undertaken disability awareness training and it remains available to all drivers as part of their certificate of professional competence training. We are developing best-practice guidance on delivering disability awareness training and will work with bus operators to ensure that drivers have the knowledge and skills they need to provide disabled passengers with the assistance they require.

By giving local authorities a greater role, the Bill will improve the accessibility of local bus services even further. Both bus franchising and partnership schemes will allow new accessibility standards, such as talking buses, to be set locally in response to the needs of local communities. Local authorities implementing these schemes will be subject to the public sector equality duty.

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This means that they will need to continue to take into account passengers' accessibility needs as they develop their plans.

On the Bill, as I have already outlined, the bus industry has achieved much in the last 30 years. The Bill is designed to build on that good work and ensure that the industry and local authorities are best placed to work together to continue to deliver for passengers. I will now set out the three key principles which have informed the development of the Bill.

First, I think we all agree that encouraging more people to use buses is a good thing. Buses are vital for the economy and for people, and they are vital in tackling some of the environmental problems experienced in our towns and cities. Last year nearly 42,000 local buses operated across Great Britain, catering for 5.2 billion passenger journeys—over three times as many journeys as were taken on the entire rail network. Of these, 4.65 billion passenger journeys were taken by bus in England alone. Buses provide ways to get to work, healthcare facilities, shops and so much more. For buses to better serve passengers in the future they must be reliable, affordable, accessible and environmentally friendly. Buses are most important to the vulnerable in society: the poorest, the young, the disabled and the elderly. That is why the Government are committed to providing local authorities with more powers over bus provision to ensure that services are designed and planned with local needs in mind.

The second principle is that we need to give local areas the best possible range of tools to use to reverse declines in bus usage. Outside London, bus use in England has decreased since deregulation, but this change has not been uniform. Some areas, such as Brighton and Hove, and Reading, have seen significant growth, while other areas, particularly our large cities, have seen significant declines. Where bus usage has bucked this trend there is usually good co-operation between local authorities and bus operators, so the Bill provides new and improved powers to build on these successes. It also provides the ability for a step change in bus provision to encourage more passengers on to buses. We want to see better provision of real-time information, significant reductions in journey times, and partnerships allowing authorities and bus operators to work closely together on ticketing schemes and agreeing set standards for local bus services. Faster journeys and simplified ticketing will make travel easier, more efficient and more attractive in both rural and urban areas, giving businesses and workers access to new markets and opportunities.

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That leads me to the third principle: devolution. The Bill supports local areas in their aspirations to make a better, more integrated and connected transport system. Local decision-making is key, and the Government are committed to devolution and the decentralisation of decision-making, as promised in the devolution deals already agreed with the likes of Manchester, Liverpool and Sheffield. These places have told us that they need greater choice over how local transport works.

I stress again that this is very much an enabling Bill. There is no compulsion on local authorities to change their local bus services if the existing working arrangements between operators and local authorities are already achieving good results. The need has never been greater to maintain and expand services and attract new customers. Severely congested roads, poor air quality in some places, rural economies struggling to survive and an ageing population are just a few of the compelling reasons why we need our buses.

Although I recognise that a lot of innovation and hard work is done by councils all over the country, I believe that the Bill will provide the range of powers that authorities need to achieve so much more. So the Bill contains several things, one being provisions on open data. The Bill will address passengers' need for better information on their local bus services. People want to be able to make informed choices. The Government want to ensure that bus passengers have the same access to journey planning and real-time information as rail passengers and those travelling across London, and the open data provisions will deliver exactly that. All bus operators will be required to make data on routes, fares and the operation of bus services open and accessible. This provision will allow app makers to develop products that passengers can use to plan their journeys and give people the confidence to take the bus instead of using a car.

Secondly, the Bill will introduce new arrangements for local authorities and bus operators to work together in partnership. Current partnerships between bus operators and local authorities appear to be working well in some areas and passengers are happy. However, we know that more could be done to improve services. Passengers stand to get an even better deal under the new partnership agreements, while the Bill allows operators to grow patronage and retain their commercial freedom. The market will remain commercial and deregulated.

The Bill will build on the strengths of existing partnership arrangements, removing the requirement that a quality partnership scheme must always involve new infrastructure. The new enhanced partnerships will allow local authorities and bus operators to agree their own standards for all services in their area—for example, setting emission standards to improve air quality or introducing common branding, marketing and ticketing rules over a wider geographical area.

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However, partnership working may not be the appropriate answer given the specific circumstances of some areas, which may wish to pursue franchising. The Bill will give certain local authorities the choice to use new powers to franchise bus services in their areas. As with the system in London, franchising will provide local authorities with the ability to determine and specify the bus services to be provided in an area, with bus operators bidding to provide the services. This will allow local authorities to specify the services that passengers want and deliver an integrated network of services with co-ordinated timetables, ticketing and branding. This model retains the benefits of competition, moving it from "on the road", where bus operators compete for passengers at bus stops, to "off the road", where competition is conducted through a procurement process. These new powers will replace the quality contract scheme legislation introduced in the Transport Act 2000 that has proved both cumbersome and ineffective.

As I outlined earlier, devolution is a key principle which has informed the development of the Bill. But moving to a model of franchising is a big decision that is likely to have implications for passengers, bus operators and local authorities. Strong governance and accountability are key to making franchising a success, together with a strong commitment to improve transport across a coherent and sensible geographical area. Mayoral combined authorities will therefore have automatic access to franchising powers as they provide clear, centralised decision-making for transport across a relatively wide local area. One individual—the directly elected mayor—will take the decision to franchise or not and will be held accountable for it.

We also want to provide the potential for other local authorities to access franchising powers if there is a compelling case for doing so. Therefore, the Bill provides other local authorities with the potential to access franchising powers. This is a two-stage process. First, Parliament will need to be content that it is appropriate for a local authority of that nature to have access to franchising powers. Individual authorities of that nature will then be able to apply to the Secretary of State for consent to start to develop their franchising proposals in detail. We expect such requests to be made through the devolution deal process, with authorities considering how better bus services could contribute to their wider plans for transport and economic development.

In every case where franchising is considered, local authorities will need to work closely with the operators in their area to manage the process in the best interests of passengers. This is an important decision for local areas to make, and therefore must be made on the basis of solid information provided in a timely way. Whatever approach is chosen, we want to ensure that bus operators, large and small, and the wider supply chain have as much notice of change as possible. So the Bill provides safeguards for any movement towards franchising.

The Bus Services Bill is designed to make bus services a more attractive proposition for passengers. It is about potential and creating opportunities. It is about better and brighter futures for local economies and connectivity across England. No single solution will work everywhere, and so we do not foresee a one-size-fits-all approach. Some local authorities may want to introduce newly integrated, uniformly branded networks of services, just as you see in London; others will want to build and improve on what is already there. This Bill is for all parts of England, from rural communities to metropolitan city regions. I am confident that the proposals it contains will improve bus services across the country as local authorities, commercial operators and local communities work together to provide even better services for passengers. I beg to move.

Column 757

4.11 pm

Baroness Jones of Whitchurch (Lab)

My Lords, I am grateful to the Minister for introducing the intentions of the Bill so clearly. It is a Bill that we regard as long-promised and eagerly awaited. It recognises what we have been saying for some time: that deregulation of the bus system has proved a failure both for customers and transport planners alike. In England, outside London, since deregulation, bus patronage has steadily declined, fares have shot up faster than wages, and routes and services have been axed. Conversely, since 1986-87, patronage in London has doubled, bus mileage has increased by 74% and fare increases have been lower than in the city regions. So we welcome the Bill's underlying intention to bring back some order to the system, learn from the successful models, reverse the decline in the number of passenger journeys taken, and drive up quality and reliability.

It is absolutely right that these decisions should be taken locally by those who know best the challenges and opportunities of providing public transport in their locality. Although there is much in the Bill to applaud, this does not mean that we do not have major areas of concern that we will need to explore in Committee.

Before I flag up some of those concerns, I would like to say something about the drafting of the Bill. It follows an unwelcome trend, already criticised by the Delegated Powers Committee in respect of other Bills, of giving an inordinate number of powers to the Secretary of State. In total, there are 28 provisions in the Bill for the Secretary of State to make regulations, and some of these allow for more than one regulation to be made. There are only 26 clauses in the whole Bill, so its weight is in giving secondary powers via regulations that we have not yet seen—and I am not sure what plans are afoot to make drafts available before the Bill is passed.

We are concerned that we are being denied the information and detail that we need to make informed decisions on the legislation. As the Delegated Powers Committee says in its latest report:

"This Committee and others have noted a trend whereby delegated legislation has increasingly been used to address issues of policy and principle, rather than to manage administrative and technical changes".

It goes on to say:

"The result is that the Government can pass legislative proposals with greater ease and with less scrutiny where they are able to do so through secondary, rather than primary, legislation".

We share the committee's concern, as it applies to this Bill, where the proposed regulations cover far more than just the administrative and technical detail. In addition, we still await sight of the impact assessment and the draft guidance which will underpin the Bill. There does not seem to be much of an excuse for the delay, given that the Bill was originally promised in the 2015 Queen's Speech, so there has been plenty of time to prepare it.

I turn to our major areas of concern. First, we believe that the powers in the Bill to regulate local bus services via franchising should be made available to all areas that want them, not just combined authorities with an elected mayor. We are concerned that this provision is being made for political reasons, to force authorities to go down the elected mayor route, rather than what is in the best interest of local bus services and their passengers. There is of course scope for other authorities to win the right to franchise, but the criteria for this are so far lacking and remain firmly with the Secretary of State. This goes against all the principles of localism and devolution which the Bill claims to champion. Furthermore, the enhanced partnership powers included in the Bill are available to a local authority only if a sufficient number of bus operators in a locality are in agreement. This makes it all too easy for one huge operator in an area to have a final say on whether a new partnership should be developed.

Secondly, we do not accept the premise in Clause 21 that local authorities should be prevented awarding a bus contract to a municipal operator. This model has worked well in a number of areas; for example, Nottingham City Transport has been UK bus operator of the year three times and has an impressive customer satisfaction level. It should be up to a locality to decide which model suits it best. We need also to ensure that local authorities are protected from legal action by bus operators whose profit base might be affected by bus retendering. We would be interested in exploring the Government's role in insuring local authorities against such action.

Thirdly, we would like to see disability provision on buses strengthened. For example, we need to ensure that all drivers receive mandatory training in disability awareness. We also support the move, promoted by Guide Dogs among others, for audio-visual systems to be a requirement in all new buses. So far, less than a quarter of all buses have audio-visual announcements, yet they play a vital role in enabling disabled people to live independent lives, as well as providing an essential service to visitors, the elderly and infrequent travellers.

Fourthly, we would like to see a much greater requirement for all new buses to run on clean energy, to have energy-saving cut-outs when stationary in traffic and to make their contribution to the Government's obligations under the Clean Air Act.

Finally, the Bill hardly mentions passengers. We believe that there should be a requirement to consult passenger representatives when changed partnerships are developing and when tendering is taking place. We would also like to see an independent body have responsibility for ensuring that the passenger voice is heard and that complaints are taken seriously. This could include petitioning against particularly poor service providers.

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These are just some of the issues we look forward to exploring in more detail in Committee and beyond. It is a rare and crucial

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opportunity to put bus services back at the centre of a strategic public transport policy. We look forward to working with other noble Lords and the Minister to improve the Bill on this basis.

🕒 4.18 pm

Lord Bradshaw (LD)

My Lords, I would describe this Bill as a lost opportunity. The last major piece of legislation on buses was 31 years ago when the provision of bus services was deregulated and privatised. The adage often associated with buses that “there will be another one along shortly” does not apply to legislation affecting buses, and what legislation there is has not been brought fully into effect.

As has been said, buses account for the majority of public transport passenger journeys. Many people depend on buses in spite of rising levels of car ownership. The Bill does nothing to address the long-running decline in ridership. It might have included imaginative measures such as lower fares for young people—giving better access to education and training—and for those on very low pay, or providing better facilities for the disabled and other encumbered passengers. As the noble Baroness has just mentioned, the Bill could have included strong measures to improve air quality in towns, about which the Secretary of State spoke yesterday, although I do not believe that much of the bad air quality arises from buses. It could also have included support for county councils, which at present are destroying rural networks. It does not, however, and if the Government have no proposals to deal with these problems, we will seek to amend the Bill as it passes through the House.

The Bill offers local authorities the opportunity to franchise the operation of their bus services. As I understand it, however, the Government will not make any extra funding available to create a London model. That will leave any local authority to face the almost inevitable legal actions which will follow from companies which bought the assets and good will of the pre-1985 companies and believe that what the Government are suggesting amounts to expropriation. When he replies, will the Minister indicate whether the Government will make any additional funds available to meet these contingencies? Without providing such resources, the Government are open to the charge that their intention is to devolve responsibility for bus and other public services to local authorities without making the necessary resources available and to shift the blame for any failures on to them.

This morning, on my bus into the station—I come a long way every day on the bus—I was given an Oxfordshire County Council leaflet which says that in July it will cease to support 43 local bus services. It also says in the leaflet and other publicity that 70 further routes are at risk unless operators reduce costs—which usually means cutting services at the start or the end of the day or at weekends. This issue must be resolved. What is the point of having concessionary fare passes if there are no buses? That is the situation in much of rural Oxfordshire.

Isolation and deprivation of access to shops and other services, which is in prospect for these bus users, can further blight their lives with loneliness. Does this cost-conscious Government put any value on this? I was talking last week to a lady who uses the bus who said that of the 14 people on the bus she was the only one who paid a fare. When they are deprived of that link to the outside world and there are no buses, what will happen to them and to the lady who pays her fare?

The concessionary fares reimbursement scheme, which is supposed to leave operators no better and no worse off, is insufficiently sensitive in reflecting the costs of providing a service, particularly to the many areas where concessionary pass holders make up a large proportion of the users. This happens in rural and holiday areas. Will the Minister tell the House when the existing arrangements for concessionary passes were last comprehensively reviewed; whether any such review was independent; and whether it was conducted by a person who knows anything about the industry?

The Conservative Party parades itself as the champion of the countryside and country dwellers, yet when it comes to protecting one of the basic interests of rural dwellers—mobility and escape from loneliness—it offers nothing and takes away what they have in the way of public transport. Perhaps the Conservatives are more interested in those who are increasingly populating our rural areas with several cars and security gates around their premises.

The Bill talks a lot about quality partnerships. My long experience in the industry convinces me that those are the best way forward, but the emphasis has to be on quality. I believe that that should be defined in the Bill and protected in two ways. First, once a partnership is agreed, it should be protected from the often malign interference of the competition authorities. Secondly, its terms should be rigorously enforced by the traffic commissioners with the help of the Driver & Vehicle Standards Agency, if not by the local authority as referred to in the overview to the Bill provided by the Department for Transport. There is absolutely no sense in a partnership when operators of almost life-expired equipment driven by barely competent and untrained drivers should have licence to attack a partnership. A partnership needs to be based on investment by both parties, have high quality standards and use properly trained drivers.

Investment by local authorities is important, but so too is enforcement. Traffic congestion is one of the greatest enemies of running a punctual and reliable bus service. Congestion not only causes delays and extended journeys; it forces bus companies to provide more buses and staff on a route, pushing up costs with little in the way of extra revenue. Local authorities can take action using traffic lights and smart transformers, but that really demands action by the Government, particularly by allowing local authorities to prosecute not only those who obstruct bus lanes and bus stops or who park illegally but moving-traffic offences such as not keeping yellow box junctions clear or making forbidden right turns. Legislation already exists for this to happen. It is set out in Part 6 of the Traffic Management Act 2004. A Labour Government passed that statute but then failed to implement it, and it has lain on the statute book ever since. It provides for local authorities to enforce the law and to keep any proceeds to cover the costs arising. That would be a real step towards help the industry and would strengthen partnerships. It should be the aim of the Bill, and I think it is alluded to in this respect in all quality partnerships.

I have worked in and with the industry since deregulation. I believe that there is nothing wrong with publicly owned operations. Nottingham, which has been mentioned, and Reading score very highly in public estimation. They have formed effective partnerships that do not involve a huge bureaucracy, so I do not argue from any entrenched position. But these partnerships often lead the way in moves towards quieter, more fuel-efficient fleets, with better disabled facilities and well-trained and better turned-out drivers. They are also well in tune with their local markets. Partnerships should emulate the best and be supportive.

Perhaps the Minister will confirm that the Department for Transport controls what remains of the bus service operators grant. Will the Government consider transferring some or all of that money to local authorities to form a ring-fenced fund with a substantial bias in favour of rural areas? It would certainly avoid the gibe often made about the bus service operators grant, which is that it pays for the mileage run on busy routes but instead should focus the money where subsidy is desperately needed.

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Ticketing is an area where people increasingly expect interchangeability and simple ticketing and information services. Operators in partnerships should be expected to work with local authorities to bring that about, and any operator working in a partnership with a local authority should comply with these requirements.

As an aside, there was an article in the *Times* on Monday about RATP Dev—the French bus and Metro company—which argued that better bus services outside London should be able to reduce their double-digit profits to a level enjoyed by the London companies. However, it omitted to say that the London companies have no revenue risk and no interest in collecting money. Companies outside London do bear that risk, which accounts for a lot of the difference in the rate of return.

Passenger satisfaction with buses is high but it could be higher. The Bill does not offer any fresh initiatives. I have suggested some moves, and some will be suggested by others. It is essential that the Government react to some of these if there is any justification for the Bill whatever. Obviously, we have a Bill that will achieve little and disappoint many, including disabled people, rural dwellers and all who depend—or should I say would like to depend—on buses.

🕒 4.31 pm

📄 Column 762

Baroness Campbell of Surbiton (CB)

My Lords, as the Minister rightly said, public transport is essential to communities and ensures that we flourish as individuals economically and socially. The Bill provides an excellent opportunity to improve the access of disabled people to bus services to progress equality for all.

I clearly remember the days when disabled people were considered not part of the public when it came to public transport. It was the first public service that we fought for in our 30-year campaign for universal civil rights. For us, it was a case not of social apartheid as it was for Rosa Parks, but of physical apartheid. We were denied access on the grounds of having wheels, not legs.

I took my first bus ride in New York when I was 26. It was one of the most liberating experiences of my life—travelling like everyone else rather than in segregated transport with “ambulance” emblazoned on the side, as I was very used to at home. Fast forward to 2016 and we can see that accessible bus services have progressed exponentially in the UK, albeit mostly in the big cities. If we look around in London we see wheelchair users queueing at the bus stop with their peers—off to work, to the shops, a night out or to visit a friend. We are now visible, which in itself creates changes in attitudes, and eventually a shift in social behaviour.

However, there is still much to be done if buses are to be fully inclusive to all disabled people, whatever their disability. This was encapsulated in evidence to the recent Lords Select Committee on the Equality Act 2010 and Disability, of which I was privileged to be a Member. Transport for All wrote:

“While there are some examples where the Act has been useful in making the case for equality to transport providers, it has largely failed in bringing about transport equality for disabled people”.

A clear example of this is the lack of audio-visual announcements on buses, which would open up travel for blind and partially sighted people—but not only for people with visual impairments, as it would open up travel to a great many people with hidden disabilities, such as dementia, autism, learning disabilities and mental health conditions. The Select Committee heard that, outside London, few bus companies had installed audio-visual information or hearing loops and that 65% of blind and partially sighted passengers had missed their stop over a six-month period in 2015. I repeat: 65%. Imagine trying to get to work on time.

Far too many people are excluded from transport. Disabled people still face many hurdles. The impact this has on their ability to lead active, healthy, social and productive lives is unacceptable in a wealthy society such as ours. Some bus companies and services are very good but many are not. Access to bus services must not simply be a “nice to have if it can be achieved”, or an afterthought in transport policy and law.

We must focus much more on the market opportunities of inclusion, not the one-off cost of installation. Inaccessibility should now be seen as both a market failure and a regulatory failure. Disabled people are good for business because they ride far more than they drive. They spend about £212 billion annually, according to the Extra Costs Commission. Yet the Government's Red Tape Challenge views accessibility requirements as a burden on business. The Government need to think a lot more about what is the burden on disabled people and the waste of money and cost to society that exclusion brings. This Bill could showcase how to make equality and accessibility part of the DNA of bus design and operations, to a standard that is consistent and reliable. It should help local authorities through the franchising process and partnership arrangements to require bus companies to disability-proof their fleets and train all their operators. As most disabilities are now age-related, with an ageing population this is also a way of future-proofing their business.

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In Committee, I will look for opportunities to embed accessibility and equality in policies and regulation consistently across the country, and in consultation with disabled people and their organisations. At the moment, the Bill appears to focus exclusively on the management and regulation of bus services by local authorities. Access for disabled people is barely mentioned yet remains a major challenge for the bus industry, despite the Public Service Vehicles Accessibility Regulations 2000. The Bill makes provision for more information to be available to passengers—for instance, timetables, fares and routes using innovative apps and digital formats. That is good news, one would think. However, 25% of disabled adults have never used the internet, compared to 6% of non-disabled people. Wider provision is welcome but information needs to be in multiple forms if it is to be accessible to all the public—including disabled people, who are the public.

Can the Minister assure us that additional access considerations will not be caught by the Red Tape Challenge or laissez-faire localism? While localism is good, and can be innovative and serve local populations, it can also be the enemy of equal access for all. Can he clearly confirm today that accessibility will be addressed in the Bill and will not be regarded as a burden on local authorities or bus providers? On the contrary, it would boost business and increase the life chances of disabled people, while also—very importantly—complying with the Equality Act. Everybody wins, including the Government, who desperately want disabled people to be independent and less reliant on costly support services. The Department of Transport's overview of the Bill says that the aim is to unlock opportunity. I hope the Minister can assure me that this includes disabled people throughout. The Government have a big challenge to meet by the end of the parliamentary term—a manifesto commitment to close the disability employment gap of 30%. Travelling to work is one of the key barriers facing disabled jobseekers. Accessible bus networks across the country will help the Government towards meeting that target. The evidence of disabled people was invaluable to the Select Committee on the Equality Act. What steps is the Minister taking to consult closely disabled people and their organisations, especially those with expertise on accessible transport, during the passage of the Bill?

There is much to be said for the devolution of bus services to local authorities. However, as I said, devolution can become the enemy of accessibility. Standards of accessibility should not be a postcode lottery; they are universal. Passengers should know in advance what to expect and be confident that they can rely on bus travel wherever they are, as they go from local authority to local authority. Their journey may cross different local authority areas or connect with the train. Consistency is absolutely vital to make it work. We should learn from the rail industry, which is progressing towards greater uniformity in accessibility requirements through the system of disabled people's protection policies—DPPPs. Train and station operators must have these in place, approved by the regulator, and comply with them as a condition of their licence. Why does that not apply to the bus service? Can the Minister please tell me why such a system is appropriate to the rail sector but not to the bus sector? Would he be willing to meet me and my transport advisers to explore such an approach? Without it, it is difficult to see how consistency of accessibility will be achieved. Local authorities will be empowered to do what they can rather than what they should. If bus providers do not have this requirement, I fear that they will have no incentive to do more than the minimum.

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In conclusion, the Bill has the potential to stimulate the local economy and keep UK citizens on the move, working, socialising and exploring. Bus travel is a public service and we too often forget that 11 million disabled people are part of that public. Freedom of movement is a fundamental human right. If disabled people are to enjoy that right too, accessibility must be hardwired into the design and delivery of our bus networks. I hope noble Lords will help to ensure that this is addressed throughout our deliberations on the Bill.

4.44 pm

Lord Young of Cookham (Con)

My Lords, I hope that when my noble friend the Minister replies to the debate, he will be able to respond to some of the powerful points we have just heard from the noble Baroness—points which I know will be made by other noble Lords who want to see the bus service made more user-friendly for travellers with a disability.

I focus my brief remarks on the more controversial clauses forming the franchising section of the Bill. As a former Secretary of State for Transport, I brought in franchising for the rail industry so I have a familiarity with that aspect. I was also a member of the Greater London Council in 1970, when the Government handed over responsibility for the bus service to a local authority, so I can see the issue from that perspective as well.

The Bill can help to unlock the full potential of the bus service as an even more important member of the public transport family. But, if I can make a controversial point, I believe that historically we may have overinvested in light rail in our cities and underinvested in the buses. In many cases, a properly protected, prioritised bus lane and bus service could have done what a light rail system does at a fraction of the capital and revenue cost and, of course, with the flexibility of vehicles that is denied to those on a fixed rail. I do not want to detract from the success of the Croydon Tramlink and Manchester Metrolink schemes, but they didn't half make a hole in my departmental local capital budget for transport schemes. It may be that the measures in this Bill enable funds for public transport to go further by moving the dial a bit away from metropolitan light rail projects towards the bus.

In focusing on the franchising sections of the Bill, I am aware of the dangers of generalising from the experience of London, where the bus service is unique in being regulated, unlike the rest of mainland UK. This has enabled Transport for London to plan, procure and manage a network of services in a consistent and co-ordinated way. It has also been generously funded, which may not always be possible elsewhere. Through collaborative work with others, this has led to increased service levels, improved quality of services and significant increases in patronage—way above what has been seen outside the capital. During the first 15 years of this century, bus ridership in London has grown by 70% and buses in London now carry the highest number of passengers since 1979.

Column 765

Having been a Member of Parliament for two constituencies—one in London and one not in London, thanks to the Boundary Commission—I have no doubt in my own mind that the model of running buses in London is far better than that outside London, from a consumer's point of view. There are particular problems with a deregulated system: it limits the degree to which bus services can be fully joined up and co-ordinated with each other and with other modes of public transport, and there can be confusing fares and uncoordinated routes and timetables, which can put many off using the bus services. So I see the strong case for making this model available outside London; it has been copied widely outside this country but not, so far, outside London. I recognise, however, that this has implications for the bus industry, which has operated outside London in an unregulated environment. Many companies have developed markets and customers and I understand their concern that, under franchising, they may not get the contract, thus risking their investment—I will say a word about that in a moment.

The literature on the case for extending bus franchising is extensive. We have the Transport Select Committee, the Public Accounts Committee, the Institute of Economic Affairs and quite a lot of White Papers. It is fair to say that there is no consensus, but I was struck by the conclusion of the Competition Commission, which reported in December 2011 against mandatory franchising but said that,

“existing legislation enables LTAs to introduce franchising in England, Wales and Scotland and we would not wish to rule out its future application in particular local markets where the respective legislative requirements are met ... we also note that LTAs have wider social and policy objectives that are not relevant to this investigation, but which may legitimately lead them to take a different view on the desirability of introducing franchising in relation to the local bus markets for which they are accountable”.

That is, basically, what the Bill does—no compulsion, but an option to extend franchising where it makes sense.

It strikes me that, unlike the current deregulated market, the franchising model offers newly elected mayors the opportunity to set new minimum standards for bus services across their areas. Such standards could include, as my noble friend said in introducing the Bill, consistent branding, real-time information for passengers, timetabling apps and other useful technologies. I know and the House will know that Manchester is keen to go ahead along these lines.

Column 766

Turning to the industry's concerns, the CPT press release says:

“The CPT supports the Government's proposals in the Bill for advanced quality partnership schemes and enhanced partnerships”,

but the next paragraph on franchising is more cautious:

“But where local authorities consider introducing franchising CPT is pleased to see that those proposals will be subject to robust and fair public and financial tests, and that the Bill aims to allow SME operators to compete fairly”.

At the meeting with the CPT that my noble friend Lord Attlee kindly arranged, the industry was more critical about the franchising

process and some of the comments were hostile.

My view, for what it is worth, is that if a company has invested in the local bus market, knows its customers, has the appropriate fleet of vehicles and drivers, has already engaged in a constructive partnership with an LTA, and is providing a good-quality service, it is well placed to win the franchise. Of course, once the franchise is won, it is then insulated from competition on those routes, which it is not at the moment in an open, unregulated market. I hope the industry's concerns about franchising are allayed by the obligation placed on local authorities by the Bill to benchmark any proposed franchise scheme against what could be offered under an enhanced partnership scheme. Only if a franchise can achieve more than what could be achieved under an enhanced partnership will franchising go ahead. Further comfort is provided by the prohibition, which I know was criticised by the Opposition Front Bench, on local authorities operating their own buses. The industry will of course welcome that.

There is one issue on which the CPT might have a valid point. The Bill is silent on the subject of compensation for those companies that might lose their business if unsuccessful with the franchise. My experience is that you do not normally get compensated if you do not win a franchise. But the briefing I have seen says that foreign investors will be entitled to compensation under the terms of the TTIP agreement currently being negotiated at EU level, but not British investors. Is this apparently un-level playing field something my noble friend can comment on when he winds up the debate?

In conclusion, the Bill delivers on our commitment on devolution, it offers an updated menu for transport authorities without being too dirigiste, and it offers passengers the possibility of a better co-ordinated and balanced service. I hope the Bill can now move on and, in the immortal words of Flanders and Swann:

"Hold very tight please! Ting-ting!"

🕒 4.52 pm

Lord Whitty (Lab)

My Lords, it is a pleasure to follow the noble Lord, Lord Young. I agreed with a good two-thirds of his speech. We have to recognise that this Bill follows 30 years of bus deregulation and—outside London—30 years of bus decline.

■ Column 767

There has been a fall in bus coverage in almost the whole of England outside London and a big contrast with the situation in London, where franchising has been the rule. There has been a decline in passenger trips in metropolitan areas by more than 1 billion, as well as falls in rural and suburban areas. Of course, the reduction is still going on in services: there have been 2,400 withdrawals and downgradings of routes since 2010. The noble Lord, Lord Bradshaw, referred to Oxfordshire. In my area of Dorset, Somerset and Wiltshire there are now threats to withdraw several vital routes.

Meanwhile, in London the bus service has gone from strength to strength. Some of this relates to funding, and the Minister acknowledged that—but the Bill does not. There is a big funding gap and a big gap in the Bill. The funding of bus services has gone down by 25% since 2010 and the funding of concessionary fares has been cut by 40% since 2010. In London, again, the funding has moved in the opposite direction.

This decline in bus services post deregulation was recognised quite early on—certainly by the time the Labour Government came to power in 1997. I was the Minister in this House who brought through the Transport Act 2000, along with my noble friend Lord Macdonald of Tradeston, who is no longer in his place. Some of that worked, as far as buses were concerned. We brought in legislated partnerships and in many parts of the country they worked very well—but for larger local authority areas we envisaged quality service contracts, and that part of the Bill, I have to say, completely failed. That was recognised by the Government later on. In 2008, they tried to simplify the process to get some moving, but none have actually occurred. This is the very area where franchising is now the appropriate form and I applaud this Bill's commitment to it.

The reason that the previous form of intervention failed was partly the complexity in the drafting of the Bill and the regulations. But they were complex because we knew that we would be faced with serious challenges from the large bus companies. That occurred on every single occasion when quality service contracts were tentatively proposed. This even went on until very recently. Even last year, the proposal in the north-east for a quality service contract—or something very like it—was dropped because of objections by the companies. The chair of Stagecoach referred to local councillors in the north-east as unreconstructed Stalinists. I am not sure whether he included the noble Lord, Lord Shipley, in that description—but nevertheless the process was stopped in its tracks.

With franchising, we have a new measure which has worked well in London and in many international examples. It puts power in local authority hands and gives a sensible size of area for the franchise to operate in. I recognise that it will be most effective in areas where there is wider devolution to city regions. In Greater Manchester, I know that for many years they have envied London's abilities in this area and would like the ability to decide routes, frequencies, fares and quality standards for all buses in their city region. The franchising model, which could be extended to a multimodal one that would be appropriate for Manchester, facilitates that along with the setting of fares and requirements to meet reasonable costs.

The elected mayor in Greater Manchester could specify new minimum standards for fares, real-time information, timetabling et cetera. I know that in Manchester my old friend Tony Lloyd, who is acting mayor and may well take up the job permanently, would want to use bus-franchising powers to set routes that work for communities and make sure that the north and south of the conurbation of Manchester, which are rarely connected, should operate together, and that the oversupply of buses on some routes, because of the competition, and the undersupply on others would be corrected by the franchising process.

■ Column 768

While the Bill is great for Manchester and other conurbations, why does it require there to be an elected mayor? This is the opposite of localism. It is the opposite of what I would regard as the spirit of devolution. In many rural areas there is no prospect of having an elected mayor, and there are other urban areas which do not like the prospect of an elected mayor. The process could work just as well in combined authorities, whether there was an elected mayor or not. I do not understand this restriction. The Government have promised these powers to Cornwall—my noble friend Lord Berkeley is here and often speaks for Cornwall—so why not to other areas in the rural counties of England? There is a bit of an obsession with elected mayors in legislation coming from this Government. Devolution, city regions and additional powers on the transport front, including those in the Bill, are very appropriate but do not need to be confined to areas that have decided to have an elected mayor.

The other restriction on localism and devolved decision-making relates to the prohibition on new municipally-owned or part-owned companies. I do not understand why. We still have a number of quite successful municipal bus companies operating in this country. The Minister mentioned Reading and my noble friend Lady Jones mentioned the success of Nottingham City Transport, which is

majority owned. The model also exists in Blackpool, as noble Lords who attended conferences there will remember, and in Halton. I do not know whether the Chancellor of the Exchequer ever takes a bus but it has been pretty successful in that area. Why prohibit it elsewhere, if that is the decision of the combined authorities that will be able to introduce these franchises and take advantage of other parts of the Bill? In fact, internationally, in some of the best-served cities that we visit, the municipalities of the regions own the buses. They include Vienna, Munich, many French municipalities and even parts of the United States.

So why are we very explicitly, in Clause 21, prohibiting the power to set up a company as an option in England? Again, this is the opposite of localism. It could be useful in rural areas, some of which might want to set up a company of their own because those areas are not attractive to some of the major companies. Local authorities and other public services lay on buses for other purposes—schools, social services, disabled transport et cetera—and you could combine all of those in a municipal or county-owned bus service in rural areas.

Rural areas of course are the parts of the country that are most dependent on buses, but they are also, in practice for most areas, where they are most underused and most expensive—as far as people without concessionary fares are concerned—and where they have seen a very substantial decline in both routes and passenger numbers. Concessionary fares are of course being threatened, in which case you could have even more empty buses on rural roads. The rural bus subsidy grant needs to be restored and devolved in some form or other. Rural counties should, as I say, have access to franchising powers and the other powers in the Bill. Rural areas should have the option of setting up on-demand services—what are sometimes locally known as Wigglybuses, which are a combination of buses and taxis—and engaging in other synergies between scheduled and on-demand routes.

We have not yet had an impact assessment of the Bill, and I hope that the Minister can confirm that we will receive that before Committee. We also need an indication of the rural-proofing of the Bill, which I have not seen anywhere in the literature that has been provided by the department, which is otherwise excellent.

Other noble Lords referred to environmental factors. Buses contribute to a degree to the carbon emissions from transport. We have now been set the task by the Government of cutting transport carbon emissions by 15% by 2020, which will be difficult, and buses need to be meeting that. More important, probably, is the air quality aspect, and we need to ensure that there are proper provisions and incentives for refitting and scrapping older buses and for bringing on newer ones that are more environmentally sensitive.

I welcome the ticketing provisions in the Bill, including the emphasis on simplified electronic and through ticketing, which is a very important issue for consumers. Again, London and the Oyster card led in this area, and Oyster itself is now being updated. There is much more that we can do here; ticketing could be multimodal.

When we talk of the benefits to the consumer that the Bill could deliver in terms of convenience, cost and reliability of service, we need to recognise the role of passenger bodies in this area. In the consultation list, for example, there is no reference to what is now Transport Focus, a very commendable body; nor is there any reference to any local equivalent in the franchised areas to what we have in London with TravelWatch. We need some established form of consumer representation in this area.

We also need to consider the workforce. A qualified and experienced workforce is very important, and the noble Lord will know that this remains a very highly unionised area; the main union is Unite. The only point where union or worker representation is touched on at all is in the TUPE provisions—which are welcome, as are the parallel pension provisions—for people who are affected by transfer between one company and another. But of course TUPE only arises at the end of the process, and there should be a requirement for consultation with the workforce all the way through the franchising process, as there is in respect of consumers.

In summary, the Bill is a good move in the right direction, but it needs to go further and to be tidied up a bit. There is too much reliance on regulation, but I am sure that I and other colleagues in this House can work on that as we go through Committee so that we get an improved Bill before it leaves the House.

5.04 pm

Baroness Brinton (LD)

I was also a member of the Select Committee on the Equality Act 2010 and Disability, and our report, *The Equality Act 2010: The Impact on Disabled People*, was published at the end of March. We are still awaiting the response from the Government, and we look forward to that coming—fairly soon, I hope, in the autumn. There is an entire chapter on transport in that report, because access to transport is one of the main blockages that prevents disabled people from living active and independent lives. It is of note that, of the speakers in this Second Reading debate, just under a quarter are people with visible disabilities—there may be others with hidden disabilities that we cannot see—so it is clearly an issue for the disabled community.

The ability to travel freely is one that most of us take absolutely for granted. However, for those of us who have barriers in various forms, travelling on a bus can become a complete nightmare. I pay tribute to Doug Paulley, who has taken a case right the way through the courts; it is due to be heard in the Supreme Court on 15 June, and we welcome the outcome of that. Obviously, I do not want to prejudge that, but the issues that are raised here are reflected in some of those that he has raised in his case.

Bus travel from a wheelchair perspective is a very mixed experience. I absolutely accept the Minister's point that 89% of buses are now compliant; the problem is that you cannot tell when a bus is coming towards you whether it is going to be compliant or not, whether the bus driver and conductor will have had training, or whether the audio and visual guidance support is going to work. How on earth can we enforce the regulations that the Driver & Vehicle Standards Agency has been responsible for not delivering over the past 16 years to ensure that, by the end of this calendar year, that figure is 100% compliant? I shall come on to training in a minute. What is the government role in ensuring that the DVSA ensures full compliance? I understand from evidence taken by the committee that some action has been taken, but it is way too late and has now become a problem for bus companies to have to make major capital changes at what they perceive as short notice, because they were not reminded since 2000 that the deadline was the beginning of this calendar year just past. I wonder if there is also a role for local government. Much of the Bill talks about the role of local government in commissioning services, but perhaps local government should report to the DVSA when it is commissioning services but they are not fully compliant. I am not aware that there is any reporting structure, and that may be one helpful route.

I shall just explain the practicality of the problem. I tried to hail a bus on Gower Street that was three-quarters empty on the ground floor, but there was a buggy in the entrance to the wheelchair space. It was one of the few buses with a conductor, and the conductor and the driver both tried to speak to the father of the baby in the buggy, but he absolutely, point blank refused to move.

Column 769

Column 770

He just would not give at all, even when I explained that it was perfectly possible, if he just pulled the buggy back for me to reverse into the space, for him then to put the buggy back in front of me. He still refused to move. That is the fundamental problem. At the moment, although the spirit of the law says that wheelchairs should have priority, the right of refusal by the person responsible for a buggy is absolutely paramount.

Column 771

In the Paulley case, there have been a couple of comments from some the judges, at various stages. Lord Justice Lewison said that, “the criminal law (in the form of the Conduct Regulations) gives the company—in practice the driver—no reliable means of enforcing any ‘requirement’; still less would introducing an explicit contractual term in the conditions of carriage do so. In truth a ‘requirement’ has no more teeth than a ‘request’. To hold that FirstGroup”—

the bus company in this case—

“was in breach of its duty to make reasonable adjustments because it did not have a policy of enforcing a requirement to vacate the wheelchair space is in those circumstances unsustainable”.

Lady Justice Arden concurred. She said:

“Parliament has not given bus drivers any power to compel a person to move from the wheelchair space. A rule of ‘wheelchair first in the wheelchair space’ would not carry the force of law. In those circumstances, in my judgment, the duty to make reasonable adjustments does not require the bus company to have such a rule”.

This is a complete nonsense, especially where there is no flexibility on the part of the buggy user, so my first question to the Minister is: do the Government have plans, in the light of what was said in the earlier court judgments on this case, to make the clarity between the requirement and the request to ensure that a wheelchair can have access to the designed wheelchair space and cannot be barred from using it by the will of another passenger?

The Arriva booklet for disabled passengers, which was published in 2011, is extremely helpful—I think it is important in this debate to hand out bouquets as well as brickbats. The only problem is that nowhere does it refer to the fact that there are other people with priority over using the wheelchair space. It would be extremely useful if in communicating with disabled users it was absolutely clear whether the rights of a bus user are a matter for government, local government or the bus companies.

That brings me to people with hidden disabilities. The noble Baroness, Lady Campbell, and I had a meeting with Transport for London, mainly but not only about Tube use. A suggestion—one that we know we are not the only people to have made—is that in addition to the button badges that pregnant women wear saying “Baby on board!”, a button badge saying “Hidden disability. Please offer me a seat” would be extremely useful. I am glad that TfL is seriously looking at taking that up, but it would be really useful if the message went out to all the bus companies and if people with disabilities were able to access that sort of thing for train companies as well.

In the past 24 hours, I was concerned to discover from talking to another disabled person that apparently most bus companies’ insurance companies provide insurance cover for only one wheelchair on a bus at any one time. She and another colleague, both in wheelchairs, were told that they could not travel together, even when she offered to get out of her wheelchair and sit in a seat. She can do that with her wheelchair whereas the person she was with has an electric wheelchair, as I do. She was told that was not possible because of the insurance cover. This is complete nonsense. It goes to show that the myths that abound about what you can do with the number of wheelchairs on the ground floor of a bus need to be exploded.

Column 772

Audio and visual guidance issues are important. I know that the noble Lords, Lord Low and Lord Holmes, will speak from experience. One of the frustrations of being in a wheelchair space in a bus is that you are often facing the rear of the bus. I travel on buses around the country a great deal, and when I get on to a bus, I have to say to the driver, “I don’t know where I’m going, but I want to get to X”, and I am entirely reliant on the driver telling me because the visual guidance is usually behind me behind the driver. Unless there is audio guidance, I have no idea where I am going, if I am getting near the stop at all. That is not universally true. The bouquet I would like to offer today is to Manchester, where I was over the weekend, and where the buses and the trams were extremely good on audio and visual guidance, ramps and ticketing. That was extremely helpful and shows it can certainly be done. However, it is not universal, and one of the particular problems is services that encompass town and rural areas, not principal cities. Will it be made clear to all bus companies that they must have these user priorities and accessible guidance notes, even if it costs them money? Here I differ from the Select Committee: there needs to be audio and visual guidance on all buses and there should not be any further delay.

That brings me to my final point: training. It is always instantly apparent to me, as I am sure it is to other disabled people using buses, if a driver or a conductor has had training. They understand the issues that you face and the space that you have to move in. They know how to ask passengers to move so that you can get into the required space. They often also offer guidance about whether or not you need to pay, because not all areas make disabled people with a blue badge pay, as I discovered to my delight in Manchester over the weekend. However, it is also painfully clear when they have not been trained. For example, there is a lack of understanding that you do not want an electric wheelchair to be pushed by a helpful driver; that is actually the last thing that should be done. Training would cover the difference between manual and electric wheelchairs.

In the Paulley judgment, Lady Justice Arden also made a comment about training. She said that,

“provisionally I consider that the bus company must provide training for bus drivers and devise strategies that bus drivers can lawfully adopt to persuade people to clear the wheelchair space when needed by a wheelchair user”.

This is important because the training guidance for buses differs completely from that for train operators. My next question is: when will the bus guidance, on training in particular, be brought into symmetry with the train operating guidance? While the train companies are not perfect, it is clear what their duties are under the law.

In conclusion, 89% compliance with the 2000 regulations is still not good enough; it should be 100%, and 15 or 16 years is more than enough time for companies to come to that compliance. There remains real concern about who is actually ensuring that things are compliant, and I look forward to the Minister’s response on the DVSA and its role in making that happen. On compliance on audio and visual guidance, and on training for bus drivers and conductors, by what date will bus regulations follow the rail regulations and make this training compulsory for staff?

Column 773

The most important point is understanding that access to buses is not something that has to be balanced with the Red Tape Challenge, with capital costs for bus companies, with training costs or with the needs of other bus users. It is self-evidently discriminatory to keep treating people with disabilities less well than other bus users, and the Bill is a perfect opportunity to remedy those deficiencies.

🕒 5.17 pm

Lord True (Con)

My Lords, it is a great pleasure to follow the noble Baroness. I have tremendous sympathy with many of the points made by her and the noble Baroness, Lady Campbell, and I am sure we will look at these matters very carefully during the course of the Bill. I declare an interest as a leader of a local authority who rides the 33 bus to work every morning. Generally a very good service it is, I may say, including exactly the kind of information that is so helpful to passengers, and which I hope will be extended from London and Manchester to many other areas under the Bill.

I am very struck by the point about audio-visual. I remember that when I used to go to Berlin in the old Cold War days—it was a fascinating place, quite extraordinarily liberated and alternative—one of the things that struck you was that when you got on to public transport it was absolutely rigid and regimented, and you noticed that a voice announced “Nollendorfplatz” and so on. That was so long ago—30 to 35 years—and I thought then that audio-visual was a good idea, but it still has not come in universally across this country. Let us hope that that will happen.

My authority is not a passenger authority, although we have nearly 90,000 households. Our services are provided by Transport for London, about which we have heard a little, and which does many good things that we are recommended to imitate. The trouble is that TfL is a very large, almost impenetrable and, in many cases, unaccountable body about which, I confess, I have not always been polite in your Lordships’ House. However, I had the great pleasure the other day of sharing views with its new top man, Mr Brown, who I thought was a breath of fresh air. I might have expected that, on remuneration three times the whack of the Prime Minister—a benchmark that I hope will not be followed by the other authorities that might emerge under the Bill. Although Transport for London does a good job, in its structure it is not always as accountable to local people as it might be—I will return to this a bit later. I hope that in these new arrangements we will not replicate the defects as well as the strengths of that.

Generally, I support the Bill. Increased bus use in London has been hugely welcome, and bus use must be encouraged further, which we all hope the Bill will do. It is therefore great to see the Bill before the House, and I thank the Minister. It will open up new possibilities to improve bus services across the country, and as was fairly said from the other side of the House, give us the chance to learn both from the successes and the failures of the system as it has evolved over the last decades. Learning on the job is what we are about in public administration, and we should do that candidly, recognising the good and the bad that there is in all systems.

I do not want to upset my noble friend on the Front Bench but, funnily enough, I have no ideological objections—noble Lords will not be surprised, as I am the leader of a local authority—to local authorities running buses or running anything at all, if they can show that they can do it economically and effectively. Therefore, perhaps the Minister will explain, as others have asked him to do, the rationale of Clause 21, which, I remind the House, says that, “A relevant authority”—that is, a local authority—

“may not, in exercise of any of its powers, form a company for the purpose of providing a local service”;

that is, a transport service. It goes on to say that that applies,

“whether the relevant authority is acting alone or with any other person”.

Even as a partner, the Bill sets out to slam the door on local authority innovation.

That takes us a long way from the power of general competence, which I so welcomed when our last Administration brought it in. Does that mean—I read out the words, which sound very hard—that a local authority would be prevented from promoting or participating in a small, energy-efficient, seasonal shuttle service to improve links between a station and tourist attractions or parks: the kind of service which will not be provided by commercial bodies? It would be a pity if such small-scale innovations forbidden by what reads as rather leaden language in the Bill. Perhaps we will be able to explore that further in Committee.

I have great affection for the old buses I used to go to school on, which were run by a local authority: West Bridgford Urban District Council, which was the only urban district council running buses then, which it had done since your Lordships passed a Bill in 1913. I can still see those brown and buff buses coming along. They described the livery as crimson lake and cream but we knew it as “choco and custard”, two of our favourite foods. We did not have anti-child-obesity rules in those days. Those were local municipal services, run by a small local authority, and they were profitable, decade after decade. The council ran them at a profit, and I do not see why that should not be possible or not allowed.

Sadly, in the 1960s, when buses were challenged by the rise of car use, which we now want to prevent, profitability became more difficult and the local authority wished to change to coaches and a one-man operation, but sadly, that was blocked by the trade unions, as so many things were in the 1960s. The result was that the service was sold off to Nottingham City Council, which still runs buses. I can tell noble Lords, from my experience last week, that it does it rather well. I hope that we can at least have a better explanation as to why that ban should be in the Bill.

To go back to where I was on London, the moral of my reflection on the dear old West Bridgford buses is that public bodies can run services, and public services can inspire great affection, but transport must be responsive to its customers and able to innovate.

With regard to being responsive, I referred to London, as did the Minister. What influence will lower-tier local authorities within the planned new authorities have over decisions relating to buses? By the way, I agree with those who said that the obsession with elected mayors is completely ridiculous. We are all for devolution and so on, but can someone stop sending Bills to my noble friend Lord Heseltine before they come before Parliament? We can do things well locally without elected mayors.

Within the TfL area, TfL has exclusive powers over, for example, the placing of bus stops and the design of street furniture. To give one example, securing the moving of a bus stop in one of our town centres took over a year due to bureaucracy, with the proposal going back and forth between the person at the top—the commissioner of TfL—and all his people and the local authority. It was completely ridiculous. I do not know whether the Public Bill Office will say that the Bill does not apply to London but it looks as though the Long Title of the Bill will allow that. However, let us hope that it does not come to that.

■ Column 774

■ Column 775

With regard to the delay in moving bus stops, we recently had a case where bus shelters, which provided shelter, were removed, without consultation, by the superior authority—TfL—and passengers got drenched. When we raised an objection, we were told by the people at the top that they were worried that their bus drivers might drive into the larger shelters, so they had replaced them with smaller ones. Perhaps the bus drivers could have been trained not to drive into bus shelters. Can we be sure that, in these new co-operative arrangements—with or without mayors—that are emerging in other parts of the country, lower-level authorities such as Richmond Council will have slightly more say in local design and activity than is the case in London? I hope that will be carefully considered.

I hugely welcome the improvements in accessibility for disabled people, and I very much agree with what the noble Baroness said. Sadly, too often I have seen selfishness from people with buggies on buses. My dear old grandmother would have called it “heathen” behaviour. It is a great pity that one has to resort to the law to get decent civility in giving priority to those in need.

I hope that these new, emerging arrangements will allow more choice and more public and local involvement. Let us have a bit more input into the design of buses. I am sorry that the hop-on, hop-off bus did not go forward. I thought it was great during the first few days of its operation, but then we were not allowed to hop on and hop off any more. When we have these franchising operations, will local authorities be able to say, “Please give us buses where we can have windows that open”, and, “Can we have buses on which people can sit looking forwards instead of backwards through the back window of the bus, where the ordinary passenger can’t see anything?” Design is very important and I hope that there will be some influence over that in the franchising arrangements.

■ Column 776

Finally and briefly, what is the definition of a bus in the Bill? I cannot find it. It is probably in the original statute but does it include a river bus? To me, that is a bus. One problem that we had in London in the early days was that there was no bus integration between water transport and land transport in the original plans for joint ticketing and so on. In other areas of the country, the River Trent in Nottingham, for example, is very wide, and there are places with seaports and harbours. If we are looking for these kinds of arrangements, it is important that we integrate water transport from the start.

With those reflections, overall I think the Bill will extend choice. Despite my remarks, we have so much in London that is good and which I hope we will see exported. I am delighted that my noble friend has brought the Bill forward and I very much look forward to giving it strong support in your Lordships’ House.

🕒 5.29 pm

Lord Woolmer of Leeds (Lab)

My Lords, it is a pleasure to follow the noble Lord, Lord True. He tempts me to go through my childhood recollections of buses. I do not think I will today, but perhaps we can exchange those thoughts over a cup of tea.

I welcome the Government’s recognition that—to use those fatal words—“something has to be done” to improve matters in terms of bus travel. I welcome many aspects of this Bill, particularly where it offers up new options and possibilities, as opposed to closing some down.

As so often in Bills nowadays, as my noble friend Lady Jones said, the devil is in the detail. There is a lot of secondary legislation lurking here. I counted 31 such provisions—although one of them, as my noble friend said, could be dealt with by either primary or secondary legislation—including one dealing with potential Henry VIII powers and four to be decided under the affirmative procedure. All are on very important issues.

I would like to concentrate today on one area of the Bill, namely franchising. I was fascinated by the contributions of the noble Lord, Lord Young of Cookham, and my noble friend Lord Whitty. Pages 8 and 9 of the Department for Transport’s overview of the Bill, which noble Lords have undoubtedly read, tell us all about the advantages of franchising. It can help achieve better bus journeys by giving local government the power to decide what buses run, where and when; the types of ticket available, including discounts; the types of payment that must be accepted; what information is available; and whether additional accessibility features are needed.

The overview goes on to say that franchising can also achieve better value for money by enabling local government, which is accountable to local people, to set all fares, take a more strategic view of what services are needed and focus services where they are most needed rather than where they provide the best commercial opportunities.

Franchising creates effective competition, which is an important point. In West Yorkshire, a substantial number of services are run by two companies. They can kill any competition, and they do, by predatory pricing—they simply cut the prices and prevent smaller companies getting into the market. Paradoxically, franchising can improve competition by the competitive tendering of franchises. These are powerful reasons given by the Government themselves on the benefits of franchising, and I recognise that it is an option, not a compulsion, for local authorities.

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Previous speakers talked a little about which authorities are able to make use of this option of franchising. The Bill says that a “mayoral combined authority” automatically has the option of franchising, but if you are not a mayoral authority, you do not. I understand from the documents that nine devolution deals involving elected mayors and franchising powers have already been reached.

However, Cornwall—mentioned by my noble friend Lord Whitty—is one devolution deal where a bus franchise has been granted to a unitary authority with no elected mayor. In the past couple of years, I have had a strong sense that whether or not bus franchising powers are granted has had more to do with the politics and ambitions for devolution of the Chancellor and others, and latterly the politics of Cornwall. I understand that, and am delighted that Cornwall has those powers. However, it would be helpful if the Minister could confirm again, very definitely and firmly, that it is not a condition of obtaining bus franchising powers that a local authority has to be a mayoral authority. That is extremely important.

Can the Minister confirm that when the Bill becomes an Act the Secretary of State will have to bring forward a specific regulation proposal to give effect to the Cornwall franchise deal? As I understand it, the deal has been promised, but it still requires both Houses to approve a statutory instrument.

The Bill and its Explanatory Notes throw no light on what criteria the Secretary of State will use in deciding whether a proposal for franchising powers by a non-mayoral authority will be progressed. We know nothing about that at all. The one place where there is information is the memorandum provided by the department on proposed delegated powers, which I am sure your Lordships have

read as avidly as I have. Paragraphs 22 and 23 state that justification for mayoral combined authorities to have new bus franchising powers are that,

“the Government considers that they have the necessary skills and capabilities, together with responsibility for public transport over a sensible and coherent geography”.

Those are presumably the criteria for approving such powers. The document goes on to state:

“The Government considers that some other LTAs whose areas are in England are also likely to have the skills, capability, track record and geography to make effective use of bus franchising powers. Cornwall Council is a good example”.

Did the Department for Transport undertake a rigorous examination of the authorities provided with franchising promises within the criteria so stated, and were those criteria applied in the case of Cornwall? I say again that I am delighted that Cornwall has these powers; I cite it simply because it is the non-mayoral example that demonstrates for the purposes of this Bill that that option could be pursued.

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My interest in these matters stems from that of the West Yorkshire Combined Authority—I am from Leeds—which is a non-mayoral combined authority. It is the UK’s third-largest city region outside London by population and jobs after the West Midlands and Greater Manchester. It has had a passenger transport executive or other named body answerable to West Yorkshire-wide elected councillors since 1974—some 42 years. It has operated plans and implemented the governance and regulation of passenger transport. It is a large area that contains the substantial urban centres of Leeds, Bradford, Halifax, Wakefield and Huddersfield and so on. It is clear by any reasonable assessment that the West Yorkshire Combined Authority has the necessary skills, capability and responsibility for public transport over a sensible and coherent geography. If those criteria are applied, the West Yorkshire authority should be able, if it wished, to have an expectation that a proposal for franchising powers would be granted.

Can the Minister confirm that the Secretary of State will assess requests for franchising powers solely on objective criteria and that the question of elected mayoralties will not arise? Will the Secretary of State issue any further guidance on the criteria to be used when considering proposals for franchising powers by non-mayoral authorities, and will that guidance be issued before the Committee stage?

The overview document from the Department for Transport sets out succinctly the potential benefits of franchising, and the memorandum powers remind us of the criteria that have so far been revealed behind the decision to go ahead for non-mayoral authorities. This is an option that the West Yorkshire Combined Authority should have in considering the ways of taking forward the improvement of bus services in that substantial area—the third-largest conurbation outside of London. Should a proposal come forward, I hope the Government will assess it objectively as regards the criteria which have yet to be published and discussed in this House.

⌚ 5.41 pm

Lord Low of Dalston (CB)

My Lords, it is a great pleasure to follow the noble Lord, Lord Woolmer. We were colleagues on the staff at the University of Leeds several decades ago. We did not meet very much then and we have met even less since I came to this House—indeed, we have not met at all. Perhaps this will be an excuse for the noble Lord to have another of his cups of tea with me and we can exchange memories of the University of Leeds and such other matters as may occur to us at the time.

The Bill is the most important bus legislation since the mid-1980s. In February of this year, the Minister responsible for buses, Andrew Jones MP, spoke about the upcoming Bill, then known as the buses Bill, at a bus summit. He opened his speech by saying:

“In preparing this bill, we have one clear aim, which is this: to increase bus passenger numbers”.

The Minister then referred to the many benefits of having a high-quality bus network—helping people to get to the shops and to work and the social benefits of visiting friends and family.

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These aims are laudable but, as the noble Baronesses, Lady Campbell and Lady Brinton, pointed out in their excellent speeches, it is regrettable that the Bill does not take serious steps to end the continued inaccessibility of buses to many disabled people. These include not only the majority of people who are blind or partially sighted, a particular concern of mine, but those with a hearing impairment and a great many people with a so-called hidden disability such as dementia, autism, learning difficulties and mental health conditions, as also mentioned by the noble Baroness, Lady Campbell.

The Bill presents a golden opportunity to see to it that the bus network is set on a course towards full accessibility to all users, especially including those with disabilities. We should expect nothing less if the Government’s one clear aim is to increase bus passenger numbers. Indeed, one would have thought that the Government would want nothing less. It is disappointing, therefore, that the Government have not used this opportunity to require all new buses to be fitted with next stop and final destination audio-visual announcements, known as AV. I welcome the support of the noble Baroness, Lady Jones, on behalf of the Opposition, for this. There has been general support as the debate has proceeded and I hope that the Minister will have got the message that the Bill is in need of strengthening in this area. In order to strengthen his arm, I will devote the rest of my remarks to elaborating the case.

The practical challenges for people with sight loss in using buses are obvious. It is extremely difficult, and in some cases impossible, for passengers with sight loss to know where they are, where the bus is headed and when to request the bus to stop. The solution offered by AV is equally obvious, yet regrettably only an estimated 19% of buses in the UK are fitted with AV and 97% of them are in London. AV has been a requirement on all new railway and light railway systems since 1998, but the absence of a similar requirement for buses outside London has resulted in a lack of uptake by operators. Research from the charity Guide Dogs has consistently demonstrated the challenges that inaccessible buses present to passengers with sight loss.

A Guide Dogs report shows that seven in 10 passengers with sight loss who ask the driver to tell them when it is their stop find that they are forgotten about. For a sighted person, missing a stop is an annoyance, but for someone with sight loss it is potentially dangerous. The fear of this happening puts some people off travelling altogether. When discussing accessibility and inaccessibility, it is important to remember that we are referring not just to the business of getting on and off a bus, but to accessing opportunities

to work, to gain education and to socialise in order to be able live life independently. The coalition Government's Fulfilling Potential disability strategy aimed to make our communities, workplaces and society in general fully accessible for and inclusive of disabled people. While barriers such as inaccessible transport remain, these opportunities will remain out of reach.

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According to the RNIB, only 27% of people of working age who are registered blind or partially sighted are in employment. This is perhaps less surprising when we recall that another Guide Dogs report found that, due to a lack of confidence about using bus services, people with sight loss report missing job interviews and turning down jobs. Failing to address the problem of inaccessible transport thus undermines the Government's aim of halving the disability employment gap. Policy should be made in the round and not in silos.

This is not a niche issue for a small number of people. Buses are important because they are the uncelebrated workhorses of the public transport system. Although rarely receiving the coverage of trains, Tubes and trams, the Department for Transport's latest bus statistics for 2014-15 estimated that 5.16 billion bus passenger journeys were made in Great Britain, equivalent to around two-thirds of all public transport journeys. By comparison, the department's statistics on trains reported only 1.65 billion passenger journeys in the same period. People with disabilities are among the most reliant on buses, and people with sight loss are especially dependent on buses as they are unable to drive. A report by the Transport Select Committee found that around 60% of disabled people are living in a household with no car and that disabled people use buses around 20% more frequently than those without disabilities.

New buses are rightly required to meet improved accessibility standards. Single-decker buses must now have low floors, wheelchair access and colour-contrasting grab rails, as the Minister said. These are welcome advances, but ensuring that all new buses have audible and visual announcements should be considered of equal importance. The Government should use this opportunity to amend the Public Service Vehicles Accessibility Regulations 2000 to bring this about. I heard what the Minister said about talking buses, but I do not think it went as far as this. AV should be considered not a "nice to have" optional feature, along with wi-fi or leather seats, but an essential safety feature. The issue of cost is often cited by Government and bus operators. The DfT has found that it could cost as little £5.75 million a year to fit all new buses in the UK with AV. If we contrast that with the £50 million that the department announced in 2015 would be released to install wi-fi on trains in England and Wales, this seems a relatively insignificant figure.

In advance of the publication of the Bill, the Minister, Andrew Jones, commented:

"By requiring A-V announcements, the Government would truly be opening up the public transport system to people in society who have the greatest need. The Bill includes measures to require bus operators to share information on routes, timetables and fares".

When the Bill was published, the Minister said:

"We are also looking to end the frustration of not knowing when the next service will turn up by giving software developers the data they need to produce new apps".

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Passenger information is welcome but the lack of a requirement to provide information for people who have the most acute need—one that is a matter of safety rather than just convenience—is a serious omission. I hope that the Government will rectify it by bringing forward an amendment that would be very much in the spirit of the Bill, and certainly in the spirit of this debate. I will be more than happy to assist with this process in Committee and on Report.

5.51 pm

Lord Berkeley (Lab)

My Lords, I too very much welcome this Bill. It is an opportunity to discuss, debate and I hope improve what I think has been one of the rather forgotten parts of the transport industry. I was interested in the background that came from the Minister and from the noble Lord, Lord Low, regarding comments made by Andrew Jones MP, the Minister, about the intended growth numbers on buses.

The main thing that is missing—there are probably many others—is a long-term vision and a strategy. There is one for railways, one for roads—the strategic road network—and I shall come on to the Government's published cycling and walking strategy, but there does not seem to be one for bus transport. As we have heard from many noble Lords, it is a growing part of the demand for transport. It is interesting that only 18 months ago—in a Written Answer on 24 November 2014—the Department for Transport was forecasting a 25% drop in bus usage by 2040. There is a similar growth in car usage, so are the Government expecting bus usage to go up or are they just hoping that there will be fewer buses on the road to stop their big fat cars going down?

Today, the All-Party Parliamentary Cycling Group, of which I am secretary, had its annual parliamentary bike ride to try to encourage more people to cycle. We also launched a response to the Government's excellent cycling and walking strategy. It could be better but it is not bad. It was interesting that this morning the noble Lord, Lord Tebbit, who famously in about 1980 told the unemployed that they should get on their bikes, wrote to the co-chair of our All-Party Parliamentary Cycling Group, Ruth Cadbury MP, in the following terms:

"I was sorry to read in your recent circular of your proposal to increase peak hour traffic congestion in central London on Wednesday",

which is today. This is because of the bike ride. He continued:

"Not only is that a nuisance, but by increasing congestion it will increase pollution".

We had 150 bikes going through Hyde Park, increasing the pollution. He suggested that we should "cancel this foolish exhibition".

More recently, Iain Duncan Smith as a Minister in 2010, told the unemployed in Merthyr Tydfil that they should get on a bus to Cardiff where there were plenty of jobs. I do not know whether it is a long-term view of the Conservative Party that only the unemployed and disadvantaged—presumably this includes the disabled disadvantaged—should have to go by bike.

It would be nice to see a strategy that was a bit more positive and recognised the great importance of buses in moving people around, as many noble Lords said. That is also reflected in the number of Questions and Statements about this issue in this House and the other place. We can compare the number of Questions about rail services with those about bus services. I have not worked it out, but it is probably about 20:1. Actually, buses are probably more important for many people than rail services. There are more than 4 billion passenger journeys by bus a year. It is just that there is a pretty awful service in many places outside London, as many Lords said. There is a lot more to do. I would love to see the Minister commit to introducing and publishing a draft

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strategy for buses. It would be even nicer if that were put in the Library before we move into Committee. That would help us all, including the industry, to work out what investment plans it should have and how it should respond to this Bill, and, I hope, move things forward a bit faster.

Turning to a few issues that we need to address in future, several noble Lords mentioned through-ticketing. It is very nice that Clause 7 of the Bill says that a local transport authority or others,

“may make a ticketing scheme”.

Now, of course, “may” covers a multitude of sins. Why should they not have a ticketing scheme? Why should we not be able to buy a ticket from here to Cornwall—like my noble friend Lord Woolmer, I shall talk about Cornwall in a few minutes—on several different bus routes? If you are clever, you could probably get that as a pensioner for nothing but that is a separate issue. Why should we not be able to buy tickets in advance? You can on the railways. You can get a through-ticket from Penzance to John O’Groats, or wherever, if you really want. You can also get tickets on local services. We even have the Gatwick-London service on Oyster now. Why should we not have the same on buses and be able to integrate them with trams and railways? That really should be possible. I know it is possible technically. There are even people talking about buying railway journeys across Europe with one ticket, which is quite a challenge. We should change “may” to “must” in the Bill, and also include the smaller services in rural areas. We can debate whether that extends to Uber or any other taxi service but there is a lost opportunity here.

I will not comment much on Cornwall, even though I live there, because my noble friend dealt with it so excellently. However, you have small operators and big operators, and there is an opportunity for what we might call open-access operators to operate on similar routes to franchised operators. That is extremely challenging on the railways. Whether it can be made possible on the bus services I do not know but we will need to investigate that. Of course, we do not really have a regulator of bus services, as we do for railways. Who will act as regulator? Will it be the councils? Yet, no councils will be vetting franchises because apparently they are not clever enough. They should be able to, as other nobles Lords said. There is also the question of whether community interest companies have a role to play in operating not-for-profit smaller services— minibuses, shared taxis—or even bigger buses in rural areas. Again, what authority—if there is one—will specify the content, services and everything else? Does there need to be one? That is a debate we must have.

The Minister has not said anything about the role of Transport Focus, which a year or two ago had its remit extended beyond railways to include buses. That body does an extremely good job and is independent. It occasionally has a go at services and Ministers in its reports. I hope the Minister can tell us that it will have an independent role in monitoring performance, quality, fares, reliability and all the things that customers want.

Column 783

Lord Judd (Lab)

I am fascinated by, and very sympathetic to, the arguments my noble friend is putting forward. Does he agree that one of the interesting and vivid examples of the interdependence of bus and rail services for those of us who are regular rail users is the number of times at weekends when we set out by rail but have a very good experience of bus services on the way?

Lord Berkeley

My noble friend hits the nail on the head. One could say many things about that. The railways must get a lot better at keeping services going or diverting trains by some other route. I have travelled to Cornwall a lot and on some routes the operator has the bus services much better organised than was the case five years ago. However, there is always room for improvement. My noble friend is absolutely right, but at least in that case you are still using the same ticket, whereas if you got on a bus from one station to another you would probably have to buy another ticket.

I turn to the Isles of Scilly service, which I mentioned briefly in the debate on the Queen’s Speech. My noble friend Lord Judd has hit the nail on the head because if you want to travel to the Isles of Scilly between Sunday and Monday on the excellent Great Western Railway’s sleeper service, it conveniently arrives five minutes after the “Scillonian” has departed from Penzance. I have been on about this for about five years. Why cannot the relevant service leave an hour earlier? Apparently, it is again something to do with digging up the railways. It could leave an hour earlier because not many people have pressing business in London at 11.30 on a Sunday night. However, that has still not happened. One has to question why. I may or may not table an amendment on this issue—this is a buses Bill—but if the words “and ferries” were added to the Bill, you could cover some of the issues relating to the ferry service between Penzance and the Isles of Scilly, which operates only in the summer when the prices shoot up, and try to co-ordinate the timetable with the rail service to Penzance. However, that seems to be beyond the means of most humans.

There will be a lot to debate in Committee. I welcome the opportunity offered by the Bill to have some good discussions. I congratulate the Government on bringing forward a measure that is more useful to most inhabitants of this country than one on launching rockets into space, which I think is the only other Department for Transport Bill that we were promised in the Queen’s Speech.

6.03 pm

Baroness Scott of Needham Market (LD)

My Lords, it is 16 years almost to the day since I made my maiden speech in this House. At the time I was chair of the Local Government Association transport executive, so it was quite natural to make my debut in the Second Reading debate of the Transport Bill 2000. Nowadays, I am that rare being in your Lordships’ House, a vice-president of the LGA. I declare that interest.

The 2000 Act was a wide-ranging piece of legislation and contained an extensive section on the bus industry that was based on a big piece of work, *From Workhorse to Thoroughbred: A Better Role for Bus Travel*. It was intended to be a major advance for the bus industry. Sadly, it is now available only on the National Archives website. Clearly, it failed in its ambitions because, as we have heard, the bus industry as a whole is in some trouble.

The 2000 Act created a quality partnerships and contract framework which, if we are honest, was not fit for purpose. It omitted the two single most important things for passengers: the fares they pay and the frequency of the buses. My noble friend Lord Bradshaw and I argued at the time that what was needed was a franchising model more on the lines of London, which gave local

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authorities all the powers that they needed, including enforcement. It is worth reflecting on some work done by the campaign group Greener Journeys, which highlights that average traffic speeds in our cities have now fallen below 10 mph. This of course creates a vicious circle: as the buses slow down, people stop using them and get into cars, which then makes the problem worse.

The point about London that we made then, and which still applies now, is that it is expensive; it costs money to run a franchising scheme like that. My big fear is that by bringing forward this scheme now, when local authorities are in such trouble financially, may doom it to fail because there simply is not the money to do it. Yet, when you look at the figures in London, passenger journeys have increased by 227% since the mid-1980s. If we were able to somehow monetise that in terms of the savings in time, congestion, air quality and so on, it would probably prove to have been good value for money—but that is not the world that we live in.

The Urban Transport Group made the point that the previous legislation, the 2000 Act, was so complex as to be virtually undeliverable—a point also made by the noble Lord, Lord Whitty. It was inevitable that deregulation would result in an emphasis on profit-making routes at the expense of low-income or non-income generating routes. Bus operators are businesses after all and we need them to be successful. It fell to local authorities to subsidise routes where they felt that there was a social value. These routes are now being lost in very large numbers as local authorities become ever more strapped for cash. According to the Campaign for Better Transport, a total of £22.2 million has been cut from supported bus funding in the current year. One in five supported bus services has been cut back since 2010; that is a picture that we recognise right across the country.

Living in rural Suffolk, I see at first hand all the problems that have been highlighted by the Campaign for Better Transport and the Campaign to Protect Rural England and in an excellent report produced by Age UK that has powerful testimony on the impacts of transport poverty. Older people are more dependent on public transport for access to medical appointments, shopping and even the simple human activity of keeping in touch with friends and family. Younger people, too, are struggling with access to transport to look for work or to get to appointments at job centres. There are even instances of people being sanctioned when they have not kept appointments because the transport does not exist. Low-income groups are more reliant on public transport: nationally they make three times as many journeys by bus as those in the highest income groups. As we have also heard, 60% of people with a disability have no car in their household. The situation is bad for anyone in these groups, but for people in these groups living in rural areas, the situation is dire. I would like to hear whether any rural-proofing has been done on these proposals.

I understand that we have to be realistic about financial realities. Indeed, after I was first elected to Suffolk County Council in 1993, we carried out a review of sponsored bus services and found a surprising number where the per-passenger subsidy was significantly higher than a taxi fare would have been—well, you cannot go on like that. When my now-husband first came to visit me in my tiny Suffolk village nine years ago, he assumed, as a Londoner, that he would just get a bus from the station. I had to explain that in my village, real-time passenger information says “Thursday”. We do not even have that nowadays, and I can understand why.

What we do have is a rather good demand-responsive community transport system called Suffolk Links, which has recently been used in a case study published by Passenger Focus. But even that is now being seriously impacted by budget cuts and the situation has deteriorated in the short time between the report being produced and published. Suffolk County Council announced a new contract just two weeks ago which has removed the ability of pensioners to use their concessionary passes because it has reduced the vehicle size to a nine-seater, which takes it outside the scope of the concessionary fare scheme. What a shoddy trick to pull on pensioners, and I really hope that the Minister will undertake to have a look at those regulations so that we can bring them back into scope.

Like a number of other noble Lords, I am less than clear about the powers that will go to non-mayoral areas as a result of the Bill. I had understood that franchising powers would automatically go to mayoral areas and that the others would have to go through some sort of application process. But there seems to be some confusion about that so I would appreciate clarity. It is absolutely essential that the regulations are clear and well understood so that local authorities do not embark on a process of expensive work that is doomed to fail from the start because they will not meet the criteria.

I would like to raise a new issue which I do not think anyone has mentioned yet: home-to-school transport. Cuts to school bus services are now generating 100 million extra car journeys every year, according to the Campaign for Better Transport, which also says that 300,000 children outside London have lost their school transport since 2008. Obviously, this is a major access issue in rural areas, but it also impacts on the viability of bus operators because many of them rely on school contracts and use the normal service buses for short periods of time every day during term time.

The provisions in the Bill that relate to passenger information are significant and very welcome. If you want to travel from somewhere to Needham Market—you would, would you not? It is a wonderful place—it is not at all easy to find out how to do that. The rail industry has nailed that. It is still rubbish on tickets and clarity of pricing but at least you can find out how to get from one place to another. It is key for passengers to have this information so that they can use public transport with confidence. It is also essential at a more technical level, if franchising is going to work properly for both the operators and local authorities, to really understand the data about how bus services are being used and how they make money.

When I was heavily involved in transport matters, we had a major problem with the competition authorities. I would like confirmation from the Minister that the department is confident that this issue has been sorted. Basically, the competition authorities stopped public transport operators talking to each other. When I was dealing with this in Suffolk, I could not get local bus operators together in the same room because they were so paranoid that they were going to fall foul of anti-competition laws. Clearly, if the sharing of data and so on is going to work, operators have to be confident that they can do it.

The future for bus services across large parts of England is pretty bleak unless we do something fairly dramatic. The Department for Transport's own figures predict that by 2040 bus journeys will have dropped faster than journeys by any other form of transport. This could severely impact England's rural and vulnerable populations, and increase congestion and CO₂. It is an enormous task to halt this decline. Whether or not the Bill can do it remains to be seen, but it is a step in the right direction. I congratulate the Government on bringing it forward. It is absolutely right that it has started its life in this House because there are things that we can do to improve it.

6.13 pm

Baroness Grey-Thompson (CB)

Column 785

Column 786

My Lords, I very much welcome the introduction of the Bill. Perhaps unsurprisingly, I am interested in accessibility, but also in the integration of services. I declare an interest as a board member of Transport for London. I hope the Minister does not think me presumptuous but I was going to offer an answer to the noble Lord, Lord True. Unfortunately he is not in his place at the moment but I will make sure to speak to him afterwards.

The Bill does not have an impact on the operations of Transport for London—it applies outside London—but TfL has offered support to the cities that wish to be able to specify service quality and introduce integrated fares and ticketing. It has provided a lot of support to Transport for Greater Manchester, with detailed advice on the technical aspects of franchising, stakeholder engagement and communications. It has worked with the Urban Transport Group to make a case for local control. It has also offered MPs and Peers a visit to the control centre—if anyone has not done that, it is a really interesting experience to see how complicated the system is in London but how well it can work.

I also declare an interest in that I am a regular bus user in London, though not in the north-east where I live because of issues with access, routes and timetabling. I am hugely fortunate in that I have a car; but as a disabled person, if I did not have access to a car I would find it almost impossible to get to work or even to have a social life and be an ordinary member of the public.

I believe that there is massive potential for integrated travel. In Committee, I would like to explore further provision of an Oyster-style payment while making sure that discounted travel for disabled people is not lost as part of the process. I would not want to exclude disabled people from using public transport on cost grounds. Cost has been raised with me by a number of organisations and individuals.

I would like to explore a few issues further. There is little mention of Ring and Ride or Dial-a-Ride in the Bill. This is where I am quite conflicted, because as a disabled person, I am very fortunate that I do not have to use Dial-a-Ride. Although the booking system in London has improved significantly, it still relies on availability, which is not always good. However, with another hat on, I wholeheartedly support the use of Dial-a-Ride because there are still a number of people who, whether because of a psychological or physical barrier, would find it difficult to use transport even if it were more accessible. We could be much smarter about how we use Dial-a-Ride, whether it is for visits to hospitals, schools, work or college. The National Union of Students has said that 45% of students whose weekly fare is between £10 and £19.99 have considered giving up their course because they cannot afford it. For disabled students who do not qualify for higher-rate personal independence payment, this can make it difficult for them to travel and creates yet another barrier to getting disabled people into work.

I will be very honest: I never used a bus at all until London won the right to host the Olympics and Paralympics. When I met the then Transport for London commissioner, Sir Peter Hendy, he asked me whether I used buses. I said I did not think that I had or was likely to, as they were not accessible, and in his inimitable style, he marched me out of the reception and made me get on a bus. He showed me how easy it was to use buses. However, having grown up without the experience of using the bus—and having no idea of how to use a bus timetable or navigate my way round London—I realised how difficult it is for some people to see it as a serious option.

A number of disabled people regularly tweet and post on social media about the general difficulty of using buses and how they have been made to feel. A member of the public called Mike Hughes, who is visually impaired, tweeted information about his daily bus journey for a whole year and even I, as a person with some understanding of the issue, found the challenges he faced incredibly interesting. It is not just about accessibility to the bus but about making sure that the camber of the pavements is right, the kerbs are dropped and have the correct height, and tactile paving has been provided. I should add that although tactile paving is good for visually impaired people, it can cause difficulty for wheelchair users. We need to think about all these other things as well to make it possible for disabled people to use public transport.

The noble Baroness, Lady Brinton, who unfortunately is not in her place, raised some really valid points about insurance and the ability of disabled people to travel together. My husband is a part-time wheelchair user so on the days when he uses his chair, I would not be able to travel on a bus with him. I was tempted to make an offer to the noble Baroness—that we should leave here and see how far we can get on a bus if we travel together. It is about having flexibility and empowering the bus driver by providing the appropriate training to make decisions regarding the size of the chair, scooter or buggy. Unfortunately, an awful lot of what we have heard in the press recently about disabled people using public transport and buggies on buses has turned the issue into an argument of us against them. That is really unfortunate because, in a great many cases, it does not need to be like that.

The case of *Doug Paulley v FirstGroup* has already been raised. One of the issues here is that the Public Service Vehicles Accessibility Regulations, which make it unlawful to refuse a wheelchair user, have no enforcement body. Perhaps that is something that we can sort out through the regulations or guidance accompanying the Bill. It is completely crazy that under the PSVA regulations, you can be directed to leave a bus if you are causing a nuisance, if the condition is likely to be offensive, or if the person may soil the vehicle or the clothing of another passenger, but not if you are blocking a wheelchair user accessing transport. That is something that I would very much like to explore further.

As for my own personal experience of travelling on buses, fairly recently I was trying to get a bus into central London. A mum with a buggy was already on the bus. She had a four year-old, a two year-old and a baby in the buggy, and the bus driver very kindly asked whether she would take the baby out of the buggy. My personal view was that that was not a safe way for the mum to travel with two toddlers. Unfortunately the bus driver was not able to let me—or did not feel comfortable letting me—and the buggy fit in the space together, even though that would have been the perfect solution because there was space for us to do that. As a disabled parent, I never try taking my daughter in a buggy on a bus, but I would like to see what would happen, or who you would have to leave behind, if a parent had to do that. It is just about making sensible decisions about how disabled people are able to travel. The situation for me in London was absolutely fine, because a bus came along less than five minutes later, but that does not happen in the north-east of England where I live. That is one of the reasons why we have to be really smart about how we do this.

Transport for London is being very proactive in one area. I was recently at a conference where it brought parents and wheelchair users together to discuss lots of different options. One thing that came out of that was that TfL recently launched a competition looking at the best size of buggy to take on a London bus. It is not advising people which buggy to buy, but about what is the most sensible size. Again, this is a really positive step forward.

I welcome provisions in the Bill around customer satisfaction. It is massively important to measure that, but if disabled people cannot get on a bus, then their customer satisfaction does not count. Again, it comes back to the point that if we are really serious about getting more disabled people into work, we have to make travelling better for them. The consequences of not being able to travel are that they will be very isolated and kept away from society.

Column 787

Column 788

Column 789

A number of noble Lords have already raised issues around training, which is massively important. On my journey here this morning—which 99 times out of 100 goes without a hitch—there was that dreaded moment when the ramp did not quite work. The bus doors would not close and the ramp couldn't come in. Although I am very resilient, even I felt this sense of dread that I was stopping a fairly full busload of people from getting to their jobs. However, it was handled brilliantly in that the bus driver did not treat me as if I was a hindrance: he explained to the other passengers what was happening and sorted out the problem, so that in less than a couple of minutes we were moving again. But these are the sorts of barriers that disabled people face. You do not want to get in the way of other people, and that is sometimes how you feel.

The audio-visual announcements are incredibly important for me as well. The rules say that a wheelchair user on a bus has to face backwards, which means, as the noble Baroness, Lady Brinton, said, that you cannot see the signs. I leave it to your Lordships' imaginations to think about this, but when buses are very full and people are crammed in, you cannot physically see the signs anyway. If you are going on a new journey, you have no idea where to get off, and even if you are going on a journey that you do very regularly, it is quite difficult to look out the window and take a guess about where you are. For me, the audio-visual announcements would make a big difference to everybody.

Finally, I am very keen on looking at the opportunities that open data provide with the development of new apps. It just makes it very exciting in terms of being able to give disabled people lots of new information to help them decide how to travel. That gives me a lot of hope for the future that we can encourage more disabled people to think about how they use public transport. I very much look forward to the next stages of the Bill.

🕒 6.24 pm

Baroness Redfern (Con)

My Lords, I declare an interest as leader of Lincolnshire County Council, as in the register of interests. I welcome the Bill, which I am pleased to see will include giving additional powers to local authorities to influence local bus services, including the option to introduce bus franchising. But where there is pressure for change, there is a need carefully to consider the impact of interventions on passengers, operators and local authorities.

Importantly, this is about increasing bus passenger numbers. Statistics show that passenger demand for bus services in England outside of London has fallen almost continuously from the time of deregulation to the mid-2000s. Since then, overall passenger demand has remained relatively stable. As we all know, bus services can generate wider economic, social and environmental benefits, which can mean that it is economically efficient to increase supply above the levels determined by the commercial market. Buses connect people to jobs and customers to businesses; they provide access to essential services, promote social inclusion and provide environmental improvements by encouraging a switch from private to public transport. Where these wider benefits or externalities exist, government can improve market efficiency by targeting support to expand supply and/or keep fares lower than they would otherwise be.

For many local authorities, the best option may be to do nothing. Where there is pressure for change, there is a need to carefully consider the impact of interventions on passengers, operators and local authorities. Each local bus market is unique and requires a tailored approach to help it deliver local objectives. No one size fits all, so each bus market needs to respond to local aspirations. Funding granted to local authorities differs across each area, but transport is a key issue for the devolution agenda. For devolution to reach its full potential, there is a need for greater choice over how local transport works—to have the choice, for example, to link bus routes to local economic developments, such as new housing and new business parks.

In establishing the Greater Lincolnshire Combined Authority in the rural county of Lincolnshire, responsibility for an area-wide local transport plan and public transport functions will be conferred to the combined authority and exercised by the mayor. The combined authority, in its capacity as the new area-wide transport body responsible for determining, managing and delivering the mayor's transport plans, will work in partnership with the leaders of transport bodies currently operating in the region. This will take account of the rural nature and social and demographic context of the area and enable the achievement of a wide range of policy objectives across health and well-being, reducing isolation, supporting the disabled and barriers to employment, with the reduction of congestion and pollution helping the environment.

The ambition is to deliver better value for the public purse through an inclusive Greater Lincolnshire-wide approach, creating efficiencies while enabling connectivity for multi-modal journeys and reducing congestion at peak times. Through enabling travel choice by expanding door-to-door journey options, there will be a cohesive Greater Lincolnshire-wide approach to tackling isolation and barriers to employment through an integrated passenger transport network that considers the rurality and social demographic context of Greater Lincolnshire. Improved connectivity would reduce Greater Lincolnshire's carbon output while encouraging healthy lifestyles. Importantly, it gives local authorities real choice about how they can improve their bus services, but it does not impose those choices—nor will the Bill give local authorities new powers to take bus operators' assets, such as vehicles or land, with anti-competitive stances, which will stay exactly where oversight lies at the moment. People using buses is a good thing, and bus services offer huge public benefits by getting people to shops and to work, boosting our economy, which is really important, and giving people, in some instances, a real choice of keeping in touch with friends and family and keeping those important ties.

Local authorities have to look at imaginative ways of connecting people. In North Lincolnshire, a CallConnect scheme has been introduced which works differently from normal buses. You call for a minibus and it picks you up and can drop you off at many destinations. You book by telephone or online on the day of travel or up to seven days in advance. You can use the bus as many times as you like, whether to the dentist, to the doctor, to the shops, for leisure, to friends, to relatives or to the train. The beauty of the service is that it has no set route or set times. It is a lifeline for many residents in rural localities such as Lincolnshire. This choice has to continue to be supported.

Whatever approach is chosen, it will be down to local decision-makers. If there is a change, we will want to see as much notice as possible and that the effects on small operators are considered properly.

We all know how important bus services are to our constituents. Residents would like clearer and easier-to-read signs giving the cost of fares and more information at stops. As the Minister said, this is an enabling Bill giving local authorities new choices, increasing passenger usage and, importantly, giving access for all. I welcome the Bill and its progression.

🕒 6.31 pm

Lord Bradley (Lab)

📄 Column 790

📄 Column 791

My Lords, I am pleased to make a short contribution to this Second Reading debate. In the light of the excellent contributions we have already had, I think I will be even shorter.

The Bill is incredibly important for Greater Manchester. I live in Greater Manchester, so I will restrict my comments to the issues in the Bill that relate to that area. I shall give noble Lords some background on Greater Manchester and buses. Buses are vital to Greater Manchester's economy and society. More than 210 million journeys were made by bus in 2015. Bus journeys accounted for 79% of all public transport journeys; 12% were by tram—despite the comments of the noble Lord, Lord Young, I am still a strong advocate of trams—and 9% by rail. Crucially, 31% of households in Greater Manchester do not have access to a car. I am not arguing that we should increase car use, but we must have a decent transport system to ensure that everyone can benefit from the local economy.

Despite a growing population and increased demand on the transport network, overall bus use in Greater Manchester has flatlined over the past 10 years. Across the whole of Great Britain, it has fallen by a third, if we take out London. In comparison, bus patronage in London has increased by 99% since 1986. In Greater Manchester, 80% of bus services are run by different commercial companies. They set their own ticket prices, timetables, routes and quality standards. Transport for Greater Manchester currently has no powers to oversee these services, so the popular routes are chaotic and uncontrolled. On the route I use—the Wilmslow Road corridor running south out of Manchester—you can walk to the end of the road and get a bus of variable quality practically every five minutes. However, as my noble friend Lord Whitty pointed out, there is no connectivity between north and south Manchester, and it is even worse east and west across the conurbation because of deregulation.

The deregulated bus system limits the degree to which bus services can be fully joined up and co-ordinated with each other and with other public transport modes. Confusing fares, routes and timetables can put many off using buses. Greater Manchester's population and economy are growing, with an expected population of over 3 million residents by 2040. Having an integrated transport system is essential to support the city region's ambitious plans for growth and to meet the real needs of local people—and, as we have heard in some excellent contributions, that means the real needs of all local people, including those with disabilities.

Against that backdrop, I shall touch on franchising. As the Minister will know, it was a condition of the devolution deal and the requirement for an elected mayor that the powers over buses and wider transport issues were transferred to Greater Manchester, enabling it to take back its determination to improve bus services and connectivity across the local area and to provide better standards on those services. Operators will be able to bid for the services under franchising, but with clear and consistent conditions for Greater Manchester.

Through bus franchising, which I welcome, Greater Manchester will have the ability to decide the routes, frequencies, fares and quality standards for all buses in the city region. We believe that the franchising model provides the simplest, most effective mechanism for enabling a fares model that is multimodal and facilitates fare-capping systems, as found in most international cities. It will also enable Transport for Greater Manchester to deliver better value for money across the area in terms of both revenue and capital support, as opposed to what we currently have in the deregulated system.

As has already been said, that raises the question: if I am praising franchising, why is it not allowed outside an elected mayor area, particularly in local rural areas that are connected to the elected mayor areas—as in Greater Manchester—that form part of the travel-to-work area? We need co-ordination and consistency to enable those people to benefit from economic developments within urban areas. I am sure we will pursue this as the Bill goes through its stages; it is a very important consideration.

On ticketing, one of the biggest frustrations in Greater Manchester is the inability to have an advanced through-ticketing system that is multimodal. The way London operates such a system is the envy of people in Manchester, who want to see the same opportunities to move around Greater Manchester on different forms of transport. The ability, through the open data provisions in the Bill, to facilitate new products to market—new technologies and new payment systems—is crucial to gain the maximum benefit from the Bill and, through the use of technology, to improve the passenger experience. Again, as we have heard eloquently expressed, it is important to ensure that those best bus technologies are used to the benefit of all, including, crucially, disabled people. Those technologies should be developed fast and implemented in franchise areas at the earliest opportunity to maximise the benefits of the Bill.

I acknowledge, as the Minister said in his remarks, that the enactment of the Bill is a condition of an elected mayor for Greater Manchester. We therefore need some clarity and certainty that that will happen in time for the mayoral elections in 2017. As my noble friend Lady Jones of Whitchurch said in her opening remarks, a large number of clauses in the Bill include provisions which would allow the Secretary of State to make secondary legislation and guidance. The Government have confirmed that at the same time as the Bill progresses through Parliament there will be consultation and finalisation of regulations and guidance. This will be absolutely crucial in the House. Too many times recently we have had enabling Bills without that full scrutiny alongside the primary legislation which enables us to be certain about the consequences of the Bill. I am sure that the Minister would not want that to happen in this case and will want to ensure that there is readiness for the mayoral elections in Greater Manchester.

Can the Minister therefore clarify what steps he is taking to ensure that all stakeholders are actively engaged in the process of developing draft regulations and guidance? Can he also give an assurance that the draft regulations and guidance will be completed in a timeframe that will comply with the devolution deal in Greater Manchester? I hope that he will give us a timetable and some assurance on the transparency of that process when he winds up tonight.

In conclusion, there is clearly a broad welcome for the Bill. Franchising will allow for the introduction of better bus services across Greater Manchester as part of a fully integrated and high-quality transport network, with through ticketing at its heart, for the benefit—I stress again—of all local people in Greater Manchester.

🕒 6.41 pm

Lord Shipley (LD)

My Lords, I declare my vice-presidency of the Local Government Association. I welcome the Bill, whose aim to improve bus services to the benefit of passengers is strongly to be welcomed. Putting passengers first is of course the primary purpose of bus services and public transport generally, and we should always remember that.

Column 792

Column 793

One of the complaints about the current system is that some bus operators can make higher profits than is the case in London. Deregulation helped drive better passenger services in its early years but that is now a distant memory, and we need to look again at how the public interest can be best secured. For one thing, there is not much competition in most areas, although competition was one of the purposes of deregulation.

Column 794

The Bill could enable major improvements to be delivered for passengers. Those improvements could include integrated planning of local transport services, through-ticketing, quicker identification of new services needed, greater stability in provision, more and newer buses, better timetable information and more control over fares. In addition, the Bill seems to address a number of the problems with the current quality contracts and quality partnerships legislation, in that it makes the process easier to deliver than the tests in current legislation, which create barriers. For example, the Bill now simply requires a mayoral combined authority to satisfy itself that a franchising scheme is appropriate and viable. The legislation contains language such as “include consideration of” rather than pass or fail language such as “must achieve”, and that is important.

On risk management, I note that the Explanatory Notes say that the Government will not mandate which approach should be taken: bus franchising—the London system—voluntary partnerships, quality partnerships, advanced quality partnerships or enhanced partnerships. They are all different, which is to be welcomed because it enables local transport authorities to secure the best outcome for their areas based on their local knowledge.

While that is welcome, I noted the comment of the bus operators a few days ago to the effect that putting mayors in city hall offices in charge of running the buses when they have no experience could be a problem. Generally speaking, I do not subscribe to that view, because where there is a mayoral combined authority, expertise will exist—for example, it exists now with ITAs in securing services—and where there is not, the Secretary of State will in any case have to approve the scheme. However, even though the Government will not be mandating what happens, I hope they will start to advise at a very early stage in the planning of both partnerships and franchises across the country. That advice by the DfT could be very important.

The Bill may have simplified the set of tests required to proceed with a scheme. It will now be the relevant transport authority rather than an independent board that has to judge the viability of a scheme. This, of course, has the potential to be a two-edged sword. A few months ago, the independent board prevented the quality contract scheme proposed in Tyne and Wear proceeding, on the grounds of financial risk to the public purse. I noted the comments of the noble Lord, Lord Whitty, on this matter, but that decision was made by the quality contract scheme board, chaired by the traffic commissioner for the north-east. That is the current position.

When the Bill passes, if there is to be no independent check in the case of the mayoral combined authorities, as suggested in the Bill, at the very least there should be close involvement of DfT experts, giving advice to ensure that risk is properly managed. That is because getting it right matters. We do not want council tax payers or business rate payers—the Government are in the process of devolving business rates—to be exposed to unnecessary levels of risk, currently carried by the bus companies. For that reason, devolution of transport powers has to be managed with great care.

Column 795

A franchising assessment must include consideration of the scheme's contribution to the implementation of the policies of the authority and neighbouring authorities, of how it would be made and operated, of whether the scheme is affordable and represents value for money, and of whether the procurement approach is viable. But who will assess whether the assessment has been properly done?

During the passage of the Cities and Local Government Devolution Bill, a number of changes were made by your Lordships' House, and accepted by the Government, on scrutiny, risk and audit of combined authorities. It needs to be made very clear in this Bill that scrutiny, risk management and audit must be a process independent of the mayoral combined authority's board so that proper investigation and evaluation are undertaken. The fact that the independent board required by current legislation will be no more could be a real difficulty if the scrutiny, risk and audit functions of combined authorities are inadequate. As my noble friend Lady Scott of Needham Market reminded us, all this is happening when government support for local authorities is being reduced and will go on being reduced, certainly in the lifetime of this Parliament. Therefore, great care will be needed.

I want to make three further points. I have noted that a council which is not part of a mayoral combined authority can introduce a franchising scheme in its area only with the approval of the Secretary of State. But what happens in a mayoral combined authority area where one of the councils that was expected to be part of it is not? I refer to the North East Combined Authority area, where Gateshead has declined to take part. However, buses will still run through that borough. On what terms will a council such as Gateshead, which is not part of a mayoral combined authority, be permitted to take part in the new structures? The Minister may be able to reply to that at the end of the debate but I understand that it may be necessary for him to consider it further. I am happy for him to write to me.

It has previously been mentioned that the Bus Services Bill retains the TUPE and pension protections of the current legislation to ensure the smooth transition of employee and employer rights. Interestingly, it requires the appointment of an independent auditor to verify the analysis of information in the franchising assessment. Perhaps that principle of independent audit, which in that context exists, ought to be extended much more widely, as I indicated earlier.

Can the Minister explain what is meant in the Bill by requiring a local transport authority to,

“facilitate the involvement of small and medium-sized operators”,

in the franchise? More detail is needed on exactly what is intended there. In many parts of the country there are some very big operators and, particularly in relation to school transport, some smaller operators. We need more detail to understand this commitment.

Overall, I welcome the Bill. It has benefited from the consideration that has been given to its drafting over the recent months since it was announced. It gives a set of options to local areas to make decisions that are best for them, and I welcome that flexibility. Although it is very much a skeleton Bill, I hope the Minister can clarify what the regulations will look like as we proceed through Committee and before we get to Report. I am also looking for assurances that they will come to this House in the form of the affirmative procedure. We did have problems with the Housing and Planning Bill; a number of changes were made and we did then get more information from the affirmative procedure. However, I hope that it will not be necessary to have those debates on this Bill in Committee.

Column 796

As I say, I welcome the Bill, but there are caveats, and I worry very much indeed about the potential risk in it to council tax payers and business rate payers. We have to be very careful that, as schemes proceed, protections are built in to ensure that if there is franchising, or any form of partnership, the public interest in the form of public finance has been safeguarded.

🕒 6.52 pm

Lord Holmes of Richmond (Con)

My Lords, over the past two decades we have seen extraordinary increases in rail. The number of trains and the number of carriages have increased, and there has been a massive increase in the number of passenger journeys. It is high time we now enabled a similar boon for the bus.

This week, I have travelled on the Tube every day across London, on the buses and on National Rail. The one thing that connects those modes of transport is that they all have audio-visual announcements—more of which in a moment.

Before turning to the Bill, I want to mention a couple of cases in the courts next week that relate to our deliberations today. The first, which has already been mentioned, is the case of Doug Poulley and First Bus. It is being supported through funding from the Equality and Human Rights Commission. My interests in this are set out in the register. Here we have a very clear case of where, in the context of a bus, shared space simply does not work. As has already been mentioned by other noble Lords, there is pressure on a single space for a pushchair user who is already there, requiring behaviour that they may not be capable of. In some situations, it may actually be incredibly difficult for them to make the space available for a disabled passenger.

The day before, in the High Court, we will have the judicial review on Reading Borough Council, which determined to turn traffic lights off as a supposedly assistive measure to enable the city of Reading to work more effectively. These are two cases on consecutive days, one in the High Court and the other, on Wednesday, in the Supreme Court, that demonstrate the folly and the shambles of shared space. I have already mentioned it on a number of occasions to the Minister, so perhaps he will not be surprised that I took advantage of this occasion to slightly crowbar it into today's debate.

I welcome the Bill. It is an enabling Bill, and we should use it to enable access. As access has already been mentioned by many other noble Members, I shall limit my comments to just two elements. The first is employment. When only 27% of blind and visually impaired people of working age are in work, we all need to think about every possible way by which we can increase that figure. In no sense can buses be the whole solution, but they can certainly be a key part of it. If there is no accessible transport, employers can do everything they like to enable an inclusive, accessible workplace, but if blind and visually impaired and other disabled people cannot get on the transport, those efforts are largely wasted.

📄 Column 797

The second element is social isolation, which is more of a threat to our health today than smoking or obesity. I believe that it is one of the most pressing issues of our time. Some 180,000 blind and visually impaired people said that they were too afraid to leave their homes independently, and 43% said that they had experienced depression. Buses cannot drive a coach and horses through all this and provide the entire solution, but they can be part of it. Buses are the mode of transport most likely to go past someone's front door. Through this Bill, we have the possibility to ensure not only that a bus passes someone's front door but that that person, irrespective of disability or none, is able to fully access it. The great thing, as always—whether we are talking about ramp access, flat-access buses or AV announcements—is that whatever provision is put into the Bill to benefit disabled people will have universal benefits. Audio-visual announcements obviously benefit me, but they benefit all bus users; for example, people unfamiliar with an area or people who may be distracted. Everybody on a bus benefits from a change which superficially is put in just for the benefit of disabled passengers.

Let us use this enabling Bill to enable access, to enable participation potential, to enable employment and to enable experience—and at such a small price. AV can be installed on a new vehicle for around 1% of its price. I welcome this Bill. Buses cannot solve all social, economic or even political problems, but they can be a key piece of the jigsaw to enable greater accessibility and inclusivity and, quite simply, to make things better for all people in modern, diverse, inclusive Britain.

🕒 6.59 pm

Lord Judd

My Lords, the great thing about the contributions of the noble Lord, Lord Holmes, is that they are always rooted in social reality.

Certainly some parts of the Bill should help to make a situation which overall is totally inadequate, less inadequate. But there are big issues within it which we shall have to scrutinise very carefully. There is the contradiction between the Government's commitment to decentralisation and localism and the reality of what is proposed. There is the issue of a still further concentration of powers in the hands of the Secretary of State. There is the question of whether service or profit remains dominant. There is the contrast between London and the rest of the country. There is the crucial issue of how the Bill helps the physically and mentally challenged and those less affluent, not least those struggling for higher or further education, many of whom are often at financial breaking point.

I wish to raise one issue which, frankly, leaves me puzzled. I declare an interest as vice-president of the Campaign for National Parks. The Government have repeatedly said—it is cheering to hear them say it—that they understand the value of this precious national asset and that they support it fully. They have gone out of their way to say this. At the launch of the national parks strategy plan, Rory Stewart said:

📄 Column 798

“I'd like to make sure that everyone in Britain and more visitors from around the world have the unique experience of going to our National Parks”.

That strategy has as its central objective increasing the diversity and number of visitors; it hopes to move from 90 million to 100 million people a year.

The statutory purposes of the parks are set out in the Environment Act 1995 and are to conserve and enhance natural beauty, wildlife and cultural heritage and to promote opportunities for public enjoyment and understanding of their special qualities. Public transport contributes to both of these objectives, ensuring that everyone can visit national parks while also providing an alternative option for residents and visitors who own cars that would reduce the impact of car traffic on the environment.

High volumes of traffic already have a negative impact on the tranquillity and natural environment of some of our national parks. Providing good bus services ensures that increased numbers of people can visit without damaging the special qualities that these areas provide.

The importance of this is perhaps well illustrated by one of the respondents to a recent survey by CNP of the public's views on national parks. The respondent said:

"At peak times they could not be further away from many preconceived ideas of what a national park should be. Rather than peace and tranquillity there are traffic jams, stressed tourists and creaking infrastructure".

There are contrasts in what practically can be done. Examples include the Dalesbus network of routes, which provides links between the Yorkshire Dales and local towns and cities and is managed and supported by volunteers. The Moorsbus service on the North York Moors is also managed and supported by volunteers. There is the Breeze up to the Downs network of buses, linking Brighton with the South Downs, which is provided by a partnership between the national park authority, the local transport authority, the bus company and the National Trust. There is also the Beach Bus in the New Forest, which is well used by local people and which is provided by the national park authority working in partnership with the bus operator.

The Campaign for National Parks recently asked people to tell them about their experience of using buses in national parks and received lots of stories that illustrate the value of these bus services for individuals and for the rural economy. For example:

"We visited village shops and tearooms, inns and hotels, the scope was endless, once people realise what they can do and how social it is to travel by bus with like-minded people, the Moorsbus from York often was full and standing. The happy, contented and slightly sleepy bus on the return was a perfect advert for wellbeing".

Column 799

However, it is sad that recent cuts to local authority budgets have had a devastating impact on the availability of bus services in many rural areas. Some national parks such as Exmoor now have very limited bus services. In addition, even some of the most successful services are now at risk as those operating them struggle to obtain the funding they need to continue. There is a real danger, for example, that the Dalesbus will not survive beyond 2017 unless a major new source of financial support can be found.

There is a recognition in the Bill that LTAs wishing to take up the new franchising or partnership powers should consult other local authorities whose area would be affected by their plans. These requirements are covered in new Section 113G in Clause 1 for advanced quality schemes, by new Section 123E in Clause 4 for franchising schemes, and by new Section 138F in Clause 9 for enhanced partnership plans and schemes. However—and this is what puzzles me in view of the Government's overall position—in each case the current list of relevant local authorities which should be included does not refer in any way to national parks. Such references would make sure that the specific needs of visitors to national parks were taken into account in the new arrangements. If the national park authorities remain excluded from the lists of relevant local authorities, it could put at risk many of the bus services currently operating in our national parks.

Mark Holroyd, transport and tourism manager for the New Forest National Park Authority, explained why this is so important when he said:

"New Forest National Park Authority has led work with bus operators and Transport Authorities to develop a well-used and more financially sustainable public transport system in the National Park. We have pioneered the development of services which meet the needs of both residents and visitors, the latter providing vital revenue to support the former. To ensure similar initiatives can succeed in the future, it is important that the National Park Authorities are formally consulted as part of any changes to services in our areas".

All public bodies have a statutory duty to take account of the potential effect of their decisions and activities on national parks, including activities outside national park boundaries that may affect those parks. This is often referred to as the Section 62 duty. However, there is a low level of awareness of this duty and it is not always monitored and enforced effectively. There is a particular risk that the combined authorities, for which national parks are only one part of a much larger area, will fail to implement this duty as well as they should.

That is why it is so important to have these references on the face of the Bill. I am sure that the Minister will seek ways to put this right. The guidance should also highlight the key role that voluntary groups play in delivering bus services in many national parks and encourage LTAs to engage with them when planning any changes.

I shall finish by making a general observation. Like all of us, I spend a good deal of my time in London, and I am incredibly impressed by the London bus service. It seems to have so many characteristics for which people are looking. It is clean; it is reliable; it is frequent. Because it is reliable and frequent, people use it. If there is uncertainty about a bus service people do not use it because it is much easier to jump into a car or make an arrangement with a friend. Of course, the situation feeds on itself. If we stop using the bus service, it deteriorates still further. Not unnaturally, the people running it begin to ask, "Is this service viable?". The point is the commitment to having a good service. What is outstanding about London is that it saw this and realised that the buses had to be there if there was to be public use on the scale and to the extent that there should be.

Column 800

We really must look at this. I am one of those who is very much committed to the concept of a mixed economy. In a mixed economy you really have to be extremely clear about whether you are providing a service or a profit-making opportunity. They are not the same. They can be the same but they are not necessarily the same. We have to be clear about what we want in the interests of the environment, health, less stress and general social well-being is a service across our closely integrated United Kingdom that is second to none.

7.13 pm

Earl Attlee (Con)

My Lords, on this day last year your Lordships gave what is now the Cities and Local Government Devolution Act 2016 its Second Reading. That is the legislation that paved the way for the Bill before us today. My noble friend said that the overall aim of the Bill is to ensure that bus passengers get the best possible service. This Bill gives local authorities a few more tools in their arsenal to help in this regard, should they choose to use them.

The noble Lord, Lord Bradley, in his very clear speech, told us how franchising will make a very great difference in Greater Manchester, and I am sure that the whole House is very grateful for his contribution. The Government want a mosaic of arrangements up and down the country. There is no suggestion at all that the Government are looking to impose any one structure

in any particular area. That is a good thing.

My noble friend the Minister and the noble Baroness, Lady Jones of Whitchurch, in her excellent Front-Bench speech—I hope to see her making them for many years to come—observed that bus patronage has declined since deregulation. However, noble Lords will recall that the rate of decline in patronage of bus services was arrested post-deregulation.

I urge my noble friend the Minister to anticipate the sense of the Committee when we come to discuss AV annunciators. These are for the benefit not just of the disabled. They have tremendous benefit to all passengers.

I welcome most of the provisions of the Bill. However, I will concentrate my remarks this evening on three specific issues. First, on the proposals in the Bill to give local authorities powers to franchise local bus services, bus operators told me that this has been the dominant issue in the industry ever since it was first announced by the Chancellor in November 2014. It has consumed much more time and energy than the industry would have liked. To the industry's huge credit, it has not taken its collective eye off the ball and continued to deliver for its passengers.

Regulation certainly did not provide for a thriving bus industry prior to 1986 so why should it do so now? London, of course, is a very special case, particularly with regard to funding and the fact that buses are absolutely essential lifeblood to London—as in Greater Manchester. My noble friend the Minister observed that the annual Transport Focus passenger survey consistently gives bus services an overall satisfaction rate of around 90%. Allowing local authorities to introduce a system of franchising or contracting may be consistent with the Government's devolution policies but runs contrary to established Conservative Party policy for at least the last 30 years. That is a big change.

Some bus operators described this franchising element of the Government's policy as business confiscation. I can see their point. Large operating groups could see their operations disappear overnight and would then have to redeploy staff, vehicles, depots et cetera if they were not taken on by the successful bidder. There would be a wider impact on their corporate position that could affect their share price et cetera. However, I am sure they will survive, albeit a bit battered and bruised.

The same cannot be said for smaller operators. They will stand little chance of winning a contract against a large operator, one of the plcs or even an overseas firm that enjoys access to cheap capital from its national government. There is a real possibility that a family business, built up through hard work and dedication possibly over several generations, could be allowed to disappear overnight as a direct consequence of government action.

I am sure that the bus industry has pressed the Government to ensure that any franchising proposal should be subject to fair and open public interest and financial tests. The noble Lord, Lord Shipley, talked about some of the risks there. I am sure he will return to that at a later stage. It was reassuring to see that the Bill sets some pretty tough hurdles that local authorities must negotiate before they can proceed with their franchise scheme.

Like my noble friend Lord Young of Cookham, I believe it is also extremely useful for local authorities to have to benchmark, for want of a better word, their proposed franchise scheme against the routes and ticketing arrangements that might be offered under enhanced partnership schemes. This is absolutely crucial and would, I suggest, make any local authorities swallow very hard indeed. Surely if the same offer to passengers can be made under partnership arrangements, why would a local authority want to pursue a franchise scheme with all the additional costs in both resources and money?

I am also worried about the issue of bus facilities and premises. As I understand it, there is nothing to stop a bus operator selling off his depot to recoup some of the money he invested in his company before he loses the business to the highest bidder. Unless the outgoing operator decided to sell or rent his premises to the company that won the franchise, that transport facility could be lost for ever to redevelopment. Securing premises would be a huge challenge for those bidding for franchises. This was the subject of some debate during the passage of the Local Transport Act 2008.

I am sure that we will spend some time during Committee debating the finer points of the franchising proposals. My noble friend the Minister will have my full support in resisting any amendments that seek to dilute these very important tests which have to be satisfied before a franchising scheme can see the light of day.

The other issue on which I wish to comment is the proposal in the Bill to allow local authorities to delve into the business secrets of bus operators, requesting detailed and commercially sensitive information about employees, usage and revenue. At some point many business owners decide to sell up and realise the fruits of their labour. The value of a business will be composed of inter alia the stock, the assets and, most importantly, the good will. The kind of information that the Bill would allow local authorities to obtain free of charge and without compensation is part of the good will of the business. But, of course, unless you know what those data are, how can you say how much they are worth? It is hard to imagine any business sector that would welcome the right of a third party to look at the detail of its operations as a prelude to making a case to expropriate them. Businesses in all walks of life change hands at prices well in excess of their tangible assets. I include in this the price of the former passenger transport executive bus operating companies when they were sold off in the 1980s. Therefore, in essence, the Bill would allow local authorities to acquire for nothing something that they sold for millions in the past. This part of the Bill is deeply unwelcome for bus operators and I am sure that we will return to it during Committee. My question for my noble friend the Minister is this: does he think that these commercial data have a commercial value, or not?

🕒 7.21 pm

Baroness Randerson (LD)

My Lords, this has been a comprehensive debate, reflecting the comprehensive briefings we have received from a large number of organisations. I take this opportunity to thank the Minister for the briefing he organised for us.

The debate has reflected the situation in two different worlds: that in London, which has frequent, efficient, affordable services and increasing usage; and that in the rest of the UK, where there is a picture of overall decline over many years, with too often infrequent, unreliable and expensive services, and a confusing picture because people do not know when the bus is likely to turn up. Despite that, there are some islands of good practice to which several noble Lords have referred. Reading and Brighton are examples of places where the services are very good. However, in contrast to that, most areas outside London suffer from poor and declining services. The difference between these two worlds is due to not just deregulation but also the amount of money spent on the services, because London passengers enjoy generous subsidy. Therefore, there is an urgent need for action.

■ Column 801

■ Column 802

We agree with the general principles of the Bill. The Minister told us that it was an enabling Bill. However, it is enabling only in the legislative sense. Franchising and enhanced partnerships are no magic formula. We agree that local authorities and local transport authorities need more powers, but recent funding cuts mean that in many cases the other essential tool that they need—the money—is missing. The Government need to remember that there is no guarantee of success. There have been two previous attempts to undo the damage of the 1985 Act, by Labour Governments, and neither worked.

Column 803

We on these Benches welcome the three main areas covered by the Bill. I start with franchising and partnerships. It has been Liberal Democrat policy for many years to campaign for and encourage franchising outside London. We strongly support the devolution of more powers to local authorities, because it is obvious that local authorities are best placed to make decisions on issues such as bus service provision. On open data, it has seemed to me for a long time to be completely anachronistic that you can get virtually no information on buses unless you want buses in London—that information is of course widely available. Outside London, bus information is not available, but you can get very comprehensive information on trains.

In practice, buses outside London are overwhelmingly provided by the big five companies. They rarely compete with each other, and exercise a great deal of power in the market. As my noble friend Lord Shipley said, there is in reality very little competition in most places. It is going to be difficult to deal with that domination and to ensure that it is used constructively. There are many good examples of good companies operating to the best of their ability, but we have to harness that power in the market to the benefit of everyone.

As far as this Bill goes, it is fine and we support it. But in my view and the view of many who have spoken here today, it does not go far enough on key issues. It needs to entrench minimum standards on, for example, issues relating to disability. People have talked not just about wheelchair access but also AV. I ought to declare an interest as someone who has severe hearing loss—the audio announcements are no use to me at all; I need visual announcements if I am going on a new route. The Minister in his opening speech quoted the percentage of provision of facilities such as this, but what about the percentage of those facilities that are actually being used? They are often there on the bus but are not switched on. There is wheelchair access on the vehicle but the driver does not drive into the parking space adequately in order to allow access to the bus. This is where training comes in. Without provisions on driver training, the Bill will not be as effective as it should be. I remind noble Lords that we are well into the 21st century and we should be dealing with this problem effectively.

The Bill also needs to entrench minimum standards on emissions and a number of other environmental issues. Great progress has been made—the big operators especially are investing in a range of green technologies, but their old buses get passed down the line and some of the less good operators are not doing well enough. There needs to be a stimulus to do better. The appalling air quality in some parts of our towns and cities makes step change in this area an imperative for the health of our nation. The buses might be green but the important thing is to ensure that cars are taken off the road, because they are not yet green enough. We therefore need to have good bus services as a viable alternative to the car, to encourage people out of their cars. Local authorities need more powers, for example, to deal with workplace parking levies as an option.

Column 804

I would also have liked to see—and we will undoubtedly come back to this at later stages—a provision to ensure a standard, England-wide concessionary fare scheme for young people. I have raised this issue in the House on a number of occasions. Young people face a postcode lottery. They now have to stay in school until they are 18 but are not entitled to concessionary fares after they are 16. Therefore, in some areas they are paying full fare. We need to look at this in a long-term way. Young people are the bus passengers of the future. Bus operators are very often aware of this but the Government need to enshrine it in the Bill.

I welcome the provisions on smart ticketing. I am glad to see that LTAs will get greater power. I am very pleased to see the efforts to future-proof the Bill in this regard because technological change is so fast. But I will be keen to test out how these powers will work in practice because I do not believe they are strong enough or that there is sufficient obligation on operators to work together and ensure that smart ticketing will always be available. Smart ticketing is essential to speeding up bus services and therefore encouraging new users. Greener Journeys believes that it can improve journey times by 10%, which is important.

I am disappointed that the Bill does not give local authorities more power to enforce moving traffic regulations. Those powers exist in London. They exist in Cardiff because of the devolution settlement. But there is little incentive for local authorities to invest in improved traffic and bus facilities on their roads. These cost a lot of money, and what is the incentive to spend that money if other drivers are able to flout the regulations and clog up the roads?

Rural bus services face a bleak future. Although there are measures in the Bill to encourage imaginative new solutions such as shared services, without any obligation on local authorities to consider such schemes, these may not have the impact that is vitally needed.

I am disappointed that there are no provisions to strengthen the role of traffic commissioners, who have a very variable record across the country. I am also very concerned that the Bill removes the right of councils to form municipal bus companies. Some of the best bus services in Britain are provided by bus companies still owned at arm's length by their councils. We should be encouraging the best.

The Bill is skeletal, to put it mildly. We need to see draft regulations. When is the Minister going to be able to show us draft regulations, so that we can see how this will work?

Finally, I have a few quick questions. This is an England-only Bill. What about the cross-border services with Wales? Have there been discussions with the Welsh Government? Are they happy with this? I notice that the borderlands between England and Wales seem to be left in some kind of time warp. Where will the passenger voice fit in? With the powers on franchising initially applying only to mayoral authorities, the devil will be in the detail. What hurdles will other authorities have to jump through to gain those additional powers? I hope that those other authorities will not be forced to move to the mayoral model in order to gain them.

Column 805

I also have serious concerns about the blocking power the Bill gives in relation to enhanced partnerships and advanced quality partnerships. The Bill says that plans must be supported by a majority of bus operators in the area but I would like to know what the process will be. How will it be measured? For example, in Bedford there is effectively only one operator so if that operator objects, they are by definition the majority. Is it therefore done on size or on the number of companies? How will it work?

We support the principles in the Bill and believe that it could be a much better Bill if it went further and worked harder at entrenching minimum standards.

Lord Kennedy of Southwark (Lab)

My Lords, I first refer Members to my declaration of interests and declare that I am an elected councillor in the London Borough of Lewisham.

As other noble Lords have said, the Bill is generally welcome and we want it to boost the bus industry outside London when it reaches the statute book, although it is disappointing that we have no regulations. If this is to be another Bill where regulations will not be available until after the legislation has passed, that will be most regrettable. I hope that the Minister can give us some assurances that that will not be the case, as I think noble Lords will be very unhappy at that. It will hamper the progress of the Bill through this House if we cannot see the regulations. The regulations connected with the 2000 and 2008 transport Acts have proved too difficult to enable anyone to introduce bus franchising. We must avoid the same happening here and the welcome intentions in the Bill being lost in consequence.

The bus is an essential mode of public transport, reducing congestion and giving people access to jobs, education and leisure pursuits. Buses are also the quickest way of providing additional public transport. As my noble friend Lord Whitty said, the number of bus journeys taken within the bus industry outside London has declined. That can be pinpointed back to the Transport Act 1985, which deregulated the bus industry outside London and allowed anyone, subject to minimum safety and operating standards, to set up a bus company. I also agree with my noble friend about the effects of the cuts in funding on bus services outside London. We have heard how different things are in London, where bus use has doubled, the industry was not deregulated and a two-tier system operates, with TfL specifying in detail what bus services are to be provided and private companies then delivering those bus services.

The Bill seeks to do a number of things, nearly all of which I support. One part of the Bill that we are unhappy about is Clause 21, which prohibits municipal bus companies being formed in the future. Some of the best bus services in the country are run by municipal operators: look at Nottingham City Transport, which has been UK bus operator of the year three times, the last time in 2014. Nottingham is a city I know very well and which my noble friend Lady Jones of Whitchurch also mentioned. Reading Buses and Ipswich Buses, to name just three in all, also provide an excellent service, but this specific model is prevented from being replicated elsewhere. Why?

Moving on to the more positive aspects of the Bill, we support the franchising of bus networks for mayoral combined authorities. The Bill will allow these authorities to provide bus services as they are provided in London, with the public sector specifying the services and the private sector competing for the contracts. This will enable effective action to be taken to improve services for passengers and halt the decline. We support this although, as many noble Lords have said, we would have wished that there was no insistence on having a mayor to get these powers, with other authorities being allowed only to ask for these powers. We shall explore this further during the next stages of the Bill, as it passes through your Lordships' House.

There are two other forms of deregulated partnerships in the Bill: advanced quality partnerships and enhanced partnerships. Under the advanced quality partnerships, a local transport authority will commit to bringing in measures that will benefit bus services, such as priority bus schemes. In return, the bus operator must meet set standards for the services which benefit from those facilities. Enhanced partnerships go further, with the local transport authority and the bus operators working to manage the local bus market and seeking to get better outcomes for passengers. But there is, in effect, a veto for the bus companies if they do not agree to the proposal. When it comes to things such as vehicle specifications, ticketing structures and timetabling, this type of scheme could be a very useful tool for improving the services locally, although again the regulations here will also be important, so that what is proposed in the end does not become too difficult to deliver.

We also welcome the section of the Bill that introduces advanced ticketing schemes to enable multi-operator ticketing schemes to be broadened and built on. The sooner we can move on to smart ticketing schemes everywhere the better. Making data available on bus fares, routes, timetables, tickets and bus company performances on all routes is very welcome and should give passengers, campaigners and transport planners very useful information. However, it needs to be made clear who will be entitled to access to what data—I assume that will come with the regulations. I do not see that making the data available will cause the problems the noble Earl, Lord Attlee, spoke about. It will be a good way of helping consumers and the general public, and maybe the noble Lord, Lord Ahmad, can clarify that further when he replies.

Earl Attlee

My Lords, I was not referring to the real-time data—I think that would be highly desirable. My problem is with the data on historical passenger demand and so on.

Lord Kennedy of Southwark

I thank the noble Earl for that clarification. We will explore these things further as the Bill goes through the House. As I said, the provision and use of data will be vital in improving services for passengers.

We are very supportive of the campaign by the Guide Dogs association for audio-visual systems to be a requirement on all new buses. The noble Lord, Lord Low of Dalston, made a compelling case for the funds to be found quickly to ensure all buses are equipped with this facility. The noble Baroness, Lady Grey-Thompson, rightly spoke about the barriers disabled people face and how practical solutions to the problems are needed. Generally, we want to see disability provision on buses further improved and will explore measures to do that during the further stages of the Bill. I very much agree with the comments of the noble Baroness, Lady Campbell of Surbiton, regarding improved access to buses for people with disabilities.

Ensuring that buses run on the greenest fuel possible will help reduce greenhouse gas emission and generally improve air quality. New powers in the Bill to enable local transport authorities to specify emission standards to be met by local bus services are very welcome, although with the enhanced partnership scheme, there has to be sufficient support again from the bus operators.

As other noble Lords have said, the Bill hardly mentions passengers. We think that is wrong, as bus services should be all about passengers. I want to see an enhanced role for Passenger Focus and possibly something in the Bill concerning how passengers can be more fully involved and consulted locally about the services they rely on.

Column 806

Column 807

In conclusion, generally we welcome the Bill, but it can go further and can be improved. We look forward to working with the Government and noble Lords on all sides of the House to improve the Bill, to clarify and probe the intention of the Government, and to see it on the statute book making a real difference to people and communities locally by improving the bus services they rely on.

🕒 7.43 pm

Lord Ahmad of Wimbledon

My Lords, first, I thank all noble Lords who have taken part in today's Second Reading debate. It has been an interesting one and I thank noble Lords for the general welcome they have shown to the Bill. In particular, I acknowledge the support for the Bill from the Front Benches and the offer to work constructively throughout its passage. I thank the noble Baronesses, Lady Randerson and Lady Jones, and the noble Lord, Lord Kennedy, and look forward to working with them, and indeed all noble Lords, on this important piece of legislation.

I start my closing remarks with two immediate admissions. One is that if I do not get through all the various points that have been raised, I will of course, in the normal manner, write to noble Lords. The other is that my throat may get a bit croaky. We are into the early days of Ramadan, and it is two hours before I can eat or drink, so I seek your Lordships' indulgence in case my voice suddenly packs up. I hope it will not and I will look for divine intervention if that does happen.

Apart from the open data provisions in this Bill, which I will come on to and which will provide bus users with more accurate and up-to-date information on services available to them, I repeat that it is not the Government's intention to mandate any particular approach to bus management. However, on the subject of open data, I welcome noble Lords' support, and share the views expressed by the noble Baronesses, Lady Scott, Lady Grey-Thompson and, of course, Lady Randerson, on the importance of looking at this area. It is a very important part of the Bill and an exciting opportunity to see how open data can be used. Our preferred approach is to develop a central data repository to meet the requirements of registration and journey planning. Those data would be open data, and the expectation is that third-party developers would be able to use data to develop web and app services to provide travel information to all.

■ Column 808

The noble Baroness, Lady Randerson, asked about cross-border services. I assure her and all noble Lords that provisions will be made to allow cross-border services to continue to operate where franchising or partnership proposals are adopted. In the franchising context, cross-border services will be able to operate under service permits. In a partnership context, all bus operators, including those that run cross-border services, will be invited to participate. I assure the noble Baroness that we have already engaged with the devolved Administrations and, of course, will continue to do so through the passage of the Bill.

I turn to questions raised about delegated powers by the noble Baroness, Lady Jones, and, in his closing remarks, by the noble Lord, Lord Kennedy. First, we believe that the powers in the Bill are appropriate; many of them deal with technical matters that will require some flexibility, so secondary legislation is appropriate for that. There are also considerable precedents in this regard, with previous transport Acts that have used that approach. I assure noble Lords that we will make draft regulations and policy-scoping documents available during Committee to ensure that they are informed of our plans, and we intend to publish the impact assessments ahead of Committee too. I shall seek—and I shall follow up on this with officials—to put forward a summary list of the different things, as they are scheduled. That might help all of us during the passage of the Bill.

The noble Baroness, Lady Jones, also raised the issue of Clause 21 and municipals. We want to ensure in this regard that the bus industry continues to thrive, and the Bill provides a number of new ways in which the industry and local authorities can work together to improve services for local communities. The responsibility for specifying services should be separated from the responsibility for providing those services, and we therefore believe that local authorities should not be able to set up municipal bus companies. Of course, I acknowledge views expressed today, and I am sure that we will return to the issue in Committee.

I turn to a few of the other matters raised in that regard. My noble friend Lord True also raised an issue about municipal bus companies and whether small enterprises would be stopped too. We will certainly look into that, but I reiterate that community transport is exempt from all effects of the Bill.

The point about rural-proofing and impact assessment was raised by the noble Lords, Lord Whitty and Lord Judd, and the noble Baroness, Lady Scott. I assure noble Lords that rural-proofing is included in the impact assessments, which will be published ahead of Committee. That will be included in the summary document.

■ Column 809

On the devolution deals, my right honourable friend the Secretary of State worked with others in the Government to determine and agree the details of the Greater Manchester devolution proposition, mentioned particularly by the noble Lord, Lord Bradley. Officials have continued to work closely with colleagues from Greater Manchester during the development of detailed Bill policies. On the further questions from the noble Lord, Lord Bradley, we have already begun to engage with stakeholders on the development of secondary legislation and will continue to engage closely with them over the coming months. I assure him that secondary legislation and guidance required for the authorities to take forward the provisions in the Bill will be prepared in time for the upcoming mayoral elections.

An area which was raised by my noble friends Lord Young, Lord True and Lord Attlee, the noble Baroness, Lady Jones, the noble Lord, Lord Woolmer, and other noble Lords was franchising. There has been some discussion about the availability of franchising and its link to devolution deals. We believe that the powers set out in the Bill provide the potential for local transport authorities other than mayoral combined authorities to access franchising powers if there is a strong case for doing so, but we also recognise the need to provide as much certainty as possible to the bus industry. Authorities have control or oversight of local roads, local transport and parking policies and have planning responsibilities and so will be best placed to implement franchising as they directly control many of the factors that impact on bus patronage. Clear decision-making responsibility and accountability will also be important when determining whether franchising is the best approach for a particular area.

Various questions were asked by noble Lords about franchising powers. The noble Lord, Lord Shipley, asked about combined powers, opting out and Gateshead, and I will write to him about that. Other noble Lords asked about the process for local authorities which are not mayoral authorities. As I said at the all-Peers meeting, an affirmative SI is required to access the category of authority—for example, a unitary authority. Once this is done, the authority will apply for the Secretary of State's consent. That will be the process.

My noble friend Lord Young raised the issue of compensation. The Bill sets out clear processes and consultation requirements that must be followed by authorities to ensure they consider the benefits that franchising could bring for local people and the potential impacts, including on bus operators. As my noble friend will be aware, since the Transport Act 2000 it has been possible for local authorities to exert more control over their local bus markets. Compensation was not provided for in that legislation.

Column 810

The noble Lords, Lord Woolmer and Lord Berkeley, raised issues relating to Cornwall. Our intention is that franchising powers should be available to other authorities only where the governance, capability and track record of the authority are sufficiently strong and there is an appropriate economic geography. Cornwall Council provides a good example of such an authority. It covers a wide area, it is a unitary authority with the necessary wider powers to improve bus services and it has a good track record of delivering transport projects. It is our intention to publish the objective criteria which will set out the factors that we believe are important when considering whether an authority is well placed to franchise the local bus network.

My noble friend Lord Attlee spoke about sensitive market information, local authorities and franchising. We want to ensure that decisions to move to franchising are made on the basis of robust and accurate information with the interests of passengers in mind. To ensure this is the case, it will be necessary for the franchising authority to have accurate information from local bus operators on aspects such as passenger numbers, fare structures and revenue from local services. I assure my noble friend that we understand that some of the information will be commercially sensitive. It is imperative that authorities treat it with care. Information can be used only in connection with the franchising scheme.

As I said in my opening remarks, franchising may not be appropriate for all. The enhanced partnership proposals in the Bill provide the opportunity for improved co-operation between local authorities and bus operators which will benefit passengers, local businesses and the environment. As my noble friend Lady Redfern highlighted in her contribution, the flexibility within all these models will allow local areas to prioritise service standards appropriate to their areas.

Many noble Lords understandably and rightly raised the issue of accessibility and expressed their views on the accessibility of buses and, in particular, on the need for accessible on-board information on buses. Various scenarios and incidents have been mentioned. The noble Baroness, Lady Grey-Thompson, talked about scenarios where people appear with pushchairs and wheelchairs, and what happens then. She asked who gets left behind; as a father of three children, two of them in pushchairs, I can tell her that it is normally the father. Once I have done so and I am left with an empty pushchair, people nearby think, "He seems to have left something important behind", but that is another story that I will share with her over a cup of tea. That seems to be the general way forward in discussions on the Bill, which of course I welcome as long as it is past the time when I can eat and drink.

I turn to the more important and serious issues of accessibility. The noble Baronesses, Lady Brinton, Lady Campbell, Lady Jones and Lady Grey-Thompson, the noble Lord, Lord Low, and my noble friend Lord Holmes all talked with great passion and experience, expertise and insight into this area. The noble Baroness, Lady Brinton, cited the case of FirstGroup Plc v Paulley, which is yet to be heard at the Supreme Court. I am sure she will appreciate that I cannot really comment any further on that. However, it is vital that wheelchair users and other disabled people are not prevented from accessing bus services. I will ensure that the question of the use of wheelchair space is given full consideration once the case has concluded.

Column 811

I assure noble Lords that we are currently developing guidance on providing disability awareness training, informed by existing provision across the transport sector. We will work with the bus industry to promote the adoption of that training ahead of the mandatory training provisions of an EU regulation that comes into force in 2018. I assure noble Lords that the Government are committed to ensuring that all disabled people have the same opportunities to travel as other members of society. Indeed, my noble friend Lord Holmes talked about the need to increase the employment of disabled people, and I am sure we all took note of the statistics that he shared with the House. It is important that the Bill incorporates powers enabling partnership agreements to require, as several noble Lords mentioned, the installation of equipment providing audible and visual next-stop announcements.

With regard to the DVSA and the Public Service Vehicles Accessibility Regulations, the PSVAR have created a step change in accessibility for disabled bus passengers and we will continue to work with the DVSA to ensure that operators understand their duties. As one of my ministerial responsibilities, I have oversight of the agencies including the DVSA, and I will follow that up to see what more can be done. In that regard, I say to the noble Baroness, Lady Campbell, that I would welcome meeting her and her advisers, and indeed any noble Lords, to see how we can further strengthen the provisions of the Bill to ensure that we provide accessibility. It is an important subject and, while improvements have been made, I fully acknowledge that more can be done. I assure noble Lords that there is provision in the Bill for all the equipment that has been talked about today, and for such expertise to be specified as part of the standards of service, as well as in an enhanced partnership if parties agree. In setting up a contract framework for a franchised area, a local authority could also require the provision of specialist equipment for this very purpose.

I turn to rural services. I said at the beginning of our debate that I fully recognise the extra pressures placed on local authorities throughout the country to provide bus services, particularly to more isolated areas. We have heard many comparisons between the provision in cities, particularly London, and elsewhere. However, it is primarily for local authorities to prioritise their spending from the considerable amounts of public money that they receive to support transport services. I reiterate that no extra money will be made available to local authorities specifically for the provisions of the Bill. However, its proposals will help to ensure that every penny they have is put to best use.

I turn to community transport, and I hope I may provide some reassurance to the noble Baroness, Lady Grey-Thompson. Community transport provides vital services, especially where commercial services are not available, and we have shown a continued commitment to the sector through the community transport minibus fund, providing over 300 organisations with new minibuses, and through ensuring that community transport providers are exempt from the provisions of the Bill.

The noble Lord, Lord Judd, talked about the national park authorities. I assure him that, as I am sure he is aware, all public bodies have a statutory duty to take account of national park authority purposes when taking any decisions that may affect them. I assure him we will ensure that that duty is made clear in the consultation guidance that will be produced for the measures contained in the Bill.

Column 812

Lord Judd

I am grateful to the Minister for taking up my point. I hope that on reflection he will realise that a reference in the consultation process is not good enough. If we are sincere and genuine about the commitment which has been there, commendably, on both sides of the House, and which has been outspoken on the part of the Government, it is important to have this in the Bill.

Lord Ahmad of Wimbledon

As with other provisions, I am sure that we will return to this in Committee. However, I will take back and review the noble Lord's contribution on this as well. I emphasise again that the Government take this responsibility seriously and will look at this issue as part of the guidance, but I am sure that the noble Lord will continue to make his case during the passage of the Bill.

In the closing moments I will pick up a few other questions that arose on competition law, for example, raised by the noble Lord, Lord Bradshaw, and the noble Baroness, Lady Scott. I assure noble Lords that the application of competition law to the bus sector is important to protect the interests of bus passengers, which is why the Bus Services Bill makes the Competition and Markets Authority a statutory consultee for any advance quality partnership scheme as well as the enhanced partnership scheme. I assure the noble Baroness that I agreed with her when she said that the perception of its potential impacts, which has cast a long and unnecessary shadow over bus partnerships, is important here. In developing the Bill, we have sought to address the concerns that have been raised.

The noble Lord, Lord Shipley, rightly talked about the importance of scrutiny and audit. In developing the Bill, we have been acutely aware of the importance of effective scrutiny, particularly of the franchising schemes. As the noble Lord identified, the Bill includes audit, independent of the franchising authority, of the use of data and information on whether statutory guidance has been followed. I am sure that the overview and scrutiny committees of the combined authorities will also wish to look closely at the proposals for franchising when they are brought forward. Ultimately, we think it is right that the decision on whether they do so should be a local one.

The noble Lord raised the issue of Gateshead, which I touched on briefly. As far as I understand the complexities of local governance arrangements, discussions on that issue are already going on. However, I will write to him. I add, however, that the Bill allows for mayoral combined authorities to franchise services within their areas, although of course we understand that mayoral combined authorities do not exist in isolation, and the service permit provisions in the Bill will enable services to operate across boundaries into areas which have not moved into that franchising model.

We have covered various areas and some important issues. There has rightly been a key focus on issues of accessibility and the franchising powers, which I am sure we will return to in Committee. I know that collectively we share an ambition to improve bus services and increase passenger numbers and journeys for all sectors of the community without discrimination. Even if our views about how to get there differ around the edges, once again I thank all noble Lords for their general warm welcome for the Bill. I look forward to working with them both in and outside the Chamber in ensuring that we strengthen the provisions of the Bill as it makes its passage through the House.

Bill read a second time and committed to a Committee of the Whole House.