
Quality Partnerships, Statutory Quality Partnerships and Quality Contracts

Bus Users UK policy

Good partnership working between bus companies and local authorities is essential for the provision of successful bus services and is to be encouraged and applauded.

All of the places where there is growth in use of bus services in the UK are as a result of a good partnership between a local authority and bus companies. Even where public sector funding cuts lead to local authorities having to spend less on bus services, good partnership working minimises the impact of those cuts.

Quality Contracts (see below), whereby the local authority takes over responsibility for providing the entire network in a given area from the operators and effectively suspends the deregulated regime, are contentious and also an unknown quantity as none has been invoked.

Bus Users UK is maintaining a watching brief on Quality Contracts. We consider that effective partnership with willing participants is preferable to an enforced, contracted arrangement. However we will support measures that clearly improve the service for the public.

We are also concerned that the deregulated market has so far failed to stem a serious decline in bus use in the major city regions outside London. A drastic measure such as a Quality Contract may be required to stem that decline, though our preference would be see it stemmed by more effective partnership working.

There is evidence that threats of Quality Contracts have encouraged bus operators to work more assiduously to create more far-reaching and imaginative partnership proposals (a Quality Contract effectively requires the operators' commercial networks to be handed over to the local authority and is therefore a potentially major threat to their business) and it is our hope that such enhanced partnership will have the desired effect of beginning to reverse that decline.

Partnerships, whether voluntary or contracted, must include user representatives amongst their stakeholders to ensure that the user perspective is taken into consideration.

Background

The 1985 Transport Act deregulated bus services in Great Britain (outside London) and since then bus companies have been free to run bus services where they like, at their own commercial risk. Local transport authorities identify needs not met by the commercial network and invite tenders from bus companies to operate those services.

Although bus services are a commercial venture run by private-sector bus companies, they cannot run effectively in isolation. There is a mutual dependency between bus companies and local transport authorities.

Local transport authorities:

- fill the gaps in the commercial network by inviting operators to tender for socially-necessary services
- provide infrastructure, in the form of bus stops, stations, bus priority measures etc
- provide more sophisticated systems such as real-time information systems and integrated ticketing schemes

Bus operators:

- enable local authorities to meet their strategy for a public transport network through the commercial network
- minimise the need for public funding through running commercial services

- minimise the risk to local authorities
- provide socially-necessary services with local authority funding

The Local Transport Authority is typically a county council, unitary authority or Integrated Transport Authority working through its Passenger Transport Executive, though often lower-tier authorities (boroughs, districts) will provide items such as bus shelters and may be involved in partnership arrangements.

Later Transport Acts have made provision for different forms and levels of partnership between bus companies and local authorities. A scheme can be made under the 2008 Local Transport Act, 'if the relevant authorities are satisfied that it will help implement their bus strategies and policies and will improve the quality of local services by bringing benefits to persons using those services, or reduce or limit traffic congestion, noise or air pollution.'

Forms of partnership

1. Voluntary Quality Partnership

Quality Partnerships have been in existence since before there was any legal framework for them, though they were enshrined in the 2000 Transport Act.

Partnerships can be informal or on more of a formal basis. Typically the local authority will undertake to provide bus priority measures, new bus stops and/or real time information systems in return for bus operators providing new vehicles with improved levels of accessibility and environmental performance and/or enhanced driver training, and maybe an enhanced level of service. Quality Partnerships may be between a local authority and a bus company, or between more than one of either.

2. Statutory Quality Partnership

As Voluntary Quality Partnership, but backed up with a legally-enforceable agreement under conditions spelt out in the 2008 Local Transport Act. The 2008 Local Transport Act brought in new provisions whereby local authorities can require a minimum frequency, operating hours or put an upper limit on fares, in agreement with the operators involved. It is also possible to exclude non-participant operators from using the infrastructure provided.

3. Quality Contract

This is a more extreme form of working, whereby the local authority takes control of a bus service, a group of services, a corridor or an entire network. The commercial network is suspended and the local authority plans the service and timetable, and sets fares levels. It takes responsibility for marketing the service and running the ticketing system. Bus companies bid for rights to run the bus services and are paid by the local authority to do so. Fares collected on the bus are paid to the local authority. On-the-road competition between bus companies no longer takes place.

Relative merits

Voluntary Quality Partnerships are simple to implement and very flexible. They work well where local authorities and bus companies already have a good working relationship and can create excellent benefits in terms of improving services and increasing ridership. Being non-statutory it is however comparatively easy for either side to pull out of the arrangement or fail to deliver components of it. However voluntary partnerships have the advantage that participants are willing to be involved and are likely to be committed to making them work, usually coming to them with common objectives.

Statutory Quality Partnerships are enforceable by law and are likely to cover major improvements, to the extent that a voluntary partnership could be considered too risky. There may be a contentious element to them (eg when Nottingham required a minimum emissions standard for buses entering the city centre, there were challenges from smaller operators which did not have the source to meet the required standard.)

Quality Contracts are the most contentious option, and to date none has been implemented. These are very similar to the London model and have the advantage of being able to provide a totally unified, integrated network, with common standards of publicity, fares levels, ticketing etc. The network is also completely planned in accordance with local transport objectives and may for instance contain provision for improved evening and weekend services.

Although none has been implemented a number of Integrated Transport Authorities have been exploring the concept. South Yorkshire concluded that improved partnership working would deliver a similar outcome, but West Yorkshire and Tyne & Wear are currently developing plans for Quality Contracts in their areas. Whilst they would potentially deliver a more comprehensive network and give the ITA greater control over the outputs from its investment, it is likely that frequencies would reduce on the busiest routes to free resource for less heavily used services.

In many cases privately owned bus companies have developed some good commercial services in the affected areas and would need to be compensated for losing them. To be effective the local authority would have to invest heavily in the service and at a time when the public sector is being squeezed financially it is likely that such a large expenditure could be subject to funding cuts, resulting potentially in a less stable network than that provided commercially. London's bus network has undoubtedly been a considerable success but has been expensive to provide and there is now increased pressure on the level of spending on transport in London.

The fact that well over a decade since the concept was introduced, in the 2000 Transport Act, there has still been no Quality Contract implemented shows how difficult this concept is to invoke. It does appear to have merits, especially in the major conurbations where bus ridership has declined catastrophically in recent decades.

Nonetheless it is a drastic and potentially very expensive measure and it is difficult to judge whether the costs and disadvantages would outweigh the potential benefits to users. However it is clear that pressure on operators from potential schemes has led to a greater willingness to be involved in more extensive and imaginative partnership schemes which could begin to produce real results.