

TRANSPORT AND REGENERATION – A BIGGER ROLE FOR THE HUMBLE BUS?

By Bill Tyson OBE and Richard Elliott

When the impact of transport on the health of regional economies is being considered, attention usually focuses on the importance of high quality air, motorway or rail links. The business community and local government have formed many alliances to call for a particular new road link to be built or for many millions of pounds to be invested in improved rail connections.

Reducing peripherality and enhancing international and regional connectivity generally feature as key elements in regional economic and transport strategies. Such considerations are clearly important. Inward investors often appraise the transport connections of an area very carefully before deciding whether to commit resources to an area. Increasingly quality international linkages need to be on hand before deciding to locate in a particular place as well as good road and rail links to London and the continent.

What follows is not intended to downplay the importance of these issues but rather to argue that another, less glamorous form of transport, also has an important part to play in the health of the economy of UK PLC and is key to the successful delivery of many regeneration projects. It can be found in all towns and cities in the country and, following a brush with near extinction during the 80s and 90s, increasingly in rural areas too. It is the humble bus.

While bus use declined for much of the 20th Century, many more people still travel by bus today than use

trains. This dominance is even more marked in the English conurbations outside London. In many medium and large towns and cities the bus is the only available form of public transport.

The Labour Government published its Transport White Paper in 1998. In advocating an 'Integrated Transport Policy' it was clear that the bus was going to have to play a central role if public transport patronage was to increase in the way that the Government envisaged. The White Paper was followed by a series of more detailed policy papers; one of these 'From Workhorse to Thoroughbred' set out future policy for the humble bus. Following years of neglect efforts are underway to revamp the image of the bus and to place it close to the heart of the Government's transport policy.

The reason why buses received this new attention include:-

- Flexibility - they can provide access to most places and areas without expensive investment in infrastructure
- Environmental credentials – a full bus can replace over 70 car trips thus reducing pollution and congestion.
- Ability to promote social inclusion – despite rising incomes and levels of car ownership many individuals and households continue to depend on public transport for access to jobs, shops and other facilities and for most, public transport means the bus.

LOCAL WORK

No 47 January 2003

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Local Work is published by the Centre for Local Economic Strategies, Express Networks, 1 George Leigh Street, Manchester M4 5DL

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Email: info@cles.org.uk
Web: www.cles.org.uk
ISSN: 09503080

The views expressed in *Local Work* are not necessarily those of the Centre for Local Economic Strategies

Printed by Russell Press, Nottingham

Current Arrangements

There are many arguments in favour of the bus but the fundamental questions for policy makers at the start of the 21st Century are: Can the historic decline in bus use be reversed and how can this be achieved? Before trying to answer these questions it is worth briefly reminding ourselves of the way in which bus services are provided and funded today. In this respect the difference between the situation in London and that in the rest of the country is dramatic.

In London:

- All routes and frequencies are specified by a public authority – “Transport for London”
- Services operate on a franchise basis
- The shortfall between the fare income and the operator’s price for providing the service is met by the public sector.

Outside London the position is very different.

Since 1986 all bus services outside London have been deregulated. About 85% of bus services that operate do so commercially without any public sector involvement. Local authorities do not set general fare levels nor do they specify frequencies. However, the public sector does have the power to fund additional services which are deemed to be ‘socially necessary’, but only if these do not abstract income from commercial routes. A further feature of the deregulated system is that services can be changed by the commercial operators by giving 56 days notice to the Traffic Commissioner – (the Government official whose job it is to oversee bus operations).

The policy of deregulation has undoubtedly reduced costs. In the early days there was a considerable degree of competition on some routes and some welcome innovation. There has also been an increase in investment in new vehicles, much of which has involved replacement of life expired stock.

From the perspective of local

authorities and particularly those involved in the regeneration process, the challenge has been to work with the new system to try to ensure that the interests of passengers are protected and that, as far as possible, the considerable sums of public money devoted to bus services are producing ‘Best Value’. The recognition that it is often a lack of available and affordable transport which prevents many people from accessing new job opportunities has led to a recent glut of studies into the financing of and the policy framework for delivering local bus services. The main themes of these studies and their conclusions are described below.

Recent Studies

Nationally, some £1.2 billion is spent, either supporting socially necessary bus services, paying for the cost of concessionary travel for the elderly, young people or people with disabilities or on fuel duty rebate. What is far from transparent is whether the way this resource is currently being used delivers national and local objectives in the most effective way.

Two major studies have been carried out recently. One, conducted by the Commission for Integrated Transport (CfIT) a body established by Government to advise on transport policy matters, has looked at the whole issue of support for the bus industry. A second, conducted by the Cabinet Office’s Social Exclusion Unit (SEU) has studied the broader question of the impact of transport on social exclusion. This latter study published an interim report in the summer with the final report due to be produced shortly. Both studies address the question of whether the amount of public support for the bus industry is sufficient and secondly, whether changes are required if the current regulatory regime is to deliver improved services.

Amongst the CfIT report’s recommendations are that:-

- fuel duty rebate, currently paid to operators on a per mileage

operated basis, should be replaced by a payment per passenger carried.

- the quantity of public sector resources devoted to the bus industry should be increased.
- there should be no fundamental changes to the current regulatory regime outside London on the basis that circumstances within the capital are very different to those outside.
- Concessionary fare discounts should generally be limited to 50% of the standard fare with the money saved recycled into improved services.

The interim report of the Social Exclusion Unit also called for increased Government investment in bus services and was critical of the lack of emphasis which the bus receives in spending allocations when compared to rail schemes, particularly given that the bus is often the only form of public transport available to those who are socially excluded. The interim report also called for more analytical work to be undertaken to more effectively measure the impact which changes in bus routings and in levels of support were having on the ability of people to reach basic facilities. This latter recommendation has already fed through into a Government sponsored research project and into guidance issued to individual local transport authorities calling for more rigorous monitoring of the extent to which local transport needs are being met.

Buses and Regeneration - A Way Forward

The public require fairly simple things from public transport services. They need them above all to be reliable and punctual. If they are to provide an attractive alternative to the car they need to operate frequently and to be comfortable. They also need to be safe and affordable. Unfortunately, at present, for many people, local bus services do not pass these basic tests.

The reasons for this are many and include, the impact of general traffic congestion, the overall level of public sector support which is the lowest of any comparable western European nation together with a rising cost base faced by bus operators in terms of wages, fuel and the need for re-investment in vehicles. In this environment efforts of the public sector in trying to ensure that public transport services properly connect new jobs with potential workers is a hit and miss affair. If the two are linked by a major radial route there is probably not a problem. If a cross-town journey is involved the prospects are uncertain.

Government is beginning to try to address these problems. Recently £18 million has been made available through an Urban Bus Challenge scheme to a range of innovative projects across the country designed to improve bus access to areas where it is currently poor. Both the SEU and CfIT reports identify the problem of often poorly monitored and targeted service provision and CfIT has called for more resources to improve services both to promote social inclusion and to encourage more car drivers to travel by bus. For the first time for over twenty years local authorities are being required to develop comprehensive bus strategies, in partnership with other stakeholders, which seek to identify transport need in a rigorous way. It is essential that regeneration agencies and others engage fully with this process.

The question remains however as to whether the framework yet exists which can ensure that local bus services can make a real and significant contribution to local regeneration initiatives. At present bus services can still be withdrawn from an area at the behest of a commercial operator with eight weeks notice. It is often not possible to reinstate such a service either on cost grounds or because no operator is prepared to operate it. Real competition is often absent. For example, in Greater Manchester, while there are 48 different bus operators about 80% of services are operated by three major groups and these do not generally compete with each other.

The result is that, to a large extent, the public still receives the bus service the

commercial sector will provide rather than a service which meets all their needs or one which is properly integrated with the wider public sector regeneration agenda.

Increasingly public transport authorities are looking to new forms of transport provision such as shared taxis or community transport to make these connections and to fill in gaps in needs which are not being met. More evaluation is required to establish whether such initiatives are a better way of meeting need but early results are encouraging.

As for the humble bus itself, it has much to offer as a key element of national and local transport policy. Local Authorities and bus operators would both probably agree that it requires more resources. These are being provided by the public sector in the form of increased funding for bus priority measures and other infrastructure, if not by increased revenue funding for services. For the public sector the question is how to guarantee that such additional resources are used more effectively to meet their objectives both in increasing public transport use and serving people who depend on buses. Many would point to London and the growth in patronage enjoyed there as an example of the way forward for the rest of the country but thus far the Government shows little appetite for endorsing the use of the capital's franchising model more widely.

The next few years promise to be interesting times for the future of bus policy. The extent to which bus usage increases and local public transport services meet local needs more effectively will be critical to whether Government transport policy is judged a success or a failure. After a period in the wilderness the humble bus is moving to centre stage!

Below is a case study illustrating just how public transport can have an effect on an area.

A Case Study – The Leigh to Manchester Busway

There is a positive side to the transport and regeneration argument. High quality public transport will, according to a consultancy study carried out for the Greater Manchester Passenger Transport Executive (GMPTE), help to stimulate the local economies of the areas that it serves. The background to this is the proposal to build a Quality Bus Corridor from central Manchester, through Salford to Leigh. Leigh is the largest town in Greater Manchester, and one of the largest in the country without a rail station. It therefore has no high quality public transport link to Manchester City Centre.

The proposal is for a guided busway following the line of an old railway for part of the route that will serve the towns of Leigh and Tyldesley. It will then continue with extensive on-highway bus priority along the A580 into Salford and Manchester. The proposed scheme was the subject of a public inquiry in September and October 2002, the results of which are awaited.

As part of their preparations for the Inquiry, GMPTE commissioned the Centre for Economic and Business Research, an economic “think tank” to carry out research, building on existing work into the impact of improved public transport on the local economy.

The key assumptions underlying this work are:

- Access to a workforce influences business location
- Access to employment opportunities influences where people choose to live.

Transport and public transport in particular influences access so by improving public transport we should be able to improve access of an area to the labour force and also improve the access to job opportunities for those living in an area.

The transport modelling for the scheme produced estimates of the savings in journey times and costs that would result and this was used as

the input to the CEBR model. Savings in journey times are impressive. From end to end of the line, they vary from about 5 minutes in the off peak to over 15 minutes on the most heavily congested peak journeys. There will also be significant improvements in frequency and an improvement in the overall reliability and quality of the service.

The technical details of the model are quite complex. The results take the form of estimates of :

- The potential increase in population in each ward served by the scheme and in the rest of Greater Manchester
- The potential increase in jobs in each ward served by the scheme and in the rest of Greater Manchester

The results were as follows:

- Potential increase in population within the corridor -840
- Potential increase in population elsewhere in Greater Manchester – 313
- Potential increase in jobs in the corridor – 1,035
- Potential increase in jobs elsewhere in Greater Manchester – 304.

It follows that if there are more people living and working in the area served by the new busway there will be more economic activity. In time this will lead to second round impacts on employment in local businesses. Thus instead of taking employment and trade out of an area, improving public transport actually brings both in.

This is particularly important in the areas concerned. Most of the wards that will be served by the scheme are amongst the most socially excluded in the county, and in some cases the country. Again in support of their case at the public inquiry, GMPTE commissioned extensive research into social exclusion in the areas served. This demonstrated clearly that a lack of high quality public transport facilities was creating social exclusion.

In particular, access to shops, health facilities (especially at specialist and regional level) and Further and Higher education will all be improved dramatically for the area if the guided busway is built.