



24th April 2014

Agenda Item:

**REPORT OF THE SERVICE DIRECTOR – TRANSPORT, PROPERTY &
ENVIRONMENT**

**DEPARTMENT FOR TRANSPORT CONSULTATION ON BUS
REGISTRATIONS.**

Purpose of the Report

1. To inform Committee of the Department for Transport (DfT) consultation on bus registrations.
2. To consider the draft response and seek approval to submit this to the DfT.

Background

3. In 2012 the Competition Commission (CC) investigated and reported on bus service competition and the associated registration process. The CC concluded that the current bus service registration process causes restricted competition and operator behaviour which discourages new entrants from competing in the bus market. The report recommended four remedies to address these concerns.
4. The report also pointed out that:
 - The lack of a of a healthy competitive bus market can result in a combination of higher fares, fewer services and lower quality services and is estimated to cost taxpayers and consumers in excess of £70m and could be as high as £305m per annum
 - The lack of competition locally can have a detrimental impact on supported local bus services and statutory school bus provision as tender prices tend to be higher with fewer bus operators competitively bidding for work.
5. The DfT recently issued a consultation document seeking views from stakeholders on the four remedies recommended by the CC. The deadline for consultation responses is 6th May 2014.

6. Additionally, the consultation seeks views on making digital bus registrations a requirement in order to reduce administration costs.
7. Bus operators were involved in contributing to the CC investigation and will have the opportunity to take part in the DfT consultation. Nottinghamshire operators have shared their views with NCC officers and these have been considered when forming the response appended to this report.

Current Situation

8. The Traffic Commissioner is a Government appointed body that deals with all bus registrations. The Traffic Commissioner cannot refuse any registration that is properly constituted.
9. The current bus registration system requires bus operators to submit applications to the Traffic Commissioner as follows:

- a. **New Bus Service Registrations**

- Operators must give 56 calendar days' notice and copy this to the Local Transport Authority (LTA).

- b. **Variations to Current Bus Service Registrations**

- Operators must give 56 calendar days' notice and copy this to the LTA.

- c. **Changes to Registrations and Short Notice Registrations**

- Changes:

- During the notice period for a new service, another existing bus operator running a similar route can react to this registration by applying to change their current service.

- Short Notice:

- Bus operators can make short notice registrations in less than 56 days providing the LTA supports or requests it. This is normally used for exceptional circumstances such as major road works, special events, or urgent situations.

A bus service timetable may also be varied by up to 10 minutes without the need for a change to the registration or LTA approval.

- d. **Frequent Services Registrations**

- A frequent service is one that runs six or more trips per hour and a bus operator can increase the number of frequent services on a route without informing the Traffic Commissioner. If a bus operator wants to increase a service to run six or more trips per hour, this needs to be re-registered as a frequent service. Unlike other bus registrations, a service timetable is not required for this type of registration.

Competition Commission Remedies

10. The four remedies recommended by the Competition Commission to address competition concerns are:

Remedy 1 - New Bus Service Registrations:

Introduces an extra 14 day pre notification period

The extra 14 days' notice is intended to go to the LTA.

Remedy 2 – Variations to Current Bus Service Registrations

Extension of notice period to 90 days plus a 14 day pre notification period (to LTA)

Remedy 3 - Changes to Registrations and Short Notice Registrations

Introduces two restrictions

- (1) Prevents an existing bus operator running a similar route (see 9c) from making changes to a registration during a notice period for a new service
- (2) Removes the short notice registration facility in respect of where the service is changed by no more than ten minutes.

Remedy 4 - Frequent Services Registrations

Introduces service intervals and new categories through a banding system.

Bus operators will need to submit a registration if they want to change into a different band, eg from 6-8 trips per hour to 9-11 trips per hour. Service intervals restrict the timings between trips.

Proposed Consultation Response

11. The DfT is seeking views on the above remedies with the exception of Remedy 2 whereby the DfT suggests an alternative 70 day registration period along with a 14 day period of pre-notification to the LTA.
12. The proposed consultation response from Nottinghamshire County Council is appended to this report.

Summary

13. From an operational perspective, the current bus registration system can be confusing especially for new bus operators. The remedies and suggestions

contained within this consultation appear to add to this confusion whilst also removing the already limited flexibility that currently exists.

14. The only real apparent benefits are:
- for LTAs, the introduction of a fourteen day pre-notification period for new or varied registrations will provide more time for the LTA to react.
 - The extension of the notice period from 56 to 70 days will provide more time for a bus service to become established which, in turn, should increase the chances of success.

Reason for Recommendation

15. To provide the County Council's response to the DfT consultation on bus registrations.

Statutory and Policy Implications

16. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

17. None

RECOMMENDATIONS

- 1) Note the consultation by the Department for Transport on bus registrations and approve the appended response.

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For any enquiries about this report please contact:

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Constitutional Comments

18. Transport and Highways Committee has authority to consider and to approve the recommendations set out in this report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Consultation on implementation of the Competition Commission remedies on bus registration:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/288372/bus-registration-consultation-document.pdf

Local bus services market investigation: A report on the supply of local bus services in the UK (excluding Northern Ireland and London)

http://webarhive.nationalarchives.gov.uk/+http://www.competition-commission.org.uk/inquiries/ref2010/localbus/pdf/00_sections_1_15.pdf

Electoral Division(s) and Member(s) Affected

All