

Improving London's Bus Services

An Assembly investigation into the quality and performance of London's Buses

June 2001



Improving London's Bus Services

An Assembly Investigation into the Quality and
Performance of London's Buses

June 2001

Assembly Scrutiny: the Principles

An aim for action

An Assembly scrutiny is not an end in itself. It aims for action to achieve improvement.

Independence

An Assembly scrutiny is conducted with objectivity; nothing should be done that could impair the independence of the process.

Holding the Mayor to account

The Assembly examines all aspects of the Mayor's strategies.

Inclusiveness

An Assembly scrutiny consults widely, having regard to issues of timeliness and cost.

Constructiveness

The Assembly conducts its scrutinies and investigations in a positive manner, recognising the need to work with stakeholders and the Mayor to achieve improvement.

Value for money

When conducting a scrutiny the Assembly is conscious of the need to spend taxpayers money wisely and well.

Members of the Bus Priority Issues Investigative Committee

*John Biggs (Chair)
Angie Bray
Lynne Featherstone
Jenny Jones*

Foreword by the Chair of the Bus Priority Issues Investigative Committee

A Committee of Members from the London Assembly considered the Mayor of London's current proposals for improving bus services, questioning practitioners and considering examples of good practice from elsewhere.

We concluded that the Mayor and Transport for London are making a range of proposals that will, if implemented, materially improve bus services in London.

What we are less clear about is whether the political will and priority exists to bring sufficient life to these proposals to make that difference.

We also suggest that with a few experimental acts of bravery, such as reviewing the priority given to road users, the thoughtful use of technology, and the application of better hands-on management of services, serious improvements might be delivered that will raise both the performance and the status of buses in the lives of Londoners.

A reliable and high quality bus service can be delivered at a fraction of the cost and in a fraction of the time of a rail or tram link - the opportunity to improve transport through better bus services is therefore a prize worth seeking for all Londoners.



John Biggs

Contents

	<i>Page</i>
Executive summary	1
1. Actions needed	5
3. Structure of this report	8
3. The Bus Market and the Mayor's Transport Strategy	9
3.1 The London Bus Market	9
3.2 The Mayor's draft Transport Strategy	11
3.3 Congestion charging	13
3.4 Outer London	14
3.5 Funding arrangements for bus services in future	14
4. Service requirements from the user's point of view	16
4.1 What matters most to bus users	16
4.2 Reliability	18
4.3 Frequency	23
4.4 Access to the network	23
4.5 Ease of interchange	25
4.6 Information provision	25
4.7 Journey time	26
4.8 Safety and security	27
4.9 Ticketing	28
5. Contracts and operational issues	29
6. Need for greater co-operation	31
7. Summary of recommendations	32
 Appendices	
A Terms of reference for this scrutiny	38
B Gross and net cost contracting	40
C Acknowledgements	41

Executive Summary

This scrutiny, carried out by an Investigative Committee of the London Assembly, looked at the quality and performance of London's bus services and assessed whether the Mayor can deliver a major change in the quality of the London bus system during his first term of office.

Co-operation of the Mayor

The Mayor of London, who is also the Chair of Transport for London, declined an invitation to appear in front of us or to submit written evidence. His attendance was not essential and so there was no need for us to consider using the Assembly's powers to compel him to attend. Ironically, it would have provided an opportunity for him to clarify his views, in the absence of which we have concluded that they remain as previously stated, unchanged by the experience of office.

The Mayor has indicated that he would be willing to answer questions on a recently completed TfL review of bus contracts. We were aware that TfL has been reviewing its bus contracting regime since July 2000 but, at the time of writing, this review had still not formally reported, although we have been made aware of the main proposals and have taken account of them in forming our views.

Overall conclusions on bus quality and performance

In a world in which light rail or tram systems are seen as of high status and reliable, there is a clear challenge to bus providers to show they can do equally well. We found a bus industry in London enthusiastic to take a key part in providing for London's future transport needs.

We found strength in the management of bus services within TfL, which is emerging from a less open culture under the old London Transport regime. There are many initiatives and ideas stemming from TfL that can help to improve services, and there is a current growth in Government funding for transport to help translate such ideas into reality.

Bus ridership in London where, unlike the rest of the UK, services remain regulated, has shown strong recent growth. London Buses has an ambitious programme to improve services and address this growth. We broadly support most elements of this programme.

London's bus industry has achieved much in recent years and continues to distinguish itself in both local and international comparisons. We saw and welcomed evidence that London's bus services are generally well run, and that passengers recognise the many strengths in the existing service. We urge TfL to continue to build on those strengths.

Bus Contracts Review

The Committee was aware that TfL has been reviewing its bus contracting regime since July 2000 and we envisaged reviewing the findings of this exercise. At the time of writing the review had still not formally reported, although we have been made aware of the main proposals. The consideration of bus contracts forms only a small part of our work and, having received an outline of its conclusions, we concluded that further delay was not warranted.

Overall conclusions on the Mayor's aims for bus services

A vision is needed to make a bigger change in the status and performance of London's buses. We examined the Mayor's Transport Strategy and looked for a plan that would support and strengthen a customer-oriented approach to bus services. We did not find it.

We concur with the Assembly's view that the Mayor's draft Strategy lacks measurable targets and does not give a coherent vision for the whole of Greater London.

- We believe the Mayor's Strategy fails to provide TfL with the overall aim within which it can plan and prioritise to ensure its bus services meet the needs of Londoners.
- We regret this missed opportunity to transform the perception and status of bus services.
- We are concerned that a relatively new and open TfL may close up again, as its predecessors have done, and not benefit from the great enthusiasm and support it has in the wider world, from travellers and transport professionals.

Principal recommendations

We set out below our main recommendations.

- A Bus Forum should be formed, led by operators and including stakeholders, aiming to raise the profile and status of buses in London. This group should hold an annual London Bus Summit and should concern itself with leadership on issues such as an annual bus plan for London which is based on wide consultation with stakeholders.
- The pay and conditions of bus staff need to be improved but these and any future initiatives need to be clearly justified and explained in the London Buses business plan and tied to performance improvement.
- The benefits to bus services from the congestion charging scheme need to be further defined.
- There needs to be a debate about the priority that Londoners should give to buses, particularly in the use of road space. If bus reliability is to seriously improve then bus priority measures, such as 12 hour bus lanes, properly enforced, need to be considered on key routes and at bottlenecks. Our evidence showed that such measures would face some fierce resistance – hence the need for an informed but urgent debate.
- Routemasters have offered Londoners a solid, reliable and convenient transport option for many years. For these reasons they are very popular with many members of the general public. Nevertheless they are an anathema to achieving the goal of a fully accessible transport system. It is important to balance these issues. In the short term, while they remain serviceable, perhaps a compromise can be achieved, for example making sure that routes are serviced by a combination of Routemasters and fully accessible buses. However, in the long term, replacement of the Routemaster should become part of the Mayor's strategy to ensure all London buses are accessible.

- Conductors are popular with bus users. In our view the case for more conductors is not proven, and their numbers should not be increased until satisfactory answers can be given to the questions we raise in this report.
- The increasing deficit which will be incurred in the foreseeable future by London Buses in implementing the Mayor's strategy for buses will need careful monitoring by the Assembly and TfL will need to be called to account for these increases as they occur.
- Bus services in outer London need more development, to improve access to public transport and reduce congestion. There should be investment in express and limited stop services to provide an attractive choice for users, particularly on radial routes in outer London.
- TfL should reduce its control over bus designs and encourage operators to introduce new and better buses, especially articulated and multi-door buses, and buses with better performing wheelchair ramps.

These and other detailed recommendations are set out in this report. We are pleased to note that some of them are being actively considered by TfL.

The Committee is grateful to all who helped by submitting detailed evidence, and expresses its particular thanks to TfL, especially Peter Hendy, to the bus operators who attended the hearings, to the Committee's consultants, Colin Buchanan and Partners, and to Kate Holgate who has provided the highest quality support.

1 Actions Needed

The action points set out below are drawn from the detailed findings and recommendations in this report. They show what the Committee thinks should be done.

1.1 Action for the Mayor, TfL, London Boroughs, bus operators and Assembly Members: a Bus Forum

- a. To support, facilitate, lead and participate in the creation of a forum (with any other interested relevant stakeholders, for example, passenger representatives) with the aim of improving communication, co-operation and the adoption of common standards across London in areas that affect bus operations.
- b. To produce an annual Bus Plan for London in consultation with all relevant stakeholders.
- c. To consider a London Bus Summit as part of this forum.

1.2 Action for the Mayor

- a. Clarify the final Transport Strategy by including:
 - a clear vision, aims and objectives for London's buses with prioritised actions to deliver them
 - short, medium and long term targets for the performance of London buses
 - information on the financial basis and sustainability of the proposals relating to bus services
- b. Provide unequivocal information on the quantitative level of improvement that will be achieved in bus services before congestion charging is introduced and how that improvement will be measured.
- c. Spell out the benefits to bus services that will flow from the congestion charging scheme.
- d. Address the concerns that outer London is being neglected in the provision of bus services and other transport modes.
- e. Publish the forthcoming proposed improvements to the present bus services contracting arrangements in order that these can be scrutinised (this may overlap with the publication of this report) together with a clear explanation of the service objectives that drive these changes.
- f. Ensure that those authorities for which you are responsible enforce those traffic regulations that impact on bus performance and develop partnerships with the other agencies to create a combined enforcement regime. Alongside this there needs to be a public debate about the priority that Londoners as a whole should give to buses.

- g. Work with the Boroughs to provide access to affordable housing for bus crews and with TfL and operators to improve the status and pay of bus workers to improve affordability.
- h. Review the commitment to double the number of bus conductors by 2004 and instead use the equivalent resources to employ staff to improve service quality. This may include conductors but could also mean:
 - Customer service staff at main interchanges
 - Staff for off-bus ticket booths providing a range of products including bus passes and travelcards at busy stops
 - Route and ticket supervisors
 - Cleaners at key termini to clean buses during layovers
- j. Report on the work to improve bus crews' terms and conditions at the London wide level, through direct payments, fringe benefits (such as free travel) and by other means such as new forms of contract.
- k. Work with TfL and bus operators to develop a staffing strategy aimed at ensuring enough suitably qualified staff are available to deliver high quality bus services in London.
- l. Commit yourself to phasing out the Routemaster on grounds of safety and accessibility. In the interim ensure routes served at present by Routemasters are also served by high frequency accessible buses.
- m. Support energetically innovations in customer focused bus design.

1.3 Action for Transport for London

- a. Develop and annually review a bus plan for London, produced after wide consultation with stakeholders.
- b. Introduce an improved contracting system (we understand that the review is being concluded and this will be reviewed once TfL has published the final report).
- c. Provide a rationale for the budget projections for London's bus services and support an informed debate into the service options that underpin this.
- d. Identify strategies for serving areas that are more than 5 minutes away from a bus stop.
- e. Promote cashless bus initiatives to push their development forward.
- f. Reduce control over bus designs.

1.4 Action for the bus operating companies

- a. Work with the Mayor and TfL to develop a staffing strategy aimed at ensuring enough suitably qualified staff are available to deliver high quality bus services in London.
- b. Work with TfL, Boroughs and local communities to devise ways of meeting the needs of those areas at present poorly served by the bus network.
- c. Use procurement power to obtain better designed buses to meet London's needs.
- b. Support a greater human presence at major interchanges and busy stops, providing information, providing the perception of a safer travelling environment and ensuring the less mobile are given priority and help in boarding services.

1.5 Action for the Boroughs

- a. Ensure good traffic regulation enforcement on bus routes where appropriate.
- b. Facilitate the provision of affordable houses to bus crews.
- c. Work with TfL and bus operators to develop workable solutions to improve accessibility of the bus network for those areas at present poorly served.

1.6 Actions for the Assembly

- a. Investigate further the London Buses Business plan, including the level of financial subsidy required to deliver London's bus services and its sustainability and outputs.
- b. Monitor TfL's performance in implementing its own business plan, contracts review action plan and the new contracting system.
- c. Monitor TfL's performance with regard to improved responsiveness to passenger requirements over the coming years.
- d. Monitor the achievements of TfL's Enforcement Task Force.
- f. Consider the issue of fares and the various ticketing initiatives being pursued by TfL for buses.
- g. Consider carrying out a detailed analysis of the London Buses contract review once it has been published.

2 Structure of this report

- Chapter 3: Sets the scene by reviewing bus services in London and how they compare to other major cities, and then goes on to consider the Mayor's Transport Strategy as it is likely to affect bus services, particularly in outer London. Funding, always a difficult issue, is also considered briefly in this section.
- Chapter 4: Deals in depth with the needs and concerns of passengers.
- Chapters 5 and 6: Address the specific issues of letting contracts to bus operating companies and the benefits to be gained from co-operation.
- Chapter 7: We list every recommendation, as it appears in the report, for convenience. Then, for those recommendations where it is possible to do so, we show how long we think it might take for the recommendation to be implemented and for its benefits to become clear, together with a suggested performance indicator.
- Appendix A: Shows the terms of reference for the investigation.
- Appendix B: Presents a worked example to explain the different forms of bus contract in use at present.
- Appendix C: Gives the names of everyone who contributed to the scrutiny process.

3 The Bus Market and the Mayor's Transport Strategy

In this introductory section we discuss:

- The London bus market; and
- The Mayor's draft Transport Strategy in relation to buses including financial matters

3.1 The London bus market

Before assessing the present performance of London's bus services and ways in which they may be improved it is useful to begin with a brief review of the size, scope and nature of bus services in the Capital and how they compare with the rest of the country and other major cities.

The provision of bus services in London is very different from that in the rest of Great Britain. Following the 1985 Transport Act, bus services outside London are principally run by private sector bus companies that determine routes, fares and timetables. They are free to compete against each other and to change their networks and fares as they wish. Outside London, local authorities and Passenger Transport Executives may procure additional services where these are considered necessary but which cannot be provided on a commercial basis via competitive tendering.

In London, Transport for London (TfL), determines the route network, service frequency and fares and then tenders individual routes or groups of routes to private sector operators. Competition between operators is therefore for tenders rather than on the road.

The Committee heard evidence that London's bus industry deserves considerable credit with regard to many aspects of the service it provides. Its success is demonstrated by the fact that over the last decade bus patronage in London has grown by nearly 10 per cent while outside London over the same period it has fallen by a quarter. Representatives of the public interviewed by MORI on behalf of the Committee also believe that in general the service is well run.

Bus use in Greater London is now significantly higher than that achieved in other comparable urban areas both within Great Britain and overseas as illustrated in table 1. In the British context, London has benefited from a stable and growing route network with a unified ticketing and information system. Competition in other large British cities at the time of deregulation meant the break up of well established route networks; the withdrawal of many routes and evening and weekend services and new services being provided often by small operators with old and unattractive vehicles with no common ticketing system covering all services. The result was a rapid decline in bus travel in the conurbations and a failure to reverse the continuing decline in bus use in the shire counties. Long term pro-public transport policies and competition between operators has led to innovation and improvement in services in a few cities. So, for example, bus patronage in Oxford is similar to London due in part to the local authority's support for the industry with the implementation of wide ranging bus priority measures.

- A quarter of Londoners never use a bus, while just over half use the network more than once a fortnight
- Almost 50 per cent of regular bus users have no car
- Three quarters of passengers use passes; only a quarter pay cash on the bus

The public transport market is not uniform across London but varies significantly between central and outer areas. Within central London public transport has an 86 per cent market share, a 75 per cent market share for trips into central London but only a 29 per cent market share for journeys outside the central area.

Car use and congestion has risen faster in outer London and in this area buses are generally the only mode of public transport readily available. Over 3 million bus journeys a day take place completely outside central London compared with just 400,000 daily journeys on the Underground.

However, the relative unattractiveness of buses for outer orbital London journeys is demonstrated by the fact that waiting times for these journeys can be over 25 per cent of total journey time which in turn is double total car journey time.

Evidence presented to the Committee highlighted significant improvements in the responsiveness and support provided by those responsible for bus management since the transfer of responsibilities to TfL.

The Committee wishes to place on record its appreciation of all those involved in the day to day running of London's bus routes.

3.2 The Mayor's draft Transport Strategy

The Mayor's draft Transport Strategy sets out the key challenges, from the Mayor's perspective, that affect transport in London. These range from sustaining London's role as a world city to the need for better integration between modes. The underlying challenge is, however, to cope with the apparently ever increasing demand for transport within London in a way that is sustainable but does not damage the London economy or its growth. The Committee also notes that the Government's 10 year transport plan, based on its own projections of public and private transport investment in public transport, suggests that a fifty per cent increase in bus patronage in Greater London can be achieved by 2010.

In meeting these challenges the Mayor recognises that buses, unlike other transport modes, have the potential to deliver early improvements in quality and quantity of service. His draft Transport Strategy "aims for a major change in the quality of the London bus during the Mayor's first term of office"¹.

The Strategy sets out a number of proposals with regard to buses with the following aims:

- Review bus contracts so that they deliver higher quality and reliability

¹ Draft Transport Strategy, paragraph 27, page 7

- Achieve better performance monitoring of routes
- Improve pay and conditions of staff
- Double the number of bus conductors by end of 2004
- Progress the London Bus Initiative so that stage one is completed by 2002 and stage two by early 2003
- Expand the bus network, improve frequencies and consider new express services
- Expand the 24 hour bus network in frequency and coverage
- Ensure all bus stops can be served effectively by low floor buses
- Extend Countdown to 4,000 locations by 2005
- Plan the accelerated introduction of low floor accessible buses
- Study options for new bus designs
- Review safety monitoring
- Reduce emissions with all buses meeting Euro II standards by 2005
- Develop and introduce standards for bus information

Whilst the Committee supports many of these measures it is not apparent what the proposals and policies set out in the Strategy relating to buses are trying to achieve. Without clear aims they are a mere wish list. For example, is the key priority to:

- Improve services for existing users?
- Reduce overcrowding on the Underground?
- Reduce traffic congestion in outer London?
- Reduce traffic congestion in inner London?
- All of the above?

The Committee was concerned that the evidence presented by TfL suggested that TfL is not working to a thought through strategy. This run the risk of trying to tackle everything at the same time with a danger that resources are too thinly stretched to deliver significant improvements, and there is also a problem for non-TfL audiences, particularly operators and passengers, in not knowing what to expect when a bit of everything is possible. This also makes planning for other transport modes and wider spatial planning more difficult.

It is the Committee's view that the Mayor's draft Transport Strategy lacks a clear overall objective or vision and therefore fails to provide an adequate framework for TfL to develop a strategy for its bus services or to prioritise the measures set out in the draft Strategy. Without clear aims, objectives and targets it will be impossible for the Greater

London Assembly and the public to assess whether the Mayor and TfL are delivering value for money in respect of London's bus services.

Recommendation 1

The Committee recommends that clear short, medium and long term targets are set for bus services covering market share, patronage, and performance (eg average journey speeds, reliability, safety) and that the Transport Strategy should set out a clear prioritised programme of measures to meet those targets.

3.3 Congestion charging

A key component of the Mayor's Transport Strategy is congestion charging in central London. The Mayor has said that public transport will be improved before congestion charging is introduced. In relation to buses, the Mayor assured the Assembly Congestion Charging Scrutiny Panel that these improvements "will be noticeable to you and the public". Public transport already has a very high market share both within and to and from central London. A ten per cent reduction in the number of car borne passengers entering central London in the peak will only lead to a two per cent increase in public transport journeys.

The Committee heard evidence that congestion faced by buses is often worse in outer London and believes that Londoners deserve a better analysis of the issues and better options for solutions. We were unable to obtain any assurance of how a noticeable improvement to bus services will be achieved before congestion charging is introduced. We are also concerned that little preparation appears to have been done with regard to bus route planning to take account of the impact of congestion charging. It can take 12 months to plan and tender a new bus route so there would appear to be little time for public consultation on any proposed changes. We were also disturbed that there is little evidence that serious thought has been given to the problems of outer London.

While not stating a view on the merits of the congestion charge, the Committee is not persuaded that the introduction of congestion charging will bring quite the improvements to bus services that have been suggested, other than by financially supporting the service from the anticipated revenue. Road based congestion is as bad as, and in some cases worse, in outer London than it is in central London and the congestion charge will clearly do little, if anything, to address this. Clearer targets and projections are required. The effects of congestion on bus reliability are quite well understood but on its own the charge may at best buy time, by temporarily freeing road capacity. A longer term and more comprehensive strategy is required if roads are to be managed in a way that will improve the performance and attractiveness of bus services and thus encourage people to transfer from private to public transport.

Recommendation 2

The Committee recommends that, before congestion charging is introduced, the Mayor and TfL should:

- *Publish unequivocal information on the quantitative level of improvement that they believe will be achieved in bus services before congestion charging is introduced and how that improvement will be measured.*
- *Explain further the role of the congestion charge within the range of initiatives that will improve bus performance on London's roads.*

3.4 Outer London

The Committee heard evidence that the bus is the main mode of public transport in outer London, accounting for 80 per cent of all public transport journeys. However, public transport's market share is low and bus operators reported to the Committee that road congestion is often worse than in central London.

If a substantial reduction in car use and an increase in public transport's market share is to occur then the focus needs to be on transport issues in outer London. Witnesses expressed disappointment that the Mayor's Transport Strategy fails to address public transport in outer London adequately and seems to accept the continuing growth of car use.

The London Buses guide to planning bus services focuses on ensuring services enable people to access their *local* amenities and transport interchanges, rather than where people might actually want to go, eg major regional shopping and employment centres. The result is that many bus journeys in outer London require one or more changes making it an unattractive mode to many people. Orbital bus journeys tend to take twice as long as the same journey by car and a quarter of the time is spent waiting for buses.

Witnesses noted the gradual decline of longer distance orbital bus routes and the general absence of express services. The Committee also heard that TfL's desire to expand the bus network in certain locations was frustrated by sections within local communities which did not want bus services to operate down their street.

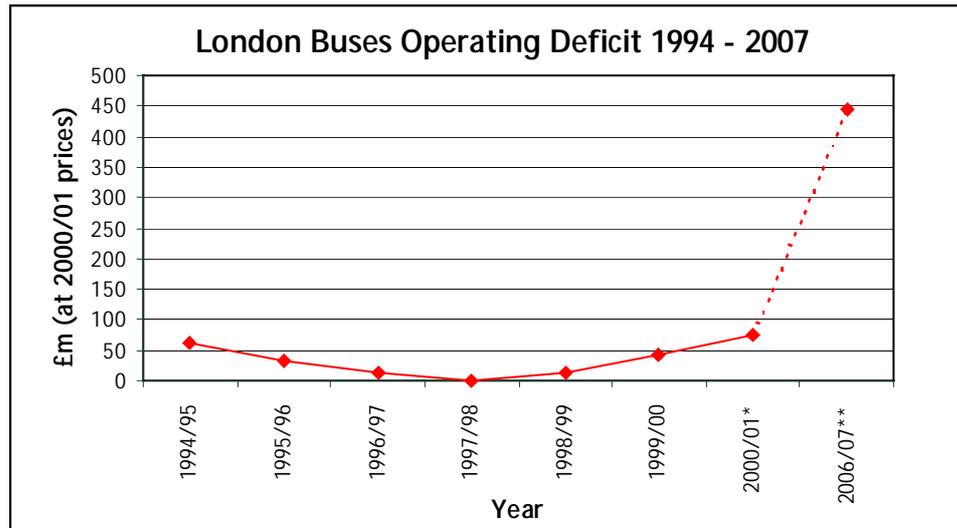
Based on the evidence presented to the Committee, we are of the opinion that TfL should be focusing on increasing its market share of peak period journeys in outer London. This will assist in reducing traffic congestion when it is at its worst and help to reduce overcrowding on both overground and underground rail services. To achieve this will require the introduction of faster and more reliable services that are supported by a high degree of bus priority measures which, in turn, need to be enforced.

Recommendation 3

The Committee recommends that the Mayor's Transport Strategy is revised to emphasise outer rather than central London where improving public transport has the potential to significantly change the level of road congestion.

3.5 Funding arrangements for bus services in future

The Transport Strategy shows the level of London Buses deficit between 1994/95 to 2000/01. This deficit declined from £62m in 1994/95 to zero by 1997/98. This was due to a strong increase in revenue, up 10 per cent in real terms, as well as ongoing cost reductions. However, increasing upward wage pressure, the requirement for new accessible buses and a freeze in bus fares has led to the deficit rising rapidly to a forecast £74m for 2000/01. Whilst the draft Transport Strategy lacks detailed financial information with which to assess the sustainability of the proposals outlined within it, the Committee has been shown the London Buses draft business plan which provides an insight to future funding requirements.



Source: draft Transport Strategy January 2001

*as forecast in the draft Transport Strategy

**estimated using data from London Buses

For reasons of commercial confidentiality we have not reported the actual amount of operating loss forecast but it is clear that a rapidly annually increasing subsidy will be required to implement all of the Mayor's proposals. The subsidy per bus kilometre is, for example, forecast to increase five fold by 2006/7 from the present situation at a time when the number of bus kilometres to be operated is planned to increase by approximately a third. It is not apparent how this increasing funding gap will be financed (other than through any revenue raised through the Mayor's congestion charging scheme), whether it can be sustainable in the medium to long term or whether it represents best value.

The reasons for the rapid increase in subsidy are increasing contract prices tendered by bus operators, improved wages for bus crews, overall extension of the bus network and a bus fares freeze with a possible overall decrease, thus reducing revenue. Other measures outlined in the Transport Strategy including: extension of 24 hour bus routes, additional conductors, extending Countdown, spending on bus stations, stops and stands.

Despite these measures and the fares freeze passenger numbers are only expected to increase in line with the increase in bus kilometres operated. By 2006/07 the number of bus passengers forecast to be carried will be back to the levels last seen in the 1960s but the number of bus kilometres operated will be back to levels last achieved in the 1950s. The implication is that by 2006/07 TfL will be running the same mileage as in the 1950s but carrying 40 per cent fewer passengers, hence the large and increasing subsidy required. We have had no sight of the detailed calculations that underpin this change.

Recommendation 4

The Committee notes with concern the financial sustainability of the proposals relating to bus services outlined in the Strategy and recommends the Assembly monitors this matter and that TfL explains and better justifies the changes.

4 Service requirements from the user's point of view

The Committee approached its remit from the passenger's point of view wherever possible, and established a set of priorities that can be used to assess bus services. In this section we consider bus users' main requirements.

4.1 What matters most to bus users

Table 2 shows the main bus markets in London. With a few minor exceptions the present bus network offers a "one product fits all markets" approach but each segment of the market has different requirements, as shown below.

Table 2: London bus market by journey purpose, age and origin and destination

<i>Journey purpose</i>	<i>Origin & Destination</i>	<i>Age group</i>	<i>Percentage of total trips</i>	<i>Cumulative total</i>
Work/Employer's Business	Suburban	20-59	15%	15%
Shopping	Suburban	60+	10%	25%
Shopping	Suburban	20-59	10%	35%
Education	Suburban	16-19	10%	45%
Social	Suburban	60+	5%	50%
Education	Suburban	20-59	5%	55%
Social	Suburban	20-59	5%	60%
Visiting friends/relations	Suburban	20-59	5%	65%
Work/Employer's Business	Central	20-59	4%	69%
Visiting friends/relations	Suburban	60+	3%	72%
Work/Employer's Business	Radial	20-59	3%	75%

Source: Colin Buchanan and Partners based on data from Transport for London

Based on the analysis above, we identified seven journey types, which are representative of the majority of trips on the system, as follows:

1. Adult with child and/or shopping travelling in outer London
2. Pensioner travelling to friends/hospital etc some distance away within outer London area
3. Pensioner travelling to and from shops in outer London
4. Young person travelling to school or college in outer London
5. Regular commuter travelling within central London
6. Regular commuter travelling from outer to inner London for work
7. Regular commuter travelling to and from work or a railway station in outer London

The requirements of each group differ, as outlined in table 3.

Table 3: Requirements of the seven representative types of customers

		1	2	3	4	5	6	7
A	High frequency services	x	x	x	x	x	x	x
B	Real time information at bus stops	x	x	x	x	x	x	x
C	Reliable service	x	x	x	x	x	x	x
D	A safe and secure waiting point at the bus stop	x	x	x	x			
E	Bus shelter with seats and help/information point	x	x	x				
F	Bus stop providing a frequent service within a short walk of home and close to key destinations	x	x	x				
G	Customer service staff at major interchanges and busy stops:	x	x	x				
H	Ease of obtaining a seat on board	x	x	x				
I	Low floor access buses	x	x	x				
J	Comprehensible network information at bus stops	x	x					
K	Route maps on buses.	x	x					
L	Easy interchange with other bus routes and modes	x	x			x	x	x
M	Ability to purchase tickets, including one day bus passes and travelcards at bus stop	x				x	x	x
N	Fast boarding times and journey speeds				x	x	x	x
O	Waiting facilities capable of coping with large numbers of passengers				x	x	x	

Source: Colin Buchanan and Partners and MORI focus groups

Evidence presented to the Committee from a series of focus groups carried out by MORI confirms that everyone cares about items A, B and C in table above. Every type of passenger wants a frequent service that is reliable and provides good up-to-the-minute information. The evidence also confirmed that most passengers want easy interchanges with other modes of travel. People with mobility concerns, as represented by columns 1, 2 and 3 in the table, have extra needs as shown in rows E to K, and may not be as concerned as the regular commuters about speed and more flexible ticketing.

This evidence and analysis helps to show where the aims in the Mayor's Strategy will have most impact, and may reveal areas where they could have unwelcome side effects. For

example, if the Mayor wishes to concentrate on reducing traffic congestion then the provision of fast reliable services aimed at commuters will be a key priority. But if he wants to improve services for the majority of present users then more accessible buses, more bus shelters and extending the network to those locations presently poorly served will have a better return.

Using the analysis in table 3, the Committee looked in more detail at these factors, all of high importance to many users:

- Reliability
- Frequency
- Access to the network
- Ease of interchange
- Information provision
- Journey time
- Safety and security
- Ticketing

Our findings and conclusions are set out below.

4.2 Reliability

Reliability is defined in this report as meaning a service running to its advertised timetable, hence an unreliable service encompasses both cancellations and late running. Reliability can be prejudiced by:

- ✗ Traffic congestion
- ✗ Staff shortages
- ✗ Management responsibilities such as route supervision

4.2.1 Traffic congestion

All the evidence presented to the Committee on the matter concurs that traffic congestion is a major reason for bus unreliability, and that this is compounded by inadequate enforcement of existing traffic regulations. What is changing is the extent of congestion which is becoming a problem seven days a week, on many routes for the whole operating day, and it is often unpredictable in timing and location.

There are differences of opinion about the level of prioritisation that should be given to buses. Some witnesses want 24 hour, seven day a week bus lanes. Others argued that this requires too great a shift in road space to buses and will not be acceptable to the public, especially if buses do not operate during the whole time that a bus lane is so designated.

It is apparent from best practice elsewhere in the UK and Europe, that road based public transport works best when it is separated from the effects of traffic congestion and is fully integrated with other modes of transport. This would point to 24 hour operation of bus priority measures. A balance however needs to be struck in allocating road space. A reliable bus service can only be provided on heavily congested London roads if bus priority measures are given a higher degree of importance and are adequately enforced.

Enforcement of bus lanes and traffic regulations is generally perceived by witnesses as poor. The Committee heard evidence that there are an estimated 12,000 daily parking offences on bus routes and these are principally committed in central London. Bus operators gave evidence of mixed attitudes to enforcement across London with some boroughs being much more proactive than others. Successful examples of traffic lane enforcement were provided to the committee including the use of traffic wardens and parking attendants on buses, and increased use of camera enforcement.

The Committee also heard evidence from TfL that an Enforcement Task Force had been established to provide a more effective, efficient and co-ordinated enforcement capability and capacity on London's road network. The Task Force includes representatives from TfL, the police, Boroughs and the Home Office.

Recommendation 5

There needs to be an informed debate around bus priority and enforcement issues, which many believe are essential components of increased bus reliability. We do, however, acknowledge that there are strongly dissenting views and hence the need for further, urgent discussion on the following:

- (a) Whether whole route bus priority measures should be implemented rather than the piecemeal measures that exist on many routes at present, even those being enhanced under the London Bus Initiative. This will require further road space to be reallocated to buses, cycles and taxis and away from other road users.*
- (b) The hours that bus lanes should be operable, eg at least 12 hours a day, seven days a week with lanes clearly marked by different colouring of the road surface.*
- (c) Far greater enforcement of bus lane and traffic regulations where they affect bus routes, including increasing the numbers of enforcement staff.*

Recommendation 6

The Assembly should monitor the achievements of the Enforcement Task Force.

4.2.2 Staff shortages

Staff shortages account for some 2.5 per cent of lost bus mileage and there is a high dependency on overtime working. Staff turnover rates across operators vary from zero to 50 per cent highlighting the fact that part of the problem relates to individual operators' own terms and conditions of employment. The present staffing difficulties faced by many operators results partly from unrealistically priced contracts. With five year contracts it is sometimes not possible to foresee changes in the labour market, and wage levels that were relatively attractive when employment opportunities were scarce are no longer competitive in an increasing tight labour market.

The Committee heard mixed views with regard to staff shortages. Some operators are unable to recruit staff, others are able to recruit but unable to retain staff, and some can both recruit and retain.

The Committee concluded that most operators fall in to the middle category of being able to recruit but not to keep their staff. The reasons reported by bus companies as to why bus crews fail to stay are:

- ✗ Stress of driving buses in London due to congestion
- ✗ Stress of dealing with the public
- ✗ Unsociable hours
- ✗ Poor quality staff who were asked to leave
- ✗ General low morale and poor image of bus driving

Operators reported a wide range of initiatives to attract and retain staff, with mixed results. The cost of housing in the capital makes it difficult to recruit staff from outside the capital. The Mayor has introduced a shift bonus payment for bus crews of £20 a week. It is too early to see what if any impact this measure will have on staff retention. It is unclear whether it is a once-and-for-all payment or whether further changes are proposed. It is however clear that the restriction of the bonus to drivers and conductors unfairly excludes supervisory and engineering staff on whom the service equally depends.

The Committee heard evidence that the quality of bus crews is also not always what it might be especially with regard to customer service. Operators stated that problems with recruitment and retention meant that they had been unable to focus on customer service training.

Operators reported that the bus industry is still very male dominated and further steps are needed to make it more attractive to women. These range from simple measures such as ensuring adequate toilet facilities at layover points to making garages less intimidating for female staff. The Committee also notes that the ethnic diversity of drivers often does not reflect the make up of the community.

The Committee noted with concern evidence of the growing shortage of suitably qualified mechanics and engineers to maintain the bus fleets. This group of essential staff along with supervisors have not been included in the Mayor's bonus payments to bus crews but they are perhaps even more essential to keeping services running. Due to the greater level of training required there is a long lead time in bringing in new staff, and operators may face considerable difficulties in the medium term in recruiting suitable personnel.

The Committee concluded that the following measures would assist in the retention and recruitment of staff as well as increase the status of operational bus staff:

- ✓ Provision of better staff facilities at depots, bus stations and layover points especially toilet facilities which could be included as part of bus shelters at layover points.
- ✓ Requiring bus operators to provide details of the ethnic and gender breakdown of their staff with the steps they are taking to bring them more into line with the make-up of the communities which they serve and recruit from.
- ✓ Improve staff security by reducing potential areas of conflict with passengers.
- ✓ Greater contract flexibility with annual uprating increases linked to the increase in average London wage rates rather than just the retail price index. (This would not

require re-negotiation of contracts rather an annual price inflator built into contracts would take account of movements in London wage rates.)

- ✓ Classify bus drivers as key workers and improve access to affordable housing.
- ✓ Improve drivers' terms and conditions at the London wide level by, for example, providing free travel on all public transport services in Greater London.
- ✓ Improve training and support for staff to assist in raising the image of bus driving.

We summarise in the table below how some of these steps can be measured.

<i>Action</i>	<i>Delivered by</i>	<i>Performance indicator</i>	<i>Timing</i>
TfL funded staff facilities	TfL/Boroughs	Proportion of route layovers with staff toilets	2-3 years
Monitoring of gender/ethnicity of drivers	Bus operators	Gender and ethnicity characteristics of bus crews vis a vis Greater London	1 year
Contract flexibility to take account of labour market dynamics	TfL Via tender review	Bus crew turnover	1 year
London wide improvements in bus crews' terms	TfL	Bus crew turnover	1 year

The Committee is aware from evidence presented by TfL that some of these measures are being considered by TfL and welcomes this.

Given present staff shortages and the increasing use of pre-paid passes the majority of witnesses saw little merit in the Mayor's plan to double the number of conductors by 2004 with some wanting existing conductors withdrawn. We recognise that conductors are popular with the public but would argue that it is not so much the conductors themselves as the service they represent that passengers really value. Although reassuring, there is no evidence that conductors actually improve public safety and witnesses drew attention to the fact that conductors are six times more likely to be assaulted than drivers. Safety concerns are better addressed through better bus design, use of modern technology, better lit bus stops and public areas, and staffed interchanges.

On busy routes, boarding delays can be a problem with One Person Operated (OPO) buses. Conductors can be an answer, although on existing OPO buses there is no suitable place to stand which could therefore slow down boarding times. Other solutions could include ticketing initiatives, such as targets for the cashless bus, greater off-bus ticketing and innovations in bus designs. If resources are available for extra staff then the Committee was informed that they should be employed off bus in the role of customer care staff, route and ticket supervisors and cleaners at termini.

Any debate about conductors must include a thorough value for money and customer-driven assessment of alternatives.

If the resources are available to recruit additional staff, based on the evidence received, the Committee concluded that they would be better utilised in the following roles:

- ✓ Customer service staff at main interchanges
- ✓ Off bus rather than on bus conductors providing a range of products including bus passes and travelcards at busy stops
- ✓ Route supervisors to monitor service standards
- ✓ Revenue protection staff
- ✓ Cleaners at key termini to clean buses during layovers

If for whatever reason a case can still be made for conductors then this should be considered alongside the above options.

Recommendation 7

The Mayor, TfL, and bus operators should work together to develop and report on a staffing strategy aimed at ensuring enough suitably qualified staff are available to deliver high quality bus services in London. This should include a focus on the issues highlighted in this report.

Recommendation 8

The Mayor should examine the alternatives outlined above and re-prioritise his policy on increasing the numbers of on bus conductors.

4.2.3 Route supervision

With regard to day to day operations the Committee heard evidence that route supervision has declined. This was due to a reduction in on-route supervisors as operators cut costs given the lack of incentives in the tendering system to run a regular service compared with just running the required volume of bus miles. Off route monitoring via AVL² and the Countdown system (time to next bus information at selected bus stops) is not as good as it could be due to the unreliability of the equipment and its lack of comprehensive coverage. This may require a new radio system and eventually a completely new technology.

Recommendation 9

The Committee recommends that:

- *Future contracts should provide greater incentives to bus operators to provide a reliable and high quality service using both bonuses and penalties and which does not penalise the use of route supervision in contract evaluation.*
- *The reliability of AVL needs to be improved to achieve a higher level of bus operator and passenger confidence in it.*

² AVL stands for Automatic Vehicle Location. It is an electronic information system which tracks the location of buses and is used by operators to supervise buses on individual routes.

4.3 Frequency

A significant proportion of bus routes in London operate at very high frequencies. However, there are still many outer London routes where frequencies are low and if passengers need to interchange then they can experience long waiting periods and whole journey times. Waiting time can be as high as 25 per cent of total journey time for orbital journeys in outer London.

Frequency is a key driver of bus patronage, as has been demonstrated on routes that increased service frequency when switching from double-decker to single-decker vehicles. Ways presented to the Committee of tackling outer London's high level of traffic congestion are to ensure all existing bus routes are operated at frequencies that are high enough to be perceived as turn up and go, and provide a network of express orbital routes that alleviate the need to travel through central London.

If patronage is so low as to make it impossible to justify higher frequency services then consideration should be given to investigating the possibility of operating alternative vehicles such as shared taxis to provide the high frequency that is needed to attract passengers to the service. This is a novel service area and we appreciate that greater research is needed.

Recommendation 10

In the medium to long term all bus routes should operate at least a 12 minute headway (the level at which services are perceived as turn up and go) during the day with a minimum 15 minute service in the early morning and late evening when reliability is generally better.

Recommendation 11

In the short term TfL should research the potential of replacing low frequency bus services with high frequency taxi services.

The Mayor's draft Transport Strategy includes the option of express bus services but takes this no further. We suggest that the express or limited stop bus may serve a particular use in linking urban centres where no rail route exists. Clearly, this will include many outer London orbital journeys. We suggest that a pilot be considered on one or more such routes, and be both marketed and evaluated.

Recommendation 12

High frequency 18 hour, seven days a week, possibly limited stop, services should be established linking the main suburban centres in outer London in an orbital fashion.

4.4 Access to the network

It is estimated that some 1 million people live more than 5 minutes walk (400m) from a bus stop and it is known that bus usage markedly declines with distance from a stop. Despite recent expansions in the network there are still places that are poorly served either by having no bus service or only a low frequency service especially those areas close to the border of Greater London. The Committee was concerned to hear evidence that some local communities are not as supportive as they might be of proposed new routes in their areas. A mapping exercise is required with an expectation that for those areas outside of a 5 minute catchment a service solution be considered or a reasoned explanation as to why one is not appropriate be provided.

The introduction of low floor buses has made bus travel easier for a wide range of passengers with mobility problems and has resulted in increased patronage. The Committee welcomed the fact that fifty per cent of the bus fleet is already low floor and the whole fleet, excluding Routemasters, will be by 2008 at the latest. However, there are drawbacks with the design of such buses including the reduced number of seats on the lower decks of double-deckers, causing problems for some categories of passengers, and difficulties with the reliability of wheelchair ramps. There is also widespread support for these to be moved to the front door on the vehicle. However, these teething problems are expected to be overcome in due course with further technical and design improvements and possibly also by the introduction of articulated vehicles.

The commitment by the Mayor to retain Routemasters on many central London routes where the alternative is an equally inaccessible underground network reduces accessibility to and in the central area for many categories of passenger. Despite the perceived widespread public support for Routemasters, the Committee heard little evidence in support of them. Problems with accessibility, assault rates on conductors and higher accident rates sustained by passengers were all put forward as reasons why they should be replaced by more customer friendly vehicles as soon as possible.

Concern was expressed that on some routes there are proposals for fully accessible buses to be replaced by Routemasters which is seen as a retrograde step.

There was mixed evidence presented to the Committee on vehicle types with some bus operators wanting more freedom in the type of vehicles they can operate. All operators who expressed a view agreed that wheelchair ramps should be placed at the front door of the vehicle. This may appear a minor operational issue but is a major issue for both operators and disabled users. A lack of garage space meant some operators do not support the introduction of articulated vehicles as well as problems in stopping them adjacent to the kerb. However, other operators are in favour of such vehicles or longer single-deckers with more doors to speed up boarding and alighting.

Operators supported steps such as abolishing lay-bys and installing bus boarders that improved the ability of buses to re-enter the main traffic flow after calling at bus stops.

Recommendation 13

That TfL identifies those areas more than 5 minutes away from a bus stop that offers a frequency of least 4 buses an hour and works with Boroughs, local communities and operators to bring forward options to increase the opportunities for residents in these areas to access the bus network.

Recommendation 14

Increasing further the number of stops with bus shelters and seats and installing more help/information points especially in locations that suffer from high levels of street crime unless an overriding reason exists not to provide.

Recommendation 15

Providing more bus boarders to enable buses to stop more easily alongside the kerb. This will also assist in providing more space for the installation of bus shelters and allow buses to re-enter the traffic flow more easily.

Recommendation 16

That the Mayor rethinks his policies of retaining Routemaster buses. In the absence of such a change, TfL ensure routes at present served by Routemasters are also served by high frequency accessible buses.

Recommendation 17

TfL should reduce its control over bus designs and use London bus operators' procurement powers to deliver a better designed range of buses to meet London's needs. Wheelchair ramps should be specified for front doors unless TfL or others can find good reason to do otherwise.

4.5 Ease of interchange

The number of interchanges made by passengers between buses and other public transport modes and between bus routes is in excess of ½ million a day. The need to change and poor interchange facilities are often quoted reasons why people will not use public transport. At present underground stations with high numbers of passengers changing to and from buses eg Brixton require the crossing of busy roads and there is minimal shelter at stops given the large numbers waiting for buses. A decline in orderly queuing at stops makes travel through these locations very unattractive, particularly for those with mobility problems. Interchange on the bus network is also expensive as, unlike the Underground, it is not possible to purchase a single ticket for a journey that involves one or more changes. Whilst cheaper bus passes have been suggested as a solution not everyone has easy access to the retail outlets that sell them at the time they wish to travel.

Recommendation 18

The Committee believes that interchange needs to be improved in various ways including:

- *Better information provision.*
- *Easier physical interchange between services.*
- *Better timed connections between services.*
- *Easier ticketing.*
- *A greater human presence at major interchanges and busy stops: providing information; providing the perception of a safer travelling environment and ensuring the less mobile are given priority and help in boarding services.*
- *Pilot timed tickets to allow interchange between buses without having to pay again.*

4.6 Information provision

Information provision at bus stops and elsewhere in London is generally far better than elsewhere in the UK. There are still areas where further improvements will provide considerable benefits to passengers, although it is appreciated that space for information at bus stops is at a premium and priorities need to be set based on the local situation.

Even regular users of the network are often not aware of all the options available to them when making a journey that requires one or more changes. One of the benefits of computerised journey planners has been to make such journeys far easier to plan and therefore more attractive to potential users. It is disappointing that journey planners for TfL services and the underground are still very rudimentary.

The Committee heard evidence of cities where on board bus information (route maps and announcements) was considerably better than in London. These are provided on the underground and light rail systems in London, leading to an increasing passenger expectation that similar facilities should be available on the buses.

Witnesses widely welcomed the introduction of Countdown at bus stops. There was some debate as to whether the priority should be to make it available on routes with low frequency services where its benefit to users is greater or on high frequency routes where more users will benefit from it. There was also a desire that the information should be made more readily available at locations other than bus stops.

Recommendation 19

London Buses needs to develop and consult on a customer directed information strategy for buses. This should include at least the following elements:

- *A multi-modal computerised journey planner for London available on the internet with terminals available at all major interchanges, shopping centres, key public buildings and eventually at all bus stops.*
- *Route maps on buses showing every stop, interchange possibilities and key destination points (i.e. public buildings, tourist attractions etc)*
- *Trial automatic announcements on bus of all major stops and interchanges*
- *Extending the number of stops that list key information and destinations such as hospitals, shopping centres, parks, leisure centres and how to get there*
- *Providing maps of the local area as occurs at underground stations at all bus stops*
- *Countdown extended to all bus stops .*

4.7 Journey time

There was general agreement in the evidence presented that journey times need to be speeded up. Whilst this could partly be delivered by bus priority measures, the 20-25 per cent of bus journey times spent at stops has also to be tackled. The majority of evidence presented supported a move to cashless buses as a way of both increasing boarding times and reducing some of the driver's workload. However, there is a concern that this will be detrimental to the infrequent traveller.

It was also noted that there are only a very limited number of express bus routes in London. The Committee heard mixed views as to the practicality of introducing express services. Some witnesses suggested that congestion meant the express service would just become stuck behind a stopping service. Witnesses generally agreed that there could be a role for express services to:

- ✓ speed up orbital journeys in outer London where public transport is at present unable to compete on journey time with the private car
- ✓ provide fast services into central London from locations in outer London that are not well served by rail
- ✓ relieve overcrowding on those rail lines that are at present heavily congested

- ✓ relieve congestion on the underground in central London, if traffic congestion was reduced via congestion charging, by extending the Red Arrow network

Recommendation 20

The Committee recommends the following measures to reduce journey times:

- *Continue examining the feasibility of introducing articulated multi entry-exit vehicles.*
- *Introduce more express and limited stop services on high volume corridors to separate short hop and longer distance journeys.*
- *Consider the extension of the Red Arrow express network in central London.*
- *Establish an express, high frequency, pass only or no change network of services with high quality vehicles operating from outer to central London supported with bus stop based ticket machines or conductors providing the core ticket types.*
- *Establish a similar express service network based on serving key employment centres in outer London marketed as the equivalent of the overground underground.*

4.8 Safety and security

Bus travel is extremely safe but both passengers and staff have security concerns. For passengers these relate to getting to and from bus stops, waiting at bus stops and (to a much lesser extent) on board. Graffiti and litter on buses can lead to an intimidating environment and act as a deterrent to certain passenger groups.

The Committee heard of the success of Operations Seneca and Butler. The former was aimed at reducing street crime along a major bus corridor by targeting police resources and the use of CCTV placed on board buses. The latter, whilst principally concerned with improving compliance of traffic regulations by deploying traffic wardens on buses, also resulted in reducing the fear of crime amongst passengers and bus crews.

Recommendation 21

To further improve safety and reduce the fear of crime the Committee recommends the following steps:

- *Rollout of help points at bus stops.*
- *CCTV coverage of bus stops and surrounding areas in locations with high levels of street crime.*
- *Greater presence of traffic regulation enforcement staff along routes to improve perceptions of safety as well as ensure compliance with traffic regulations.*
- *Continued rollout of on board bus CCTV.*
- *Provide cleaners at major terminal points to clean the interior of all buses regardless of operator.*
- *Ensure all bus stops are well lit.*

This needs to be integrated with a high profile information strategy that focuses on safety and the protection of staff.

4.9 Ticketing

The detailed consideration of fare levels and structures is outside the scope of this investigation. However, the Committee heard evidence concerning the relationship between vehicle types and hence boarding times and London's ticketing system. The use of multi-door vehicles that are common in continental Europe achieve far faster boarding and alighting times. Many of these services are cashless which also speeds up journey times and reduces some of the drivers' responsibilities thereby making the job less stressful. The Committee heard evidence in support of cashless buses and further encouragement of moves towards the use of pre-paid tickets rather than paying cash on board. The Committee also heard evidence that changing working patterns means fewer commuters travel to the same destination at the same time each day of the week so conventional travelcards are not as attractive as they once were. The Prestige system³ will go some way to tackling complex ticketing issues but there are, equally, low tech solutions. We are generally impressed with the ticketing initiatives being introduced on the buses.

To move towards cashless buses requires a mixture of measures. Prestige will clearly contribute to this. The development of off-bus ticket booths may be a useful development in high volume corridors and on routes used by tourists. Fare incentives to pre-purchase are clearly another element. Equality issues must also be considered as part of any ticketing strategy.

Recommendation 22

That TfL progress:

- *The introduction of carnets of one day bus passes and travelcards.*
- *More bus stop ticket issuing machines and other off-bus ticket issue supported by greater publicity of the discounts and range of tickets offered.*

Recommendation 23

That the Assembly further considers ticketing proposals in its work programme.

³ A new, more sophisticated bus and underground ticketing system which is likely to be extended to other transport-related services in the London area. For example, it will use Smartcards so that inter- and multi-modal journeys can be made using the same card.

5 Contracts and operational issues

The Committee is aware that the Mayor and TfL initiated in July 2000 a review of the previous London Buses contracting system. Unfortunately, while a draft was issued in November 2000 the publication of this review has been delayed by some six months. It was therefore expected that the review was to be published at the same time as this report was being drafted (mid May). As a consequence, this Committee has not been able to see this review in full as part of this scrutiny. We do however welcome the proposed changes of which we have been made aware to date. A detailed analysis of the review should be undertaken by the Assembly as soon as possible.

Based on the evidence that the Committee did receive in relation to London Buses' tendering and contracting arrangements, it is clear that the solution to some of the problems affecting London buses lies in the contracts under which the private sector operators provide the service.

We heard evidence that until recently bus contracts were awarded by TfL on the basis of the lowest cost bid to operate the service and little account was taken of the quality of service to be provided.

Operators therefore concentrated on reducing costs by, for example, taking out route supervisors. The terms and conditions of employment for staff also declined considerably relative to other jobs in the capital as a result. While the only output assessed by London Buses was the number of bus miles operated, operators had no incentive to provide a customer focused service. Some operators told the Committee that the quality of service they provide under such contracts in London is lower than elsewhere in the UK.

Contracts have been let on both gross and net cost terms:

- In a gross cost contract the bus operator bids for the cost of running the bus service including profit and overheads within this sum. Any cash taken on the bus is handed over to TfL. This means that the operator has no incentive to increase the number of passengers carried.
- In a net cost contract the operator effectively takes the revenue that is earned by the route. In this case, there is a clear incentive to carry more passengers as this will increase profitability.

Appendix B gives a worked example.

A net cost approach motivates operators, by means of financial incentives, to provide a higher quality service and attract more passengers to the network. But it is the more difficult of the two to bid for, from the operator's point of view, because it contains more variables. The gross cost option is easier to tackle.

The Committee heard differences of opinion between the large and small operators, concerning the use of net cost contracts. Smaller operators generally find that such contracts entail too high a degree of risk and cash flow problems. Larger operators support net cost contracts as it gives them much more flexibility.

Other differences between the two sizes of operators relate to:

- tender specifications: smaller operators prefer detailed specifications to bid against thereby reducing bidding risk.
- transparency: smaller operators want greater transparency as to how contracts are awarded and the prices bid. Details of the winning bids are now published on the internet.
- contract sizes: smaller operators want each individual route contracted out separately.

The Committee welcomed evidence that TfL are due to adopt Quality Incentive Contracts as part of their review of the contracting regime and that these will impose higher quality standards on operators. The following changes to the contracting regime as a result of TfL's review are in line with the views and recommendations of the Committee and their implementation will be expected by the Committee:

- the higher performance standards in the new quality incentive contracts be introduced to existing contracts as soon as possible
- annual price inflators that include London labour and fuel price increases and not just RPI increases
- bonuses related to increased passenger carryings
- contracts to continue being issued on a route by route basis
- contracts to continue to be for 5 years
- higher entry standards for new operators
- better facilities for staff at operators' premises
- improved recruitment and training of bus crews
- at least some pension provision for all staff
- requirement for operators to monitor the ethnicity and gender of their workforce
- review of the working of the new Quality Incentive Contracts in due course

Recommendation 24

The Committee recommends that TfL's new contracting system:

- *Provides a high quality rather than low cost basis for the tendering of bus services.*
- *Rewards operators for good performance and penalises poor performance.*
- *Encourages operators to attract more passengers on to the system.*
- *Addresses staffing issues.*
- *Delivers best value.*
- *Is contained and managed within a business plan that is agreed with the various stakeholders.*

6 Need for greater co-operation

It is clear from the evidence presented that there is a need for greater communication, co-operation and the adopting of common standards across London in many areas that affect bus operations.

Issues that need to be addressed and discussed on a regular basis include:

- Bus priority measures and enforcement
- Improving access to the bus network
- Development of the bus network, siting of stops, ensuring suitable road accessibility for buses
- Social inclusivity
- Driver recruitment and training especially to address the issue of under representation of certain groups
- Siting of bus garages
- Availability of affordable houses
- Providing better facilities for bus drivers
- Improving security for bus passengers
- Road works

Recommendation 25

The Committee recommends that TfL should facilitate the creation of a co-operative Bus Forum, to be led by bus operators and to include London Boroughs, the Police and the GLA.

This will be in addition and separate from TfL's cross-agency Enforcement Committee.

Recommendation 26

That TfL, in co-operation with the Bus Forum, produce an annual Bus Plan for London in consultation with all relevant stakeholders.

Recommendation 27

A London Bus Summit should be considered as a part of the proposed new Bus Forum.

7 Summary of Recommendations

We list every recommendation below, as it appears in the report, for convenience. Then, in table 4 and for those recommendations where it is possible to do so, we show how long we think it might take for the recommendation to be implemented and for its benefits to become clear, together with a suggested performance indicator.

Recommendation

- 1 The Committee recommends that clear short, medium and long term targets are set for bus services covering market share, patronage, and performance (eg average journey speeds, reliability, safety) and that the Transport Strategy should set out a clear prioritised programme of measures to meet those targets.
- 2 The Committee recommends that, before congestion charging is introduced, the Mayor and TfL should:
 - Publish unequivocal information on the quantitative level of improvement that they believe will be achieved in bus services before congestion charging is introduced and how that improvement will be measured.
 - Explain further the role of the congestion charge within the range of initiatives that will improve bus performance on London's roads.
- 3 The Committee recommends that the Mayor's Transport Strategy is revised to emphasise outer rather than central London where improving public transport has the potential to significantly change the level of road congestion.
- 4 The Committee notes with concern the financial sustainability of the proposals relating to bus services outlined in the Strategy and recommends the Assembly monitors this matter and that TfL explains and better justifies the changes.
- 5 There needs to be an informed debate around bus priority and enforcement issues, which many believe are essential components of increased bus reliability. We do, however, acknowledge that there are strongly dissenting views and hence the need for further, urgent discussion on the following:
 - (a) Whether whole route bus priority measures should be implemented rather than the piecemeal measures that exist on many routes at present, even those being enhanced under the London Bus Initiative. This will require further road space to be reallocated to buses, cycles and taxis and away from other road users.
 - (b) The hours that bus lanes should be operable, eg at least 12 hours a day, seven days a week with lanes clearly marked by different colouring of the road surface.
 - (c) Far greater enforcement of bus lane and traffic regulations where they affect bus routes, including increasing the numbers of enforcement staff.
- 6 The Assembly should monitor the achievements of the Enforcement Task Force.
- 7 The Mayor, TfL, and bus operators should work together to develop and report on a staffing strategy aimed at ensuring enough suitably qualified staff are available to deliver high quality bus services in London.

- 8 The Mayor should examine the alternatives outlined above and re-prioritise his policy on increasing the numbers of on bus conductors.
- 9 The Committee recommends that:
 - Future contracts should provide greater incentives to bus operators to provide a reliable and high quality service using both bonuses and penalties and which does not penalise the use of route supervision in contract evaluation.
 - The reliability of AVL needs to be improved to achieve a higher level of bus operator and passenger confidence in it.
- 10 In the medium to long term all bus routes should operate at least a 12 minute headway (the level at which services are perceived as turn up and go) during the day with a minimum 15 minute service in the early morning and late evening when reliability is generally better.
- 11 In the short term TfL should research the potential of replacing low frequency bus services with high frequency taxi services.
- 12 High frequency 18 hour, seven days a week, possibly limited stop, services should be established linking the main suburban centres in outer London in an orbital fashion.
- 13 TfL should identify those areas that are more than 5 minutes away from a bus stop that offers a frequency of least 4 buses an hour and works with Boroughs, local communities and operators to bring forward options to increase the opportunities for residents in these areas to access the bus network.
- 14 Increasing further the number of stops with bus shelters and seats and installing more help/information points especially in locations that suffer from high levels of street crime unless an overriding reason exists not to provide.
- 15 Providing more bus boarders to enable buses to stop more easily alongside the kerb. This will also assist in providing more space for the installation of bus shelters and allow buses to re-enter the traffic flow more easily.
- 16 That the Mayor rethinks his policies of retaining Routemaster buses. In the absence of such a change, TfL ensure routes presently served by Routemasters are also served by high frequency accessible buses.
- 17 TfL should reduce its control over bus designs and use London bus operators' procurement powers to deliver a better designed range of buses to meet London's needs. Wheelchair ramps should be specified for front doors unless TfL or others can find good reason to do otherwise.
- 18 The Committee believes that interchange needs to be improved in various ways including:
 - Better information provision.
 - Easier physical interchange between services.
 - Better timed connections between services.
 - Easier ticketing.
 - A greater human presence at major interchanges and busy stops: providing information; providing the perception of a safer travelling environment and

- ensuring the less mobile are given priority and help in boarding services.
 - Pilot timed tickets to allow interchange between buses without having to pay again.
- 19** London Buses needs to develop and consult on a customer directed information strategy for buses. This should include at least the following elements:
- A multi-modal computerised journey planner for London available on the internet with terminals available at all major interchanges, shopping centres, key public buildings and eventually at all bus stops.
 - On bus route maps showing every stop, interchange possibilities and key destination points (i.e. public buildings, tourist attractions etc)
 - Trial automatic announcements on bus of all major stops and interchanges
 - Extending the number of stops that list key information and destinations such as hospitals, shopping centres, parks, leisure centres and how to get there
 - Providing maps of the local area as occurs at underground stations at all bus stops
 - Countdown extended to all bus stops
- 20** The Committee recommends the following measures to reduce journey times:
- Continue examining the feasibility of introducing articulated multi entry-exit vehicles.
 - Introduce more express and limited stop services on high volume corridors to separate short hop and longer distance journeys.
 - Consider the extension of the Red Arrow express network in central London.
 - Establish an express, high frequency, pass only or no change network of services with high quality vehicles operating from outer to central London supported with bus stop based ticket machines or conductors providing the core ticket types.
 - Establish a similar express service network based on serving key employment centres in outer London marketed as the equivalent of the overground underground.
- 21** To further improve safety and reduce the fear of crime the Committee recommends the following steps:
- Rollout of help points at bus stops.
 - CCTV coverage of bus stops and surrounding areas in locations with high levels of street crime.
 - Greater presence of traffic regulation enforcement staff along routes to improve perceptions of safety as well as ensure compliance with traffic regulations
 - Continued rollout of on board bus CCTV.
 - Provide cleaners at major terminal points to clean the interior of all buses regardless of operator.
 - Ensure all bus stops are well lit.
- 22** That TfL progress:
- The introduction of carnets of one day bus passes and travelcards.
 - More bus stop ticket issuing machines and other off-bus ticket issue supported by greater publicity of the discounts and range of tickets offered.
- 23** That the Assembly further considers ticketing proposals in its work programme.

- 24 The Committee recommends that TfL's new contracting system:
- Provides a high quality rather than low cost basis for the tendering of bus services
 - Rewards operators for good performance and penalises poor performance
 - Encourages operators to attract more passengers on to the system
 - Addresses staffing issues
 - Delivers best value
 - Is contained and managed within a business plan that is agreed with the various stakeholders
- 25 The Committee recommends that TfL should facilitate the creation of a co-operative Bus Forum, to be led by bus operators and to include London Boroughs, the Police and the GLA.
- 26 That TfL, in co-operation with the Bus Forum, produce an annual Bus Plan for London in consultation with all relevant stakeholders.
- 27 A London Bus Summit should be considered as a part of the proposed new Bus Forum.

Table 4: Summary of recommendations showing implementation times

<i>Recommendation 5</i>	<i>Delivery by</i>	<i>Performance indicator</i>	<i>Timing</i>
(a) Review allocation of road space in London	Mayor	N/A	1 years
(b) Traffic enforcement	Boroughs/ Police	Number of parking and bus lane offences per mile of bus route	1-2 years

Recommendation 10

All services to operate at least every 12 minutes during the day	TfL Via network reviews and tendering	Proportion of routes operated that are high frequency	5 years
--	---------------------------------------	---	---------

Recommendation 11

Research the use of high frequency taxi/minibuses on low frequency bus routes	TfL Via network reviews and tendering	N/A	Research and consider further
---	---------------------------------------	-----	-------------------------------

Recommendation 13

Developing high frequency services to areas at present poorly served	TfL	Proportion of residents living more than 400m from a bus stop with a minimum 15 minute headway	5 years
--	-----	--	---------

Identification of areas at present poorly served by bus	TfL/ Boroughs	Proportion of residents living more than 400m from a bus stop (with a minimum 15 minute headway)	1 year headway subject to service development
---	------------------	--	---

Recommendation 14

All bus stops provided with shelters with seats	TfL	Proportion of stops equipped with shelters with seats	3 years
---	-----	---	---------

Recommendation 15

Install bus boarders where appropriate	TfL	Proportion of stops equipped with boarders	5 years
--	-----	--	---------

Recommendation 16

Provide duplicate high frequency accessible buses on routes presently served by Routemasters	TfL	N/A	1 year
--	-----	-----	--------

Recommendation 19

Multi-modal journey planner	TfL	Number of hits on website as a proportion of patronage	2 years
Journey planner terminals in public places	TfL	Number of terminals available	5 years
Local multi modal maps indicating frequency of services	TfL	N/A	2 years
On bus detailed route maps	TfL	Proportion of buses with a route map which is correct	1 year
On bus announcements of bus stops	TfL	Proportion of buses on which announcements are made	5 years
Interchange maps at applicable bus stops	TfL	Proportion of interchange points with maps	2 years
Provision of destination information at bus stops showing where interchanges are required	TfL	CSS scores on bus stops	2 years
Local area maps at bus stops	TfL	CSS scores on bus stops	2 years
Tube style bus maps at stops showing interconnecting services	TfL	CSS scores on bus stops	2 years

Roll out Countdown to all bus stops	TfL	Proportion of stops with Countdown	5 years
-------------------------------------	-----	------------------------------------	---------

Recommendation 20

Introduction of articulated buses	TfL	N/A	5-10 years
Introduce express services on high volume corridors	TfL	Average bus speeds	5 years
Extend Red Arrow express service in central London	TfL after congestion charging introduced	Average bus speeds	5 years
High frequency orbital services	TfL	Average bus speeds	3-5 years

Recommendation 21

Providing help/information points especially in areas with street crime problems	TfL	Proportion of stops equipped with help/information points	5 years
Provide CCTV coverage of bus stops and surrounding area that suffer from high levels of street crime	TfL	Proportion of stops covered by CCTV	3-5 years
Provide CCTV on all buses	Bus operators via tender requirements	Proportion of bus fleet covered by CCTV	2-3 years
Provide cleaners at major terminal points for interior cleaning of all operators buses	TfL	CSS scores on cleanliness	1 year
All bus stops lit at night	TfL	CSS scores on bus stops	1 year

Recommendation 22

Carnet, travelcards	TfL	Proportion of revenue taken off-bus	1 year
Bus stop based ticket machines and information	TfL	Proportion of cashless trips	3 years

Recommendation 24

Greater incentives/ penalties for operators to run higher quality services	TfL via tender review	Range of customer satisfaction indicators and excess waiting time	1 year
--	-----------------------	---	--------

Appendix A: terms of reference

This report arises from an investigation into the quality and performance of bus services in London.

1) Purpose

To consider the issues and make proposals that can be pursued to secure the best means of making short term improvements in public transport for London. The Mayor has already proposed a number of measures and the study will, as a priority, produce recommendations about these proposals. It will also comment on the types and quantum of improvement to bus services that will be required if congestion charging is to be introduced in central London.

2) Issues to be considered

- What is the current performance of buses in London?
- What changes could be made to improve performance?
- What are the practical changes that would need to happen to make these a reality?
- Are bus operators and others willing to make changes to make these a reality?
- What changes will be needed in London buses to address the increased ridership required by and flowing from congestion charging?

3) Areas of study

- To identify and agree key performance indicators and other relevant information.
- To look at bus operations in London and to understand the key issues to be addressed if these are to be improved in quality and performance.
- To hear the views of users, potential users and non-users in how the quality of bus services can be improved.
- To review existing bus priority and promotion exercises in London and their rationale and effectiveness.
- To consider good practice in other comparable European and world cities, such as Berlin, Paris, Amsterdam New York and Zurich and what could be learnt from them.
- To look also at bus initiatives in other UK cities, and at those cities which have deliberately not pursued bus solutions such as Sheffield and Manchester that have adopted trams.
- Make recommendations for the adoption of measures to improve the efficiency of bus services in London.

The scrutiny was carried out by an Investigative Committee of the London Assembly between December 2000 and June 2001. The Committee received oral and written evidence from officers of Transport for London, bus operators and other key stakeholders (see Appendix C).

The Mayor did not participate in this scrutiny.

We also received background information and support from our advisers Colin Buchanan and Partners and input from the public via six focus groups.

4) Method of Working

Our review considered the Mayor's draft Transport Strategy, its potential effect on bus services, and the relevant operational proposals being developed within TfL. We took written evidence from a range of interested bodies and held hearings with operators, TfL and others. All parties contributed positively and confirmed that this is a worthwhile area of work in which there is great enthusiasm for improvement and for higher profile political support.

We have not looked at fares policy, which we think is broadly heading in the right direction and which will be worthy of future scrutiny once the changed structures have been established and the new hi-tech Prestige system is in place. We looked at the strands of bus policy outlined in the Mayor's strategy, and further issues raised in our examination of witnesses.

Appendix B: gross and net contracts, a worked example

Suppose there are three bus routes, each costing 100 to run, as shown in the table.

Route	A	B	C
Operating cost (including profit)	100	100	100
On bus revenue	20	20	30
Off bus revenue	60	60	90
Total revenue	80	80	120
Profit/(loss)	(20)	(20)	20

Route A is tendered on a *gross cost* contract. The operator bids the amount it requires to run the service and make its desired level of profit. The operator neither retains any revenue taken on the route nor any share of the route's off bus revenue.

→ The operator receives 100 from TfL

Route B is tendered on a *net cost* basis. The operators bid for an annual support of 20 as the route is loss making. So in addition to keeping the cash taken on the bus and the appropriate share of off-bus revenue the operator also receives a subvention from TfL.

→ The operator receives 20 from TfL

Route C is tendered on a *net cost* basis. It is a profitable route and the operator is prepared to pay a premium of 20. So, while it again keeps all the cash taken on the bus and receives the appropriate allocation of off-bus revenue, it pays an additional payment to TfL.

→ The operator pays 20 to TfL

For routes B and C any increase in revenue is kept by the operator, but the operator must also absorb any shortfall if revenue declines.

This is a very simplified explanation. Changes in the route network, pricing policies etc. implemented by TfL also have to be factored in and negotiations take place to agree how any major change will effect a route's income. For example, on a net cost contract if a new route is introduced that takes revenue from an existing route, the net cost operator does not have to bear that cost on the existing route.

Appendix C: acknowledgements

- Peter Hendy, Managing Director of Surface Transport, Transport for London
- Derek Turner, Director of Street Management, Transport for London
- John Willis, Head of Project Management, Transport for London
- Declan O'Farrell, Chief Executive, Metroline
- Leon Daniels, Managing Director, First Capital
- Peter Larking, Managing Director, Metrobus Ltd
- Barry Arnold, Managing Director, Stagecoach Ltd
- David Brown, Managing Director, London Central & London General Ltd
- Mark Yexley, Managing Director, Arriva Ltd
- Steve Lawes, Managing Director, London United/Head Office
- Lee Whitehead, Planning Manager, Connex Bus UK Ltd
- Ronnie Whitefield, Armchair Ltd,
- Geoff Chamberlain, Managing Director, E Thames Buses Ltd
- Graham Cooke, Managing Director, Limebourne Travel Ltd
- Frank Thorpe, Managing Director, Thorpe Bus Services
- David Alexander, Managing Director, Sovereign Buses
- Roger Wright, Managing Director, Blue Triangle
- London Transport Users Committee
- Centre for Independent Transport for London
- South and West London Transport Conference
- London First
- Association of Transport Co-ordinators
- Association of London Government
- Transport and General Workers Union
- Members of the public (disabled and able-bodied) participating in six focus groups