

The Future of London's Buses – Transport Committee Seminar 8 December 2009

Caroline Pidgeon (Chair): Can I thank everyone for coming along today? It is great to see so many people here for our 'Future of London Buses' seminar which is organised by the London Assembly's Transport Committee. I am Caroline Pidgeon, I am Chair of the Transport Committee and I am joined today by a number of Members from the Committee. We have Richard Tracey, Victoria Borwick, Joanne McCartney, Valerie Shawcross - my deputy who will be chairing the second half - and Jenny Jones.

We are looking forward to a really productive morning on this topic. Our focus is the future of London buses. Bus passenger kilometres in London stand at around 7.7 billion every single year with a subsidy in the year 2007/08 of about £653 million but, as we have seen with Transport for London's business plan, it is looking to reduce that subsidy to around £450 million by 2018 so we are expecting lots of potential changes in the bus network and so it is really a good point today to be discussing this very topical issue.

The morning session we are going to split into two parts. Each will start with two short keynote addresses followed by a Panel discussion. This really is an opportunity to be looking strategically at London bus services so we are going to be looking for questions on broad overarching issues. If you do have a comment - I am sure many of you will - on individual bus routes or very local issues, we have got some cards which are in your packs. Please fill in any very specific details on that and I can assure you I will take them up en masse with Transport for London for you. What we will be doing with the sessions is, after our speakers, we will go for any questions from Members of the Committee first and then to the rest of the audience.

After Christmas we are going to be publishing, with a covering report, details from today, looking at the issues we covered and we will highlight our findings to the Mayor and Transport for London and use them to inform future work.

The first session which I am chairing is on the role, effectiveness and affordability of London's buses and I am delighted we have got a really, really good Panel. Our first speaker is going to be Steven Norris, who is a Transport for London (TfL) Board Member and former Minister for Transport in London. Steven is Chair of the Transport for London Surface Transport Panel and he has a particular interest in buses and I believe it was Steven who called for the recent independent review of London buses by KPMG.

After Steven, we have Professor Peter White. He is Professor of Public Transport Systems at the University of Westminster and he is a leading academic authority on London buses and I am sure he will be able to keep us all on the straight and narrow when it comes to the facts and figures which I am sure we will hear a lot of today.

Then when we widen it out to the panel we have David Brown who is the Managing Director of Surface Transport of Transport for London, the man in charge of this whole area and in charge of running the service. We have Anton Valk who is Chief Executive of NedRailways which has recently acquired the Travel London bus company which is now Abellio London; a new player so it is good to get his perspective on this, a fresh perspective. We also are pleased to be joined by Roger French who is the Managing Director of Brighton and Hove Bus and Coach Company. Roger has had great success in recent years in attracting new customers there and I hope he can share with London some of his secrets.

So, without further ado, we will start off with Steven Norris who is going to give a short presentation.

Steven Norris (TfL Board Member): Good morning ladies and gentlemen. Very good to be here and can I just congratulate the Committee on putting on this session. I think it is extremely timely. I do not think there is anything more important, certainly in TfL's remit, than to ensure that we bear down constantly on what is, arguably, the most important single infrastructure on which London depends.

I make that my starting point because I do certainly believe that when you look at issues like role and effectiveness, it is actually very hard to think of any single piece of infrastructure or any other service provided in the capital that is as vital to the way that London works as London's buses. That is a great starting point but it does underpin just how crucial today's event can be.

The evidence for that statement is not very difficult to find and Caroline [Pidgeon] has already mentioned the more than seven billion kilometres that London bus services run, but it is doing that carrying over two billion passengers a year, as you know. In context, that is twice the number on the Underground. Buses have unique qualities; in their flexibility, for example, their ability to be shifted, to be changed, to have service patterns altered, to reflect the different demands of different hours of the day, different weather patterns, days of the week, special events and so on. There is an infinite amount of flexibility in buses which is not available elsewhere in other modes.

All of this is enormously well developed in London and we start from the point where I think we can agree that London's buses have done, and continue to do, an absolutely excellent job in London - in the main. In the main, in the sense that the service that we operate here is probably better than anywhere else in the developed world. I say the developed world for a reason as, no doubt, you will appreciate but, nonetheless, that is a bold statement. My own experience in transport, internationally, I have never come across any city that remotely compares to London in size that has anything like the complexity and sophistication of London's bus system.

The goal within TfL of providing bus services essentially within five minutes' walk of people's homes in residential areas in London is easily stated but enormously ambitious compared to almost any other city in the world and, certainly, any of comparable size. So all of this is something we can rightly be proud of and that we ought never to lose sight of but neither, at the same time, can we afford to be complacent.

To my mind the purpose of today is to hold very tight to what London's buses already do, how they do it, why they do it, the whole ethos behind the provision of these comprehensive services but, at the same time, ask ourselves what we can do better, what maybe we are missing and are we, if ever, in danger of perhaps being complacent about the marvellous efficacy and coverage of London's bus services.

What is the purpose of the network? That was one of the questions posed in this session. I always feel that the purpose of any transport network - and buses, as I say are the most flexible and the most important component in London - is to connect the five fingers of modern life. The five fingers of modern life really do not alter in any community in almost any size; it is about linking where you live, your home, your work, the place you take your leisure and perhaps where you buy the things that you need to sustain your life and then community, that is to say your school, your medical facilities, your friends, your family, the people that you mix with. Home, work, retail, leisure and community.

Of course it is worth just saying, in parenthesis here, that the whole point of land use planning - in my view probably the most under-utilised and under-valued element in transport strategy in this country - is all about trying to eliminate the need to travel at all, between those five key fingers of modern life. In many communities you can connect with your family and with your workplace from your home to where you shop and to where you take your leisure, without the need to get on either a bus or a Tube or to use a car. That is a great ideal that we ought never to lose sight of. That is where we can reduce our reliance on carbon emissions, we can live just as comfortable and just as enjoyable lives without the slightest diminution in their quality, and that has to be an overriding goal for transport planning.

If we ask ourselves how effective the network is, well, as I say, it is probably the most comprehensive and best used service in the developed world. Since the introduction of the Disability Discrimination Act - which I was very proud to have taken the transport components through Parliament - we now have a service which is accessible effectively to all. That is a massive and wonderful step forward. If you like, the real underpinning of the evidence about how good the bus service is and what a role it performs is that even now, in the depths of the worst recession in human memory, if not in human history, what we are seeing is bus volumes not only not falling but marginally rising and that should tell us something about the economic and social significance of buses in London in the 21st century.

That is the good side of the equation and, as I say, something we should never lose sight of. But we do need to go on asking questions, essentially about the cost benefit of London's bus services, because what Caroline [Pidgion] also mentioned in her introduction is that we are now spending something well in excess of £600 million a year on providing the service. I am now going to go in for a piece of absolutely unqualified and undiluted self-congratulation when I point out that in 1994, when I was Minister, the subsidy was £1 million a year. Now at the time of course there were fewer journeys but it is also true to say that the growth in ridership was faster than it has ever been since.

I will tell you why; because, in 1994 we had begun to see, as one or two people here, old friends of mine, I know will recall, the first impacts of the use of bus lanes, something which, 25 years ago, were simply not a facility that anybody had conceived of. What that gave us was reliability, it gave us speed, it got better utilisation of assets, it made the business more profitable in other words because you could use the same piece of rolling stock to run much more quickly than was previously necessary.

It is worth remembering that 25 years ago every bus competed with every car for road space in a very inefficient and unattractive way. Suddenly people could see that the bus was going down the bus lane while they themselves were stuck in traffic. For all sorts of reasons that simple facility - massively opposed I might say at the time by a great many people for, no doubt, what they thought very good reasons - opened up buses and suddenly made them a very, very different product. It is an old truism that London is one of those cities where everyone from A to C to D class, economic social grouping, is very comfortable using buses. It may be a unique feature and I am not entirely sure why that should be, but it certainly is the case in London, and those were the features that drove it.

You can argue whether that was an achievement or whether that was a low point but the important issue is this; what is the right level of public support for this service? If it is so vital for London why does London not pay more for it? Why don't the people who use it pay more? I think that is really the sort of issue that we ought to be addressing. What is it that people value? Well, certainly at the moment, relative price. It is arguable that buses in London are not cheap but, in comparison to virtually every mode, particularly in comparison with the cost of parking, never mind using a private car, it is still a very, very cheap mode. It is, of course, significantly cheaper than the Underground. People value its relative speed through traffic in rush hour. People value turn up and go (TUAG), one of the great acronyms in public transport. Public transport is only really public transport when you can turn up and go and when you do not think about timetables but you simply know that you can walk to the station or walk to the stop and there will be something available to take you on your journey within a minute or two, and you know that you can rely on that.

All of those are what people value and, therefore the question is, who should pay and how much? Well TfL has already made great strides I believe, under the present Mayor, to get subsidy levels down from the astronomical and increasing high that we saw in 2008 to something like half that level, in real terms, by 2018. I might say that that has been achieved simply by internal efficiency, by the hard work of David Brown and his colleagues in the Surface Transport Division. They have taken every opportunity to protect the quality and the coverage of London's buses while, at the same time, looking very, very carefully at the cost base.

What I think we may now have to look at - and I throw this out simply for later discussion - is, first of all, coverage. Have we gone too far in providing coverage? Are there ways in which, for example, on marginal routes at 4am we might encourage the private hire industry to take passengers at the same price they would pay on the bus but with infinitely fewer carbon dioxide (CO₂) emissions than are currently taking place and, arguably, much better utilisation of our rolling stock and of our manpower? Have we got the pricing right? We know that pricing is comparatively low in terms of the way it was held back for several years and the impact that that has had on our real revenues. We know that 40% of our passengers do not pay and that, clearly, has a very significant impact on the viability of the service.

Let me just offer you one thought in relation to viability. One of the speakers on our panel today is a very old friend of mine, Roger French of Brighton and Hove. Roger [French] runs a rare breed according

to London which is he runs a bus company that actually makes a profit. Now I realise that is of course a completely contentious proposition and I recoil from it and I apologise for even mentioning the idea, but he makes a profit providing what is, demonstrably, one of the best bus services in Britain and it is tailored to the needs of his passengers. He does get a subsidy, he tells me. He gets £1.4 million a year. Most of that is related to the provision of school bus services. Essentially the question we have to ask ourselves is, is it absolutely axiomatic that, to provide this marvellous service that we have and that none of us wants to lose sight of, that we have to do so at such very considerable public cost because that amount of money, if it can be protected to be spent elsewhere in this city, could, arguably, deliver much better value in so many other ways?

I am known to have been, publicly, somewhat disappointed in the KPMG report which I did, indeed, call for. My view is that it is certainly worth paying for in the sense that there are between £30 million and £50 million worth a year of what I will call technical savings, savings arising from simply moving our finance around better, re-jigging our advertising budget and things of that sort. Those savings are available without a single bus service at any point in time anywhere in the entire city being affected and I think most people would say, "Well then those are savings you should have taken a long time ago and you should certainly take advantage of now" and I have no doubt we will.

But to me that is only the first step. What we ought to be doing today and what I know other speakers will concentrate on is how we can preserve what is terrific, what is marvellous about London's buses and what we can be truly proud of but at a price that we know we can afford. You can have the best service in the world, not out of pride in London, but out of necessity and that is the basis on which we should address today. A marvellous service; the question is how much should that service cost? Do we get the balance right between the level of provision that we offer and the price that we pay? Thank you very much.

Caroline Pidgeon (Chair): Thank you very much, Steven. We now move to Professor Peter White.

Professor Peter White (University of Westminster): Thank you. In looking at the role of buses in London it is important to bear in mind we also have very high rail use and the two modes tend to be complementary. Rail, both the Underground and the privatised train operating companies dominate for the major radial flows into the central area, especially at peak times. A typical bus trip is much shorter and many of the bus journeys are not made in the same area at all, but into the major suburban centres such as Croydon, Ealing, Harrow and so on.

As Steven Norris has said, a feature of buses is they are less focused on the journey to work but serve a much wider mix of journey purposes, in particular shopping, leisure and education. This gives a better spread of demand through the day. In comparison with rail, they also tend to be used more by lower income and non car-owning categories in the population. In total about three quarters of all bus trips in London are entirely outside Zone 1, despite the image one occasionally has of large numbers of buses in Oxford Street and so on.

A very striking feature in recent years, after broad stability between the mid 1980s and about the late 1990s, has been a growth since 1999/00 of about 60% in total bus trips and person kilometres. This is a major success story given that some years ago the general assumption was that bus use was inevitably declining. Likewise, Brighton has displayed strong growth. One of my research interests is explaining that large growth. The first obvious factor is the large increase in bus kilometres run of about 38% over that period. That is less than the growth in the volume of travel so the average load on each bus has gone up, which is in marked contrast to trends in Britain as a whole.

The second element explaining the growth is some modest reduction in the average real cost paid by the passenger for each trip, mainly as a result of shifting from cash fares to various forms of off-bus travel and free travel, especially for children. Other elements in the growth include the impact of the Congestion Charge which obviously produced a direct transfer to bus for some journeys crossing the cordon into the central area and, in comparison with most of Britain, very fast boarding times per passenger. When I go outside London what strikes me is how slow the buses are at stops with large

amounts of cash payments. This not only slows the service down but makes it more erratic and less reliable. We have much more comprehensive passenger information at stops and very extensive bus priorities. So what we are looking at is the effect of a whole package of measures which, in combination, have produced this strong growth.

Also there has been some population growth but that is a small part of the total picture. As Steven Norris has mentioned, there is a very high level of service in London. This is not so much a question of walking distance; if you look at data for the other six large conurbations in Britain about the same percentage of people are within six minutes' walk of a bus service. What is really striking is the far more comprehensive service – evenings, weekends, Sundays, all night – whereas, in other large British cities that is often surprisingly limited.

Another factor in London has been the very low increase in car ownership per head over the last 15 years in contrast to previous growth. Some of that is a function of external factors like limited parking space. It may also be the very comprehensive nature of the public transport alternative which enables people to manage with lower car ownership, especially the low level of two car households that one finds.

A common feature in Britain from bus deregulation in the mid 1980s and the shift to contracting out of services in London was a very strong reduction in the real average cost per bus kilometre. Between 1985/86 and 1999/00 it fell nationally by about 45% and slightly more in London. That was achieved through competitive tendering, taking out lots of overhead costs, like Chiswick and Aldenham works, administrative staffing and so on, but it was also influenced by the state of the labour market at the time which enabled relatively low wages to be paid and sufficient staff to be recruited. Some of those savings, inevitably, were a one-off saving, particularly in engineering and administration, that you cannot keep repeating.

Real cost per bus kilometre has risen substantially between 1999/00 and 2006/07 by about 35%. A lot of that is increasing labour costs, a rising average vehicle size and, of course, if you specify a modern low-floor fleet the operators have to reflect the cost of that, the leasing or depreciation, in their contract prices, to TfL but it is still the case that, in real terms, costs per bus kilometre is about 30% below that in the mid 1980s. Per passenger kilometre even more so because of the increasing average load.

In my view there is only modest scope for a unit cost reduction per bus kilometre. If there was really dramatic scope presumably more low costs bids would have emerged through the tendering process. The current state of the labour market may enable some reduction in cost but, again, unlikely to be dramatic. There is a continued debate about whether there is scope for more operators to enter the contracted market and one of the constraints there, I believe, is securing operating bases from which to run services. One only has to look at the recent difficulties in relocating a depot in Hounslow to see the planning and environmental problems which arise when we try to find somewhere to run the buses from.

As I say, we have got very high average loadings and that brings down the average cost per person kilometre. If we are to secure value for money I think it is important that vehicle type decisions should not be politicised. We should consider articulated single deckers as the appropriate vehicle for high density trunk routes, as they are in other large European countries. I have strong reservations about reintroducing a so-called New Routemaster if that involves an open rear platform with a conductor. You have got the cost of the conductor and safety issues arising from the open rear platform, on which we have strong research evidence going back to the 1980s. Thinking of the articulated vehicles, if people are happy to ride on Croydon Tram Link, using an articulated vehicle with open access boarding, why is it so different if we are running on rubber tyres instead of steel rails?

As you have already heard, Londoners have benefited from very high levels of public spending on buses, around £600 million per annum, plus the concessionary fares, compensation for old and disabled passengers. This represents the great majority of the increase in total spending on buses in Britain as a whole in recent years, although it is still only about 30 pence per passenger trip, which is quite modest. It is more typical of the West European pattern than other parts of Britain.

If we want to reduce the cost of bus services the most effective way of doing that is to make them go faster. Most of the cost varies by time, such as driver wages, so bus priorities and the Congestion Charge helps and it is interesting to see that the Mayor's Transport Strategy, while cutting back on the Western Extension, does consider the long-run possibility of more broad road pricing in other parts of London, which I would be justified in its own right and of particular benefit to buses.

It is also important to try to link together the pricing policy for buses with other planning and expenditure decisions. At the moment that is made, to some extent, separately from the main decisions. With the Oyster smart card we have far greater scope for price differentiation by time of day, for example, to encourage more travel at off peak times and to reflect the high cost of peak travel. In that respect I would query the policy of offering free travel for school children, especially in the morning peak, and also for those aged 60 upwards in the morning peak, which goes beyond the national statutory requirement. You finish up either with high capacity costs of putting on extra vehicles just for a short part of the day or difficulties of overcrowding for other passengers, as I see on a local route where I live most mornings as I walk to the station. In my view there is a case for a modest flat fare for child travel which will still keep it affordable for low income families but would encourage walking and cycling for short trips, where it is safe to do so.

So I think it is reasonable to say we could seek some modest savings in public expenditure in terms of some efficiency gains, possibly looking more carefully at pricing policy, however I would have strong reservations about any policy that made major cutbacks in bus expenditure when, at the same time, we have very high commitments to rail spending - the outcome of the Public-Private Partnership (PPP) for the Underground, the level of support for train operating companies and the commitment to Crossrail - which is justified for other good economic reasons. If there were drastic cuts in bus support resulting, for example, in major service cuts or large fare increases, I believe that would have a regressive effect when we compare the income distribution of bus users with those of rail.

Caroline Pidgeon (Chair): Thank you very much, Peter and Steven for those very thought provoking words there, particularly I sensed, looking round the room when Peter mentioned free travel at peak hours. Do any Members of the Transport Committee want to kick off with any questions to our whole panel here?

Valerie Shawcross (Deputy Chair): Very interesting presentations. I think I and many of my colleagues are very concerned about the future of the bus service in London. It is, indeed, a treasure in our crown I think in London and so many people do rely on it and, in the days when there are discussions about climate change going on, I think there is an extra side to the balance sheet where we have to look at our carbon and environmental impact.

There are some very useful graphs in the packs that have been handed out which are drawn from the [TfL] Business Plan. What concerns me is that, rather than just the cost subsidy issue being the driver of change for the future of the buses, there seems to be ignorance of the fact that there is a yellow line on one of those graphs that shows a steady beat increase in the population in London and I think I want to hear how the anticipated population growth - which has not been changed; that population growth is still anticipated - is going to be dealt with in the future planning for London buses.

So that general question and a specific one for David [Brown]. There is a very clear projection change in the current year's business plan and it shows a shift downwards in bus passenger journeys of just short of 100 million bus passenger journeys during the current year. So I would like to know, from David, how those bus passenger journey figures have been changed, why have they been changed from previous years' anticipations and whether or not this year's projected collapse in bus passenger numbers is in any way actually being borne out by reality? We are two thirds of the way through the year and I want to know whether or not the line on the graph in the Business Plan is, in fact, correct because it does predict a reduction in passenger numbers, and I cannot see how that can possibly be correct in light of population growth.

Joanne McCartney (AM): I want to ask about the services in outer London. I think the statistic was interesting that three quarters of bus journeys are in outer London. The TUAG is particularly important because we generally have longer waiting times anyway in many parts of outer London and certainly where I represent, in Enfield and Haringey, many residents do not have access to rail or Tube services so it is vital. I would like some clarity as to what is happening with bus services in outer London because, in the Mayor's fares announcement, he announced that he would perhaps be withdrawing some services in outer London, particularly at peak times, and, given that we have longer waiting times anyway, I am just wondering how you are going to give us some reassurance on that.

Richard Tracey (AM): I want to particularly press Steven Norris on the fact that he has expressed some dissatisfaction with the bus review. I think a lot of members of the public would think that perhaps the bus review was just a fiddling exercise, not necessarily fiddling while London burns but, nevertheless, we see so many buses with very low numbers riding on them at particular times of the day, we see buses seemingly stacked up in a queue, not just in Oxford Street but other places and, meanwhile, as we all know, the bus subsidy is at a very high level which no incoming government, whichever party it may be, will be able to sustain in the current economic climate. So I think we need to face some facts this morning.

Caroline Pidgeon (Chair): Before I go to the panel on this first set of questions I would like to just perhaps get a feel from the panel of what you think the bus network in London should be looking like in the future and what potentials there are for savings without perhaps impacting on the front line services. Shall we start with our other panel guests? Shall we start with David and work along?

David Brown (Managing Director of Surface Transport, TfL): In terms of passenger journeys, what we anticipate for this year is a moving target in terms of what you think will be the outcome for this year. So, in the first quarter the passenger numbers rose, they flattened out in quarter two and we anticipate, by the end of the year, that passenger journeys will be above last year's but slightly below the business plan that we predicted a year or so ago. So it is fairly stable from that point of view.

Going forward, what we anticipate over the next year, because of the fares rise in January, is that passenger numbers will go down because it will be about the elasticities of demand in relation to that fares rise, but if you take it over the whole length of the plan up until 2017/18, those passenger journeys and passenger numbers will come back again.

The second part of the question was asking how we would deal with that in terms of what population growth is coming up. In terms of the network itself we really are, in terms of the kilometres we are providing, flatlining. It is about 1.5% differential by the time we get to 2017/18 in terms of the kilometres that we are providing. What we will end up doing is there will be a number of external factors that will help us in dealing with any population growth. One of them will be what is happening on rail capacity. The reason for the investment in the PPP is to increase capacity on the rail line in terms of the combination of both Crossrail, that will come much later, but also in terms of Jubilee line and all the other lines that are getting upgraded.

Then, on top of that, we have to be smarter about how we 'sweat the assets'. We are going to have to be smarter about how and where we provide the peak demand, we are going to have to look at how we move resources around London to deal with that and we will have to sweat the assets more and are going to have to be much smarter about how we do that.

Caroline Pidgeon (Chair): Thank you. Roger, in respect of Brighton, what experience can you add to this?

Roger French OBE (Managing Director, Brighton and Hove Bus and Coach Company): What I am hearing is that there seems to be two concerns. On the one hand, as David [Brown] has just said, there is concern that there is going to be a need to sweat the assets to ensure the capacity is sufficient to deal with population growth and concerns at that level. Then there is also, though, a concern about buses running round empty and not enough people on them and too many buses. It seems to me you

are coming from two extremes of concerns here and somehow you have got to, I think, meet in the middle.

There is also the same issue about the subsidy. Some of you seem to be commenting that the subsidy is unsustainable as it keeps increasing, but then there seems to be some underlying concern that it is coming down and the reason it is coming down, in the short run, is because passengers are being asked to pay more, I guess, as the main reason. It is, as I think Steven [Norris] said at the beginning, an interesting time to be debating these issues, particularly bearing in mind the background of the economic circumstances that we are in in the UK.

I also pick up, coming here and listening to what you are saying, coming from a provincial part of the UK where buses, like in London I am pleased to say, are regarded as being a very positive mode of transport, it is very refreshing to hear this here because, in many parts of the UK, they are regarded as a transport for those who have no choice, who are on the edge of society and who just are not able to afford a car and maybe even people say, "Oh you poor thing. Have you had to come by bus". That sort of image. Buses have a very down market image, regretfully I have to say as a lifelong professional person in the industry, it is still around.

I think, as Steven says, there is a lot to be proud of what has been achieved in London and what, for example, we have done in a few other towns and cities in the UK in the provincial area, but at what cost though? That is the problem. In Brighton the amount of public money that goes into support a network where a similar proportion of passengers have a turn up and go service is the same proportion, but the amount of public money that goes into sustaining that network in Brighton is £5.60 per head of population in the city. I believe here it is of the order of £76 per head of population so there is quite a disconnect in terms of the amount of public subsidy that is going in.

Now one reason is because when I leave here, and I am a visitor to your city, I get on a bus and I could travel right over to the other side of the city and probably pay £1 on my Oyster; a pound!. I cannot even get a cup of coffee for a pound. What are you doing charging such ridiculously low fares? And 40% of the people on the bus will not have paid at all I have heard this morning. No wonder there is £76 of taxpayers' money, somewhere along the line, having to go to pay for that. If you have got a really good service, do not give it away too cheaply. What else in life is given away that is of really good value? If people value something they will pay for it.

Now I appreciate there are social reasons why people who have low income or are disadvantaged in one way or another may need some help, but 40%? There is something not quite right there it seems to me, especially in the peak hours as Peter [White] was just saying. In the most costly hour of the day we could have a bus full of 40% people not paying at all. Now we hear the senior citizen reimbursement is not even in the £600 million. That is further money that is going in. It is unsustainable.

I would advise you to take the pain, as is happening now, on price. We did the same as you in 2001 and brought in a flat fare. The great thing about a flat fare is that it was simple and we got ridership growth simply because it was simple. At that time it was £1 for us. The equivalent if you pay on the bus now in Brighton is £1.80 but only 15% of our passengers pay the £1.80. We have not got enough money to bring in an Oyster Card in the way that you have yet, although we are going to bring it in in the next couple of years. We have done it by little cardboard tickets and you scratch off the dates. 85% of the people now pay that ticket and our average fare is around about £1.10/£1.15. I believe in London it is around about 60p or 70p, the average fare, so you can see the difference.

I think that, if you want a world class first class bus network, which you have got - I am really proud of the fact that the capital city here has got such a fantastic bus network and you are also proud of it here too - let the passenger pay a bit more and be realistic in the value that they are going to pay.

Anton Valk (Chief Executive, NedRailways): I can heartily add to this in saying positive things about London. I think we are attracted to London buses because of the quality of the service. That may be something I can add to Roger's words on that. There are of course current issues around pricing. You

can change pricing and I see what you say. You can talk about more efficient services but what we should not do is reduce the quality of the services which we have. If you come from abroad and you come here into London, then you see a very wide network but you see also that the quality of service has gone up very much in the past years. If you are going to reduce the subsidy, if the costs have to go down, then we should continue to keep the right quality of service. That is what I would like to bring in, as a new operator in this network.

I think that tendering, the whole process of involving the private sector in London, is done very well by TfL. It is a very mature process. It is going very well. It is not that operators make a lot of money in London; I do not think that operators are doing that; I do not think they have the chance to do that. So very much getting into lower margins or trying to get it lower, of course it should remain efficient but we should be careful that you do not drive competition out. Competition is working still and the report of KPMG tells us that there are a number of owning groups left and, together with TfL, they can offer an efficient service.

So quality is one, keep competition in and be careful that that part is not pushed away.

Professor Peter White (University of Westminster): One or two points; population growth could, in fact, be a positive factor because it increases the total potential market for bus services. If you compare London with some old industrial cities in Britain with static or declining populations, you can see the effect that has on maintaining a viable network.

Outer London does not have the same high services as inner London but, nonetheless, does compare very well with many other areas of similar density elsewhere in the UK, with a lot of turn up and go frequency provided.

The other point I would like to make is about free travel. In fact the proportion of free travel for those aged 60 and upwards in London is probably a bit less than on bus networks in Britain as a whole. The big difference may be the availability of free child travel within the total that has been quoted.

Caroline Pidgeon (Chair): Steven, do you want to particularly pick up the point from Joanne [McCartney] about are we going to see longer waiting times in outer London if we are going to see the subsidy go down?

Steven Norris (TfL Board Member): No, there are certain things that this Mayor has certainly made absolutely clear and one of them is that he thinks his responsibilities extend to 33 boroughs and not just Zone 1, and I think that is very welcome, personally. I am not here to speak for him - not that he needs anybody to speak for him, come to think of it! - but, for what it is worth, I am very, very clear that that would not be appropriate and it is certainly not something that I know he would want to contemplate.

But I do think it is just worth picking up on a couple of points because Richard [Tracey] asked me to explain, perhaps in more detail, why I did not think the KPMG report was, perhaps, delivering all that we wanted. He has already raised some of the issues. Why is it, if this service is so optimal, that there are so many complaints about services which are not being used? My point about whether we should be looking to the private hire industry to give people the service they want at 4am to go maybe to a very early flight at some airport or connect with a job that they need to do at a very unsocial hour.

We need to provide service for those people but do we need to provide it with a 98-passenger bus and as part of a large contracted service? Is it possible to have it as a marginal benefit offered - people in the private hire industry would be very, very happy to do it; I know because we have spoken to operators - at much less cost to London and, actually, a much more environmentally friendly service as well because there is an environmental impact in terms of bus use which is only really vitiated when the bus is carrying good ridership numbers. It is hardly an environmentally efficient vehicle with only one person on it.

Just to underline the points that have been made, I personally agree with Peter [White]. I do not think we are going to get to the stage now where we can subsidy eliminated and that is for many of the reasons which he outlined. The fact that real wage costs have risen, and I think there will be many who think that is not a bad thing at all, that other real costs have risen including fuel costs and are likely to go on rising. If you want better quality buses *per se*, newer buses, then those costs will rise. Actually one of the things the KPMG report did do was to analyse very clearly what the total increase is about. In there there is a very, very significant element related to the service provision, but a lot of the other costs are simply these costs which I think we all accept are necessary in what is a very expensive capital city to live in, and everybody understands that.

I would only make, if I may, just one other comment on the points that have been made so far. One is that Roger [French] has said what, in a sense, many of us in TfL believe is what we ought to ask ourselves. I am not saying we would necessarily come to the same conclusions as Brighton. There would be a lot of political reasons and social reasons why we might not but, nonetheless, I think we do have to ask ourselves why is it that elsewhere in the country operators are able to provide services at, effectively, no subsidy? London is not just consuming as much as the rest of the country put together but, actually, the overwhelming amount of bus subsidy offered anywhere in the UK. Are we entirely comfortable with that?

Secondly, just a comment on one of the issues around free travel and this idea of 40% of people travelling free. Of course the Freedom Pass is, effectively, a national facility and it is, in fact, paid for. It is paid for by the boroughs and, therefore, when you say it adds to subsidy that is not strictly fair. The reality is that we are paid, in effect, for those journeys by the boroughs, so we have got that revenue. What we are talking about is the gap that then exists thereafter and it is really not about the Freedom Pass that we are looking at all. The Freedom Pass is absolutely sacrosanct and this Mayor is very, very, very clear about that.

I personally ask, for example, in a world in which the Government is spending a fortune on combating paediatric obesity, when we are trying desperately to get more people to walk and cycle, why we then give schoolchildren the opportunity to take a bus, as it happens during the peak hour, to school? It would be a positive benefit to everybody in London, including those children, if we said, for example, what always used to be the case when I was at school - admittedly they went in front of the bus with a red flag in those days but, nonetheless! - in those days the assumption was that if your home was less than three miles from your school you were not entitled to free travel because the assumption was you could walk. Now maybe in today's much, much more heavily trafficked world in London, we would want to make that more like two miles, I do not know, but the fact is I think the case there for rethinking the generosity of some of the concessions really is overwhelming, on health grounds, never mind in terms of the cost to the bus service at peak hours.

Caroline Pidgeon (Chair): David [Brown] wanted to just quickly come back on one thing and then I am going to take some points from the floor.

David Brown (Managing Director of Surface Transport, TfL): I was going to answer each question in turn as it happens. The first thing was outer London. There are no plans to cut the services in outer London.

The second thing is getting across about empty buses. We do not put out buses to run around empty. We have got bus routes, individually, out there carrying more people than the whole of the Manchester Metro Link put together, and most light rail systems in the rest of the UK. These are huge routes carrying huge numbers of people. We have got an average load of just under 17. It is better utilisation than the Underground but, of course, you do not always see the Underground because it is underground! It has got better utilisation than virtually any other mode in the UK. The average number of passengers we have got on our bus, which means every single bus across the whole of London, all 8,000 buses at any one time, as I say, is just under 17, and that will beat any utilisation in any other UK city and, most probably, anywhere else in the world.

On top of that, the four principles that we have to grow the network have been about being a comprehensive network and a simple network, along with frequency and reliability that we have undertaken. To get a comprehensive network that means, again, you are not comparing like with like. Our network covers every aspect of the city. It goes into the outer areas where there are very small numbers of passengers and it takes account of 4am on a Sunday morning. We are operating a comprehensive system. That means every single journey, on average, has got 17 people on it. It is a myth to think that we are running round buses empty.

When you put a route out, what we have to do is meet the capacity required on that route. It does not mean you can get 90 people on the bus from the very beginning all the way to the end. At some point or other it builds up. At some point or other you get to the terminus point where it builds down. You have got multi flowing directions so sometimes, when it comes out of the city, it will not have so many people on and you will see an empty bus, but it is there, designed to meet the peak capacity requirement at some point along that route.

Male speaker 1: Good morning. My name is Ranjith Chandrasena, London Borough of Enfield. I want to specifically mention two ideas in support of what Steven Norris said. I quote from the KPMG report, "Average bus fares paid deflated by real London earnings, if applied, the bus fares in 2007, were less than half the value in 1971. In fact, using this measure, bus fares have fallen by 56% since 1971." It also goes on to say, "It is very clear that the operator wage inflation, which has risen by over 75% in 8 years, has been such a significant contributor to this very high rise in subsidy. Staff costs make up approximately 65% of the cost of operation of the bus" and it goes on again. I cut short the quotation. "Views have been expressed that this policy may have led to continued upward pressure on wage settlements".

I also need to take a little bit of issue with what Professor Peter White said about --

Caroline Pidgeon (Chair): Have you got a question? We would like a question from you for the panel?

Male Speaker 1: Whether we can sustain this subsidy when so many things that we, as an outer London borough, do need are not getting done, where there is so much urging from the public?

Caroline Pidgeon (Chair): Thank you. That is a very good question. We will come back to that.

Male Speaker 2: My name is Charlie King. I represent the East Surrey Transport Committee which represents rail and bus users in the London Borough of Croydon and North East Surrey. Two points which are to build on the points made by Members in the front row. The first one is, in the Mayor's housing policy, he intends to build houses in the London Borough of Croydon and two of the places earmarked do not have any services at all so, if we are going to provide services to those areas, where are you going to take them away from? I think that is an important issue.

The second one is a plea for those that live outside London that come in, not every day, but occasionally. In the review of fares you want to do away with the one day bus pass paper ticket. That is OK if you live in London and you have got an Oyster Card but if people live outside London, do not have the opportunity to have an Oyster Card or people come and stay with you - in January I have got four people coming to stay with me, a family, so I will have to buy four additional Oyster cards. I can understand the reason for the saving in taking away the machines and taking away the need to empty the machines at bus stops in London but they could still be sold at tram stops where there are machines all day and they could still be sold in pass outlets. I notice Roger French said, in Brighton, without Oyster Card, he has got up to 85% of people pre-purchasing tickets.

Female Speaker 1: I have here a rail pass, £26 a year, and I have here a Freedom Pass. For people like me, an Old Aged Pensioner (OAP) well into 'OAP land', an increasing number, I do not have a job, I like to travel a lot and I think this is greatly beneficial to all the OAPs and, therefore, the country and the National Health Service (NHS), but I would like to pay for it. I wonder how much we could ask people to

pay for this Freedom Pass which allows us to jump from bus to bus or even Tube to Tube would be reasonable. I would guess that the majority of us would be happy to pay £10 a year. Maybe more. Those on benefits obviously would have to be helped or not pay but I would prefer to pay and be able to continue with this and also to continue with the hours.

I would make one other point. Steven Norris talked about children walking to and from school. Children now are carrying far heavier loads and more valuable things than they ever did probably 10 or 15 years ago, so I think his two miles should probably be half a mile or quarter. That is all.

Male Speaker 3: Thanks. Andrew Bosi. Friends of Capital Transport campaign. I would like to pick up the KPMG report when it talks about the 40% that could be saved by simplifying the specification of buses. There are a whole plethora of things in London that do not apply anywhere else. I understand perfectly why we need two entrances and exits but not to have windows that open at the front, which is where the wind comes in, means you have to have the expense of air conditioning. To have a straight staircase is far more dangerous than a spiral staircase and the straight staircase takes out the seats on the lower deck which is what people who have partial disability complain most about. The destination blinds do not tell you where you want to go. If you go on the website and you put Victoria in it says there are three places, which of them do you mean, yet we cannot even have the word station now on the bus and, of course, the word sorry went out of fashion a lot time ago when it comes to the bus being not in service! So if we could get rid of these needless specifications we would not only save money but we would also have a better bus service.

Caroline Pidgeon (Chair): That is the first I have heard the word station has been banned but we can get that clarified.

Male Speaker 4: Steve Hart, Regional Secretary of Unite, the union representing 28,000 London bus workers. I am hearing the wrong questions being answered today because I think there are other questions and I want to just put this to the panel. The previous Mayor, in his transport vision document 2025, indicated that by 2025 he saw 41% modal share for public transport. The current Mayor, in his transport vision, has a 34% vision for public transport. Private car in 2031, the current Mayor sees 37% and the previous Mayor saw 32%. The previous Mayor saw an increase in bus capacity of 40% by 2025, dealing with population growth and dealing with the modal shift that was required.

In this week of Copenhagen [United Nations Climate Conference] isn't this the key question that we need to ask; how can London, as a city, be kept going and how can we ensure that London runs effectively and that people are able to get to work? secondly, how can we ensure that there is a significant modal shift? The questions that then need to be asked are how is it that London, uniquely of world cities, has had a major expansion of bus ridership in the past period? What are the things that have achieved that? Are the answers partly to do with public subsidy? Yes; moderate public subsidy, which is what we have seen. Is it to do with all the other measures that have required investment that have seen that change? If we are to continue, do we require investment, continued public subsidy and so on?

All I have heard this morning has been about cuts and how we can pull back the subsidy; and the Mayor is proposing a significant reduction in subsidy. That is bringing, already, the kinds of problems that are attacking bus workers' real wages that have resulted in disputes in London as real wages are cut and with zero increases that are causing disputes - and there will be more before Christmas that we do not want, as a union; we want to resolve them, we want a decent resolution to keep London's buses moving on the basis of decent rates.

I put to the panel that the modal shift issues are so crucial for this city. How do we provide for that? How do we invest for that? How do we ensure the expansion of capacity in outer London? Those are the key questions for us today.

Male Speaker 5: My name is Nick Biskinis from the Clapham Transport Users' Group. Conventional thinking has always been that the bus is inferior to the Tube and that it cannot possibly provide an

alternative to Tube use. A rebuttal of that is Clapham. I just got the bus into City Hall because Clapham Common Tube station was shut. It is a narrow island platform. It is the most overcrowded station on the most overcrowded section of the Underground on the Northern line and whereas previously London Transport has called the station hideously overcrowded and acknowledged that it had to be rebuilt, TfL almost seems to live in denial of the problem; scrapping the South London line to force more people on to the Tube at Clapham North. Yet a bus from Zone 2 to Zone 1, into the city and central London, can provide an alternative and you are missing out on a massive market.

Whenever I have raised this with TfL officers they have said, "Well although the Tube is crowded the bus is always slow and people always prefer the Tube". Well that is fine if you can get on the Tube. At Clapham Common I would get to 20 minutes just to be allowed into the station. You have then got to wait perhaps for five or six trains before you are able to cram on. So point to point, if you plan accurately, from Zone 2 to Zone 1, the bus can provide a comfortable and viable alternative to the Northern line because you are not waiting for five or six trains where you cram on in the unpleasant conditions which are unfit for cattle traffic according to the London Assembly report.

It strikes me that you are missing a massive opportunity. You have got a huge market in areas like Clapham that would take the bus all the way into central London and you would get a much higher proportion of higher yielding passengers. I think the trouble with TfL buses is you think in isolation, "TfL Rail London Overground is orbital. TfL bus is about taking people to a Tube station". It is time to think traditionally that you could people from point to point.

Caroline Pidgeon (Chair): Thank you, Nick, that is a very good point. Steven [Norris], do you want to pick up some of those points, particularly the challenge from the Unite union at the back about we need to see modal shift and should we actually be looking at further public subsidy, rather than less?

Steven Norris (TfL Board Member): I agree entirely with Steve [Hart]; I think that is the big issue, but I would question, if he would not mind, perhaps the logic which then follows which says, "Therefore we should have larger subsidy". Actually, there are many, many ways in which we have got to look at the whole issue of climate change and, in transport, I suppose, frankly, the difference in terms of targets is the difference between wild aspiration rather loosely defined and a rather more realistic view of what is likely to happen.

I am minded – if Steve won't mind me reminding him of this – of John Prescott's [Deputy Prime Minister, 1997-2007] admirable commitment to reducing car travel during his time in office which was widely seen as being ambitious and very worthy but, nonetheless, completely unrealistic.

I think there is one issue we have really got to be clear about. Since the Romans pushed a cart up Watling Street there has been an umbilical link between economic growth and traffic growth. Now what we have got to do is to break that link. That is why, first of all as I say, much more attention paid to land use travel, so that people can fit where they live, where they work, where they shop, where they take their leisure and where they see their family and community, without using transport, whether that is bus, train or whatever, as I know you appreciate, Steve.

I will just give you one example. I have given up putting an out of office message on my emails because, I just take my office with me. These days people are much more happy to work on the pause. We are in the first generation ever that, through technology, can see the death of distance. We are now able to question what city centres will look like, and I will tell you; in 30 years' time the centre of this city will be much, much more residential and much less full of people who travel from Reading to Bishopsgate in order to open their computers and then send their email messages to colleagues back in Reading. There is something utterly ludicrous about the way we are clinging to very, very old patterns of travel in a world where technology has completely revolutionised what we can do.

I have seen some of the new video conferencing techniques. I used to use video conferencing when I was a Minister in the Department of Transport well over 15 years ago, and it was clunky, it worked, just, but it was hardly state of the art communication. I would not have liked to have sold anybody anything

over that that kind of link. But these days, I have seen some of the stuff that people like CISCO are doing where we have had conference calls from Raleigh-Durham, North Carolina, which is one of its headquarters, and Dubai and Mumbai, where you could read the time on the guy's watch on the other side of the Atlantic. No loss of vision, no loss of sound, absolute accuracy.

That is what we have got to concentrate on, Steve, alongside all the good things, to make sure we optimise our bus services. We have to be much, much more serious about decoupling economic and social growth from traffic growth. That is what the 21st century has got to be about. That is our big challenge. I have made it clear - David [Brown] knows that I have said this many times and said it to the Mayor - I do not think we yet spend half enough on looking at that as the challenge, instead of which we simply chase our tail on the assumption that, somehow, we are going to go on working in the way that the Romans were working when they were here 20 centuries ago.

Caroline Pidgeon (Chair): Thank you very much, Steven. Peter [White], do you want to pick up the points about should we be looking to charge for the Freedom Pass and can we sustain the subsidy?

Professor Peter White (University of Westminster): People might be willing to make some payment for that.

I think there are a couple of other points I would just like to mention. The speaker from Enfield mentioned this ratio of fares to earnings. Of course if you take any goods or services, buying the same quantity as in 1971, now represents a much smaller share of your income, otherwise we would not have a real growth in the standard of living. I think the relevant comparison is with the Retail Price Index for goods and services as a whole.

The other point I would just like to make briefly, following Steven [Norris], is we have done some work on teleworking. The impacts are, in fact, surprisingly modest so far.

Steven Norris (TfL Board Member): They are.

Professor Peter White (University of Westminster): They are useful but not spectacular. Very few people want to be full-time home teleworkers.

Steven Norris (TfL Board Member): Absolutely.

Professor Peter White (University of Westminster): What we are seeing is people who want to, perhaps, telework one or two days a week and then still come into the office, and it is how you get that balance right which will be the interesting question in future.

Steven Norris (TfL Board Member): Can I just say, first of all, that is partly because a lot of the research is how our human behaviour patterns so often fall behind technology. Home working is dreadful. People get sentenced to house arrest! The idea that you somehow think working from home every day is good. God knows, I would pay a huge amount of money just to get out of the house! I hope this is not being recorded!

Caroline Pidgeon (Chair): It is!

Steven Norris (TfL Board Member): The important thing is this. Just think about this. Just think about what Peter [White] has said. If you took one day a week not to make a commuting journey, then you are opening up the potential to reduce ridership by 20% without any loss of economic or social productivity whatsoever. Now that would be worth going for, just as a starter.

Professor Peter White (University of Westminster): Except that it is only about 20% of the population who can do that.

Steven Norris (TfL Board Member): You have got to widen out the potential of it. That is the point.

Professor Peter White (University of Westminster): It is a small proportion of a small proportion.

Caroline Pidgeon (Chair): That would certainly help deal with some of the overcrowding and capacity issues we have been flagging recently. Anton, do you want to pick up the point about the specification of buses? Are they too high in London or are they about right, and what is your view on the subsidy debate that we have been hearing this morning?

Anton Valk (Chief Executive, NedRailways): We are an operator and we operate buses. I find it difficult to comment on the specification of buses. I know that, for a number of our co-operators, the specification is important, in particular, because of being able to have buses and then give them a second life. I started off with quality of service and I continue to say that, so I think specification should not be overdone but should offer quality of service to the passengers.

I think modal shift is important, of course, and it is good that we find new ways of communication. A lot of people still want to use the bus network and we should not under-estimate the social value of being able to go out of your house to your work or to other places and, therefore, that should not directly be a reason to reduce the bus network.

The bus network for me, coming from abroad into London, is part of an integral solution. It is what Transport for London does; with the Oyster Card and with the bus network but also with the trains currently and the Tube. It is an integrated mode and I think that is pretty unique in the world, and certainly in Europe, in the way it is being done. So I would be very careful to throw this away. You have to be efficient of course but not unwilling to fund it.

Buses in London are easier to use and have a higher frequency and are of higher quality than I am used to abroad. Again, that is a very positive thing, particularly in the south of London where we are operating our buses. I know that the bus network is a very important social fabric. That is what we have learnt and we see how important that is.

Last but not least, of course you should increase efficiency of it. It should stay affordable. You cannot stand still on such a network so you have to increase the efficiency, you have to have the services and you need to see that things continue to offer value for money and it should stay affordable. I think we have to focus on that; Transport for London has to focus on it and we have to do that too and we want to do that too.

Caroline Pidgeon (Chair): Roger, would you like to pick up the specification point and then, David [Brown], I would like you to pick up the issue about new services where there are big housing developments such as in Croydon, and are buses a viable alternative to the Northern line overcrowding issue?

Roger French OBE (Managing Director, Brighton and Hove Bus and Coach Company): Just a small point on the specification point. Not so much the detail of what KPMG is saying about forced air ventilation or your point about straight staircases or two doors. I think that is more peripheral stuff.

Just an observation that out in the provincial area of the UK private companies are now putting forward a business model to make a profit out of running higher quality vehicles with leather seats, Caffè Nero type flooring, improve the ambience of the vehicle so it does not appear you are in a utilitarian vehicle; you are in a vehicle that can match a private car, with the sort of facilities that you have. They are proving to be very successful in niche markets, particularly maybe medium to longer distance services, limited stop services, bringing people into city centres etc.

Of course it comes back to what is the passenger paying in the price for that? If you are serious about modal shift, to meet Steven's [Norris] point, you may have to reflect on the ambience of the vehicle to get someone who is comfortable driving a BMW out of that BMW into the bus itself. So do not necessarily think that cost of quality of the vehicle is something that would be a good thing to cut back

on because, in some ways, there may be a market for some bespoke services that are appealing to a different kind of discerning car driver.

I know, in London, you have a long history of limited stop, long distance services, the Green Line network that fell into disrepute, because of changes in travel patterns and congestion and other areas but, maybe, the time might come to have a look back at that, but the passenger has to pay their whack of that service.

Caroline Pidgeon (Chair): David, briefly, could you just pick up those other points?

David Brown (Managing Director of Surface Transport, TfL): I want to answer some of the other questions as well. In terms of Oyster the one day pass is a very little used product. We have extended the Oyster Pay-As-You-Go to 4,000 extra outlets so, therefore, the necessity for it just was not there any longer so that is why that disappeared.

Very quickly in terms of specification. We specify on the vehicles what our market research tells us that our passengers want. The big cost on that specification that is different from outside London is centre doors because we need to get people on and off as quickly as possible because of the high volumes of people. It is to do with the disabled ramp access and that is because we are fully accessible. That is not the same outside of London and that is where the cost is. It is also about the air cooler. We have not got an air conditioner on there - we have an air cooler - and that is because of the complaints we get about the problems of the heat on the upper deck in the summer. So we put things in that our passengers want, not just for the sake of it.

In terms of the destination blind, they are there because all of the focus groups we do and all the research says that people who are visually impaired need to be able to see clear lettering and we try to keep it simple. So it is all there for a reason. There is a logic behind it all.

In terms of why we do not run more buses to mirror the Northern line, we are slightly doing different markets and one of the things that we should have, as a strategic authority, is to be integrated with all the modes of travel. We should not be in direct competition and that is actually what we try to do. So there is a 133 service which mimics some of the Northern line but if we tried to mimic the Northern line in its entirety it would be hugely expensive, with a huge duplication of resource and, when we have looked at it, the business case does not stack up. We religiously apply business case criteria on every single investment decision about extending a bus route or putting a new bus route in, and it either passes or fails, and that one fails on that.

Ultimately, just answering some of Steve Hart's questions, the bus service is providing a service beyond that for the bus passengers. It is providing a service for society as a whole because we have limited road capacity in London and, if all the bus passengers came off those buses, the whole place would grind to a gridlock.

What we have seen is a 7% shift in modal shift since about 2003 and that shift has been as a consequence of the growth in the buses and the performance of the bus network. That 7% shift has taken place that way. When you look at 48% of all car journeys are less than 3 kilometres and the average journey on a bus is 3.55 kilometres, you can see the obvious matching between those two things. Unless we try to get modal shift the quality of life in London will be worse.

Caroline Pidgeon (Chair): Thank you very much to all of our guests this morning for their wise words and the contribution to the debate.

[Short adjournment]

Valerie Shawcross (Deputy Chair): Thank you very much indeed. I am Val Shawcross, London Assembly Member for Lambeth and Southwark and this year I am Deputy Chair of the Transport Committee.

I wish we had booked a full week's conference. I think there are so many issues and so much of real practical interest to Londoners here today in this topic of the future of London's bus services. For this second session I think we will be getting more into the issues of quality, of customer issues and of social inclusion, the benefits of the bus service and value for money.

Certainly, for me, I was struck this morning that people talked about quality of buses in terms of bus design but I think any elected politician will tell you that the quality of the behaviour of the driver and the skills of the driver are very often the things that make a bus accessible to the elderly and to people who are frail as much as the design of the bus. So there is a very, I think, all encompassing look that we need to take at our bus services.

I know many of you will also be aware of pressures on the bus service, in as much as perhaps there are some areas where people feel the buses are under-used. There are certainly and evidentially very large areas where the communities are saying we need more bus services and the buses are overcrowded.

So, in a city of our size, a huge range of issues to discuss.

For the second half we have another five very distinguished guests. We have Stephen Joseph, the Executive Director of the Campaign for Better Transport. Stephen, for many years, has been a challenger of successive governments, demanding better public transport services and more sustainable public transport.

We have Pamela Moffatt, who is the Transport Adviser to Age Concern London, although I think they are also Age Concern Help the Aged London now. Pamela has got extensive insight into the transport issues facing, not just older people, but all passengers who have got some kind of mobility impairment.

Kulveer Ranger is with us. He is the Mayor's Transport Adviser. He should be able to give us an insight into the Mayor's thinking around buses. I have to say he is the only Conservative activist who ever makes it to Labour Party Conference and I congratulate him on his courage and charm because he also gets out safely as well and we enjoy his company there!

We have Dr Peter Kenway, Director and Co-Founder of the New Policy Institute. Peter recently authored a report on poverty in London and as someone who also formerly worked for Transport for London - sorry London Transport, previous organisation. Sorry I have just given something away now - should be able, I think, to give us an insight into the significance of buses for those on low incomes.

Lastly but not least, can I introduce Juliet Solomon, who is a Principal Research Fellow at London Metropolitan University and Juliet's principal interest is the link between transport and social inclusion.

Steven and then Pamela will begin with short presentations and then we will take discussions from the Committee and from the floor. So, without further ado, welcome, Stephen.

Stephen Joseph (Executive Director, Campaign for Better Transport): Thank you, Val and thank you for the opportunity to talk today. I want to step back a bit and talk about the context in which we should think about the benefits for buses in London because I think what we need to talk about are the wider benefits of bus services. Other people are going to talk about the social benefits of bus services. Certainly I am sure Pamela [Moffatt] is and this is very much Juliet [Solomon] and Peter's [Kenway] thing too.

But in the week with the Copenhagen Summit I think it is worth looking at climate change, at the importance for this city of being a leader in tackling climate change and the role that buses can play in that. Now we have already seen some of that in the past. We have got a bus network, as people said

earlier on this morning, that is the envy of the rest of the UK. Bus services are better integrated with the rest of public transport and, critically, we have had an increase in mode share. In other words, we are the envy of many world cities in the sense that we have seen an overall reduction in car use and a mode shift to public transport and, indeed, to walking and cycling as well.

So the question is how can we sustain that? We have to look, it seems to me, at the total package of public transport in the context of wider policy. What we need to do is to look at, firstly, who is using buses now and how to maximise the use of buses so as to minimise carbon and produce carbon reduction, but also to maximise the social benefits of public transport.

The buses are clearly important to socially excluded groups. Steven Norris has already talked about the purposes for which buses are vital. It is not just, however, about the value to individuals. A report that TfL did in 2002, the *Benefits of Town Centre Pedestrianisation and Public Realm Schemes*, show that buses are essential to the vitality of town centres, particularly in outer London.

Now for many, particularly elected Members here and certainly for bus users, this is sometimes treated as heresy. There are, I think, retailers out there who would put up no bus user signs on their doors if they could. They certainly do not believe that any of their people come by bus. They certainly think that 100% of their patronage comes by car, or would like it to, and, therefore, that leads them to oppose measures that give priority to bus services, despite the evidence from that TfL work and others that that would bring benefits.

So the benefits of the bus are not just to the individuals travelling to work and to shops but also to London and to individual parts of London as a whole, and that needs to be reflected in the way in which bus services are treated and funded.

Looking at the data, it is worth saying that about a quarter of bus passengers during the day have access to a car that they could have used for that trip. So buses are already taking cars off the road. But they are also essential for people who do not have cars and more than half of day bus passengers and more at night do not have a household car and this proportion has been growing.

So we need to look at the wider benefits of support for public transport and for buses in particular, the health and social care ones that are going to be talked about, but also in terms of traffic reduction and public realm. I would argue that these benefits are not always reflected in the business case and appraisal that TfL, and transport planners in general, use.

The wording is quite interesting. We have been talking today about subsidy for buses. So buses get subsidised. Roads and major transport projects are seen as investment on the other hand so investment is seen as good and subsidy is seen as something that you have to get rid of. I would argue that at least some of the money that goes into London buses should be treated as investment in London and its people.

If you look at what is planned in relation to bus funding, you will see that the fares increases that are planned - 24% of bus passengers travel on Oyster Pay As You Go and a further 17% on some kind of bus pass - these will increase in price by 20% in January. Now this is going to have two impacts; one is it is going to penalise the lower income groups, but it will also tend, in some cases, particularly in outer London, to put people off using buses and put them back into using cars. So there is a danger that in thinking about bus funding on its own we miss some of the wider benefits.

So where do buses fit in relation to tackling carbon emissions? I think it is an argument that, as has already been said, we are going to need to improve and extend bus services to help cut traffic levels and dealing with the gap that is in the Mayor's Transport Strategy in meeting carbon dioxide emissions and tackling congestion on rail and road. Now that argues for more bus priority. Steven Norris talked about the importance of bus priority in the past but we need more of that if we are going to speed up buses. We have heard from Peter White the benefits in terms of cost of bus priority. We need to look at the wider benefits of such bus priority both more and increasing the time of operation.

But we also need to look at the rest of the package. What is the package in which we can maximise the full value of London buses? Here I think we need to look at ways in which we can break down some of the silos in Transport for London - and Transport for London certainly is not alone in having such silos; this happens at national government too - and look at the ways of linking buses to wider policy. In particular, we need to look at buses as part of land use planning. We have already heard, I think it was from Charlie King, about houses in Croydon being built without access to public transport and off the bus network.

We, as Campaign for Better Transport, have done a lot of work on this. We did a master planning checklist for the Thames Gateway and other areas of major development which looked at how you could make new housing happen in London without having lots of increased car use. Overwhelmingly issues such as the density of development and planning the development around public transport rather than putting the buses in six months after the houses or business parks were occupied, those kinds of things are absolutely critical and, in a funny sort of way, places outside London, like Kent Thameside, are actually doing better on this than many parts of London are.

In parts of London what we are seeing are large developments with lots of car parking and the buses or public transport put in as well, but with an expectation that they are for the people who do not drive. We are seeing that in some of the big retail developments like Westfield and Stratford City, which has 15,000 car parking spaces planned, but also in residential developments too.

So it is absolutely critical that we integrate the thinking about bus services with land use. My argument is that, if we do that, over time the external funding needed for buses will fall because we will have public transport friendly development. If we do not do that, the funding needs to keep the bus services as they are, will have to expand because we will be retrofitting, we will be putting buses in, after the new developments have happened.

The other bit of reducing the silos, I would argue, is with the valuable work that TfL is doing on Travel Smart - Smarter Travel Sutton and now Smarter Travel Richmond and so on - in which they are looking at doing marketing for public transport and for sustainable transport and also doing travel planning for major travel generators, particularly in those outer London boroughs.

This is producing results but my impression is that it is not fully integrated with public transport provision and that opportunities for, say, planning public transport around the needs of major travel generators, major employers and so on, is not being fully met. If we do that kind of integration with land use planning for existing as well as new developments I should say, and with those kinds of travel plans, the evidence from elsewhere in the UK is that you can get significant uplift in public transport use as well as in walking and cycling and, therefore, get an increase in mode share.

So my argument is that the current funding does provide value for money if you think about it in those wider contexts. That is not to say that if £600 million became £599 million, it would get less value. But my argument is that, over time, if you create public transport friendly development and integrate it with travel planning, and in the context of the London Plan about reducing car based development, allowing new development that can be served by public transport and builds up densities that support local services, including public transport, then we can get good value for money in the broader sense that value for money should be thought about. Thank you very much.

Valerie Shawcross (Deputy Chair): Now can I welcome Pamela Moffatt.

Pamela Moffatt MBE (Age Concern London): Good morning. I am pleased to have been asked by Age Concern to talk to you this morning. They recently had a conference called Breaking the Barriers which resulted after a jointly funded project which was funded partly by Transport for London and partly by Age Concern who got a grant to enable them to do this.

For some time we have been aware of the problems of older people travelling, and as people have been mentioning and are mentioning, there is a huge social cost if people are not able to travel. 30% of

Londoners aged 60 plus report restricted ability to travel. There are numerous types. They are not disabled but they have got asthma, they have got arthritis, they have got breathing problems. They do not consider themselves disabled - they are not really - but they are when it comes to getting around. So 30% of Londoners [aged 60 or above], as I said, have restricted ability to travel.

However, having said that, Transport for London shows that the largest transport mode for people aged 70 plus is buses and that amount is growing, and that is excepting walking and a lot of older people do a lot of walking, despite their mobility problems, and maybe some of the children should be got off their bottoms and made to walk a bit more. Anyway one of the things that came up in this consultation was that we do not want any more barriers put up to transport for older people.

Why do we travel? We want to travel. Our travel is mostly local but not exclusively. It involves keeping in touch with the family, especially the grandchildren. It involves childcare quite often. It involves getting to clubs and to bingo, social activities; really important; shopping and going to the bank and the hairdresser; health activities, very important at the moment. Volunteering is another reason for older people wanting to travel. Education, leisure, cultural, libraries, and "just to get out of my four walls".

I used to have an old gentleman I knew. He said, "I just sit on top of the bus to the end and come back again". That was his pleasure of the day. Another quote; a quote from the recent study was, "I just go over to the Hillwood Centre every day and have my dinner, and sometimes I just sit and today we had tai chi"; exercise and good eating.

Shopping for oneself is very important in relation to healthy eating and healthy eating is important to general health. So access to the shop by bus, by concessionary fares and by having bus drivers that do not drive dangerously and upset people, are really important to shopping. You can buy visually because you can see things that tempt you and, after all, a little bit of what you fancy does you good. Sometimes it still happens that a carer just rushes in and says, "Oh what do you want today, Mrs Bloggs? What can I get you?" "Oh well, just get me some sausages and some biscuits. I can't be bothered". That shows up in general health later on as I will say. So good general health is really important but this means access. Access by bus or walking to pensioners' exercise clubs, to swimming pools, to bingo, to gymnasias and some boroughs are even doing guided walks from their library which are really important.

The study determined that a lack of accessible transport has an impact on the lifestyle of older people and this impacts on their health and general well being and this is where we have to think in terms of the cost benefit of having accessible and safe transport for older people. There is a big area of prevention here. Now if somebody is going to gain it is going to be health and social services. There is a big campaign at the moment, as you may know, in stroke prevention and stroke care so reduction of strokes and recurrence of these plays an important part in health. Social isolation we know causes depression. You get a bad diet, equals physiological change, equals more depression, equals a worse diet and so it goes on. General health and feeling good and a good get up and go; that is all important. Correction of high blood pressure; that is something that the health service will benefit from. Missed appointments are something that costs the health service a huge amount of money. So making sure that by accessible transport and access to the new centres is really important.

If there are no concessions or if there are fewer buses what are going to be the consequences? Who is going to gain? Maybe financially Transport for London will gain but is that what we really want? We know that this is going to mean, if older people cannot travel, then there will be a deterioration in their health and the costs to the health and social care services will go up. How one would do a cost benefit analysis of this I do not know because you cannot really do a cost benefit analysis on figures that you do not know, such as how many strokes do not happen because you have got healthy eating and healthy exercise. So this big government campaign on reduction of strokes does not need to be scuppered by TfL.

In future we also know that the general thrust of health and social care now is for it to take place in the community. Now people have therefore got to get to their physiotherapy appointments, have got to get to their new local health centres in order for them to take up their tai chi or their diet advice. So it is

really important that Transport for London is there to take everybody to their appointments and to their new health centres.

We have a new health centre in Haringey which is exceedingly poorly served by the bus service and we would like just a minor diversion made to one bus which would carry it into the newest health centre and out again, but that seems to be too difficult.

People are not supposed to use Dial-a-Ride for these health reasons. It was never set up for that. People do; so do I. Dial-a-Ride was set up as a personal service, not as a relief service for healthcare through relieving social services and health services of their transport responsibilities. But there is a big question here. Could Dial-a-Ride provide some of these extra services that are going to be needed in relation to the general thrust of health and social care in the community? Well, I doubt it. At the moment it certainly could not be done. There would have to be major policy decisions in getting reorganised, but it could have a place.

However, coming to the end now, I would argue from the study that we did, jointly funded of course, that the curtailment of bus services or concessions for disabled and older people would lead to a cost both of well being - not measurable - and health of older people in our community through - somebody has already said - imprisonment in their own homes, and I would say incarceration in their own homes.

We have got a final quote here from a gentleman who participated in the study and he said, "It'll help me keep my mental sharpness. I worry that it might affect me mentally if I have to spend lots of time stuck in here". Thank you.

Valerie Shawcross (Deputy Chair): Thank you very much. I think we have got about half an hour for discussion and questions and I am going to start off with the Transport Committee Members and then I will come to everybody else here.

Jennette Arnold (AM): I am Jennette Arnold, Member of the Transport Committee and the Assembly Member for North East London which, by any measure, is the population that, if you look at any of the topics you are going to raise in this, impact on that community.

I just wanted to pick up a point that Pamela [Moffatt] has made and thank her for her presentation because, for me, it was absolutely on the ball. You can measure all the factors that you have identified and it is something that the health sector does and it talks about quality of life to years and it then links in with, not only do we have growth in the population but we have extra years to our lives.

So the question is - and I do not know whether Kulveer [Ranger] will take it up in his presentation - how closely linked in is the Transport Strategy to the other key strategies that bring about the quality of life to Londoners? Because, sometimes, you just find it totally disengaged. For instance, when you get a transport policy that is measuring crossing time and does not then ask elders or people with limited mobility what it is going to mean if you reduce the time. That shows me that there is a disconnect.

So the issue for me, in all that I think we are going to hear, is isn't the issue that we have yet to see the linkage made between the current strategies that are in development and the others so that they are all working towards quality of life for us all?

Valerie Shawcross (Deputy Chair): I think we will take that question and then we will go to the rest of the audience. Kulveer, you were named there. Do you want to come in first?

Kulveer Ranger (Mayor's Transport Adviser): Jennette is absolutely right in terms of the priority here, whichever mode of transport we are talking about but, predominantly today, the bus network and the bus service, is the quality of life it underpins. As we have heard from Pamela [Moffatt], especially for people who are elderly and have disabilities - and as someone who is fortunate enough to have three out of four grandparents alive I know exactly what that means to them - to get out of the house and be able to take public transport and have that sense of freedom that they enjoyed all the way through their lives

and why should they now have that slightly constrained because they get to a point in life where they have to do things in a different manner. So it is about availability and it is about cost and it is about how we provide that service.

What Jennette [Arnold] was highlighting there was about how do we make sure that quality of life is prioritised in everything we do around our policy development. One of the things we have done, as an administration, is try to bring all the key strategies together so they are pollinating each other as they are developing their good ideas.

This is why a couple of months ago the Mayor launched the new draft Transport Strategy, the Economic Development Strategy and the new draft London Plan all at the same time. Now admittedly this is only the second time this has been done in terms of revising these strategies but it is the first time that they have all been done together. Previously the Transport Strategy had been published before the London Plan.

Now if we are looking at - and it has been mentioned already today I believe - land use policies, where we see development in the future, where do we see residential housing being built, where do we see jobs and growth happening, then obviously if we are going to look at transport, that needs to be linked in with that. The London Plan decides where land use is going to be focused and how it is going to be undertaken. Transport needs to be part of that conversation; not something that is considered later on; not something that is developed before and then, yes, the housing or jobs will follow, but at the same time.

As someone who lived and breathed in west London for the majority of my life I saw a lot of development of housing, especially residential housing, happening in the boom periods, without much consideration to what the transport impact would be. The net result is we have a lot more people living much more densely and a lot less transport capability. That is what we must keep at the forefront of our minds as we develop strategies going forward. So we do not just get one good thing which is additional housing and then have this horrendous problem of how will people live and breathe in these environments and the quality of life goes down. It is about ensuring that the strategies are joined up. That is why we have taken that view.

Valerie Shawcross (Deputy Chair): Juliet, would you like to comment?

Dr Juliet Solomon (London Metropolitan University): Yes. More than just strategies, if we are talking about land use and what happens and where, the closure of post offices, for example, has a transport implication and it particularly has an implication on older people. It is staggering that they could be allowed to close the way they have been. If you did a cost benefit analysis using a normal quality of life monetised index, I think you would find a huge, huge cost. Much, much bigger than what turns up in the figures and they are all saving some money.

Can I note, just to start with, that we have got two discourses at this conference really? The discourse before coffee was about men in grey suits and economic growth. The discourse now has, fortunately, turned into human beings and local journeys. It is quite interesting how they are looked at. One of the people who used to work at Transport 2000 started to sketch maps, two kinds of maps, of how people see transport in London. One map was the people who clean other people's offices and the other lot was the lot who were in the offices.

Anyway the quality of life thing is very important. The one thing that has not been mentioned yet this morning - and there was so much one could comment on, such a lot - I came in on young people and I will talk about that later, but I have done a lot on older people lately. Nobody has mentioned public lavatories. One of the big deterrents to older people, who become progressively less and less able to go without a loo, is the closure of a lot of public lavatories. So if you close post offices and you close public lavatories the whole of the mobility thing is enormously affected. The wonderful Dr Clara Greed in Leeds has done an enormous amount of work on this and it gets overlooked. I am not being frivolous. It matters to a large number of people who cannot get anywhere without it.

I will not go on. I will say much more later I expect.

Valerie Shawcross (Deputy Chair): Actually the Assembly did do a scrutiny on the closure of public lavatories so it is something that we see as an issue.

Dr Peter Kenway (Director, New Policy Institute): Public lavatories are not just an issue for the old.

I am surprised in a way to hear that the Transport Strategy fits with the Economic Development Strategy because it does seem to me that, with the very important and honourable exception of Peter White's contribution this morning, we have been discussing buses without giving the due prominence to an absolutely key group of bus users who are the ones who are going to suffer from the extraordinary, in my opinion, 12.3% fare increase in January.

Now who are those people? Well, being a middle aged man who has a very nice job I got called last week to go and do an interview on the BBC quite early in the morning. Of course you get taken by taxi at public expense. We are driving down through Harlesden and this is about 5.45am. The wretched 18 in the way; delaying my taxi. You all know the feeling. Who is using that 18? Who is waiting at the bus stop getting on to that bus? Well it is about 20 plus people whose age, gender and ethnicity in no way match the people in this room and they are going to do jobs in London because they are workers, are they not? They are going to do jobs in London that cannot be done by teleworking. They are going to clean, they are going to cook, they are going to care and those are the sort of people who are in work when we, a couple of hours later, normally get into work. They are the people who are being asked to pay this increased fare. They are, in other words, almost certainly the in-work poor.

The thing that smashed the Government's Anti-Poverty Strategy is its failure to get to grips properly with the large and growing number of people who are both poor and in work. What we are being offered here is something that will make their life very much harder and let us not pretend that 12.3% in January is going to be the end of it.

Stephen Joseph (Executive Director, Campaign for Better Transport): Firstly, as Peter has just said it is not the end of it. The documentation shows that the 12% in January is followed by an assumption of retail price index (RPI) plus 2%. Now we have been campaigning nationally on rail fares which are projected to rise by RPI plus 1% so bus fares in London are expected to rise by more than rail fares. Now, in London, that is going to be mitigated by other factors such as the Oyster Card extension for rail. So, in fact, the bus users who are, as Peter said, in some cases, some of the poorest, are going to suffer worst and I think we do have to make fares policy take account of social and environmental factors.

Two other very quick comments. Let me just defend TfL for a minute. Polyclinics; Pamela [Moffatt] has mentioned one in Haringey which is off the bus route. There is not, as far as I can see, any responsibility on the people planning polyclinics to work out how people are going to get there. There is some kind of assumption a) that everybody will drive or b) that, somehow, TfL will magic buses out of the air. It is not the job of people to do that and I think there is a case for the authorities in London to say to national government, "Can we have a transport assessment of all government policies before you actually implement them?" The post office issue would be captured by that. We need a travel plan and we need accessibility planning for all those decisions because all that happens is it means that people are forced into travel and often, because they have not thought about bus services at all; they are located on industrial estates because that is where the cheapest place is, which are the most remote.

Valerie Shawcross (Deputy Chair): Pamela, do you want to come in again?

Pamela Moffatt MBE (Age Concern London): I must say that our health authority did do, through Mott MacDonald, a research study to see how the bus services would serve the new polyclinics and it did discover that the one I mentioned earlier is the one that is the least well served by buses and not that easy for people who walk because it is quite a bit out of the way for some of the people who it is

supposed to be serving. So that was done but, nonetheless, it did not seem to get followed up or else it was too late to say to Transport for London, "Look, this needs adjustment please".

Valerie Shawcross (Deputy Chair): We are going to throw it open to the audience now and I think the general challenge to us is are we actually under-estimating the social and the health impact benefit of our transport services.

Male Speaker 6: Vincent Stops, TravelWatch. I want to talk a bit about the cost of providing buses. Reflecting on Steven Norris' enthusiasm for bus drivers and echoed by Stephen Joseph. Steven Norris was talking about the early 1990s when the London Bus Priority Network was driving bus priority forward. The reason for that is to improve the bus services but, clearly, there are massive costs for bus services sitting in traffic jams and we want to get rid of that.

Then we had the London Bus Initiative which London TravelWatch's predecessor was part of and remains supportive of, and that was a TfL initiative to drive forward bus priority for all the reasons we have talked about today and, of course, to make a more efficient bus service. Bus priority measures I have to say are put in on the basis of real cost benefit analysis and they are demonstrated to make a good return to whoever is spending the money, based on national indicators.

My question is to Kulveer [Ranger] because I am concerned that TfL is not driving forward bus priority fast enough to deliver some of these outcomes. We have seen less bus priority coming forward. What is the vehicle that drives bus priority on TfL roads and the borough roads for the future?

Female Speaker 2: My questions are very quick. Buses are congested and I must say that free children's travel is good but could it be time limited to reduce the congestion? My concern is about the buggies and the increase in population and the congestion on the buses. That is an area I would like to look at. Has anybody suggested car clubs? Nobody has mentioned car clubs. My question is about Freedom Passes. It is fantastic what Pamela Moffatt has said today but has anybody made an impact study on the London economy with Freedom Passes?

Valerie Shawcross (Deputy Chair): Sorry, I did not ask you for your name.

Female Speaker 2: My name is Angela Graham from Wandsworth.

Male Speaker 7: Thank you. My name is Ian Rivitt from the Harrow Public Transport Users' Association. It is not so much a question; it is more of a comment about the polyclinics. We have had one in our area in South Harrow built recently and our Association suggested to TfL to divert one of the routes past it to give a better service and their response was that they could not do that because it upset the contract targets for that particular operator. So we can see where their priorities lie; that they don't lie with actually serving the people.

Valerie Shawcross (Deputy Chair): They can change routes though. We have seen it happen.

Male Speaker 7: Well they weren't prepared to. At no extra cost I might add.

Valerie Shawcross (Deputy Chair): We cannot deal with that particular issue but I think the general issue has been raised about how the National Health Service, Transport for London and the planners communicate on all of these issues. Kulveer, would it be cruel to bring you in first again?

Kulveer Ranger (Mayor's Transport Adviser): No, that's what I am here for. I believe the first question was about bus priority and how we are going to maintain the priority of the buses? The question there was about congestion and buses getting stuck in congestion. One of the key policy areas that we have established is about smoothing traffic flow. The reason why we are focusing on traffic flow is so that we can look at what is happening on the road network and ensure that what is happening to journey times is looked at in quite a lot of detail so that we can maintain the flow of road users. Now this is nothing to do with encouraging car usage. This is about making sure that those vital arteries that

carry all those buses, that ensure that even in the bus lanes - and especially considering that 75% of bus journeys are done in outer London - that we have a view of what is going on on the road network to ensure that we can maintain the flow, the service levels and the quality of the bus service.

Now that is also coupled with ensuring that there is investment continuing into the bus service. We have had, I know, already a debate around the cost of the bus service and someone mentioned the word subsidy, but actually it is the cost. It is the cost. But what we do want to do is maintain investment into programmes such as ensuring that bus stops are still increasingly made accessible for disabled users and, by 2017/18, we have an objective to achieve, I think, over 70% accessibility where that figure will be around 45% by about 2012. We are also looking at ensuring that after iBus, which was a hugely successful programme and has been delivered in terms of making bus usage better and better information being provided, we continue to invest in the Countdown system and more reliability to users of the bus service.

So there is a lot still happening to ensure that the bus service is a) continued to be improved but b) protected. One of the things that has not been mentioned, I believe, in this session and I am not sure earlier, is the context, the financial context, of the environment that we are now living in. We are all acutely aware that whichever political party we listen to currently, they are all arguing about how many cuts they are going to make. Now, as service providers, we have to take the view that invariably, somewhere along the line, we are going to face the harsh reality which is going to say, "There is not going to be as much money as there was before" and rather than just carry on blindly and not take that into account we are trying to ensure that we can protect the front-line service and all the users who want to use the service and need to use the service and rely on the service, whilst still ensuring that it provides a good quality and the product that people need.

Dr Juliet Solomon (London Metropolitan University): I have got comments on three things. I am sorry about this but they have very much been my research interests. The first piece of research I ever did professionally was for London Transport on young people and public transport and, at the time, they got to 16 and had to pay full fare, they had half price until then. Interestingly, of all the groups I talked to, nobody suggested that they should travel for free and I was a little taken aback when all these kids were launched on to the buses free. When I did the research, which was some years ago, there were already bus wars between bus staff and teenagers and I believe - I have not done any research actually on the buses lately on this subject - there are still bus wars.

I cannot see the case for 'Freedom Passes' for all children. It seems to me slightly barmy, actually. I do not really understand it. It is over-the-top socialism. I am not opposed to socialism but that is what it seems like to me. So if somebody can tell me the case I would be very happy to hear it.

The next one is Freedom Passes in the rush hour for older people. There are plenty of people on Freedom Passes who, frankly, do not need them - and I am not against that - but to clog the buses up in the rush hour. I know the argument for giving older people Freedom Passes in the rush hour is partly to do with hospital appointments. There ought to be a system by which health services can provide slightly later appointments. I do not think that would be impossible, if people thought of it, and you would clear quite a lot of people off the buses.

Finally buggies and congestion. The low-floor buses were not originally designed for buggies. Buggies were a kind of unwanted but rather interesting side effect of this. Most of you probably never had babies on buses, looking at the audience, and you are not familiar with trying to get babies on buses 20 years ago or 30 years ago, whatever I did. It was jolly difficult. There is a major problem, I think; they want to get their buggy and the buggy gets bigger and bigger and bigger. This happens on the roads. You get your wretched space wagon and your 4x4, or whatever it is, huge vehicles. There seems to be a presumption on the part of the public that the size of whatever your vehicle is is OK.

Roger French I first met about 15 years ago when I was doing research on social exclusion and I was down in Brighton talking to him. He had put on wheelchair-accessible buses and the local wheelchair user group was now objecting because the leader of that had bought himself a bigger wheelchair and it

would not go on the bus, and Roger's bus took a standard size. He said, throwing his hands up - and I have quoted him several times since - "I could provide stretcher facilities on my buses but I am not intending to". I think there is an overall problem about at what point we stop providing what. It is not an issue that people want to look at. They really do not. Nobody wants to look at it. What should we be doing and how far should we go?

It is wonderful that there is more mobility and travelling about is a part of life now. It is not to get somewhere. It is because travelling is what people do and it is a great thing to do, but we have to think. Planning organisations; if you cannot have a dormer window, you cannot have a dormer window. You cannot expand beyond a certain limit. We have it in planning; why don't we have it in transport?

Valerie Shawcross (Deputy Chair): I was just going to ask Peter [Kenway] if he would like to have a go at some over-the-top socialism!

Dr Peter Kenway (Director, New Policy Institute): I gave entirely the wrong impression of myself in the previous entry! Let me, therefore, try to correct it by saying I think what Kulveer [Ranger] said was very important and correct. We do have to recognise the context, which is dreadful financial stringency, and he said we need to protect and then improve buses and I think that is the right strategic view.

But the question therefore - and this is why I am so amazed at the decision that has been taken - because really what is driving our problems today, it seems to me, is this switch of subsidy from bus to Tube. Vincent, I think, said buses cost a lot to run and there is a big bus subsidy, but if you look at the total subsidy going to London Underground, even in 2008/09 never mind the previous year, it far outstrips what went to buses. The answer to the bus problem lies - and I suspect the answer to TfL's financial problems lie - with the Tube.

Here I come back to my point about low paid workers. If you look at the average wage of people who are workers who travel to work by bus, as opposed to people who travel to work by Tube, it is a bit of a preliminary estimate but it is probably a 40% to 50% difference. It does not mean that there are not low paid people travelling to work by Tube but it is a different world and there is also a lot more scope for doing sensible economic things about the fare structure on the Tube than there is on the bus.

So, in a sense, we must see this from TfL's point of view and not just, as it were, from the point of view of the London bus network which has suffered, I think, a grievous blow in the loss of the subsidy from which, of course, the fare rise then I think inevitably follows.

Valerie Shawcross (Deputy Chair): Thank you very much. For anybody who wants to look at data there is, in your packs, some analysis of the business plan and I think this is the particular graph that Peter [Kenway] is referring to there.

Female Speaker 3: Hello. My name is Onjali. I am a Board Member for London TravelWatch. Just to add to what both Pamela [Moffatt] and Dr Kenway have said, there is a particular sector of the community who are huge bus users who have been left out of the conversations that I have heard here today and they are the non-working ethnic minority communities who rely on the buses for all the social needs that Pamela [Moffatt] so cleverly outlined, and face many other barriers including social reclusion, racial discrimination and language barriers.

With regard to the withdrawal of the bus ticket that has been passed without real recognition by those communities and the consistent communication failure that seemed to override all the changes that are currently occurring, especially with fare increases etc, and which impede and have the potential of stopping these communities from travelling on the bus which they rely upon; I would like to ask what kind of research is undertaken before these moves are made and how is TfL going to continue to ensure that those kinds of communities are aware of these changes and how it is going to impact on their lives and the quality of their lives? Thank you.

Female Speaker 4: Jill Cramphorn from the Clapham Society. Can I just say, to start with, that I very much agree with everything that everybody has said about the rise in bus fares and the regressive nature of that as compared with other transport users.

My major point though is to do with information. I was glad to hear from Mr Ranger that it is intended to carry on expanding the Countdown system and so on but it is extraordinary that some of the major bus interchanges in London do not have any sort of information at all. I am thinking of Vauxhall; a huge bus interchange with no Countdown facilities at all. A lot of smaller bus stops do not have Countdown of any sort. If we want to stop people having high blood pressure and strokes this would be quite a good way of doing it!

Male Speaker 8: My name is John Beesten. I was recently on the Ealing Primary Care Trust (PCT) Premises Committee and we always tried to find premises for health centres that were convenient for bus routes or where bus routes could be diverted very simply. The Grand Union Village, for example, which is very close to a point of massive congestion, because six or seven bus routes terminate there, and any one of them could have been extended very simply.

Stephen's [Joseph] response I think summarises quite well the total arrogance of London buses to public consultation. It is totally non-existent and I do not know of any successful retailer that does not listen to its customers. We are customers. Listen to your customers and respond accordingly. That is the lesson which successful retailers have found. You are not in a competitive situation quite as retailers are but, nevertheless, when you compare it with other forms of transport and other transport undertakings, yes, you are in competition. Please listen to users and respond accordingly.

Valerie Shawcross (Deputy Chair): Thank you very much, John. We do not have anybody from Transport for London on the Panel at the moment and a couple of those were TfL issues directly, I think. I know, Kulveer, you have got to go. You are the next nearest thing we have to a TfL representative. Do you want to respond before you go?

Kulveer Ranger (Mayor's Transport Adviser): Yes. A couple of points there. Firstly, just starting with the last one on consultation. TfL does take its responsibilities seriously in terms of consultation and I appreciate the frustration that many Londoners have about whether a bus service is appropriate. I have heard some people mention certain extensions that they are looking for, whether a bus stop is in the right place, where there are buses waiting where buses have to have a standing point, where there are engines idling for too long. I say this because I generally review all the correspondence that the Mayor receives around transport. So I have been fortunate enough to review over 3,500 Mayoral questions over the last 18 months and thousands more letters.

The point has been that we were concerned about the responsiveness and the sense that TfL was listening to Londoners and everybody else who made their point about issues. I have looked at the consultation process now. I think there is a more robust process in place. TfL must take seriously the issues that are raised which impact - again, quality of life - even on those people who are not using that bus service if they are impacted by the service having a role to play in the way they live their lives; by noise or where the bus is.

But it is a trade-off. There is, sometimes, a need to provide a service in a manner that can benefit those who need to use it and we need to minimise the impact of that service. I do look at what TfL does, the research it undertakes and, in the vast, vast majority of instances, there is a justification for what it is doing. When there is an issue, I have to say, they are also looking at changes. I must point out they are not beyond making mistakes. People do make mistakes and it is quite right that people write in or get in touch with us - either with the Mayor or myself or with TfL - and mistakes are and should be rectified. I know we will never be able to please everyone all the time but we should try to please as many people as we can.

Just on one other point about non-working black and minority ethnic communities and quality of life. Everybody who had concessionary fares prior to this increase and this round of change in the fares has

been protected. That has been the number one priority for the Mayor; to make sure that those who are most vulnerable and most susceptible to economic hardship are protected, regardless of what community and ethnicity they come from. I think there is a question there about communication to those communities and I am sure we do have those processes in place. I will check that. But everybody who is the most vulnerable has been protected.

Valerie Shawcross (Deputy Chair): I think that closing round of questions were actually about customer responsiveness on things like ticketing changes, on information and on route planning. We do need to be wrapping up now so any closing responses?

Pamela Moffatt MBE (Age Concern London): I am just going to reiterate the fact that accessible transport means bus stops in the right place, it means accessible buses where the ramps actually work and drivers who are understanding of some of the passengers needs. But I would just like to say here that I sometimes think it is not always the driver's fault. It is the timescale that they have to keep to with their bus schedule. They are racing sometimes in order to meet their deadlines. I do not know what sort of action is taken against them if they are periodically late, but I feel that sometimes there is not enough time given to the bus to get to the end of its route and look after the needs of older people. They will soon get to know which routes have a lot of older people on them.

Stephen Joseph (Executive Director, Campaign for Better Transport): Just back to the point of the seminar, I guess. I think the point is to say that bus services have a huge value, certainly beyond the value of the funding that they get, and the way in which it is considered. Others have talked about the value for the low income people in work and about the wider benefits. I suppose the point to make is that the kind of cuts in funding that are being talked about will lead to costs elsewhere, of the sort that Pamela [Moffatt] and others have mentioned, in relation to health and social care costs, but also in terms of cost to employers, particularly of low income people, who will find that they have problems recruiting and retaining staff because of transport problems. So there will be costs.

I think the challenge for Kulveer [Ranger] and others is to make the case to an incoming government about the value of the funding that goes to public transport in London in those terms and in terms of the wider impacts on carbon emissions. That does mean looking at outer London as well as inner and central London. The work we have done suggests that there are lots of benefits in expanding bus services and, in particular, looking at demand-responsive transport in outer London as an option as a means of reducing car use and car ownership.

I am sorry the man from Ealing thought I was being arrogant. I really did not mean that. It is the case that the reason why TfL commissioned that work was to try to persuade people that buses did add value rather than take value away from outer London centres. I have to say your PCT sounds pretty exceptional in terms of thinking how people get to health centres. I know plenty of PCTs and the whole polyclinics process where a lot of that was afterthought.

Dr Peter Kenway (Director, New Policy Institute): I think it is important to look over the long term. I do not whether the gentleman is still there but I was very struck by the question this morning about whichever bit of the Northern line at Clapham it was. If these population projections are right, we are looking at substantially more travel over 15/20 years. The only way in which, even in that timescale, I think you can get additional capacity seriously into the public transport network in London is through the buses. You can see the disaster on the Jubilee line. Kulveer [Ranger] was on the television last night trying to do something about it. We are going to face that disaster on the Northern line presumably. It is a real problem expanding Tube capacity.

So the important thing here really is to see the thing as a whole and to recognise that what has happened in the last ten years, and perhaps longer than that, this is certainly nothing like the clapped out London Transport that I was working for in the late 1980s, even though we were very fond of it. It has been modernised. It has been moved to a position where it is not a residual form of transport only for people - as Mrs Thatcher said - who have lost it. She said something around the age when I was 26 that made me think I really ought to give up travelling on the buses.

That change has happened. The potential is there. The only way that London Transport is going to work, in the 2020s, is if many quite well-off people use the bus to go to work. So if we cut the subsidy, reduce the quality, run down on things like the Countdown and the other things that add to it, we will be doing ourselves great harm.

It is a very, very hard balance but now is not the moment to be reversing the wonderful development – let's be clear about it – and change that has taken place over a 10/15 year period.

Dr Juliet Solomon (London Metropolitan University): I don't actually really want to say anything because I would go on for about half an hour once I start.

I came into transport about 20 years ago and we could never have had this conference then. Never. It is very, very exciting it is happening just like it is very exciting we have got a wonderful, wonderful bus system in London now. Peter [Kenway] will, I think, bear me out on this; that it was not a subject fit for this kind of debate with this kind of audience. So it is terrific.

Valerie Shawcross (Deputy Chair): Thank you very much. Kulveer gets two last words!

Kulveer Ranger (Mayor's Transport Adviser): Thank you, Val. I just want to say that I agree with what Peter [Kenway] has said and what Juliet [Solomon] has just said about this conference and the mature debate we are having around the bus service. I have to say – and Boris [Johnson] has said this as well – that we must congratulate the previous Mayor on building this network to this level. But now we have to work in the context that we find ourselves in and that is why I say we have had a mature debate about it today.

What I think the bus has become is not just something that people used to look at as something as their final choice of mode of transport, it has become a lifestyle choice that they want to take the bus service, they are happy to take the bus service and we must protect that choice.

I think that the Oyster Card has had a large part to play in that decision making as well, opening up the bus service to other potential users who would not have considered it. Ticketing that makes it easier to use any mode is always going to open it up. That is what has happened with the bus service. The quality, the frequency and the reliability has made it an attractive mode for people to use. That is what we want to protect. That is what the Mayor wants to protect and that is what we are going to try to do in the very difficult times that we have coming ahead of us. Thank you.

Valerie Shawcross (Deputy Chair): Thank you, Kulveer, and can I thank all of our speakers for their knowledge, their time and their passion on the topic and I think it has been an extremely useful session today. I am going to call Caroline Pidgeon, who is the Chair of our Transport Committee, to make some comments in summation.

Caroline Pidgeon (Chair): Thank you very much, Val. I thought I would try to pick up a few things that all of our speakers have said this morning. Steven Norris focused on buses being vital to the way that London works and unique in their flexibility and he talked about our marvellous service, particularly the importance of being able to turn up and go.

Peter White highlighted the point about price differentiation being an issue, perhaps at the time of day people travel, and he questioned the need – which has come up a few times, perhaps controversially – about free travel at peak times for children and older people.

David Brown focused on the bus specifications, making sure they meet customers' demand, and needing to be smart – I think he used the phrase – “how we sweat the assets” in terms of the bus network.

Roger French said that you cannot get a cup of coffee for £1 so why do we give away, effectively, such a good service in London and maybe we should take the pain on increasing prices.

Anton Valk talked about the importance of competition and not reducing the quality of the bus service in London.

Stephen Joseph talked about buses being essential for the vitality of our town centres and this huge value far beyond the funding they get. He talked, quite interestingly I thought, about transport investment versus us talking about bus subsidy and actually we are talking about the same thing but we use very different language, and the wider benefits of the whole bus package and smarter travel as well.

Pamela Moffatt talked about the huge social cost if people are not able to travel and with 30% of over 60 years olds having restricted ability to travel. She also talked about the wider cost to health and social care services if older people cannot get about and travel and the removal of the subsidy would have a really huge detrimental impact.

Kulveer Ranger talked about the Mayor's policies he believed were all linked together. He talked about how smoothing traffic flow may well help journey times on buses, accessible bus stop targets and so on that they are pushing for and also investing in the Countdown system and better information.

Juliet Solomon talked about local services - closure of post offices and public toilets - having an impact on transport and mobility. Actually, we should be focusing on human beings, passengers, rather than the men in grey suits and money which, perhaps, the first session was looking at. She also questioned the logic and need for subsidy and the free travel for children and rush hour travel for Freedom Pass holders and the size of buggies is a huge challenge, going forward. I am sure there is a market there if you could have a bus friendly buggy. I am sure there is a market in that.

Peter Kenway talked about the in-work poor and how the rise in fares - I think he used 12.3%, I think it is about 20% - is going to have a real impact on those people and make their lives worse, and the switch of subsidy coming from buses to the Tube.

The thing at the end I liked was Juliet [Solomon] said whatever we are talking about, the bus service is terrific in London. I think that really probably does capture an awful lot that we have heard today and it is the one thing I think that everyone has stressed, that we need to maintain our first class bus service in the capital, but the challenge going forward is the economic climate we are in and also, as new developments go on and we have heard polyclinics and things come up this morning, how we make sure that the bus service and transport actually serves those services.

So we will be publishing a report from today which will come out in the New Year with all the discussions we have had this morning.

Thank you so much for coming along this morning, for all of your contributions, our Panel members and the audience. I think it has been a really good discussion this morning and hopefully we will be able to influence the Mayor and Transport for London as we go forward. Thank you all very much indeed.