

NORTH LINCOLNSHIRE COUNCIL

**HIGHWAYS AND PLANNING
CABINET MEMBER**

**PUBLIC TRANSPORT:
BUS SERVICE 350, "HUMBER FASTCAT"
QUALIFYING AGREEMENT**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To authorise the Service Director to sign a Qualifying Agreement covering a co-ordinated timetable run by two bus companies between Scunthorpe and Hull.
- 1.2 This is a new requirement under the Local Transport Act 2008. It shows that the council accepts that an agreement between two commercial operators is in the interests of local bus users.
- 1.3 Signing this does not commit the council to any obligation or expenditure.

2. BACKGROUND INFORMATION

- 2.1 The Transport Act 1985 allows bus operators to run when they want and where they want in the hope of making a profit. In making the legislation, Parliament assumed that competition between companies would bring benefits for users.
- 2.2 Competition law requires companies not to collude against the interests of the consumer. This might be by fixing market shares or agreeing fares, for example.
- 2.3 However, there are ways in which two or more bus operators may make a limited agreement to work together if this can be shown to be in the interests of users. The Local Transport Act 2008 now requires a local authority to endorse such an agreement.

3. OPTIONS FOR CONSIDERATION AND ANALYSIS

- 3.1 Bus service 350 has run between Scunthorpe and Hull since the opening of the Humber Bridge in 1981. For 27 years it ran hourly and required two RoadCar/Stagecoach buses and one East Yorkshire Motor Services (EYMS) bus.

- 3.2 In March 2009, the service was improved and re-branded as the “Humber Fastcat”. It now needs five buses from Stagecoach and one from EYMS. The companies have bought seven new low-floor vehicles, including a spare.
- 3.3 Stagecoach and EYMS have agreed a timetable which provides even interval journeys every half hour between 07:00 and 19:00, Monday to Saturday.
- 3.4 The law does not permit the companies to agree fare levels and they have not done so.
- 3.5 The companies can, however, enter into agreements on certain things so long as these are endorsed by the local authority. These are known as “Qualifying Agreements”. The companies want to enter into such an agreement regarding the co-ordinated timetable.
- 3.6 To sign, we must be certain of two things...
- That the agreement is in the interests of people using bus services in North Lincolnshire; and
 - That the restrictions on competition imposed by the agreement are indispensable to the achievement of the objective.
- 3.7 We know that a frequent and predictable “clock face” timetable attracts users and after five months the number of people using the service has already gone up by 30%. The regular timetable is much more likely to achieve the council’s objective of increasing the number of bus passengers and we confirm that this is in the interests of users.
- 3.8 The agreement refers only to the co-ordinated timetable. Without the agreement, there would be no regular timetable and the benefit to users would be lost.
- 3.9 The agreement does not prevent other operators running along the same route and competing on times or fares. However, experience shows that this is unlikely to happen.

4. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 4.1 Finance: There is no financial or any other obligation for the council

5. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

- 5.1 Statutory:

- 5.1.1 The terms governing the council's involvement are set out in the Local Transport Act 2008, Schedule 2, Paragraph 18. Advice from the Office of Fair Trading and Department for Transport is also relevant.

5.2 Environmental:

5.2.1 A co-ordinated, frequent and regular timetable on this important inter-urban bus route will provide an attractive alternative to the private car.

6. **OUTCOMES OF CONSULTATION**

6.1 The council's legal service has given advice on this report.

7. **RECOMMENDATIONS**

7.1 It is recommended that the Service Director, Highways & Planning be authorised to sign the Qualifying Agreement for bus service 350, the "Humber Fastcat".

SERVICE DIRECTOR HIGHWAYS AND PLANNING

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Background Papers used in the preparation of this report:

Copy of Qualifying Agreement signed by representatives of Stagecoach East Midlands and East Yorkshire Motor Services on File 09/1360 held by the Public Transport Team

Advice from the Office of Fair Trading (OFT 425) and the Department for Transport (dated February 2009) on File 09/1360 held by the Public Transport Team.

Local Transport Act 2008, Schedule 2, Paragraph 18.