



**Memorandum to the Transport Select Committee**

# Post Legislative Assessment of the Local Transport Act 2008

Presented to Parliament by the  
Secretary of State for Transport,  
by Command of Her Majesty,  
November 2013

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## Introduction

1. This Memorandum provides a preliminary assessment of the Local Transport Act 2008 ("the Act") and has been prepared by the Department for Transport (DfT) for submission to the Transport Select Committee. It will be published as part of the process set out in the document *Post Legislative Scrutiny – The Government's Approach* (Cm 7320).
2. The current Government has accepted the need to continue with the practice of post legislative scrutiny as it supports the Coalition's aim of improving Parliament's consideration of legislation.
3. The territorial extent of the Act is provided for in section 133 of the Act.

## Objectives of the Act

4. The Act received Royal Assent on 26th November 2008.
5. The provisions in the Act were intended to address increasing road congestion and to improve the quality of local bus services. The policy context and related background were set out in the consultation document *Strengthening Local Delivery: the draft Local Transport Bill*, published in May 2007 (Cm 7043). The Government's response to the consultation was published in November 2007.
6. The Act contained provisions to amend the law relating to:
  - the responsibilities of local authorities in relation to local transport policies and plans;
  - the operation of local bus services and related matters, including provisions relating to Traffic Commissioners (TCs);
  - the constitution and functions of Passenger Transport Authorities (PTAs), which were renamed as Integrated Transport Authorities (ITAs); and
  - the establishment and operation of local and London road user charging schemes (commonly referred to as "local road pricing schemes").
7. The Act also contained provisions conferring a new framework power on the National Assembly for Wales that enabled the Assembly to make provision for and in connection with charging schemes for Welsh trunk roads and certain other miscellaneous provisions.

## **Commencement of the Act**

8. The provisions of the Act have been commenced progressively. Further to the commencement provisions of section 134 of the Act, the following commencement orders have been made:
  - The Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) Order 2009 (SI 2009 No 107);
  - The Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) (Wales) Order 2009 (SI 2009 No 579);
  - The Local Transport Act 2008 (Commencement No. 2 and Transitional Provision) Order 2009 (SI 2009 No 3242);
  - The Local Transport Act 2008 (Commencement No. 2) (Wales) Order 2009 (SI 2009 No 3294);
  - The Local Transport Act 2013 (Commencement No. 3) Order 2013 (SI 2013 No 685); and
  - The Local Transport Act 2008 (Traffic Commissioners) (Consequential Amendments) Order 2013 (SI 2013 No 1644).
9. The following substantive provisions are not yet in force:
  - as regards Wales only, sections 19 to 44 which contain the new Quality Contracts Schemes regime; and
  - section 73 (The Public Transport Users' Committee for England).

## **Content of the Act**

10. Set out below is an overview of the main subject areas of the Act and an assessment of how particular measures have been operating. If a provision has not been commenced then we have explained why and set out whether or not we expect this to happen in the future.

## Part 1 – Traffic Commissioners (TCs)

11. Part 1 of the Act reformed the management arrangements for the TCs, who regulate the passenger and goods vehicle industries. Section 3 created a statutory Senior Traffic Commissioner (STC) with powers to issue directions and guidance to the other TCs with the aim of improving the consistency of decision making across the Traffic Commissioner (TC) network.
12. Section 2 removed the requirement for a TC to be appointed to each Traffic Area by creating a ‘pool’ of commissioners able to act anywhere in Great Britain – but only on reserved matters in Scotland. To ensure greater accountability of TCs, the Act also amended provisions to clarify the circumstances in which existing and future TCs who are systematically underperforming could be dismissed.
13. The Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) Order 2009 (SI 2009 No 107) brought into force, on 9th February 2009, sections 1 (Traffic Areas) and 6 (Consequential Amendments) as far as they were not already in force; and, on 4th March 2009, sections 3(1) (Senior Traffic Commissioner), in so far as it inserted new sections 4A, 4C and 4D into the Public Passenger Vehicles Act 1981 (“the 1981 Act”) and 3(2) to (4).
14. The Local Transport Act 2008 (Commencement No. 3) Order 2013 (SI 2013 No 685) brought into force the provisions of Part 1 of the Act which remained to be commenced. In addition to sections 2 and 3 described above, these were:
  - section 4, which clarified the circumstances in which existing and future TCs could be dismissed; and
  - section 5, which made provisions dealing with the transition from the existing to the new TC regime.
15. The Order also brought section 4 into force on 6th April 2013 and provided for the other TC pooling related provisions to come into force on the day after that on which the consequential amendments order (the Local Transport Act 2008 (Traffic Commissioners) (Consequential Amendments) Order 2013 (SI 2013 No 1644)) was made. The eventual date for these provisions coming into force was 3rd July 2013.
16. The first statutory STC, Philip Brown, was appointed in March 2009. He retired in October 2011 and was replaced on 1st June 2012 by Beverley Bell. The Department believes that after some initial ‘teething’ difficulties, the move to a statutory STC has been a positive one, with the post holder taking on far greater responsibility and accountability for how the TC system performs.
17. The provisions which removed the requirement for a TC to be appointed to each traffic area by creating a ‘pool’ of Commissioners able to act anywhere in Great Britain, which only came in to force in July 2013 and so it is not possible to assess the impact of these changes.
18. Amended provisions in the Act clarifying the circumstances in which existing and future TCs that are systematically underperforming could be dismissed came in to force in April 2013 but have not been used.

19. Part 1 of the Act does not make hugely significant changes to how the TC system operated previously. The changes were mainly in recognition of the strengthened role of TCs with regard to the public service vehicle (PSV) provisions in the Act. It is the expectation that the changes made to the legislation in Part 1 will lead to even greater consistency in decision making by TCs, possibly by enabling each TC to specialise in certain regulatory functions, or by reducing the number of Deputy TCs, the assumption being that, with fewer individuals making decisions, there is greater the likelihood of consistency.
20. What the Act did not change was the independence of each TC, which is particularly important when making judicial decisions, such as who may or may not be a road transport operator. Bearing in mind the need to preserve that independence, the provisions in Part 1 went as far as they could in terms of making regulatory changes that could lead to further improvements in the consistency of TC decisions.
21. The Act introduced flexibility allowing any of the Commissioners to operate in any of the Traffic Areas. In practice, the Welsh Government has continued to work with the TC formerly designated as responsible for Wales and the West Midlands Traffic Areas. This continuity is valued not only by the Welsh Government, who have funded three Bus Compliance Officers to assist the TC in the discharge of his official duties in Wales, but also by the bus industry and local authorities. Welsh Ministers' response to the National Assembly for Wales' Enterprise and Business Committee report reiterated their long-established view that the Welsh Government should become responsible for bus registrations and regulation in Wales. This is linked to their associated wish that there should be a TC with dedicated, full-time responsibility for Wales.
22. The Freight Transport Association (FTA) have commented that establishing the role of STC on a statutory footing had provided clear leadership to the TC team. The FTA believe that the STC Statutory Guidance and Directions documents<sup>1</sup> have aided them in identifying and clarifying aspects of the TCs' roles. However, the Association of Local Bus Company Managers (ALBUM) consider the same documents to be inconsistently prepared, with a lack of clear focus, resulting in them being little used by bus operators.
23. The Road Haulage Association (RHA) felt that the duty on the STC to consult was working well and that she was showing a real willingness to engage. The RHA's suggested further strengthening of the role of STC, allowing for more effective leadership of TCs and Deputy TCs as a group. The RHA believe this would lead to a further improvement in consistency and transparency among TCs and would also make engagement with the STC and other TCs even more productive to the benefit of the industry. The RHA were unclear as to whether or not this would require regulatory change.

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<sup>1</sup> <https://www.gov.uk/government/publications/senior-traffic-commissioners-statutory-guidance-and-statutory-directions>

## **Part 2 – Transport policies**

### ***Sections 7-9 – Local Transport Plans (LTPs)***

24. The Transport Act 2000 (“the 2000 Act”) introduced a statutory requirement for local transport authorities (LTAs) to produce a Local Transport Plan (LTP) every five years and to keep it under review. It also set out the statutory framework for LTPs and policies. The Department consulted in 2007 on amending the statutory framework for LTPs. Responses from stakeholders identified that the LTP remained a useful document, but that there was scope for introducing further flexibility for local authorities in some areas.
25. The Act retained the statutory requirement to produce and review LTPs and policies, but other aspects of the statutory framework have changed. The Act amended the duty in sections 108 and 109 of the 2000 Act for LTAs to produce a LTP. The obligation on LTAs to replace their LTPs every five years was removed and replaced with a power to amend LTPs as they saw fit.
26. Local authorities remain under a statutory duty to produce an LTP and to submit it to the Secretary of State. The Government believes the plans remain the best way for authorities to plan transport strategy, identify priorities and make sure that funding is spent efficiently and effectively. However, in line with the commitment to Localism, the Department no longer intervenes in the way local authorities review their progress against LTPs. All LTAs in England, outside London, have a current LTP in place and available on a publicly accessible website. These plans show that LTAs have taken advantage of the flexibility introduced by the Act in replacing and reviewing LTPs.
27. The majority of LTAs have produced a 15-year strategy plan and a three- or four-year implementation plan. However, the current strategy documents range from two to 27 years in scope. The implementation plans, being largely based on an assessment of the available funding, range from one to five years. A few authorities have continued to produce a strategy and implementation plan spanning five years.
28. On 20th July 2010 Norman Baker MP set out the Coalition Government’s position on LTPs in a speech at the Local Transport Today Conference. The speech can be found at the following link:  
<http://www.dft.gov.uk/press/speechesstatements/speeches/baker20100720>

### ***Local Transport Plans in Wales***

29. Section 9(3A) amended section 108 of the 2000 Act and contained provisions relating to the preparation of LTPs in Wales. The provisions differ from those applied to England.
30. In Wales, when preparing a LTP, no duty was placed on LTAs to take into account Government policies on protecting and improving the environment (section 8(4)). Instead, when preparing their LTPs, LTAs in Wales had to contain their policies as set out in subsection (2A) which refers to developing policies for implementation in their area of the Wales Transport Strategy and the carrying out of their functions so as to implement those policies.

31. LTPs in Wales also had to contain that which is referred to under Section 108(1)(a) of the 2000 Act; namely policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from, and within their area.

### ***Section 10 – Bus strategies no longer required***

32. The Act removed the requirement for local authorities to produce a separate bus strategy. This change was introduced to allow bus measures to be integrated more effectively into the core LTP strategy and implementation plan.

### ***Section 11 – Duty to have regard to transport needs of disabled persons***

33. Section 112(2) of the 2000 Act contained a duty for LTAs, when developing their policies, to have regard to the transport needs of persons who “are elderly or have mobility problems”. Section 11 of the Act amended that duty in two ways. Firstly, it provided that it will extend additionally to the implementation (as well as the development) of LTPs. Secondly, it extended the duty to cover the transport needs of all “disabled persons” within the meaning of the Equality Act 2010, in addition to those to whom it already extended.
34. Individual members of the Disabled Persons Transport Advisory Committee (DPTAC) identified section 11 as successful in embedding the consideration of all transport users within the legislative framework used in the preparation, consideration and implementation of transport strategies. DPTAC feel that this provision has helped to facilitate wider availability of accessible transport, such as dial-a-ride, taxicard and community transport, without which disabled people would potentially have been more isolated. However, members of DPTAC have suggested that there may be scope for even greater access to journeys and destinations for disabled people and that the Department could facilitate this by issuing improved guidance on the issue for local authorities. DPTAC members have also acknowledged that progress in this area is being complicated by significant funding challenges.

### ***Section 12 – Development of policies by ITA no longer joint duty with district councils***

35. In the six metropolitan counties outside London, the duty to formulate LTPs and policies was, in the past, shared between metropolitan district councils. The Act gave ITAs sole responsibility over this from 9th February 2009. This part of the Act was intended to facilitate transport planning and delivery in metropolitan counties. The current LTPs demonstrate that ITAs are still working closely with the metropolitan districts, beyond the statutory duty to consult, in producing LTPs.

## Part 3 – Bus services

### ***Quality Partnership Schemes (QPSs)***

36. A statutory Quality Partnership Scheme (QPS) is a legal arrangement between a local authority and one (or more) bus companies. The schemes are developed through negotiations between local authorities and local bus operators, though ultimately the local authority can impose a QPS on a given area and take steps to ensure that operators who will not agree to abide by the scheme cannot provide bus services in the prescribed area.
37. Prior to the Act, QPSs were largely limited to issues such as bus quality. The Act expanded their scope by allowing for frequencies, timings and maximum fares to be included where there were no admissible objections from relevant bus operators. It also provided scope for the TC to disallow the registration of additional services in the partnership area if it risked undermining the successful operation of the QPS. Under the Act, any Local Transport Authority (LTA) may make a QPS, though in doing so it is required to meet a self-completed competition test, ensuring that, among other things, any adverse impact on competition is proportionate to the benefits of the scheme.
38. A QPS is a statutory scheme with its process, form and content prescribed by the 2000 Act and associated Regulations.<sup>2</sup> Part 2 of the 2000 Act included provisions relating to QPSs, under which a local authority (or two or more local authorities jointly) agrees to invest in improved facilities at specific locations along bus routes (for example bus stops/bus lanes) and operators who wish to use those facilities undertake to provide services of a particular standard (for example new buses or driver training standards). Only those operators prepared to provide services to the standards specified in the scheme are permitted to use the facilities.
39. The Act expanded the terms of QPSs to allow a local authority to specify, as part of the standard of service to be provided under the scheme, requirements on frequencies, timings and maximum fares, as well as quality standards. The Act also provided safeguards for operators to ensure that unfair conditions are not imposed on them and that their legitimate right to a fair commercial rate of return is not undermined. Therefore an operator can object to particular standards included in a given scheme relating to frequencies, timings or maximum fares. But, in order to minimise vexatious objections, operators must justify the grounds for their objection.
40. Changes made by the Act mean that a QPS may also specify restrictions on the registration of new services or the variation/withdrawal of existing services in the area of the scheme. Where these registration restrictions are included, the scheme must also include registration criteria against which the TC must decide whether or not to accept applications to register new services or to change existing ones.

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<sup>2</sup> The following Regulations had been made specifically in relation to QPSs: the Quality Partnership Schemes (Existing Facilities) Regulations 2001 (SI 2001 No 3317), the Quality Partnership Schemes (Existing Facilities) (Wales) Regulations 2002 (SI 2002 No 3017), the Quality Partnership Schemes (England) Regulations 2009 (SI 2009 No 445), the Quality Partnership Schemes (Wales) Regulations 2009 (SI 2009 No 3293) and the Public Service Vehicles (Registration Restrictions) (England and Wales) Regulations 2009 (SI 2009 No 443).

41. Ultimately, a QPS could help to deliver a range of benefits – including value for money (for passengers and in terms of policy and commercial objectives), growth in patronage and improvements in the efficiency and effectiveness of bus networks.
42. QPSs came into force in the 2000 Act with very little impact. However, since the Act became law a limited number of QPSs have been introduced, covering both urban and rural areas.<sup>3</sup>
43. To date, no local authority has made use of the additional powers, conferred by the Act, to use a QPS to set fares and impose registration restrictions on services running in, or near to, areas affected by the scheme. Feedback from some local authorities and from the Association of Transport Coordinating Officers (ATCO) suggests that this may be due in part to perceived issues with the policing and enforcement of QPSs. However, it is understood that at the time of writing only one operator has been taken to Public Inquiry for allegedly failing to meet the requirements of a QPS. As such, the process and powers are relatively untested.<sup>4</sup>
44. There is also a general sense that potentially complex statutory schemes, requiring additional resource to manage and long-term financial commitment, do not necessarily represent the best available option for all local authorities. The economic climate since 2008 may have exacerbated this, with local authorities potentially being more cautious about entering into long-term agreements. It is also likely that these economic conditions have reduced the number of ‘aggressive’ new market entrants, against which a QPS can protect incumbent bus operators.
45. In short, where QPSs have been introduced, they have been seen to be beneficial, with authorities such as Merseytravel and CENTRO actively pursuing further schemes. However, the limited number of QPSs suggests that many local authorities believe their objectives can be met through less bureaucratic, non-statutory arrangements.

### **Quality Contract Schemes (QCSs)**

46. A Quality Contract Scheme (QCS) is a scheme under which a local authority (or two or more local authorities acting jointly) decides what local bus services, and any additional facilities or services, should be provided in a prescribed area. Within that area, local bus services may only be provided in accordance with quality contracts let by the local authority(ies).<sup>5</sup> Powers to make a QCS were granted to local authorities by the 2000 Act – however, no authority chose to take advantage of the new powers. This resulted in a review in 2006 and

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<sup>3</sup> Since 2008, examples of QPSs introduced include Greater Manchester, Merseyside, South Yorkshire and the West Midlands. Schemes have also been introduced in areas such as Nottingham and Bristol.

<sup>4</sup> Whilst feedback indicates that the legislation here has proved to be workable, it could benefit through more effective arrangements for enforcing the provisions of each QPS. Indeed, concerns around the inadequacies in policing a more ambitious QPS, as well as the burdens of managing such a scheme, were raised as a disincentive to local authorities considering utilising the full range of powers available under the Act.

<sup>5</sup> There are three exceptions – where particular services are excluded from the scheme, where an application to register services is made and the local authority provides a clearance certificate, or where the local authority is providing interim services as “operator of last resort”.

then in the changes subsequently enacted through the Act, which were intended to make it easier for a local authority to implement a QCS.<sup>6</sup>

47. Prior to the Act, a local authority could only introduce a QCS if it was the "only practicable way" of delivering its local transport policies. The Act replaced this existing requirement with a new set of public interest criteria designed to make QCSs a much more realistic option for local authorities. The Act also amended the various procedures to be followed before a local authority could make a QCS. For example, local authorities were no longer required to get the approval of the Secretary of State before making a QCS. Instead they would be required to submit proposals to an independent QCS board, whose remit would be to provide an opinion on whether statutory notice and consultation requirements had been fulfilled and whether the proposed scheme met certain criteria set out in the 2000 Act.
48. Five Statutory Instruments were made in 2009 to give full effect to provisions relating to QCSs in the 2000 Act, as amended by the Act. They were:
  - the Quality Contracts Schemes (QCS Boards) (England) Regulations 2009 (SI 2009 No 3243). The purpose of these was to detail the constitution, practices and procedures of QCS boards to ensure proper independent scrutiny of proposed QCSs, while avoiding undue delay to the implementation of schemes in the public interest;
  - the Quality Contracts Schemes (Tendering Requirements) (England) Regulations 2009 (SI 2009 No 3244) and the Public Service Vehicles (Registration of Local Services) (Quality Contracts Schemes) (England and Wales) Regulations 2009 (SI 2009 No 3245). The primary purpose of these regulations was to assuage concerns about the risk of disruption to bus services during the period of transition to a QCS, particularly if an existing bus operator withdrew services during that transitional period. The regulations increased the notice period an operator must give before withdrawing existing services (or varying them to the significant detriment of passengers) during the transitional period, thereby allowing the local authority more time to arrange for replacement services to be provided. In addition, they relaxed requirements on the local authority to invite tenders before entering into service subsidy agreements with operators during the transition period, enabling the local authority to arrange for replacement services to be provided more rapidly;
  - the Quality Contracts Schemes (Application of TUPE) Regulations 2009 (SI 2009 No 3246). These Regulations supplemented the related provisions already within the 2000 Act with a view to ensuring that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006 No 246) (TUPE) take effect where they are deemed by the 2000 Act to apply in relation to QCSs; and
  - the Quality Contracts Schemes (Pension Protection) Regulations 2009 (SI 2009 No 3247), which fulfil the 2000 Act requirement for the Secretary of State to make regulations to protect the pension rights of

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<sup>6</sup> Statutory guidance on Quality Contract Schemes can be found at –  
<http://assets.dft.gov.uk/publications/pgr-regional-localtransportbill-qcsstatutoryguidance-doc/guidance.doc>  
[http://www.legislation.gov.uk/ukxi/2009/3244/pdfs/ukxiem\\_20093244\\_en.pdf](http://www.legislation.gov.uk/ukxi/2009/3244/pdfs/ukxiem_20093244_en.pdf)

certain employees who, by virtue of TUPE, transfer from one operator to another on the coming into force of a quality contract.

49. The aim of the QCS regulations was to make a QCS a more realistic option for any local authority able to demonstrate a public interest case for introducing such a scheme, while also ensuring appropriate safeguards to protect the legitimate interests of bus operators.
50. Although the QCS concept was introduced by the 2000 Act, no proposals were made by a local authority until after the Act came into force. To date only one QCS has been proposed – in the North East by the Tyne and Wear ITA. However, other local authorities have looked at the possibility of introducing a QCS, and West Yorkshire ITA, for example, is continuing to develop a QCS scheme.
51. QCSs are generally considered by local authorities to be a high risk and resource intensive proposition. The risk of harming relations with, and the services provided by, incumbent bus operators, who may seek to leave the market altogether, can be a major deterrent for local authorities considering a QCS. The transitional period before a proposed QCS comes into force is particularly at risk. This is despite the Act and its related regulations attempting to allay concerns about incumbent operators exiting the market rapidly.
52. Added to this, various local authorities and groups such as ATCO and the Passenger Transport Executive Group (pteg) have expressed the view that QCSs represent an expensive, complex and time consuming undertaking, likely to be potentially viable only within larger urban areas overseen by the Passenger Transport Executives (PTEs). This notwithstanding, it has been noted that the availability of the QCS option has, apparently, assisted in negotiating improvements with operators in areas such as fare levels and inter-operability, as well as quality standards. In effect, the prospect of proposing a QCS has, it is argued, been used as leverage by certain local authorities seeking to bring about changes to local bus markets.<sup>7</sup>

### ***Voluntary Partnership Agreements (VPAs)***

53. Voluntary Partnership Agreements are formal, voluntary arrangements between a local authority (or two or more working together) and one or more operators. In implementing a Voluntary Partnership Agreement (VPA), the local authority must be of the opinion that any dis-benefit arising from reduced competition will be outweighed by the likely benefits of better bus services. As with a QPS, under a VPA the local authority provides improved facilities and the operator(s) provide(s) better services.
54. VPAs allow operators to provide coordinated services under a formal agreement, based on a clear competition test under which the Office of Fair Trading (OFT)'s powers to impose fines is removed. Unlike a QPS, a VPA is not a legally binding agreement. Therefore incumbent operators, as well as new market entrants, are not obliged to comply with its terms and restrictions.

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<sup>7</sup> For example, Bus Users UK note that in some locations, notably South Yorkshire and to an extent West Yorkshire, service quality has been driven up by the 'threat' of Quality Contracts and in the case of South Yorkshire, and also arguably in Merseyside and Greater Manchester, some strong and beneficial partnerships have arisen as a result.

55. Prior to the Act, it was difficult for bus operators, local authorities and others to enter into partnership discussions with multiple operators because it could be seen as collusion or cartel-like behaviour, and there are substantial penalties for breaching competition law. The Act included provisions making it easier for bus operators to enter into agreements, either with local authorities or with each other via “Qualifying Agreements”, for example to coordinate timetables.
56. The Act included various provisions designed to enable more effective partnership working between local authorities and bus operators in order to deliver improved bus services. Section 46 of – and Schedule 2 to – the Act amended the 2000 Act to introduce new provisions about VPAs between local authorities and operators and other Qualifying Agreements between bus operators.<sup>8</sup>
57. Amendments made by the Act introduced a statutory definition of a VPA. A VPA is a particular type of voluntary agreement and is defined in the 2000 Act as any voluntary agreement under which:
- a Local Transport Authority (LTA), or two or more LTAs, undertakes to provide particular facilities, or to do anything else for the purpose of bringing benefits to persons using local services, within the whole or part of their area, or combined areas; and
  - one or more operators of local services undertake to provide services of a particular standard.
58. Amendments made by the Act also changed the way in which competition law applies to VPAs and certain Qualifying Agreements made between operators. Specific new competition law provisions are included in place of the Competition Act 1998, such as the removal of power from the OFT to impose financial penalties on operators, so long as the local authority has certified and endorsed the agreement in question. The intention here was to tailor the relevant law so that it can be applied more clearly to the bus market in the hope of encouraging more such agreements.<sup>9</sup>
59. Feedback from local authorities suggests that the Act’s provisions on VPAs have generally been regarded as beneficial and that they have been reasonably well utilised by the PTEs, and, to a lesser extent, by shire councils and unitary authorities.<sup>10</sup> In South Yorkshire, the Sheffield Bus Partnership uses a VPA and has two Qualifying Agreements as well as certification of the operators’ two multi-operator ticketing schemes. It is reported that, after nine months, the VPA has contributed to improved punctuality (up on average by 2% per month), adult fare paying passenger numbers rising by over 14% compared to the same time last year, and overall passenger numbers up by over 4%. Complaints are also reportedly down by 30%. In Oxford, three local operators (Oxford Bus, Stagecoach and Thames Travel) have used the legal

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<sup>8</sup> These provisions came into force in England on 9th February 2009.

<sup>9</sup> A guidance document was produced by the DfT/OFT on “The application of competition law to certain aspects of the bus market following the Local Transport Act 2008”. See:

[http://www.offt.gov.uk/shared\\_offt/business\\_leaflets/general/oft452.pdf](http://www.offt.gov.uk/shared_offt/business_leaflets/general/oft452.pdf)

<sup>10</sup> Examples of VPAs in place include in the metropolitan PTEs, Greater Manchester, South Yorkshire, Tyne and Wear and West Midlands. There are also VPAs in place in shire counties and unitary authorities, including Norfolk, Cheshire, Oxford and St Albans.

framework set out in the Act via a Qualifying Agreement in order to coordinate timetables, routes and bus stops in order to benefit users.

60. However, despite the view, expressed by the PTEs, that the Act helped to ease the way for operators and local authorities to come together, there remains a sense that operators are still highly cautious in entering into such agreements.<sup>11</sup> Relatively few VPAs have so far been concluded, and most partnership arrangements remain informal.

### ***Part 3 of the Act in Wales***

61. Part 3 of the Act empowered local authorities in Wales to make statutory QPSs and to seek the consent of Welsh Ministers to make QCSs. Part 3 also specified the various requirements which local authorities in Wales were required to meet as part of this process. The Local Transport Act 2008 (Commencement No. 2) (Wales) Order 2009 brought into force the relevant provisions in sections 13 to 18 of the Act on 31st January 2010.
62. To date, local authorities in Wales have not been persuaded of the benefits of a Quality Contract Scheme. A limited number of QPSs have been made. In these circumstances, the Welsh Government has prioritised the introduction of legislation to extend to local authorities powers over bus lane and some moving traffic contraventions.
63. Only three modest QPSs have been made by a local authority in Wales. The Welsh Government is reviewing the potential for QCSs and will develop the legislation necessary to commence the relevant provisions at the appropriate time.

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<sup>11</sup> CENTRO suggest that this general sense of caution was exacerbated by the Competition Commission's report into the bus industry, which was perceived by some operators and authorities to muddy the waters in terms of what the Act described as permissible behaviour.

## **Part 4 – General provisions relating to passenger transport**

### ***Section 47 – Detention of certain public service vehicles (PSVs) used without Public Service Vehicle (PSV) operators' licences***

64. Section 47 gave a regulation-making power to the Secretary of State. Regulations were made in 2009 as The Public Service Vehicles (Enforcement Powers) Regulations 2009 (SI 2009 No 1964).
65. The regulations introduced a statutory regime whereby a vehicle adapted to carry more than eight passengers which is being, or has been, used on a road in contravention of the PSV operator licensing requirements in section 12 of the 1981 Act can be detained by an authorised person (defined as an examiner appointed by the Secretary of State under section 66A of the Road Traffic Act 1988 or a person acting under the direction of such an examiner).
66. Since the introduction of enforcement powers giving the Vehicle and Operator Standards Agency (VOSA) the right to impound illegally operated PSVs, 40 vehicles have been impounded. Of these, one has been returned to the owner following an appeal to the Upper Tribunal, which determined that the case should be reheard by the Traffic Commissioner (TC). Two vehicles have been returned or sold by the TC and nine cases are currently in the appeal period or going through the appeal process to the TC or the Upper Tribunal. All the remaining vehicles have been scrapped, sold or otherwise disposed of.
67. There is anecdotal evidence from compliant operators that steps taken are positive. There was an initial increase in applications from operators of limousine type vehicles for restricted licences.

### ***Section 50 – Traffic regulation conditions for anticipated traffic problems***

68. Section 50 amended section 7 of the Transport Act 1985 (“the 1985 Act”). Under the existing legislation a TC could impose traffic regulation conditions on the providers of local services when asked to do so by the traffic authority in relation to a particular traffic problem. The amendment had the effect of allowing TCs to put in measures as a precaution to prevent a particular traffic problem rather than wait until an incident had occurred, for example to combat potential congestion or cases where uncompetitive behaviour may be demonstrated by bus operators.
69. These new powers have been used by TCs in at least one case and are considered a valuable tool.
70. The Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) Order 2009 (SI 2009 No 107) commenced section 50 on 9th February 2009.

### ***Section 53 – Use of private hire vehicles to provide local services***

71. Section 53 amended section 12 of the 1985 Act to allow private hire vehicles (PHVs) to provide local bus services – “PHVbuses”. The power in section 12 of the 1985 Act, as originally enacted, applied solely to taxis – “taxibuses”.

72. Section 53 was included in the Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) Order 2009 (SI 2009 No 107) and was commenced on 6th April 2009. However, it only had a practical effect when the associated regulations (which prescribed certain rules and lifted certain conventional PHV operating rules) were made and came into force. It allowed PHV owners to get a special PSV operator licence from the TC and register one or more local bus services. The Local Services (Operation by Licensed Hire Cars) Regulations 2009 (SI 2009 No 2863) came into force on 27th November 2009. So, since November 2009, PHV owners have been able to apply for special PSV operator licences.
73. In policy terms, the intention was to provide PHV owners with greater flexibility in the way they operated. However, by the summer of 2013, only 54 special licences had been issued to PHV licence holders. Against the background of some 100,000 eligible PHV licences in circulation, this suggests that the new initiative has not been particularly attractive. Conventional PHV work involves operators despatching work to drivers, and the Department understands that operators do not like to lose this connection with the drivers on their circuits. We have been alerted to one particular operator whose use of the PHVbus provisions has generated concerns locally, but, from the brief details supplied, it would seem that the service was not being operated in accordance with the Act and associated Regulations, rather than there being an intrinsic problem with the legislation.

#### ***Section 54 – Application of certain provisions about taxis and hire cars to London***

74. Section 54 allowed Transport for London (TfL) to decide whether the PHVbus provisions should apply in London. This section came into force on 6th April 2009 when it was included in the Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) Order 2009 (SI 2009 No 107). The power has not, however, been used by TfL.

#### ***Sections 55 and 56 – Carrying of passengers in wheelchairs***

75. Sections 55 and 56 amended the Disability Discrimination Act 1995 (“the DDA 1995”) to impose the duties in section 36 of the DDA 1995 (relating to the carrying of disabled persons who are in wheelchairs) on drivers of designated taxibuses and PHVbuses. Sections 55 and 56 came into force on 26th January 2009 (and duly amended section 36 of the DDA 1995 and inserted section 36A) two months after the Act received Royal Assent (under section 134(2)).
76. The Department is not aware that any local authority has exercised the power to impose the duties in respect of a driver of a wheelchair accessible taxibus or PHVbus on a local authority’s list of designated vehicles. It is therefore reasonable to assume that this provision has had very little, if any, effect.
77. The amendment to section 36 of, and the insertion of section 36A in, the DDA 1995 technically still have legal force as they are two of the few remaining extant provisions in the DDA 1995. This is because these sections were saved by transitional provisions in the commencement of the Equality Act 2010 (“the 2010 Act”) and are now linked to the commencement of equivalent provisions in that Act. The equivalent provisions are primarily contained in section 165 of

the 2010 Act and would apply the section 36 duties to all drivers of designated taxis and PHVs (and could be applied to drivers of PHVbuses and taxibuses). A decision about how to deal with the extant provisions in the DDA 1995 will be made once the Government is clear about its commencement strategy in relation to section 165 of the 2010 Act.

### ***Sections 57 to 61 – Vehicles used under permits***

78. These sections of the Act amended sections 19 to 23 of the 1985 Act, which enabled certain voluntary bodies to operate public service vehicles without a PSV operator's licence. The Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) Order 2009 (SI 2009 No 107) formally commenced sections 57 to 61 on 6th April 2009.
79. Ordinarily, anyone operating a PSV in Great Britain that accepts any sort of payment for providing transport to passengers must hold a PSV operator's licence issued by the relevant TC. However, section 19 of the 1985 Act enabled permits to be granted to educational, religious, social welfare and other bodies. The effect of a permit is that the body does not need a PSV operator's licence to operate passenger carrying services for members of the body. Members of the general public may not be carried on such services. Section 22 of the same Act enables permits to be granted, under certain conditions, for the provision of local bus services for the general public.
80. The Act introduced a number of new requirements with the aim of creating a more robust permit system, streamlining its administration and enhancing the effectiveness of the service given to applicants and holders of Section 19 and 22 Permits.
81. Section 57 removed a restriction that previously prevented the use of PSVs with fewer than nine seats where the permit had been issued under section 19 of the 1985 Act. It also made a small change to the order-making power for designated bodies, so that an order may require them to keep records of permits as well as make returns.
82. The new provisions in section 57 have increased the flexibility for community transport operators by allowing them to use smaller vehicles to deliver services, particularly dial-a-ride and services in rural areas, under a Section 19 Permit. This has been effective and has helped to reduce carbon emissions by negating the need to use larger minibuses. However, concerns have been expressed by the community transport sector over these smaller vehicles operating section 19 services having to collect separate fares, which may be restrictive for some operators (though it should be borne in mind that it is this restriction which means that the smaller vehicles do not fall into the territory of taxi or PHV licensing). There has also been increased demand for Section 22 Permits to be used with smaller vehicles.
83. Section 59 amended sections 22 and 23 of the 1985 Act to enable large buses (defined as those capable of carrying in excess of 16 passengers) to be used to provide community transport services. Section 59 also removed a prohibition on the drivers of such services from being paid. Section 59 has seen a number of community transport operators establish section 22 services with larger vehicles. Allowing drivers to be paid to undertake section 22 work has been identified as highly effective by the community transport sector. The most

recent research in the Community Transport Association's *State of the Sector Report for England 2012* showed a rapid rise in the number of new section 22 services (from 1 in 2007/8 to 174 in 2011/12), with this provision being identified as a key reason behind this increase. In Scotland there has also been a significant increase, with around 30 newly established section 22 services compared to fewer than five in 2008.

84. Section 60 allowed the Secretary of State to introduce new regulations stating that any permit granted under section 19 or 22 of the 1985 Act would be valid for a period not exceeding five years from the date of issue. These provisions were implemented as the Community Bus Regulations 2009 (SI 2009 No 366) and the Section 19 Permit Regulations 2009 (SI 2009 No 365), which both came into force and applied to all new permits from 6th April 2009. This time restriction has assisted designated permit issuing bodies in reviewing permit activity and the number of permits that are still actively used. More specifically, this has meant a more accurate assessment of the number of active permits and more up to date records of permit holders.
85. Both of these Regulations also allow for any permit issued before 6th April 2009 that is lost or destroyed to be revoked by the relevant issuing body. This has allowed permits that had fallen out of use to be rescinded. TCs have suggested that further regulations should be drafted stating that all permits issued prior to April 2009 should also expire in April 2014 in order to maintain an even more accurate record of all permits in circulation. The Department is considering both regulatory and non-regulatory solutions to ensure that details of all current Section 19 and Section 22 permits are correct
86. Section 61 amended section 126 of the 1985 Act to require TCs to keep records both of permits granted by them and copies of permits submitted to them by designated bodies. It also amended provisions already requiring them to keep records of other documents issued under the 1985 Act. This has been important in developing and maintaining records of permit operation activity, as it allows better assessment of the impact of community transport. The requirement to keep records provided useful evidence for the *State of the Sector Report for England 2012*, which mapped permit issuing since 2007. The community transport sector has suggested it would be useful if more detailed information on both Section 19 and Section 22 Permit issue/revocation and service registration (Section 22 Permits only) was also made available publicly, preferably online.
87. In general, feedback from community transport stakeholders is that the Act has been highly effective in increasing the ability of community transport operations to meet the needs of local communities and marginalised individuals.

### ***Section 63 – Powers of traffic commissioners where services not operated as registered and section 64 – Additional sanctions for failures by bus operators***

88. Sections 63 and 64 gave additional powers to TCs. These powers included the ability to take into account actions taken or not taken by local authorities on bus punctuality and to make recommendations. Under the Act's provisions, a TC may require a local traffic authority to provide any specified information

connected with any aspect of their network management duty under Part 2 of the Traffic Management Act 2004 and to attend any enquiry into an operator's performance.

89. Secondly, sections 63 and 64 gave additional powers to TCs to impose financial sanctions on operators who fail to operate services satisfactorily. This could include alternatives to a fine, for example an order to spend a specified sum making improvements to a service or compensating passengers on such services.
90. The Local Transport Act 2008 (Commencement No.1 and Transitional Provisions) Order 2009 (SI 2009 No 107) commenced section 63 and section 64 on 9th February 2009.
91. No local authority has been called to attend a public inquiry as a result of these extended powers.

### ***Section 69 – Subsidy to secure passenger transport in Wales***

92. Section 69 amended provisions relating to the registration of local bus services in Wales and introduced a power allowing Welsh Ministers to enter into agreements to secure the provision of passenger transport services in Wales that would not otherwise be provided.
93. The Local Transport Act 2008 (Commencement No. 1 and Transitional Provisions) (Wales) Order 2009 (SI 2009 No 579) brought into force the provisions under Section 69 on 1st April 2009.

### ***Section 73 – The Public Transport Users' Committee for England***

94. As outlined in the Explanatory Notes accompanying the Act. Following the close of the consultation on strengthening bus passenger representation, the Secretary of State announced on 8 April 2008 that, subject to further consultation, the remit of the Rail Passengers' Council (Passenger Focus) would be widened to take on the role of the bus passenger representative body. Therefore there are no immediate plans to establish a Public Transport Users' Committee for England.

### ***Section 74 – Power to confer non-rail functions on the Rail Passengers' Council***

95. The Act allowed for the creation of an influential new bus passenger champion to represent the interests of bus passengers. Section 74 inserted a new section 19A into the Railways Act 2005. Section 19A(1) empowers the Secretary of State to confer functions by order on the Rail Passengers' Council, which operates as "Passenger Focus", relating to local bus services, domestic coach services and tramway services to the extent that they operate in England. Having been officially renamed the Passengers' Council, the body now represents rail passengers in England, Scotland and Wales, bus and tram passengers in England (outside London) and passengers on scheduled domestic coach services in England.

96. The Passengers' Council (Non-Railway Functions) Order 2010 (SI 2010 No 439) inserted into the 1985 Act a new Part 5A consisting of twelve sections that conferred powers and imposed duties on the Council in relation to road passenger transport services and road passenger transport facilities in England. The new section 112B conferred new functions in relation to the provision of bus services (local services, as defined in section 2 of the 1985 Act), domestic coach services, tramway passenger services and road passenger transport facilities. The new provisions imposed a duty on the Council to investigate certain matters referred by the Secretary of State, passengers or passenger representative bodies. The Council was also given powers to investigate matters of its own volition (new section 112C). The Act also gave the Council powers, where it considers it to be appropriate, to refer certain matters to another body for investigation (new section 112D).
97. Passenger Focus has provided a valuable source of new information and research in terms of passengers' satisfaction and priorities. Passenger Focus has used its research to challenge operators and local government on behalf of passengers to ensure action is taken to drive improvements forward. The bus passenger satisfaction survey, which provides results at local government level and for each operator within the area, has enabled partnerships to benchmark satisfaction results and so focus time and resources on areas that need addressing. The survey's success can be seen by the fact that bus industry stakeholders have used Passenger Focus to carry out passenger satisfaction surveys on their behalf. Passenger Focus has developed a tram passenger survey and will be undertaking the first national survey. Passenger Focus is developing proposals for a coach passenger satisfaction survey.
98. Industry has been reassured by Passenger Focus' work to build a solid evidence base and to reflect the priorities of the whole cross-section of passengers. Using the evidence collected and published in its various research and policy publications, Passenger Focus has been able to influence discussions and debates on the provision of local bus services, including on issues such as fares and value for money, and passenger information. Passenger Focus has worked collaboratively with stakeholders to identify the causes of delays to bus services, including case studies, and what can be done to improve them. It has encouraged better consultation on changes to bus networks with the production of a best practice "consultation toolkit".

### ***Section 75 – Power to require display of certain information***

99. Section 75 gave the Secretary of State and Welsh Ministers powers to make regulations that required certain information relating to public transport to be displayed on vehicles. It was envisaged that this would include details of contacts for making complaints and enquiries about services. Section 75 also provided for regulations to be made enabling the TCs to impose financial penalties on operators who did not comply with the requirements.
100. As part of its review of outstanding regulations following the 2010 General Election, the Coalition Government decided not to use the powers contained in section 75 on the grounds that it would be unduly prescriptive to specify these requirements in legislation.

## Part 5 – Integrated Transport Authorities (ITAs)

101. Part 5 of the Act provided a process to enable ITAs to review and reform their current governance arrangements and to enable the Secretary of State by order to create new ITAs.
102. These provisions have been greatly extended by Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the LDEDC Act”). This Act provided for the creation of Economic Prosperity Boards and enabled these bodies to be merged with ITAs to form “combined authorities”, thus integrating planning and delivery of transport with economic development.
103. All of the ITAs (and their PTEs) have reviewed their governance arrangements, primarily using the LDEDC Act. This led to the creation of the first Combined Authority (and the consequential abolition of the ITA) in Greater Manchester, taking effect in 2011. Most of the other metropolitan areas are planning to follow suit, with formal Combined Authority processes under way in South Yorkshire, West Yorkshire, the North East and Merseyside, and changes to the governance arrangements in the West Midlands also being considered.
104. The provisions of Part 5 of the Act are a fundamental part of the legislation that facilitated this emerging form of governance for the metropolitan areas. They have been useful in the following ways:
  - by providing a template and a working model for the subsequent and more far reaching LDEDC Act;
  - by starting off the process of reviewing the way in which transport was governed in the metropolitan areas, which has ultimately led to transformational change with transport better integrated into wider overarching metropolitan governance; and
  - by continuing to allow for further change in transport governance both in the metropolitan areas and in other conurbations that do not currently have any form of cross-boundary statutory strategic transport planning capability.
105. Part 5 of the Act also gave ITAs well-being powers, similar to other local authorities. This was seen as a welcome provision and gave ITAs and PTEs confidence that they had the same powers as local government in general to act in innovative ways to support their wider strategic transport duties. The powers helped to remove some grey areas in terms of powers, particularly in areas such as smart ticketing and discretionary travel concessions, as well as participation in partnerships with other bodies and agencies. For example, Merseytravel has utilised these powers to extend their Concessionary Travel Scheme to people aged 60 or over in excess of the statutory national scheme. They have also used these powers in relation to expanding the Mersey Ferries Tourism offer.
106. The further General Powers of Competence included in the Localism Act 2011 have built on the Act’s well-being powers to give ITAs and PTEs (and successor bodies) the legal comfort they need to work across their boundaries and to act in innovative ways.

107. The Department is now seeing significant changes to the governance arrangements that cover transport in metropolitan areas. Although the provisions to create Combined Authorities came in later legislation, it was the Act that laid the foundations for this transformation.
108. To date, no area outside the metropolitan cities has presented a governance scheme to the Department for consideration by the Secretary of State, i.e. to create a new ITA area. Section 81 of the Act gave the Secretary of State powers to direct local authorities to undertake a review of their transport governance arrangements. However, a locally led approach is preferred and, with the metropolitan cities taking the lead on governance changes, other places are beginning to consider how they might support the delivery of economic growth through changes to their governance arrangements.

## **Part 6 – Local and London charging schemes**

109. The legislative framework for local road user charging schemes in England (excluding London) and Wales was established in the 2000 Act. The Act amended this framework for the making and implementation of local road user charging schemes. The Act provided greater freedom to local authorities wanting to bring forward local charging schemes within a framework of local accountability. It also provided additional measures to ensure that schemes were consistent and interoperable.
110. The provisions relating to charging schemes in Part 6 (and 7) of the Act are enabling in nature and explain what has to be considered before a new local or joint local (including a joint ITA) road user charging scheme is made. Since the relevant parts of the Act entered force (9th February 2009 for England and 1st April 2009 for Wales) no local charging schemes have been made. Decisions on whether to introduce local charging schemes are a matter for the appropriate local authorities.
111. There are no reasons to suppose the provisions in Part 6 of the Act will not work as intended. This has not been tested, though, as no local authority or ITA has brought forward a new road user charging scheme. This reflects local policy choices rather than any issue with the Act. Local authorities are free to continue to develop their local transport policies and plans, including decisions on the role of any charging schemes and the Department is aware that some are continuing to consider this option.

## **Part 7 – Miscellaneous provisions**

### ***Section 122 – Powers of the National Assembly of Wales***

112. Section 122 of the Act gave the National Assembly for Wales legislative competence to make schemes which impose charges for the use or keeping of vehicles on Welsh trunk roads for which it is the traffic authority. These provisions were commenced on 26th January 2009.

### ***Section 124 – Street works: reinstatement and remedial works***

113. Section 124 is a miscellaneous provision in the Act which clarified the meaning of 'street works' to include any reinstatement work (i.e. repair) of the street required due to street works and remedial work on reinstatements. This was aimed at reducing the potential for disputes between local highway authorities and utility companies by removing doubt about what the term included.

### ***Section 125 – Vehicles authorised to be used under an operator's licence***

114. Amendments under section 125 enabled the reduction of administrative burdens on operators and VOSA by abolishing the fees paid for notifying goods vehicles used on an 'O Licence' and introducing an enforcement element on heavy goods vehicle test fees. The amendments also allowed for an un-commenced provision of the 2000 Act, which allowed vehicles to be used for up to 1 month before they were specified on a licence, to be removed.
115. Administrative burden savings resulting from the 2009 fee changes were outlined in the Impact Assessment for the change which was published as Annex B to the Explanatory Memorandum at:  
[http://www.opsi.gov.uk/si/si2009/em/uksiem\\_20090787\\_en.pdf](http://www.opsi.gov.uk/si/si2009/em/uksiem_20090787_en.pdf)

By abolishing the fee paid for notifying vehicles used on an operator licence, all the burdens associated with paying it have been removed, totalling about £1.5 million per annum in savings. An additional benefit not identified in the impact assessment was that VOSA repaid to HGV and PSV operators around £30 million that had been paid in advance for disc fees.

## Post legislative reviews

116. The Transport Select Committee undertook a wide-ranging review of taxi and private hire vehicle policy and legislation in 2010/11, but taxibuses and PHVbuses did not feature in any substantive way.
117. There are also two case studies of the practical effects of the Act, in terms of QPSs, QCSs and community transport, in the Local Transport White Paper: *Creating Growth, Cutting Carbon Making Sustainable Local Transport Happen*, published in January 2011.
118. The Transport Select Committee conducted its enquiry *Bus Services after the 2010 Spending Review* and published its Eighth Report of Session 2010-12 in August 2011 (HC 750). The report and associated oral evidence made reference to many aspects of the Act including QPSs, QCs, community transport and the role of the TCs. The report encouraged local authorities and ITAs to use the Act's provisions as a means to achieve better partnership working.
119. The Transport Select Committee's Third Report of Session 2010-12, *Transport and the Economy*, published in March 2011 (HC 473) and Third Report of Session 2012-13, *Competition in the Local Bus Market*, published in September 2012 (HC 10) both made reference to the importance of community transport, particularly in rural areas.
120. The Competition Commission published its report *Local Bus Services Market Investigation* in December 2011. This report examined various aspects of the Act, with a focus on the QCS and QPS provisions of the Act.
121. The Department will be conducting a review of the Traffic Commissioner system in 2013/14.
122. The Law Commission is undertaking a comprehensive review of taxi and PHV legislation with a view to presenting the Department with a report and a draft Bill in December 2013. Their attention has been drawn to the future of these provisions.
123. Although no post legislative reviews have been carried out by the Welsh Government, the National Assembly for Wales's Enterprise and Business Committee has reviewed the integration of public transport in Wales.

## Preliminary assessment of the Act

124. The Department considers the Act to have made a useful contribution to the development of transport policies in a number of ways. These are primarily associated with its provisions relating to the Traffic Commissioners, transport planning arrangements in local authorities, changes in licensing for the community transport sector and changes associated with the development of ITAs. Specifically, the Act and its provisions have:
- improved the consistency of decision making by TCs, whilst maintaining each TC's overall decision-making independence;
  - improved stakeholders' understanding of the role of the TCs by appointing a STC and improved engagement with the industry by placing a statutory requirement on the STC to consult;
  - introduced flexibility for LTAs in terms of replacing and reviewing their LTPs;
  - legally embedded in transport plans and strategies the consideration of all transport users;
  - generated support for the principles of partnership and mutual benefit where QPSs have been introduced, leading to improved bus services for passengers;
  - assisted local authorities in their negotiations with bus operators over issues such as fare levels, quality standards and inter-operability by making the option of a QCS more realisable;
  - through VPAs, eased the way for bus operators and local authorities to come together to secure stable, high quality local bus services which have led to improved punctuality and increased passenger numbers;
  - allowed TCs to impound vehicles used without a PSV operator's licence;
  - increased the flexibility for community transport operators to use smaller vehicles to deliver services, particularly in rural areas, improving accessibility and delivering carbon reductions by removing the need to use larger minibuses for such journeys;
  - increased the number of section 22 community bus services, allowing operators of such services to meet the needs of their local communities and marginalised individuals;
  - helped to ensure that ITAs not only consult with, but also work closely with, their metropolitan districts in drawing up their LTPs;
  - provided the foundations for the transformation in transport governance arrangements in metropolitan areas by the creation of Combined Authorities;
  - given ITAs well-being powers which have enabled them to act in innovative ways to support their wider strategic transport duties; and

- resulted in annual administrative and bus and coach operator savings associated with the ending of the collection of fees paid for notifying vehicles used on an operator's licence.
125. Some of the Act's provisions have not been commenced for the reasons outlined above. Where provisions have been commenced, some areas of the Act, such as those relating to bus services, have not been fully used. Specifically:
- local authorities have not used the Act's provisions to implement a QPS to set fares and impose registration restrictions on services;
  - few QPSs have been implemented. Feedback suggests that this is due to the high resource demands required to manage such potentially complex schemes and the long term financial commitments they require;
  - no QCSs have been made and draft schemes have been developed in only a handful of areas. Feedback suggests that they are seen as expensive, complex and time consuming undertakings which are likely only to be viable in large PTE areas;
  - there has been little interest amongst PHV owners to provide local bus services;
  - local authorities have not exercised their powers to impose on drivers of wheelchair accessible taxibuses or PHVbuses the duties to assist passengers who use wheelchairs; and
  - there have been no governance schemes presented to the Department by metropolitan areas for consideration by the Secretary of State to create a new ITA. However, metropolitan cities are beginning to consider how they might support the delivery of economic growth through changes to their governance arrangements.



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