

QUALITYinTRANSPORT+

Dedicated to improving the quality of our bus services

CHARLES ANDERSON MA DPA

12 February, 2007

Anne Jolly
Inquiry Secretary (Scottish Citylink)
Competition Commission
Victoria House
Southampton Row
London WC1B 4AD

Dear Ms Jolly

INQUIRY INTO "JOINT VENTURE": CITYLINK / MEGABUS

I wish to express my serious concern at the way this inquiry is heading, but before developing this theme, would like to briefly outline my own background in order to demonstrate that I have sufficiently credible credentials to enable me to take a professional interest in a matter of this nature.

I have had a professional lifetime of over 30 years in local government, rising to the rank of Chief Executive, of, sequentially, two local authorities, one in Scotland, the other in England, spanning a period of 20 years. I had strong links with the public transport sector in both authorities, and, indeed, was the elected Chair of a rural transport partnership in North East England for over five years. In an earlier "incarnation", while working for the Convention of Scottish Local Authorities (COSLA – the Scottish equivalent of the Local Government Association in England), I was a member of a joint Buses Working Party, and also sat on a joint central/local government Working Party on inter-island ferry services. In the former context, I gave evidence, in 1984, to a House of Lords Committee scrutinising the Transport Bill (soon to become the Transport Act of 1985).

Having opted for early retirement from local government just over a year ago, I established a small transport-related consultancy, and I am also an appointed member of a Scottish Executive transport "quango" – the South East Regional Transport Partnership (SEStran). However I am writing this letter on my own behalf, not on that of SEStran.

It is not merely the provisional divestment conclusions you have apparently reached that fill me with amazement, but rather the highly questionable logic on which these

provisional conclusions are based. You imply that the express coach market somehow operates in a vacuum within its field of operation, and has little or no competitive interaction with train services, or with use of the private car. This is demonstrably not the case.

To pursue that spurious argument to its logical conclusion, I wonder why I, and many other busy people from the public, private and voluntary/community sectors, spend many hours in SEStran meetings helping to design programmes (which are compatible with Scottish Parliament and Transport Scotland objectives) in order to effect modal change away from the private car and on to buses and trains. If there is no interaction between the modes, how can we possibly be achieving this? But we are. Similar effort, again with measurably successful outcomes, is going on in all the seven Transport Partnerships across Scotland.

Another of our objectives, again shared with the other RTPs, is to promote choice of mode across the various sectors. There is considerable investment of resources – time, finance and effort – committed to this project, but if your premise is correct, then we are all wasting our time.

Scottish Citylink is over two decades old, and during that time has been in a number of ownerships. It has made a substantial contribution to people's ability to travel over long distances at reasonable cost, and many thousands of passengers have availed themselves of its services. Where have they come from? There was only a very limited express coach service in existence in Scotland before the legislative liberalisations of the 1980 Act, so Citylink's clientele must either have grown from that very restricted base, comprised totally new customers or been transferees from train and car. The answer is, of course, all three, again reflecting the transferability between modes.

Although now partly owned by Stagecoach, Citylink does not own or operate any coaches itself, but rather contracts with operators to provide its network of services. These operators are, by no means, all part of the Stagecoach Group, but also comprise many privately owned companies ranging from the sizeable to the very small.

Megabus is a much more recent creation, owned from day one by the Stagecoach Group, but, like Citylink, operating no coaches of its own, and contracting with established operators to provide its network of services. Likewise, Megabus has grown its market very substantially, and again patronage has been drawn from erstwhile users of other modes. Megabus provides a particularly valuable range of travel opportunities to students, for example, who might not be able to afford equivalent journeys using other modes.

As a regular user of both Citybus and Megabus brands, I find the principal benefit is the range of journey possibilities. Not only are there the "core route" networks, but there are also many more combinations and permutations available – largely without any fare surcharge – by using the connectivity that exists at interchange points, with coaches linking up with each other at scheduled intervals. I cannot see how such obviously beneficial facilities would be perpetuated, in the longer term, if divestment were ordered and I would therefore urge you, instead, to seek undertakings as to fare and service levels so that the clear benefits to the travelling public of the current interchange arrangements are not thrown away.

From a constitutional perspective, I am confused as to the inter-relation between the Competition Commission and the statutory responsibility for transport in Scotland. Whereas your organisation's activities are pursued, I understand, as part of the "reserved" functions of the UK Government, Scotland's transport is entirely the preserve of the Scottish Parliament/Executive with much of the "delivery" being through the medium of the national agency, Transport Scotland, and the aforementioned Regional Transport Partnerships. I see the potential for conflict, as your organisation will be more closely attuned to the statutory provisions governing Transport in England, and yet there is already evidence of emerging divergence, in policy terms, between the two regimes.

One last point I feel I should make. My still relatively new consultancy has done work for a number of Stagecoach Group companies and, indeed, for both Citylink and Megabus; it has also done work, however, for companies that could potentially benefit from any divestment order, and therefore my impartiality and objectivity should not be called into question.

I hope you will give all the above points your fullest consideration before proceeding further in this matter. If you wish elaboration of anything that appears above, please don't hesitate to get back to me.

Yours sincerely,

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