

Global Warming and Transport

"A man who, beyond the age of 26, finds himself on a bus can count himself a failure."

Margaret Thatcher.

"The government has a somewhat contradictory attitude to local transport, on the one hand dictating on major road and public transport projects, while adopting a hands off approach to buses."

House of Commons Transport Committee

Swindon Trades Union Council, together with Swindon Climate Action Network (SCAN - <http://www.swindonclimate.org.uk/>) is organising a meeting on the theme of Climate Change and Transport on September 5th. This is hoped to be a focus for helping to develop a transport campaign.

It is commonly said that in order to tackle climate change it is necessary to make a significant shift from road to rail and from car to bus, in order to cut emissions. However, our transport system does not take account of the social costs of road transport and the dominance of car use. Whereas the railways have to sustain the cost of maintenance and renewal of their infrastructure, the cost of the road infrastructure is born out of general taxation. So the individual user and businesses do not have to pay the cost of the infrastructure they use. Subsidies for the railways were most often viewed as a 'burden' on the tax payer but subsidies for roads were not.

There are many reasons why this shift has not taken place. One of them is the fact that the railways were privatised and the buses were de-regulated. In the case of the railways, so patent has been the failure of privatisation that 'bringing the railways back into the public sector' is majority opinion in the country. However, despite the effective collapse of Network Rail, the government left the company as a private one, albeit one which is not quoted on the stock market. It is a 'not for dividend company' but even though it relies on government money it is run like a private business and the profit motive remains. The same applies to the rail companies, only more so. Profit is their game regardless of social needs. Moreover, last year the government set service frameworks for the private companies which led them to propose cuts in train services. This led to campaigns around the country against these cuts. In the South West we have seen the crazy situation that because of the concern of the companies to maximise profits, in some areas they have been providing too few carriages for the numbers of people who want to use the service.

Earlier in the year campaigners organised a ticket boycott to highlight the fact that there were insufficient carriages in the service from Bath. The RMT rail union supported the campaign, refusing to collect tickets. (See <http://www.moretrainlessstrain.co.uk/> See also <http://www.savethetrain.org.uk/> a campaign against cuts in services in Wiltshire) What sense environmentally does it make to drive people back into their cars when they want to use the train?

The profit making basis of the service has led to ticket prices climbing so much that there is a real prospect of people being driven off the rail and back into their cars. The fact that numbers of rail journeys have increased, despite these circumstances, is largely the result of levels of congestion on the roads, especially in the metropolitan areas.

What about the buses?

Road Transport accounted for an estimated 22% of greenhouse gas emissions in 2005, according to DEFRA. The only larger component, with 37% is the energy industry. In addition road transport is a major source of pollution, including 'particulates' which have a detrimental impact on health and is a cost which the NHS has to bear.

The House of Commons Transport Committee report (Bus Services Across the UK, Oct 2006) reached the not too difficult conclusion that Bus Deregulation has been a failure. The bus industry outside London was deregulated by the Transport Act of 1985. Road service licensing was abolished in 1986. Local authorities were no longer permitted to provide 'blanket support' for bus services. Deregulation has exacerbated the decline which resulted from the growth of car ownership. As Stephen Joseph of the campaigning group Transport 2000 said in evidence to the committee, real costs of motoring have declined whilst bus fares have been increasing above the rate of inflation.

Since deregulation of the bus industry by Thatcher there has been (outside of London) a decline in bus use. Since 1995-6 local bus journeys outside London have fallen from 2,660 million to 2,315 million. In London they have increased from 1,193 million to 1,810 million.

The Transport Committee says that "Modal shift from car to bus is vital if the United Kingdom is to properly tackle congestion and reduce carbon emissions." However, as we shall see the proposals of the Transport Committee are timid, and unlikely to drive such a 'modal shift'.

The current government introduced a Transport Act in 2000, which from February 2001 gave powers to local authorities to enter into 'Quality Partnerships' and 'Quality Contracts'. The latter were supposed to replace open competition with a 'licensed regime'. However, not a single contract has been entered in to, in large part because of the threat of legal action (Stagecoach considers such agreements would amount to "confiscating our business").

The approach of the government reflects its philosophical infatuation with the benefits of 'competition', and the idea that 'ownership does not matter'. But the consequences of bus deregulation was precisely what critics of the proposal had predicted: unprofitable routes would be abandoned, and competition would lead to a concentration of ownership into a small number of major companies. Whilst Thatcher's legislation enabled some routes to be subsidised, only 16% of services receive subsidy today. Moreover, it has become a common feature for companies to pull out of providing services in some areas where the rate of profit is not considered high enough, only for them to tender for them when a local authority has to step in order to provide a subsidy for a socially necessary service.

In London where bus services receive a £550 million subsidy (on contracts worth £1.4 billion) bus usage has increased considerably. Spending on buses per head is £660 in London compared with £230 outside!

Many local authorities, particularly Passenger Transport Executives, argue that operators are earning excessive profits from their bus operations while they shrink their services, raise fares and fail to improve infrastructure. The companies themselves put their return on capital at between 6 and 18% for 2005-6. The Transport Committee recommended that the government commission a study to find the truth. The government has declined to do so since it would be contrary to its free market dogma.

The introduction of concessionary fares has increased the use of buses by between 20 and 100% in some routes according to Bus User UK. The Transport Committee has supported extension of the scheme to children under 16 and those in full-time education because of the benefits in terms of reducing congestion and car usage during the period of the 'school run'. That said, the Transport Committee says that the concessionary fare scheme is a 'mess'. Many local authorities believe they have been insufficient funds to carry out the scheme.

The main suggestion of the HCTP is to reform the system of Quality Contracts to make them easier to obtain, whilst indemnifying PTAs and local authorities from the danger of prosecution by bus companies. However, the basic problem remains that a competitive market for buses cannot provide bus services which are socially necessary nor will it produce the 'modal shift' necessary from car to bus since the financial pressure which local authorities are under means that they have little money for investing in socially necessary services which are not profitable.

As the HCTC reports, the reason for the decline of bus usage outside of London is the lack of reliability and frequency of bus services and the rising cost of fares. In non-PTE areas on England (using 1995 as 100) prices on local buses rose to 165.9 in 2005/6 (in London it is only 139.7).

Subsidising the private sector

In late March Stroud MP David Drew asked a Parliamentary question requesting a yearly break-down of the Bus Service Operators Grant paid to bus operators since the Transport Act of 2000. It is paid on the basis of how much fuel they use. It turns out that the subsidy (including an estimate for 2006-7) has been £2.5 billion.

RMT union General secretary Bob Crow commented that it was scandalous that private bus companies which are already making mega-profits have been receiving billions of pounds of public money just for burning fuel.

"At a time when there is a continued fall in passenger numbers outside London, it is astonishing that the most important source of subsidy from central government is used to pay bus companies petrol costs instead of improving services to passengers.

Public transport has a key role to play in reducing carbon emissions but subsidising fuel consumption is hardly a sensible way of meeting the government's environmental objectives."

The only serious means of getting people travelling by bus rather than car is if the services provided are convenient, frequent and affordable. The growth of passenger numbers in London shows what can be achieved with subsidies. However, the current government shares the same delusion as Thatcher did that market mechanisms can provide 'consumers' with what they want. In reality the step which should be taken is to abandon failed deregulation and municipalise bus services as contracts run out (like the RMT has called for the train routes to be brought back into the public sector when their contracts run out).

At the same time tax measures could be brought into play which would encourage bus use. For example, instead of subsidising company cars, they should be heavily penalised in order to make it so expensive that they were progressively phased out.

In Swindon we are lucky enough to have a municipal bus service. On a turnover of £9 million it produces a surplus of £100,000 (last year). However the Council takes a 'dividend' of £250,000 (so the surplus would have been £350,000).

Travelling to work

One of the aspects of the campaign which SCAN is launching will be related to travel to work. In order for a cut in the number of car journeys, there are a number of possibilities. Car share schemes exist in some work places already. Another possibility which might be applied to large companies is a subsidy to Thamesdown Transport in order to provide a work bus scheme or to increase services on an existing route at times when people travel to and from work.

{The STUC/SCAN meeting is on September 5th at 7.30 at the Broadgreen Centre in Salisbury St, off of Manchester Rd}