

## General -

### 6b Publications and Consultations

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- Purpose of Report

The purpose of this report is to inform members of a number of recent publications and consultation papers and to seek approval of draft responses as appropriate.

- Competition Commission Local Bus Services Market Investigation: Provisional Decision on Remedies

On 7 January 2010, the Office of Fair Trading (OFT) referred local bus services to the Competition Commission (CC) for investigation. On 6 May 2011 they issued a Notice of Possible Remedies which invited comments on the actions they might take or recommend to remedy, mitigate or prevent the adverse effect on competition. Following this consultation, the most recent publication, published on 6<sup>th</sup> October, presents their provisional decision on the package of remedies. The following is an extract from the CC report summarising their provisional decisions:

"The main focus of the remedy package is on three market-opening measures aimed at reducing barrier to entry and expansion in markets for commercial bus services and providing an environment in which competition is likely to be sustained.

- Ticketing*: recommendations to give Local Transport Authorities (LTAs) additional powers to determine the characteristics of mandatory multi-operator ticketing schemes and for the OFT to review certain aspects of the competition law framework governing voluntary ticketing schemes.
- Operator behaviour*: recommendations for restrictions on changes in service frequency through increased registration notice periods and changes to frequent service registrations. We also provisionally decided to recommend that Traffic Commissioners be given the powers to introduce and enforce a local bus operator Code of Conduct and that there should be specific protection for Municipal bus companies being sold.
- Access to bus stations*: an order on local bus operators that manage bus station to provide other local bus operators access to bus stations on fair, reasonable and non-discriminatory (FRND) terms and to publish the Conditions of Use, which contains, among other things, information about the allocation of stand and layover capacity and a list of departure charges.

We have provisionally decided on the following measures in relation to supported services:

- Best Practice Guidance*: recommendations that the Department for Transport update its best practice guidance on tendering for supported services for Local Transport Authorities (LTAs) and that the Scottish and Welsh Governments develop similar but suitable tailored guidance.
- Information about newly deregistered services*: recommendations that LTAs are given powers to request information about revenue and patronage of services being deregistered.

In support of the above measures, the CC have provisionally decided to make the following recommendations for changes to the wider regulatory and policy environment that applies to bus markets:

- a) *Effective competition enforcement*: recommendations that the OFT applies a high priority to identifying bus mergers between competing operators, routinely follows up bus mergers and takes a cautious approach in exercising its discretion not to refer small bus mergers to the CC. We also provisionally decided to recommend that the OFT publishes revised Frequently Asked Questions about the application of competition law to the bus industry.
- b) *Partnerships*: a recommendation that LTAs consider the potential for introducing partnerships as a means of facilitating increased competition within their local areas. In considering the introduction of partnerships, LTAs should also take full account of the potential risks of raising barriers to entry and facilitating coordination between competitors that goes beyond what is acceptable under competition law and is necessary to deliver passenger benefits. We also provisionally decided to recommend that LTAs and the OFT establish a regular forum to discuss issues relating to the competition assessment of partnership arrangements.
- c) *Bus Service Operators Grant (BSOG)*: a recommendation that as part of its current review of BSOG in England, the DfT considers ways of incentivising the development of, and participation in, a number of the remedies we are proposing. This recommendation may also be of interest to the Scottish and Welsh Governments.”

The Competition Commission expects these remedies to be effective, as a package, in addressing the adverse effects of competition in local bus markets.

The Labof Executive Group are currently discussing these provisional remedies and the implications that they have for the partners.

- Cairngorms National Park – Main Issues Report and National Park Plan

The Cairngorms National Park Authority (CNPA) published its Main Issues Report and associated documents for consultation on 19<sup>th</sup> September. The Main Issues Report is intended to stimulate a debate on the main areas of change and options for future development in the National Park. Alongside the MIR, the CNPA is also publishing a Draft Cairngorms National Park Plan 2012-17 which sets out a framework for managing the Park and proposes 10 specific outcomes to be achieved in the Park by 2017. The consultation runs until 9<sup>th</sup> December and a proposed response is provided in Appendix 1 for approval.

- Draft Civil Aviation Bill, An effective regulatory framework for UK Aviation

Members will recall that during the consideration of the economic regulation of Aberdeen Airport, amongst other considerations, there was an indication from the Department for Transport that it wished to amend and update the regulatory framework for UK aviation, passing some control to the Civil Aviation Authority and implanting in its *raison d’être* a focus on the passenger. Their proposals were published on 23 November 2011 and can be found at <http://www.dft.gov.uk/publications/civil-aviation-bill>. This is a separate consideration from the sustainable framework for UK aviation due to be published next spring.

The Government have published, for pre parliament consideration, a draft bill. In the forward to the consultation the Government say:

*“in a global industry, a degree of both domestic and international regulation is necessary to provide safe and secure travel; to mitigate environmental effects; to ensure basic rights for disabled and other passengers; and in some instances to protect consumers against the risk of airports exploiting their market power.*

*This draft Bill is designed to modernise key elements of the regulatory framework for civil aviation in the UK, to enable the sector to make a full contribution to economic growth without compromising high standards. Much of our aviation regulation is governed by 1980s legislation and needs to be brought into the 21st century.*

*This draft Bill offers a package of reforms to make both regulation and the sanctions which support it flexible, proportionate, targeted and effective. It proposes removing unnecessary regulation and unnecessary intervention by central government. It devolves more responsibility to the independent specialist regulator, the Civil Aviation Authority (CAA), while ensuring that the CAA is accountable and weighs the costs and benefits of its decisions. The draft Bill proposes that the costs of regulating the aviation sector should be principally covered by the aviation industry, not general taxation. Above all the draft Bill puts the consumer first. Concerning the economic regulation of airports with substantial market power, and where regulation adds real value, the CAA’s primary duty will be to consumers, that is passengers and owners of cargo both present and future. In addition the draft Bill gives the CAA a role in promoting better public information about airline and airport performance, to assist the consumer in selecting services, and about the environmental effects of aviation and measures taken to mitigate adverse effects.”*

Due to the timescale since publication it has not been possible to look at the proposed bill in detail but it is proposed to report to the next Board meeting on any of the Bill’s proposals which could affect our area.

- Rail Franchise consultation

This meeting was arranged by Nestrans at the request of Transport Scotland. It consisted of two parts, a technical session in the morning attended by Nestrans, the two Councils and ACSEF and an invited session in the afternoon where MSPs, Nestrans Board Members and NETCF members were invited. The purpose of the meetings was to allow Transport Scotland to consult on views regarding the renewal of the rail franchise in 2014.

The consultation consisted of a presentation by Transport Scotland followed by a discussion. Transport Scotland were keen to emphasise that this was a genuine open consultation and that no decisions had been taken by Ministers. The consultation document considered a wide range of issues and for a number of topics contained options ranging from stop options to improve options. Within each topic Transport Scotland had tried to highlight the issues to be considered. The consultation closes on 20 February 2012.

In a general context the value of what was under consideration was discussed. Current subsidy levels were around £750m/ annum with this likely to increase (with the network having been increased) to around £1b/ annum. This amounted to between 2% – 3% of the Scottish Governments budget and therefore close scrutiny of the requirements for the next franchise were warranted. It was recognised that the franchise timetable offered an advantage in that it tied neatly into the Control Period for Network Rail improvements, both starting in 2014.

A number of general issues were discussed including:

- The appropriate length for the franchise
- The number of franchises
  - Should sleepers be a separate franchise

- An economic and a social element to the franchise
- Anti social behaviour
  - Alcohol ban

Along with this discussion there was also a discussion regarding more operational issues affecting the North East. This discussion included:

- East Coast trains to London
  - Comfort
  - Need to maintain “through” aspect
    - Expectation that Mr Hammond’s announcement on maintaining through trains be fulfilled
  - Although capacity is at 26% on average
    - this is still a large number of people
    - These trains can at times be very busy
- Sleepers provide an alternative to flying and should be improved
- The Aberdeen commuter market should be recognised
  - Growth much stronger than national average
  - Good response when improvements made
  - Strong local desire to improve this aspect in line with structure plan
- Aberdeen to Inverness improvements essential to commuter improvements
  - Kintore station
  - Possibility of extending Inverness to Aberdeen trains through to Stonehaven
    - Opens the possibility of examining a Newtonhill station
- Sunday services
- Journey times not related to performance
  - Journey times are important for those who don’t travel by train
  - Journey times not related to reliability and punctuality (not like buses where outside influences (congestion) can influence performance)
- Station upgrades
  - Dyce
  - Stonehaven
- Fair and simplified fares
- Need for rolling stock improvements
- Overcrowding

As the consultation closes on 20 February 2012, there will be time to draft a considered response to the consultation with Board consideration at its meeting on 15 February 2012. It is therefore proposed that a draft response be prepared and circulated with a finalised response updated following receipt of Members comments submitted for consideration at the 15 February 2012 Board meeting.

In the Chancellors Autumn Budget Statement it was announced that £50m was being made available to improve sleeper services to Scotland subject to Scottish Government match funding. At the time of writing it was too early to gauge a Scottish Government opinion but presumably this will feed into the Scottish Government’s current consultation on the sleeper service.

The extract from the statement: *“In addition, £50 million will be made available to replace the Caledonian Sleeper fleet, to improve on-train facilities. The funding is subject to the Scottish Government agreeing to co-fund the replacement and provide the remainder of the funding.”*

- Inveramsay Bridge

Members will be aware that the single-carriageway section at Inveramsay Bridge, between Inverurie and Pitcaple has been a major constraint on the A96 for many years. Identified as a priority in Nestrans' Regional Transport Strategy, it has now been accepted by Transport Scotland as a project to be delivered after recognition in the Strategic Transport projects Review in 2009.

Transport Scotland has appointed URS Scott Wilson consultants to undertake analysis and design for an upgraded bridge and initial consultation is currently being undertaken. A roadshow was held for public scrutiny of options at Inverurie Golf Club, attended by Derick Murray and Rab Dickson on 27 October. Four main options (with variations) are being consulted upon, two of which follow the existing alignment quite closely and two of which involve a crossing of the railway about 600 metres further east and require a new route parallel to the railway and the River Urie, approximately 700 metres long.

Copies of the consultation leaflet, including plans of the options can be found at:  
<http://www.transportscotland.gov.uk/road/projects/trunk-road-projects/A96-Inveramsay-Bridge>

Nestrans' officers and colleagues from Aberdeenshire Council provided verbal comments and input to the Transport Scotland staff and consultants at the exhibition.

An Options Assessment Report will be produced in spring 2012, along with a recommendation for a preferred option. The statutory process, including Environmental Impact Assessment will then follow. Nestrans will have an opportunity for formal input at that stage.

- SDPA MIR

Members may be aware that the Strategic Development Planning Authority (SDPA) has produced a Main Issues Report as part of the process of producing a new SDP for Aberdeen City and Shire. This is supported by a Transport Background paper, which provides the supporting information on Cumulative Transport Assessment and the development of a Strategic Transport Fund, which is subject to a separate report on this agenda.

Nestrans staff are fully engaged in this process, working very closely with the SDPA and local authority colleagues. A formal response will be prepared by the deadline of 6 January, emphasising Nestrans' support for the SDP, the Main Issues Report and the Transport background paper, including the Strategic Transport Fund.

- Trans European Network –Transport (TEN-T)

The European Commission have now published their proposals for the Ten-T network. As a result of the work so far, Aberdeen is currently shown as a network node with both its port and airport on the comprehensive network as are the routes from this area towards both Dundee and Inverness by conventional rail and road and the route from Aberdeen to Peterhead by road. The comprehensive network is an obligation on National Governments to provide the network to the Commission's suggested specification by 2050.

Aberdeenshire Council Officers are continuing the lobbying effort and are contributing via the North Sea Commission Transport Group and the Conference of Peripheral Maritime Region's (CPMR) working group to a response on this issue and have made presentations to DG Move including in respect of the importance of North East Scotland. The suggestions for inclusion in the lobbying effort of NSC and CPMR include the addition of air landing slots

as specified infrastructure linking the comprehensive network to core nodes, justification for bringing forward implementation of some items to 2030, and inclusion of a border crossing point from this area via a sea leg to Norway.

- Recommendation

It is recommended that Members :

- a) note the report and the documents referred to above.

RGM/RD/28 November 2011

9 December 2011

Our Ref: KM/N/12/7

Your Ref

Karen Major  
Cairngorms National Park Authority  
Grantown on Spey  
PH26 3BR

Dear Karen

### **Cairngorms National Park Plan and Main Issues Report Consultation**

Thank you for the opportunity to comment on the draft Cairngorms National Park Plan and on the Main Issues Report. Nestrans is the Regional Transport Partnership for the North East and our area encompasses the part of the National Park Area that lies within Aberdeenshire. As such we have a particular interest in the transport aspects of the two documents.

The draft plan recognises at the start that the national park does not exist in isolation but is an integral part of its surrounding areas and that management needs to consider the cross boundary influences and recognise its wider connections. However, the draft plan seems to pass over some important issues relating to transport. There would be value in recognising the role that the three Regional Transport Partnerships (RTPs), including Nestrans, have and their role (along with the individual councils) in relation to the transport of visitors to the park as well as transport within it. With the claimed 1.4million visitors to the park on an annual basis, transport to the park may well have a greater impact than transport within the park, particularly its environmental impact. In this context, the plan doesn't appear to engage with where these visitors come from and how they get to the park which might be a topic worthy of further consideration.

In terms of transport within the park, Nestrans supports the emphasis that is put on the promotion and development of active travel networks to encourage greater levels of cycling and walking. There is however more limited reference to public transport, particularly bus, which is equally important to encourage sustainable travel to and within the park for trips that are not feasible to cycle or walk.

You may already be aware that Nestrans operates a Sustainable Travel Grant Scheme which is available to organisations within our area, including our public sector partners, to support the development of sustainable travel initiatives. Organisations can apply for up to £10,000 in matched funding to support suitable schemes and initiatives. This may be of use to CNP or organisations within the Nestrans part of the CNP area who wish to develop sustainable transport projects. Further information on the grant can be found on our website [www.nestrans.org.uk](http://www.nestrans.org.uk).

We do not have any specific comments on the Main Issues Report, in addition to the comments we have made above which I hope are helpful to you in finalising your plan.

Yours sincerely  
Kirsty Morrison  
Transport Executive (Strategy and Delivery)