

Department of Environmental Services

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Date: 16th September 2004

Dear Sir,

PROPOSED ACQUISITION BY ARRIVA PLC OF THE HERTFORDSHIRE BUS OPERATIONS OF SOVEREIGN BUS & COACH CO. LTD.

Thank you for the invitation to comment on the above.

In the time available, I have put some comments together which I hope you will find useful. My comments focus on the issue of management of the Council owned bus station in Stevenage but I have taken the opportunity of adding some further general comments. I would also confirm that all the comments below are fully endorsed by the Chairman and Secretary of the Stevenage Bus Users' Group.

1. General Comments

1.1. If the acquisition goes ahead we would wish to see: -

- The "high quality" vehicles, currently used by Sovereign in Stevenage, retained on exactly the same routes by Arriva.
- The current level of service provided in the town by Sovereign retained or improved by Arriva

1.2. We are assuming that existing "contract" services operated by Sovereign will be re-assigned to Arriva as part of any deal.

1.3. We have some minor concerns about the monopoly situation that might arise in Stevenage particularly when contract services are next re-tendered. However, there does not appear to be any evidence of Arriva abusing their position in other areas where they are currently the dominant operator.

1.4. We are concerned that should this deal not proceed, Sovereign (or their parent company) may decide to withdraw services in any case or possibly accept another bid. Withdrawal of Sovereign services without replacement would have a serious detrimental impact on the current level of bus services in Stevenage. Alternatively, accepting a bid or fragmented bids from less well known bidders with a lower market share might result in less certainty about the future. In that sense, if, in any event, Sovereign are intent on selling their Hertfordshire operations, we would prefer the buyer to be a leading provider of bus services with a proven track record.

- 1.5. We have had more dealings with Arriva than any of the other operators, essentially because they are the major operator in the town. At times we have found them to be rather inflexible in their approach, particularly when we have suggested minor alterations to their routes to meet a “social inclusion” need.
 - 1.6. There is some anecdotal evidence provided by the Stevenage Bus Users’ Group that Sovereign services are more reliable than Arriva services although there is no statistical evidence to support this view. Furthermore, other comments from the same source would suggest that Sovereign staff provide higher quality customer care.
2. Stevenage Bus Station
- 2.1. Sovereign Bus & Coach Co. Ltd has successfully “managed” the Stevenage Bus Station under licence to Stevenage Borough Council for the past 8 years or so. Although this arrangement may be unusual, it has worked extremely well in that the Council has been able to call upon Sovereign’s expertise in bus operations to assist in ensuring that the bus station works at maximum efficiency.
 - 2.2. Broadly speaking, the licence permits Sovereign to charge all bus operators using the bus station (including themselves) a departure fee for each vehicle leaving the station. However, under the terms of the licence Sovereign are liable for the business rates. The annual income generated by departure fees just about covers the business rates payable for the site and, therefore, the arrangement does not generate a profit for the company (nor would the Council allow a profit to be generated and to this end any review of the departure fee by Sovereign must be agreed by the Council beforehand). The licence requires Sovereign to undertake some “management” of the bus station by ensuring that ALL operators observe the operational rules as defined in the Code of Practice (copy attached). The licence does not delegate to Sovereign decision making in respect of allocation of stops etc. and/or accommodating new operators. Stevenage Borough Council and Hertfordshire County Council take these decisions jointly.
 - 2.3. This Council would prefer to see the arrangement whereby a bus operator assists us in managing the bus station under the same type of licensing agreement continue. In this type of partnership arrangement, the Council is able to call upon the expertise that already exists in the commercial sector of the industry without having to bring such expertise in-house (which would have cost implications for the Council and could lead to an undesirable increase in the departure fee to offset those costs).

We are rather surprised that neither Sovereign nor Arriva have approached the Council in respect of the management licence for the bus station. Under the terms of the licence Sovereign are required to give the Council 28 days notice of termination. Furthermore, under the terms of the agreement, the benefits of the licence are personal to Sovereign and are not assignable. In view of the above, it is strongly recommended that the sale, if it proceeds, should be conditional on Arriva agreeing to enter into a licence agreement with the Council for the (“partnership”) management of the Bus Station under the same terms and conditions as are contained in the current agreement with Sovereign.

Yours faithfully,

Brian Jones
Engineering Services Manager

STEVENAGE BUS STATION

Issue No. 2

Code Of Practice

Issue Date: Jan 2003

1. Ownership

- 1.1 The bus station is owned by Stevenage Borough Council

2. Responsibilities

- 2.1 Stevenage Borough Council is responsible for the maintenance of the surfacing, lighting, landscaping and barriers. The bus shelters are the property of Stevenage Borough Council and/or its 'advertising' contractor. Other bus information displays such as bus timetable information etc are provided by Hertfordshire County Council.
- 2.2 Stevenage Borough Council may from time to time appoint an agent to manage the bus station on its behalf.

3. Code Of Practice Coverage

- 3.1 This Code of Practice covers the operational aspects of the Stevenage Bus Station including the allocation of stops and the standards that Stevenage Borough Council and Hertfordshire County Council expects of operators.

4. Stop Allocation

- 4.1 The Bus Station for this purpose includes those stops within the main site and the stops situated on the approach road to the Bus Station (Danestrete).
- 4.2 The bus station can only be used by registered local bus services as defined in the Transport Act 1985. Services under Part (iii) of Schedule 1 to the Public Passenger Vehicles Act 1981 and Section 19 of the 1985 Act are not permitted to use the Bus Station without the express permission of the Council.
- 4.3 Stevenage Borough Council and Hertfordshire County Council will allocate services to appropriate stops in such a way as to maximise the convenience of bus passengers. Generally, services to common areas will normally be grouped on to the same or adjacent stops where it is convenient and safe to do so.
- 4.4 The allocation of bus stops will be subject to constant review to reflect: -
- Changes to existing services,
 - Provision of additional services
 - Services that may be withdrawn.

5. Operational Rules

- 5.1 The bus station may only be used by vehicles operating registered local bus services designated to use the stops within it or on Danestrete.
- 5.2 Vehicle speeds must not exceed 10 mph when entering, manoeuvring inside and leaving the bus station. Vehicles must at all times observe the one-way circulation system.
- 5.3 No 'standing' is permitted on the stops. The stops can only be used for picking up and setting down of passengers. The permitted maximum layover time in the centrally marked bays is 15 minutes. Layover times in excess of 15 minutes must be taken elsewhere outside the bus station.
- 5.4 Any stops specifically designated as alighting points only should be used by services terminating at the bus station. Services operating through the bus station should pick up and set down on their departure stop.
- 5.5 Only operators' staff and other authorised officials are allowed within the 'vehicular running area' and/or the central bay area of the bus station. Whilst the bus station has been designed to minimise conflict between vehicles and pedestrians, drivers should, nevertheless, keep a sharp lookout at all times for pedestrians walking on or crossing the vehicular running areas.
- 5.6 Passengers may only be set down or picked up at the designated stops or such other permanent or temporary stops as may be designated from time to time. If a vehicle is unable to access a stop either due to there being another vehicle already at the stop or for any other reason, bus drivers must not permit access to or egress from the vehicle until such time as the vehicle is properly parked alongside the appropriate stop. On no account should bus drivers encourage passengers to cross the bus station or walk within the vehicular running area to enter or alight from the vehicle.

6. Amendments

- 6.1 Stevenage Borough Council reserves the right at any time, in consultation with the Hertfordshire County Council and such other body or organisation as may be appointed by the Council to manage the bus station on its behalf, to amend this **Code of Practice** and/or issue such additional **rules and regulations** as it deems necessary for the safe and proper use of the bus station.

7. Breach of Code of Practice

- 7.1 It is the responsibility of every operator permitted to use the Bus Station, including its drivers and other staff, to comply with this **Code of Practice** and any other prescribed **rules and regulations** that may be issued from time to time.
- 7.2 Stevenage Borough Council or such other body or organisation as may be appointed by the Council to manage the bus station on its behalf, will be responsible for ensuring that this **Code of Practice** and any other prescribed **rules and regulations** are fully observed. Breaches of this **Code of Practice** and/or any other **rules and regulations** will be viewed as a **serious** matter.
- 7.3 All reports of breaches of this **Code of Practice** and/or other prescribed **rules and regulations** will be investigated either by Stevenage Borough Council or such other body or organisation as may be appointed by the Council to manage the bus station on its behalf.
- 7.4 Stevenage Borough Council or such other body or organisation as may be appointed by the Council to manage the bus station on its behalf, will issue a formal '*warning notice*' to any operator in breach of this **Code of Practice** and/or other prescribed **rules and regulations**.
- 7.5 Further breaches by the same operator at any time subsequent to the issue of any warning notice may result in the use of the bus station by that operator being suspended by the Council until such time as: -
- The operator provides a written statement of what action he/she will take to ensure that such breaches will not recur in the future;
 - The Council or its appointed agent is satisfied with the action being proposed;
 - The proposed action is implemented.
- 7.6 In the event of an operator being aggrieved by any '*warning notice*' issued by the Council's appointed agent, the matter shall be referred to Stevenage Borough Council for arbitration. The Council's decision on whether or not to uphold the warning notice shall be final.