

Annual Conference 2013 Transport Policy Paper



Transport is central to the UK's economic and social success and well being. It requires constant investment and renewal at great cost to both taxpayers and passengers. The Co-operative Party believes that in order for us to meet the challenges of the future, we will need a mutual environmentally sustainable and integrated transport system that delivers for our needs now and in the future.

In developing an environmentally sustainable and integrated transport system it is essential to deliver safety – including the need to address overcrowding; cleanliness and reliability; all at a cost that provides value for money to both passengers and taxpayers.

We believe co-operative models provide significant opportunities to improve and develop transport systems, from very localised facilities to major rail operations.

A greater role, with realistic financial support, is required for the English Regions, Greater London Authority, Scottish Parliament and the Welsh Assembly Government to develop responsive and coherent transport systems to meet current and future needs.

It is essential that major national transport infrastructure developments are rigorously examined to ensure that they deliver the benefits identified and that communities disrupted are fairly compensated.

A Co-operative Agenda for Transport

The impact of road haulage and air transportation needs to be reflected in the taxation arrangements for the companies involved. Incentives are required to increase rail usage, where possible and economic, for the transit of goods.

Network Rail

Since its creation in 2002, Network Rail has reduced delays and improved safety compared with its predecessor Railtrack. Yet it is still a long way from the service that we deserve. Evidence from across the sector has demonstrated that there are serious failings in Network Rail's corporate governance arrangements, and that these are impacting on services.

When Network Rail was created, it was recognised that the company needed to provide a public service, would be dependent on state financial support, and ought to be run in the interests of rail users – both passengers and train operators. This was why a non-profit structure was adopted, with appointed "Members" to oversee the organisation.

For Network Rail to become truly accountable, everyone must be given the right to become individual members. As a genuine mutual venture, Network Rail would then give all of its members the right to elect governor representatives to a Members' Council, which would replace the role currently fulfilled by its existing membership. Industry members could continue to be nominated by their respective interest groups, be they train operating companies or trade unions.

Network Rail would be structured so that all of its members have a voice. As a genuine community mutual it would give rights to all stakeholders, and guarantee that the organisation acted in their interests. This would create a genuine two way dialogue between Network Rail's management, its passengers and the public; ensuring that the future of the rail network proceeds on the basis of mutual trust and transparency.

A full pamphlet outlining the proposed model and changes can be found following the link: <http://www.party.coop/files/2011/07/Peoples-Rail-pamphlet.pdf>

Train Operating Companies

It is not only in the rail network where there is an accountability gap. The privately run train operating companies also provide a vital public service and receive large sums of public money, yet too often also fail to be responsive to the needs of passengers and the public.

In order to move the industry forward and provide the best value to both the taxpayer and passenger, it is important to provide competition through a diversity of providers. Across the majority of the network there is little or no competition, and the private sector is taking only a small amount of the risk involved in running and investing in infrastructure. The recent forced nationalisation of the East Coast Mainline demonstrates the degree to which private sector operators can often seek to socialise risk and privatise reward.

A Co-operative Agenda for Transport

As we seek to further improve our railways, it is important to ensure that taxpayers and passengers get best value for money and greater public accountability. Given the problems associated with the East Coast Mainline franchise, the Government should use the opportunity created by nationalisation to create a new mutual provider.

Train operating companies have been seen to focus on the bottom line rather than the communities and people they serve. The UK's railways are at the forefront of where other European countries seek to follow. As such radical steps in terms of holding on to expired or relinquished franchises that are converted in to mutual organisations governed by passengers, local communities and employees would provide real leadership in terms of European thinking with regard to this industry.

The mutual organisation would not be beholden to shareholder pressure or leak significant amounts of public subsidy or profit out of the industry.

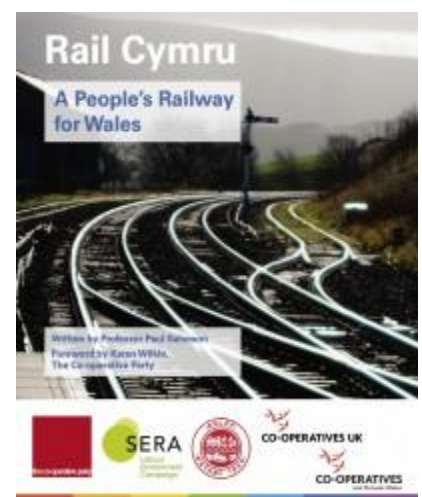
Another practical step would be greater government support for community rail partnerships. There are currently over 50 such organisations in the UK. These are vital organisations, often a co-operative or mutual organisation, which ties the local community and people to our railways. Often lines that have been given up on by the commercial operators are maintained and operated by the community which knows how important they are to their locality.

An example of public interest companies delivering, becoming involved with the railways, improving facilities and driving up passenger numbers, can be seen in the Severnside Community Rail Partnership. This community interest company covers local routes in the Bristol area, including the branch to Avonmouth and Severn Beach. It runs through some of the most deprived parts of the south-west. The partnership is working to make stations more friendly and welcoming and to reduce crime, vandalism and antisocial behaviour.

Rail Cymru

In November 2012 the Co-operative Party, along with partners, launched a policy pamphlet titled 'Rail Cymru'. This document outlined the case for a mutual train operating company in Wales. It advocates the Assembly Government holding on to the Arriva Trains Wales franchise in 2018 and putting in place a model that would run the service not for private gain. This would see profit invested directly back into the service itself rather than leaving Wales.

Furthermore it outlines possible governance models including a triple tier governance model with regional panels, national panels and professional management.



A Co-operative Agenda for Transport

Full details of this approach and model can be found following the link:

<http://www.party.coop/2012/11/28/a-mutual-future-for-welsh-railways/>

Similar mutual models need to be developed for Scotrail.

Local Transport

More also needs to be done to ensure a strong passenger focus in local transport services. All too often communities suffer from having poorly integrated or insufficient services. Across the country, community transport organisations (CTOs) have played a role in responding to both individual and collective needs and driving forward social regeneration. These vary in size and focus from small operators to mainstream providers such as Hackney Community Transport. Yet they are often at a disadvantage to most commercial tender projects as they tend to lack the upfront capacity to deal with tendered contracts.

The Co-operative Party commends the passing of the Local Transport Act – which has ended many of the legislative obstacles that CTOs face. CTO's can and should provide real membership and accountability rather than an associate membership and self appointed boards. Research indicates that CTOs are more than capable of covering their operational costs through trade return, and accessing local routes would put them in an even stronger financial position, with all surpluses reinvested into the services that they provide. Yet they currently face procedural and financial obstacles to breaking the stranglehold of the mainstream service providers.

The Government should give firmer guidance to local transport authorities to make use of quality contracts to tie profitable mainstream bus routes with unprofitable public service routes. This would ensure that operators provide greater coverage for those dependent on public transport. This would help to level the playing field for CTOs, which at the moment are largely restricted to providing the unprofitable services in which the mainstream operators have no interest.

Local Transport Authorities should also be encouraged to build capacity in the community transport sector. This can be done through the purchase of facilities and rolling stock, and leasing them to CTOs under a Voluntary Partnership Agreement. This would reduce their need for upfront capital, and allow them to provide a more integrated service for passengers.

Local authorities should make use of quality contracts to tie profitable bus routes to unprofitable but essential routes. They should also build capacity in the community transport sector and realise the potential provided by co-operatives operating bike-hire businesses, road and river taxi services, car share and club schemes, and rural and on demand bus provision.

The current regulatory arrangements for bus operations across the United Kingdom requires review to identify steps that ensure quality services at affordable prices for taxpayers and customers, and the provision of an expanding bus network serving rural, suburban and urban communities.

Individual forms of transport

Many individuals wish to make a number of their journeys using either bicycles or cars, but find it either uneconomic or inconvenient to own and run them on their own. In recent years, a number of big cities have seen the development of cycle hire schemes and car clubs, which have helped to increase the number of bicycles and to decrease the number of cars on the road.

As part of its ongoing policy review in the run up to the next election, the Co-operative Party will explore the potential for developing co-operative models for cycle hire schemes and car clubs to increase their availability and affordability across the UK.

Case Study – Hackney Community Transport (HCT)

HCT is a leading provider of public transport, which started in the east end of London and now operates services across the UK. Founded in 1982, the organisation is one of the largest of its kind in the UK. It has also won numerous awards as a flagship social enterprise scheme.

As a social enterprise, all of their surpluses are reinvested within their business. They provide a wide range of different services including mainstream bus routes, providing transport for children with disabilities, yellow school bus services and transportation for the elderly.

The enterprise is run by a board of trustees made up of co-opted industry experts and representatives elected by service users. Accountability is at the very heart of the way they operate and they encourage all stakeholders to get involved in the running of HCT. That this model has been so consistently successful and has resulted in such high standards of service to vulnerable members of communities and their families, demonstrates just how strong a role community transport schemes can play in creating thriving communities.

Source: Hackney Community Transport <http://www.hctgroup.org/>

The Co-operative Party

The Co-operative Party is the Party of social justice.

We believe that people will achieve more by working together than they can by working alone. We support the efforts of those who seek success through that co-operative endeavour.

We believe that the only way to create a just and fair society is through power being spread evenly throughout society, and not arbitrarily based on wealth, class, gender or race.

We work to promote co-operatives and all forms of mutual organisation.

We work in partnership with the Labour Party as its sister party to achieve these ends.

In addition to hundreds of Labour and Co-operative Councillors across England, Scotland and Wales, there are currently 32 Labour/Co-operative MPs, and members in the Scottish Parliament, Welsh Assembly and the House of Lords.