

**RURAL EAST LOTHIAN BUS GROUP (RELBUS) response to CMA Merger  
Investigation: Completed acquisition by East Coast Buses Limited of the east coast  
operations of First Scotland East Limited.**

**1. What do you expect to be the outcome of this merger on bus services in the area?**

*There is already a VASTLY improved level of service to passengers as a result of East Coast Buses Ltd (ECB) having acquired the operations of First Scotland East Ltd. in East Lothian. RELBUS hopes that the merger will be allowed to proceed in the interests of passengers. This covers every aspect of operations viz:*

***Reliability:***

*Because of reduced maintenance facilities at First's Musselburgh depot, for economic reasons, and the general age of the fleet (some vehicles used on all day service were 17 years old) the reliability of First services was appalling, with drivers often booking buses off service mid journey as a previously logged fault had not been attended to. Because of the location of the Musselburgh depot (North Berwick depot had no spare buses) such breakdowns were rarely replaced resulting in gaps in service and abandoned passengers en route. It was not uncommon for a gap of two hours to occur in the hourly service in evenings, Sundays and through to Edinburgh. It was literally a daily occurrence for such breakdowns to occur.*

*With ECB, their fleet is generally newer, and certainly in superb condition and breakdowns in service are very rare and indeed I personally have not become aware of any.*

***Cleanliness of buses***

*First's buses were only rarely cleaned both externally and internally. It was a common practice for a boarding passenger to encounter (Metro) newspapers strewn around the bus, chewing gum on seats that had been there for months if not longer, bottles and cans rolling round the floor and other detritus. No effort was made to clean buses at the Musselburgh depot. Heating rarely worked in winter. The moquette on the seats of First buses in many cases was worn and literally threadbare, often having their original seating since new many years earlier and there was a general impression of dereliction and filth.*

*ECB's drivers simply have a black sack in the cab and walk up and down their vehicles clearing rubbish when necessary – not rocket science. Their buses have mostly been refurbished providing a clean and welcoming interior.*

***Driver attitude***

*First's centrally directed policy of not investing in areas that did not provide their required Investor's Rate of Return (IRR) not only created an unreliable third rate service, but badly affected driver morale. That in turn resulted in poor customer /*

*driver interface and relations. On acquisition, ECB being aware of this, introduced a strict disciplinary regime and indeed had Inspector vans at strategic points on their routes, and inspectors on buses asking passengers on their experience of the new service, and they acted on errant drivers. I saw one being dispatched to be disciplined at North Berwick (replaced by a waiting driver) for wearing a First uniform not long after the acquisition, and another being similarly replaced en route for having the incorrect destination displayed. The result of this is a disciplined pleasant staff interface with the passenger.*

## **Fares**

*First had a policy of not giving change on the bus. Whilst this is common place, it also did not advertise what the fares were, and with a graduated fare scale, often involving 70, 80 or 90 pence, delays were experienced as passengers often had a 'whip round' the other passengers on the bus to meet the fare exactly or over-pay. Not advertising fares in this way is widely recognised in the bus industry as very bad practice. Whilst ECB also have a no change policy, their fares are readily available at all bus stops and on the internet (even First's full fare table was not available on the internet, only specimen fares) and boarding is now quicker.*

*ECB, being wholly owned by Lothian Buses, is also able to offer fares involving all day travel within Edinburgh on its buses at bargain rates as an addendum to the principal fare from East Lothian, which First could not do as they have no local Edinburgh network. There is therefore an immediate advantage to passengers from the acquisition meaning potentially cheaper fares for travel in both East Lothian and Edinburgh. This is one of the principal advantages of the acquisition.*

## **Service frequency**

*First only ran an hourly through service from North Berwick and the villages en route X24 (now ECB 124), with alternate journeys also terminating at Musselburgh and the basis that through passengers could change in Musselburgh. However, the withdrawal of First services over the years meant that the only First route that went through Musselburgh into the centre of Edinburgh was the X24, so there was no opportunity to change onto another First bus. ECB now run half hourly during the day into Edinburgh thereby doubling the frequency of through journeys. It was standard practice for the majority of passengers to let a First bus pass and wait for a Lothian bus in Musselburgh.*

## **Environmental considerations**

*Musselburgh has a particularly bad pollution problem in the High Street. This was exacerbated by First buses which were described in the local press as 'belchers' due to their age, poor maintenance and no attempt to minimise exhaust emissions. By contrast, Lothian, and through ECB, have more efficient buses and a number of Lothian vehicles are hybrid. ECB has I believe ordered 15 new Volvo B8R single deckers specifically for their routes to Dunbar and North Berwick. The introduction of new buses would never have happened with First and they said so at East Lothian council's bus forums.*

*All of these enhancements which are already apparent PROVE that the acquisition has enhanced the lot of passengers by a considerable margin and the acquisition is strongly supported by RELBUS in the interests of passengers, and we believe it should be allowed to proceed without impairment or interference from the CMA.*

### **East Lothian Bus Charter**

*RELBUS, in conjunction with East Lothian Council, introduced the East Lothian Bus Charter and all operators working in East Lothian signed up to it. Other than First, all other operators improved their standards and became compliant within a short period of time. First however did nothing to comply with the charter despite having signed up to it – they still did not advertise their fares, or even the fact that they had agreed to the charter terms either on the bus or at stops. Repeated gestures that they were about to comply were simply not put into practice. RELBUS and East Lothian Council were on the verge of removing them from the charter, with all the attendant bad publicity that would have ensued, but their withdrawal from East Lothian solved the problem.*

*ECB were compliant from day 1.*

### **2. Do you have any concerns about the impact on competition for commercial or tendered bus services?**

*There are various aspects of this which need to be emphasised.*

### **First Group withdrew without replacement services being in place**

*It is important to appreciate that First were pro-active in withdrawing their services from East Lothian – they were not subjected to a hostile takeover. Rather as happened in 2012 when they withdrew other services from both Dalkeith and Musselburgh depots – notably the 113 Edinburgh – Pencaitland route, East Lothian Council were anxious to secure another operator to take up the abandoned routes, and looking to the fact that although there are two excellent independent operators in East Lothian, neither was large enough, and almost certainly without the financial clout, to undertake such a substantial new operation. In practical terms therefore only Lothian, through ECB, could step into the vacancy, there being nobody else to do so. This therefore is not about competition, but sheer pragmatism in continuing to provide a service at all. As it happens Lothian's operation of the 113 (through what is now ECB, then Lothian Country Buses) has been awarded the best bus route in Scotland with the frequency being doubled to half hourly during the day and again proves the point that passengers have an improved services as a result. It is also vital to appreciate that First were unable to rise to Lothian's standards and their withdrawal from East Lothian was primarily because of competition, which has spoken loud and clear, as passengers were simply not prepared to put up with their poor standards and the ability to use Lothian services resulted in dropping patronage of First services. The bus operation in East Lothian is now at stage 2 of the competition model where the poorer operators have been forced out.*

*Had Lothian's operations through ECB not been of a high (the highest) standard then the decrease in competition would have been relevant, but RELBUS believes that no*

*other operator can provide a service to match that of ECB and by insisting on further competition it will simply reduce standards and be perceived as the wrong decision by the travelling public and those who are well informed on local bus matters..*

### **Competition still exists**

*ECB still have competition on the Dunbar – Edinburgh corridor with Perryman’s of Berwick. In addition Prentice of Haddington has assumed responsibility of the Haddington – Musselburgh section of First’s routes which were otherwise to be lost, on a commercial basis and this too is proving highly satisfactory. (Prentice has just won two awards this year, one being the best independent operator in the UK). So again there are significantly better standards.*

*First never had serious competition on their X24 (now ECB 124) service between North Berwick and Musselburgh, only Lothian’s service 15 from Prestonpans being involved. Now Prentice operate their 111 service from Haddington via Gullane, Aberlady and Longniddry into Musselburgh and beyond on a regular basis, so there is actually increased competition on part of ECB’s 124 route.*

### **Conclusion**

*The REAL competition to East Lothian bus services is both from rail, where ScotRail operate from Edinburgh to Dunbar and North Berwick via Musselburgh, Wallyford, Prestonpans, Longniddry and Drem, and from cars into Edinburgh, especially where Park and Ride operates. It is the latter personal transport that has to be addressed by public transport and having a quality reliable bus service is one of the essential ingredients in achieving this.*

*The acquisition of First’s operations by ECB has resulted in significantly improved passenger services, and it would be wrong to restrict ECB in any way from the excellent job they have done to date to recover from, and improve First’s appalling operations in East Lothian.*

*Harry L. Barker, Chairman, RELBUS.*

*12<sup>th</sup> December 2016.*