

Reimbursement Arrangements for the Concessionary Bus Travel Scheme in England

Consultation response form

PART 1 - Information about you

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Company Name or Organisation (if applicable)	TravelWatch NorthWest (TWNW)
Please tick one box from the list below that best describes you /your company or organisation.	
☐	Small to Medium Enterprise (up to 50 employees)
☐	Large Company
X	Representative Organisation
☐	Trade Union
☐	Interest Group
☐	Local Government
☐	Central Government
☐	Police
☐	Member of the public
☐	Other (please describe):
If you are responding on behalf of an organisation or interest group how many members do you have and how did you obtain the views of your members: 50	

If you would like your response or personal details to be treated **confidentially** please explain why:

PART 2 - Your Comments

<i>1. Is the new guidance fit-for-purpose, i.e. is the advice provided on how to calculate reimbursement clear and relevant and have practical implementation issues been appropriately addressed? If not, please make suggestions as to how the guidance could be improved?</i>		No
Please tell us your suggestions or add any additional comments you wish to make: <i>The large number of appeals suggests that the current system is not entirely fit for purpose. Some of the suggested amendments appear to be more fit for purpose, or at least to have fewer flaws, than others</i>		

<i>2. There is scope in the guidance to introduce local variation or take account of local circumstances in some elements of the calculations. Do you think that the balance between simplicity and local flexibility is right?</i>		No
Please explain your reasons or add any additional comments you wish to make: <i>Too many of the strategies discussed, in their commendable striving to accommodate local factors, unfortunately destroy this balance</i>		

3. <i>The methods outlined in the guidance are based on extensive new research into the factors that affect reimbursement. Do you have additional robust evidence which supports or contradicts the findings of the research and the guidance's methodological framework?</i>		No
Please provide us with the evidence that you have and explain how it supports or contradicts the research finding and the guidance's methodological framework. You can also use this space to add any additional comments you wish to make: <i>TWNW respects the impartiality and expertise of the ITS at Leeds University who have carried out this research</i>		

4. <i>In particular do you have further robust evidence/suggestions as to whether and how local circumstances could be taken into account in the calculation of the Reimbursement Factor?</i>	Yes	
Please explain your suggestions and/or provide relevant evidence here. You can also use this space to any additional comments you wish to make: <i>Calculating elasticities to reflect local factors is an extremely difficult exercise. To some extent it has been attempted by the way demographics have been allowed for in DfT's earlier consultation on Special Grants to atypical TCAs, but how these additional funds can be fairly disbursed to operators (the nub of this consultation) will continue to be of great concern. There is already anecdotal evidence and reports in the transport press of fears of rising fares and deregistrations. of commercial services.</i> <i>If operators can not demonstrably be "no better or no worse off" then concessionary free travel could have the potential to undermine bus networks by creating higher than necessary fares and contributing to the loss of marginal services</i>		

5. <i>Is the reimbursement calculator easy to use? If not, please make suggestions as to how it could be improved?</i>	Yes ☐	No ☐
Please tell us your suggestions or add any additional comments you wish to make: <i>TWNW is not a user of this document so would find it hard to comment</i>		

6. Do the proposed regulatory changes adequately support the new reimbursement framework set out in the guidance?		No
Please explain your reasons or add any additional comments you wish to make: <i>They are an improvement on the existing guidelines, but will need a period of "bedding in" before this question can be reliably answered</i>		

7. Are there any other changes to the regulations that you would find helpful?	Yes	
Please explain your reasons, tell us your suggestions or add any additional comments you wish to make: <i>It would be most helpful if the confidential sharing of data, especially from Electronic Ticket Machines (ETMs) and Global Positioning Systems (GPS), and about fares and performance etc were to be mandatory. [see "<u>Information re bus fares</u>" TWNNW, July 2009]</i>		

8. Which of the options (A-D) above are worthwhile pursuing and what are the benefits / drawbacks of each option?				
Please use the table below to compile your answer. And the space below can be used to add any additional comments you wish to make:				
Option:	A	B	C	D
Description:	a single national reimbursement rate	a table of reimbursement rates which vary by geography and/or trip characteristics	a table of payments which vary by geography and/or trip characteristics	a flat payment per concessionary trip
Is the option worthwhile pursuing?:	Yes	No	No	Yes
Benefits:				
Drawbacks:				
If you have a preferred option please let us know (Please mark one box only) :	X	☐	☐	☐

Please add additional comments here:

A *Not a radical alternative. This already works well in devolved administrations! It is TWNW 's preference in the short term until the wider question of bus subsidies is decided.*

B *Would be open to dispute unless definitive maps can be produced to define "atypical" LTAs and/or routes. It could create cross boundary problems*

C *Similar problems to B but in addition payments per passengers generally discriminate against rural bus services. Payments per passenger/km would be preferable.*

D *A flat payment per concessionary trip would be an extremely blunt instrument but might address the problems associated with the present method of calculating reimbursement on the basis of where passengers board, rather than where they reside*

9. What evidence would be required to support each option and how could that be best sourced?

Please tell us your suggestions or add any additional comments you wish to make:

As long as operators continue to regard operating costs and revenues as commercially confidential the necessary evidence will be impossible to source.

Legislation, as suggested in TWNW's response to DfT's previous consultation on regulating the PSV industry, requiring data sharing with LTAs and Traffic Commissioners, would be helpful. The commercial viability of many services is hard for LTAs to establish, and thus for them to make judgements as to the adequacy of the reimbursement they are proposing. Conversely a national formula would enable operators to make clear decisions as to whether to run a service commercially or to only do so under a service subsidy agreement. An illustration of this problem can be seen in some LTAs' experiences with Rural Bus Grants, where they have regretfully been forced to decline to proceed because of a fear of creating an innovative but unremunerative service with little hope of its future viability or of it contributing to the stability of their bus networks.

10. If the Department were to develop more radical options, over what timeframe should any further changes be introduced?

Please tell us your suggestions or add any additional comments you wish to make:

No changes should be made before the review of bus Service Operator's Grant (BSOG) and the Competition Commission's (CC's) report (expected Spring 2011) on the bus industry. It may be that a combined BSOG and block grant to Local Transport Authorities (LTAs and also from April 2011 Travel Concession Authorities -TCAs) is preferred, at least by LTAs if not by Bus Operating Companies (BOCs)

If you have any other general comments that you would like to make concerning this consultation, please give them here:

Please see accompanying letter

Please send this completed form to:

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3/21 Great Minster House
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London, SW1P 4DR
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The deadline for responses is: **5.30pm on 11 November 2010.**