

Consultation response form – implementation of Competition Commission bus registration remedies

Part 1 - Information about you

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Company Name or Organisation (if applicable)	Bus Users UK
Please tick one box from the list below that best describes you /your company or organisation.	
<input type="checkbox"/>	Small to Medium Enterprise (up to 50 employees)
<input type="checkbox"/>	Large Company
<input type="checkbox"/>	Representative Organisation
<input type="checkbox"/>	Trade Union
<input checked="" type="checkbox"/>	Interest Group
<input type="checkbox"/>	Local Government
<input type="checkbox"/>	Central Government
<input type="checkbox"/>	Police
<input type="checkbox"/>	Member of the public
<input type="checkbox"/>	Other (please describe):
<p>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:</p> <p>Around 800 members. Views obtained through our Your Bus Matters events, public complaints and comments about bus services, general contact with members.</p>	
<p>If you would like your response or personal details to be treated confidentially please explain why:</p>	

PART 2 - Your comments

<p>1. The impact of the 14 days pre-notification remedy is considered in the impact assessment at Annex A. Is there any further evidence or information (particularly in terms of monetised costs/benefits) that you think should be taken into account? In particular the Department has made various assumptions in calculating the impact and would welcome evidence on:</p> <ul style="list-style-type: none"> • the proportion of routes that can be changed with 70 days' notice (56+14 days) at no extra cost (we implicitly assume that all PTE areas have a code of service stability in place and therefore wouldn't incur any costs from this change in regulation) – is this a fair assumption?). Overall, we assume that 91% of operators are able to give 14 days' notice without any additional costs. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence; • the proportion of lost commercial kms that is typically replaced by local authorities? We assume an average of 21% is replaced by local authorities. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence; • the percentage reduction in the cost of emergency tender contracts that an additional 14 day period would allow? We assume that the extra time given to local authorities to engage in the procurement of tenders will reduce costs by 10%. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence. • it has been assumed that the impact on small and micro businesses as a result of this policy option will be low. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence. 	<p>Yes <input checked="" type="checkbox"/></p>	<p>No <input type="checkbox"/></p>
<p>Please provide evidence or information (particularly in terms of monetised costs/benefits):</p> <p>Whilst we do not have the expertise or resource to gain an evidential view on the monetary costs involved, we are aware of too many occasions where service changes are brought it with insufficient notice to users or consultation with them. Overall we do not wish to see registration periods made any longer than necessary, so long as bus users have adequate notice of service changes to enable them to understand the impact of changes on them and to make alternative arrangements if necessary. It is also desirable that local authorities should have opportunity to prepare</p>		

for replacement services without disruption to the service for users. We would also like to see bus users being consulted on service changes where these make a material difference.

However strictures on local-authority funding mean that we have seen little advantage in terms of local authorities in Scotland using the information given to benefit bus users and the notice period delays the ability of operators to make improvements as well as reductions to services. The inconvenience of the two weeks' notice period in adding further delay to service changes needs to be outweighed by useful outcomes for passengers through local authorities actually being able to use the information effectively.

2. Do you agree with the Department's proposal to implement a 70 day notice period for all registrations, rather than a 90 day notice period just for variations? If not, what would you propose and why, and how would you address the circumvention risk of an operator cancelling and re-registering a service?

YES

NO

Please explain your reasons and add any additional comments you wish to make:

Both 70 days and 90 days are too long for the registration period. Whilst we would like to see more opportunity for consultation and public notice of service changes, once the registration has been lodged it would be sensible for the notice period to be shortened rather than lengthened. Too long a period can have a variety of negative effects for passengers:

- 1) If a new service is going to fulfil an unmet demand there seems little point in delaying the means of meeting that demand
- 2) Increasingly bus operators are having to adjust services simply to keep up with the adverse effects of traffic congestion on reliability. It is counterproductive to continue to operate a service which is unable to maintain its timetable for any longer than necessary just to comply with registration notice requirements.
- 3) There is a danger that operators will be deterred from running an innovative service for fear that they have to continue to run it for several weeks at a loss if it fails to meet expectations.
- 4) Losses incurred over a period of some three months on a service which cannot be terminated sooner may destabilise other services or even force an operator out of business.

In an ideal world traffic commissioners would be sufficiently resourced to be able to take a judgement on what is a sensible lead time for each circumstance, subject to a maximum notice period, and have the authority to decide appropriate notice times in each situation.

3. If you propose that the circumvention risk can be removed through guidance, how would you define what should be registered as a variation and what should be registered as a new service?

Please explain your reasons and add any additional comments you wish to make:

Any service that creates new journey opportunities (in a spatial sense rather than additional journeys over the same route at times not previously covered) should be considered a new service. However where an operator considers the 'new' route will benefit from retaining the same service number as a previous similar route, that route should be considered a variation rather than as a new service.

<p>4. The impact of the 90 days remedy is considered in the impact assessment at Annex A. Is there any further evidence or information (particularly in terms of monetised costs/benefits) that you think should be taken into account? In particular the Department has made various assumptions in calculating the impact of the options and would welcome evidence on:</p> <ul style="list-style-type: none">• the percentage reduction in the cost of emergency tender contracts that the additional notice period would allow? We assume that the extra time given to local authorities to engage in the procurement of tenders would reduce costs by 10%. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence.• some local authorities may have a Code of Conduct on Service Stability (CoCSS) that requires operators to notify local authorities 14 days before making an application to the Traffic Commissioner. However, other local authorities may currently have a CoCSS but may decide it is no longer necessary given the new notice period. It is assumed that 20% of local authorities would have a Code of Conduct on Service Stability in addition to a 70-day notification period to TCs. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence.• percentage of operators already giving 14 days' notice to local authorities? We assume 56% and implicitly assume that all PTE areas have a code of service stability in place. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence.• it has been assumed that the impact on small and micro businesses as a result of this policy option will be low. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence.	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
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Please provide evidence or information (particularly in terms of monetised costs/benefits):

5. Are there any unintended consequences of delaying acceptance of a further registration until the first notice period has lapsed?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
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If yes, please explain what these are:

There seems to be a danger in these proposals of adversely affecting the ability of operators to make necessary changes to services in order to avoid some adverse effects on competition: the adverse effects on day-to-day running of bus services could well be considerably greater than the perceived effects on competition. Where there is good reason to change a registration during the period of notice, eg a genuine error in drawing up a timetable or a material change in circumstance that could effect the viability of a bus service or could mean that a diversion from the proposed route would be beneficial these should be allowed, at the discretion of the traffic commissioner. Again adequate resourcing for the traffic commissioners would be needed to give them the ability to make such judgements: and indeed to recognise where an alteration is being made purely to thwart the aspirations of a competitor.

<p>6. The impact of the short notice remedy is considered in the impact assessment at Annex B. Is there any further evidence or information (particularly in terms of monetised costs/benefits) that you think should be taken into account? In particular the Department would welcome evidence on:</p> <ul style="list-style-type: none"> the number of successful short notice applications that are made annually, and the percentage of those that are currently for changes of no more than 10 minutes earlier or later. We have made no assumptions in the IA on the questions above and we would welcome evidence in order to monetise the impacts of this recommendation. Please tell us what assumptions you think should be used and provide us with the evidence. it has been assumed that the impact on small and micro businesses as a result of this policy option will be low. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence. 	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
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Please provide evidence or information (particularly in terms of monetised costs/benefits):

It should be possible to assess whether a change of service of 10min or less is for the

benefit of bus users or simply for competitive purposes. Too many short-notice small-scale adjustments could have the effect of destabilising the bus service and there needs to be discretion on the part of the traffic commissioner to grant short-notice applications where these are in the public interest, and not to when they are being used purely as a response to a competing service registration.

7. Do you agree with the Department's proposal to introduce fixed bands? If not, please explain what is your preferred option and why?

YES

NO

Please explain your reasons and add any additional comments you wish to make:

Frequent service registrations allow a useful degree of flexibility. They enable the most heavily-used bus services to be tailored on a day-to-day basis to meet demand, which can fluctuate considerably (eg term-times/non-term-times, then increased demand for Christmas shopping during a non term time). Whilst the requirement for a minimum of six buses an hour remains, it is counterproductive and very wasteful of resource to insist on eg 10 buses being out on the road on a day when six will suffice. Frequent services are the major services on which bus operators depend to produce a reasonable return and adding unnecessary cost into these could have adverse effects on routes at the other end of the scale. This is not a question of cross subsidy, but simply of bus companies being strong enough to ensure that weaker parts of the network are not adversely affected.

8. The impact of the frequent service remedy is considered in the impact assessment at Annex C. Is there any further evidence or information (particularly in terms of monetised costs/benefits) that you think should be taken into account? In particular the Department would welcome evidence on:

YES

NO

- the monetised costs to operators of identifying their frequent services and informing DVSA of which ones fall outside of the default band and which band they fall in (see paragraphs 1.33 to 1.35);
- the monetised costs of a software upgrade for EBSR users (see paragraphs 1.36 to 1.39);
- the cost for operators that do not use EBSR to upgrade their IT system to comply with the new definition of frequent services. We have not currently monetised this as we didn't have enough data to include monetisation, please tell us what assumption you think should be used and provide us with the evidence.
- for each of the three policy options - how often do you think operators would have to change their frequency

<p>band annually as a proportion of total frequent services? We currently assume that under policy option 1, 3% of total frequent services would have to be re-registered into a different band annually. Under policy option 2 and 3 it is assumed that 7.5% of total frequent services would have to be re-registered into a different band annually. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence.</p> <ul style="list-style-type: none"> the total number of frequent services in England? We currently assume that there are 518 frequent services in England (from the CC report). If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence. it has been assumed that the change in frequency registrations will have little impact on small and micro businesses as medium and large businesses run the majority of frequent bus services. If you believe this is not a fair assumption, please tell us what assumption you think should be used and provide us with the evidence. 		
<p>Please provide evidence or information (particularly in terms of monetised costs/benefits):</p>		

<p>9. Do you agree that operators are best placed to identify their services that are frequent services? If not, please explain why.</p>	<p>YES <input checked="" type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>These services will be the mainstay of an operator's network and will therefore be readily known to operators: it should not be difficult for operators to supply a list of their own frequent services. We note the proposal for operators to show bands by time of day; as implied in our answer to question 7 it is quite likely that bands by time of day will be different from day to day in many cases.</p>		

<p>10. Do you agree with the Department's proposal to adopt a workaround to the EBSR system to record the frequency? If not, please explain how you think the issue should be resolved.</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input checked="" type="checkbox"/></p>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>The idea of banding for frequent services seems unnecessary and the issue of how to work this into the EBSR system is indicative of the complication that will result. It is our understanding that EBSR is underutilised and adding to the potential costs does not</p>		

seem commensurate with encouraging additional use of the system.

11. In relation to encouraging the uptake of EBSR, views are also being sought on:

- potential barriers to the full roll out of EBSR in the next 2-3 years and how those barriers might be addressed;
- potential solutions to make the software accessible to small and medium operators; and
- whether Traveline acting as an agent for operators without TransXChange-compliant scheduling equipment is worth exploring.

Please explain your views and add any additional comments you wish to make:

We have no expertise on the use or implementation of EBSR so cannot contribute usefully to this particular issue.