

## Summary: Intervention & Options

<b>Department /Agency:</b> <b>Department for Transport</b>	<b>Title:</b> <b>Impact Assessment of granting statutory powers to Passenger Focus to represent bus, coach and tram passengers</b>	
<b>Stage:</b> Final	<b>Version:</b> 2	<b>Date:</b> 5 January 2010
<b>Related Publications:</b> Consultation on Regulations to extend the remit of the Rail Passengers' Council and a requirement to display information.		

**Available to view or download at:**

<http://www.dft.gsi.gov.uk>

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**What is the problem under consideration? Why is government intervention necessary?**

Unlike rail passenger transport, there is currently no national statutory representative body for bus, coach and tram passengers. Feedback as part of the consultations on the Government's proposals for the draft Local Transport Bill (now the Local Transport Act 2008) and reform of the Traffic Commissioners (the bus regulator) was that the lack of a nationally recognised body to represent passengers' interests and to hold industry to account contributed to a failure to address poor bus services. Secondary legislation is required to extend Passenger Focus' remit to bus, coach and tram issues.

**What are the policy objectives and the intended effects?**

The aim of the policy is to provide bus, coach and tram passengers with statutory representation. Passenger Focus would be able to investigate bus, coach and tram matters referred to it by the Secretary of State, passengers and passenger representative bodies. Following an investigation, they would have the powers to make representations to providers of road passenger transport services and facilities, local traffic authorities, local transport authorities, tram scheme promoters and the Highways Agency.

**What policy options have been considered? Please justify any preferred option.**

Option A - Passenger Focus (the Council) is given statutory powers to represent bus, coach and tram passengers.

Option B - do nothing

Other options were considered as part of the "Options for Strengthening Bus Passenger Representation" consultation in 2008.

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?**

As part of the wider post-legislative scrutiny of the Local Transport Act 2008, in accordance with "Post Legislative Scrutiny - The Government's Approach" (March 2008, Cm 7320).

**Ministerial Sign-off** For final stage Impact Assessment:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:

**Sadiq Khan** .....**Date:** 16th December 2009

## Summary: Analysis & Evidence

<b>Policy Option: A</b>	<b>Description: Passenger Focus (the Council) is given statutory powers to represent bus, coach and tram passengers</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups'
	<b>One-off</b> (Transition) <span style="float: right;"><b>Yrs</b></span>	
	<b>£ 0</b>	
	<b>Average Annual Cost</b> (excluding one-off)	
	<b>£ 0</b>	<b>Total Cost (PV)</b> <b>£ 0</b>
Other <b>key non-monetised costs</b> by 'main affected groups' Operators & local authorities will incur costs in responding to representations made by Passenger Focus. Responding to these should be no different to replying to representations from any other stakeholder and should represent 'business as usual'. We do not expect representations to increase significantly.		

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups'
	<b>One-off</b> <span style="float: right;"><b>Yrs</b></span>	
	<b>£ 0</b>	
	<b>Average Annual Benefit</b> (excluding one-off)	
	<b>£ 0</b>	<b>Total Benefit (PV)</b> <b>£ 0</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' Bus, coach and tram passengers will receive statutory representation from Passenger Focus, which should lead to improvements to bus services.		

Key Assumptions/Sensitivities/Risks We do not expect representations from Passenger Focus to increase significantly.

Price Base Year	Time Period Years	<b>Net Benefit Range</b> (NPV) £	<b>NET BENEFIT</b> (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	England (not London)				
On what date will the policy be implemented?	April 2010				
Which organisation(s) will enforce the policy?	N/A				
What is the total annual cost of enforcement for these organisations?	£ 0				
Does enforcement comply with Hampton principles?	Yes				
Will implementation go beyond minimum EU requirements?	N/A				
What is the value of the proposed offsetting measure per year?	£ 0				
What is the value of changes in greenhouse gas emissions?	£ 0				
Will the proposal have a significant impact on competition?	No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro <b>Minimal</b></td> <td style="width: 25%; text-align: center;">Small <b>Minimal</b></td> <td style="width: 25%; text-align: center;">Medium <b>Minimal</b></td> <td style="width: 25%; text-align: center;">Large <b>Minimal</b></td> </tr> </table>	Micro <b>Minimal</b>	Small <b>Minimal</b>	Medium <b>Minimal</b>	Large <b>Minimal</b>
Micro <b>Minimal</b>	Small <b>Minimal</b>	Medium <b>Minimal</b>	Large <b>Minimal</b>		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	No	No	N/A	N/A
No	No	N/A	N/A		

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	<b>Net Impact</b> £ Minimal positive

Key: Annual costs and benefits: (Net) Present

## Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

### Introduction

1. Two thirds of all public transport journeys are made by bus, well over four billion journeys in England every year. However, at present there is no statutory national body to represent the interests of bus passengers in England outside London, although there are a number of non-statutory groups that deal with bus travel. These include, amongst others, Bus Users UK, the Bus Appeals Body and various TravelWatch organisations.
2. Feedback as part of the consultations on the Government's proposals for the draft Local Transport Bill and on the reform of the Traffic Commissioners ("TCs" - the bus regulator) was that the lack of a nationally recognised body to represent passengers' interests and to hold industry to account contributed to a failure to address poor bus services.
3. In light of the feedback to the consultations, the Government decided to establish a bus passenger representative body. To allow for this, provisions were secured in the Local Transport Act 2008, which would enable the Secretary of State through secondary legislation, either to set up a new Public Transport Users' Committee for England or to confer additional functions relating to buses and coaches in England onto the existing Rail Passengers' Council ("the Council", operating as Passenger Focus).
4. A further consultation, 'Options for Strengthening Bus Passenger Representation', was held to gather views on four options to strengthen the voice of bus passengers at a national level. The options were:
  - working with existing bus passenger bodies;
  - a new standalone statutory bus passenger champion;
  - extending the powers of the Council; or
  - establishing a new statutory multi-model Public Transport Users' Committee.
5. There was clear support for a body with statutory powers and the predominant view was that the Council should take on the role of bus passenger champion, to complement their existing work representing rail passengers. As a result, on 8 April 2008, the Secretary of State announced that the remit of the Council should be widened to give it statutory powers in relation to bus and coach passengers. Subsequently, the Department and the Council agreed its functions and remit in relation to bus and coach issues, and that it would start working on these, in shadow form, from April 2009.
6. A number of respondents to the consultation on strengthening bus passenger representation highlighted the importance of ensuring a statutory voice for tram passengers, as well as for bus passengers. In light of this, a government amendment to the Local Transport Bill was tabled and accepted, enabling the Secretary of State to confer powers on the Council to act as the statutory representative body for tram passengers as well. In November 2008, Ministers announced that further consultation would take place on giving the Council a role representing tram passengers. This consultation was held during summer 2009 and showed clear support for giving this role to the Council.
7. *The Passengers' Council (Non-Railway Functions) Order* extends the Council's remit to cover bus, coach and tram issues. The Order is required to confer on the Council obligations in terms of bus, coach and tram matters and to place responsibilities on others in terms of how they respond to the Council.

## **Preparation of the Impact Assessment**

8. The Order and impact assessment were consulted on during summer 2009 and have been amended in the light of comments received. It is proposed that the Order will come into force by April 2010.

### **Options**

*A Passenger Focus (the Council) is given statutory powers to represent bus, coach and tram passengers*

9. Responses to the consultation on "Options for Strengthening Bus Passenger Representation" showed clear support for a body with statutory powers and the predominant view was that the Council should take on the role representing bus and coach passengers. Similarly, the further consultation in summer 2009 showed strong support for the Council having a role representing tram passengers.
10. The draft Order would grant the Council the statutory powers required to represent bus, coach and tram passengers. The Council can conduct research and make representations as to how conditions and services for passengers may be improved. It will also be under a duty to review matters relating to the provision of bus, coach and tram passenger services and facilities. The Council will have the power to investigate matters referred to it by passengers, potential passengers and representative organisations, or the Secretary of State.
11. Following an investigation, the Council would have the powers to make representations to bus, coach and tram operators, bodies responsible for providing passenger transport facilities, local traffic authorities, local transport authorities and the Highways Agency. Those bodies would have to have regard to those representations and send a written response to the Council within a reasonable time.

*B Do nothing*

12. Although this option would not require legislation, it would not meet the concerns raised by Parliament during the passage of the Local Transport Bill, by stakeholders during the consultation on the Bill and the "Options for strengthening bus passenger representation" consultation, or during the "Extension of the remit of Passenger Focus to bus and coach issues and the requirement to display information" consultation.

## **Analysis of impacts**

### **Groups and Sector affected**

13. The bus and coach industry includes over 9000 operators with around 95% of these operators having 20 vehicles or less, with an average fleet of about 10 vehicles. All operators of regular bus and coach services in England, outside London, will fall within the remit of the Council. Its remit will therefore cover 2.6 billion bus and coach journeys a year, making up two-thirds of all public transport journeys.
14. There are five tram systems in England, outside London. These are in Blackpool, Manchester, Nottingham, Sheffield and the West Midlands (the Tyne and Wear Metro is regarded as a light rail system is already within the remit of the Council). There are 53 million journeys per year on the five tram systems.
15. DfT has considered whether it would be appropriate to exclude small firms from the Council's remit. However, if services operated by small firms were excluded, the policy aim of ensuring all bus, coach and tram passengers had statutory representation would not be achieved. We believe that the provisions in the Order should have no impact on small firms' ability to continue operating.

### **Costs**

*A Passenger Focus (the Council) is given statutory powers to represent bus, coach and tram passengers*

16. There would be a small cost to operators and local authorities in responding to representations made by the Council. The response to the consultation did not suggest that these would be significant and the Council is already working on bus and coach issues in shadow form. We expect the Council to work collaboratively with stakeholders. Responding to a representation from the Council should be no different to replying to a representation from any other stakeholder and should represent 'business as usual' for an operator or authority. The Order requires that any request for information by Passenger Focus should not impose an unreasonable burden on its recipient.

*B Do nothing*

17. There would be no costs to operators or authorities associated with this option. However, there would be costs to passengers as they would not benefit from a national voice seeking to secure journey improvements on their behalf.

## **Benefits**

*A Passenger Focus (the Council) is given statutory powers to represent bus, coach and tram passengers*

18. Bus, coach and tram passengers will receive statutory representation for the first time. The Council's ability to carry out research and make representations about bus, coach and tram issues should lead to improved services for passengers. Some benefits would also accrue to operators who would benefit from the Council's research; for example, the Council carries out research into passenger priorities, which will be a useful source of information for operators in attracting and retaining customers. Making bus services more attractive to passengers should lead to increased patronage and revenue gains for operators. However, the monetary value of these benefits cannot be quantified realistically at this stage.

*B Do nothing*

19. If no change is made to the current arrangements, bus, coach and tram passengers would continue to have no statutory representation, and would receive no benefits. They would miss out on potential improvements to services highlighted by the Council's research. Although operators would not have the minor cost of responding to any representations, they would also miss out on any research findings which could improve their services and potentially increase patronage. Local authorities would also receive no benefits.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	Yes
Sustainable Development	No	Yes
Carbon Assessment	No	Yes
Other Environment	No	Yes
Health Impact Assessment	No	Yes
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	Yes
Rural Proofing	No	Yes

## **Annexes**

### **Competition Assessment**

There should be no impact on competition as all operators will be treated in the same manner.

### **Small Firms Impact Test**

No significant impact on small operators is envisaged. The draft Order should have no impact on small firms' ability to operate.

### **Legal Aid Impact Assessment**

No legal aid impact is envisaged.

### **Sustainable Development/Carbon Assessment/Other Environment Impact Assessment**

Improvements to bus services resulting from a representation by the Council may create increases in bus and coach patronage. Option A may therefore result in a reduction in the use of private cars, which could have some environmental impacts. However, it is not thought that this would be substantial enough to have any significant impact.

### **Health Impact Assessment**

No impact on health is envisaged.

### **Race Equality/Disability Equality/Gender Equality**

No impact on race, disability and gender equalities is envisaged.

### **Human Rights**

No human rights impact is envisaged.

### **Rural Proofing**

No specific rural issues have been identified.