

# TravelWatch NORTHWEST

Oxford St Manchester: Tel 0161 238 7071  
Email: [admin@travelwatch-northwest.org.uk](mailto:admin@travelwatch-northwest.org.uk)  
Website: [www.travelwatch-northwest.org.uk](http://www.travelwatch-northwest.org.uk)  
Correspondence address – 11 Harvelin  
Park, Todmorden, OL14 6HX

*promoting quality public transport.....*

Local Transport Strategy and Funding  
DfT  
Zone 3/14  
Minster House  
76 Marsham Street  
SW1P 4DR

5<sup>th</sup> October 2010

Dear Sirs,

## **Local Transport Funding**

TravelWatch NorthWest (TWNW) is an independent Community Interest Company representing users of all forms of public transport in North West England

Clearly this consultation, and the very specific questions it asks, is primarily between central and local government.

TWNW however is encouraged to make a partial response mainly confined to those possible outcomes having the potential to impact significantly on the fares and levels of service which passengers might as a result experience in the future.

## **Parallel issues**

We have already responded to DfT's previous consultation on Bus Service Operators' Grant and intend responding to your current consultation on reimbursement of bus operators for providing free concessionary travel.

We suggest that none of these issues can or should be considered in isolation.

## **Capital funding**

All capital funding has revenue implications. Passengers expect new infrastructure and vehicles to be adequately maintained and staffed.

We would not presume to second guess Local Authorities' preferences between capital grants and supported borrowing, but would point out that some do claim that current funding arrangements leave them "capital rich and revenue poor", with insufficient revenue funding to secure the public transport use of the capital intensive infrastructure which they have been encouraged to provide.

The inability of LTA's to pick up de registered local commercial services that have, for whatever reason, ceased to be profitable, is also of concern to TWNW.

## **Equity**

The consultation admits that each of the suggested methods of calculating and distributing the two block grants will produce "winners and losers".

There are similarities here with the, respectively, recent and ongoing consultations on Bus Service Operator Grant (BSOG) and the reimbursement formula for concessionary fares, where, in the latter case, some operators claim to be "worse off", rather than "no better nor worse off".

What this is illustrating is that the issues of BSOG, concessionary fares and capital block grants are inter dependent. In particular it is not just the size of the capital (and revenue) pots which impacts on passengers, but also, crucially, how these are distributed.

From a Regional (North West) perspective TWNW would find it difficult to identify a single formula which would be fair to all the LTAs (and two ITAs) in its area.

## **Timing**

Specifically we agree that it could be counter productive to make any changes in the Integrated Transport Block Grant ahead of the Comprehensive Spending Review on 20<sup>th</sup> October 2010.

## **Local Government Reorganisation**

On the suggestion of capping the Highways Agency's capital expenditure on their primary network and merging this with Local Authorities' Maintenance Block Grant, there are good arguments for doing this where ITAs or Combined Authorities are emerging with highways powers. This could encourage innovations such as bus priorities of benefit to both passengers and operators.

Likewise the suggestion of a single capital pot for such emerging "all purpose" sub Regional authorities from which constituent local authorities can vire funds would give greater flexibility to LTAs. This could be a very helpful tool for LTAs which are currently trying to assemble ever more imaginative funding packages

## **Data**

The data supporting the calculation of the two block grants is unfit for purpose and should be refreshed. Hopefully this will reduce the absolute and relative numbers of winners and losers.

## **Conclusion**

We applaud DfT's efforts to arrive at an impartial solution to the problem of fairly distributing capital (and revenue) grants and subsidies to LTAs and hope that our observations prove useful.

Yours faithfully

John Moorhouse  
Company Secretary

***Author of paper: Paul Fawcett***