

The Telegraph

Train operators to lose grant for replacement buses

Rail operators will no longer be allowed to make money from forcing passengers onto replacement buses at the weekend, under new Government plans.



Norman Baker to stop "double dipping" Photo: Philip Hollis



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Ministers plan to end an anomaly, exposed by The Daily Telegraph last year, which allows train firms that also own bus companies to receive grants for providing alternative road services when stretches of the rail network are down.

There has been growing anger at a practice known as "bustitution" - which has seen train operators pocket millions of pounds from days of disruption while their passengers endure longer journeys.

Train firms receive compensation from Network Rail when their lines are unavailable, but passengers forced onto bus services are usually unable to claim a partial refund for the delay.

Later this week Norman Baker, the rail minister, will announce plans to end the practice of “double dipping”, which sees train operators receive Bus Service Operators Grant when they one of their associated companies lays on a relief service.

In opposition Mr Baker had called for rail passengers to pay less when they were forced to travel by road for part of their journey.

[Rail passengers face spring bank holiday disruption \(http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/8519570/Rail-passengers-face-spring-bank-holiday-disruption.html\)](http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/8519570/Rail-passengers-face-spring-bank-holiday-disruption.html)

[Strikes and engineering misery for rail passengers \(http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/8219664/Strikes-and-engineering-misery-for-rail-passengers.html\)](http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/8219664/Strikes-and-engineering-misery-for-rail-passengers.html)

“Rail replacement services are quite obviously not a local bus service and I am proposing to put a stop to the highly questionable arrangements where some train operators can get paid twice over for running buses that replace their trains,” he said.

“When rail passengers buy a ticket they want to get on a train, not a bus. It is crazy for the public purse to subsidise these so-called rail replacement buses.

“I have been pushing train operating companies to reduce their reliance on decanting all their passengers onto buses at the weekend – I hope this will act as an extra push to make them think again.

“Network Rail is happy to get possession of the track so they can do work and train operators are happy to receive the grant, the only person who loses out is the passenger.”

“It is signalling that we want to see trains operating as much as possible, I am not convinced that train companies are doing as much as they can to avoid replacement buses.”

The grant received by the companies was supposed to reimburse a major slice of the duty they pay for fuel. However it was designed for dedicated bus services.

Official figures showed First Group’s specialist rail replacement bus company, receiving £2.5 million for running replacement buses in three years.

Other DfT figures shows that Stagecoach’s specialist rail replacement bus firm received more than £74,000 in six months ending September 2009.

National Express, meanwhile, received £280,000 in 2010 for providing rail replacement buses and coaches.

However the real figure is likely to have been far higher when the grant paid to a host of local offshoots of the big bus-train conglomerates is taken into account.

Mr Baker's decision to act was welcomed by Bob Crow, general secretary of the RMT Transport Union.

"It's good news that one of the moneymaking rackets of the private train operators is to be closed down and we hope they don't just look to recover this nice little earner by exploiting other loopholes elsewhere in the fragmented and opaque rail system."

Anthony Smith, Passenger Focus chief executive added: "Passengers tell us that they would rather stay on a rerouted train, rather than switch to a replacement bus service, so any measures that would encourage train companies to use them as a last resort during engineering works would be welcome.

"However, great care needs to be taken to ensure that replacement bus services don't deteriorate as result of any changes to the current system."

A spokesman for the Association of Train Operating Companies defended the industry. "Train companies' primary focus is and will remain keeping passengers on trains as much as we can because we know that is what customers want.

"A significant amount of time and effort goes into making sure that disruption for passengers is kept to an absolute minimum during improvement works, including reducing the number of rail replacement buses used as much as possible."

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