

EXTENDING THE FUNDING ON CONTRACTED BUS SERVICES TO THE END OF THE 2019/20 FINANCIAL YEAR

To: Economy and Environment Committee

Meeting Date: 7 February 2019

From: Graham Hughes - Executive Director, Place and Economy

Electoral division(s): All

Forward Plan ref: 2019/032 **Key decision:** Yes

Purpose: To consider extending the funding for contracted bus services until the end of March 2020

Recommendation: Committee is recommended to:

- a) agree to extend the funding for subsidised contracted bus services until the end of the 2019/20 financial year, using reserves held for this purpose, and
- b) delegate to the Executive Director, in consultation with the Chairman and Vice Chairman of the Committee, authority to agree with the Cambridgeshire and Peterborough Combined Authority the funding required to contract for any further bus services de-registered in 2019/20

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1. BACKGROUND

- 1.1 With the creation of the Cambridgeshire and Peterborough Combined Authority (CPCA), the responsibility for passenger transport across the area has moved from the County Council to the CPCA. However, for 2017/18 and 2018/19, the Combined Authority delegated that function back to the County Council for delivery. Therefore, during the course of 2018/19, as local bus services have been deregistered by operators, the Economy and Environment Committee has been asked to consider additional funding to prevent these services from being withdrawn. As a result, in July 2018 the Economy and Environment (E&E) Committee agreed to fund replacement bus services until the end of March 2019.
- 1.2 The contracts for these replacement services are now approaching their end and a decision is required on whether or not to extend the funding further.
- 1.3 This report is being presented as an urgent item by agreement with the Chairman of the Committee. The reason for urgency is that if a decision is not made early in February, the bus services referred to in this report will be de-registered by the operators before the next Committee date and consequently there will be a gap in provision for communities. The reason for lateness is that the Combined Authority Board has only just agreed the way forward with the Bus Review and the creation of the Bus Reform Group and thus the need to continue the existing pattern of subsidised services whilst that group undertakes its work.

2. MAIN ISSUES

- 2.1 The original decision to provide time-limited funding for these services was based on awaiting the outcome of a review of bus services commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA), which is the body responsible for the provision of public transport as part of the Devolution Deal.
- 2.2 The CPCA bus review was reported to the CPCA Board on 30th January 2019 and the findings were primarily in terms of the medium to long term provision of bus services. In the short term the CPCA has again delegated the responsibility for bus services back to Cambridgeshire County Council for 2019/20, during which time further work will be carried out by a CPCA Bus Reform Group, soon to be established. It is proposed therefore that for one more year only, the County Council will continue to deliver bus services while the Bus Reform Group concludes on arrangements thereafter.
- 2.3 The Council's base budget for local bus services is £1,730,839, plus an additional £301,818 available through the Department for Transport's Bus Service Operators Grant (BSOG), which is currently ring-fenced for public transport. As part of last year's Committee decision, an additional £295k was allocated from reserves to cover the cost of additional services until the end of March 2019.
- 2.4 In addition to the above County Council funding, the CPCA also agreed to fund three bus services, one of them jointly with South Cambridgeshire District Council, until the end of March 2019; the full year cost of maintaining these services is £183k. In order to maintain all existing bus services the required budget for 2019/20 will therefore be around £2,510,657, an additional £478k above the current base budget and BSOG funding allocation.

- 2.5 There is sufficient funding available, primarily in an expected underspend on concessionary fares payments in 2019/20 and in passenger transport ring fenced reserves, to fund the additional cost of all of these contracts until the end of March 2020. It is therefore recommended that these contracts be extended to the end of March 2020, subject to final contract prices being affordable. This will provide certainty for communities that benefit from these services while the County Council and the CPCA agree longer term arrangements for funding and managing local public transport services.
- 2.6 In view of the ongoing possibility of further contract changes or increased tender prices, it is recommended that authority is also delegated to the Executive Director, Place and Economy, in consultation with Chairman / Vice Chairman of E&E Committee, to consider the award of any future contracts to cover for de-registrations in-year, as long as this is within the retained budget or funded by CPCA.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The following bullet points set out details of implications identified by officers:

- The role of local bus services remains critical to the success of the County and its employers and businesses. Local bus services continue to ensure that car traffic is reduced and does not add to the existing congestion experienced in the county.

3.2 Helping people live healthy and independent lives

The following bullet points set out details of implications identified by officers:

- Local bus services offer a convenient way of accessing employment, businesses and public services; hence allowing people to live independently. That role is illustrated by the fact that a proportion of journeys made are undertaken by concessionary pass holders.
- If this further funding isn't agreed, contracts will need to be withdrawn which will leave some areas of the County with no local bus services and could leave residents, in particular in rural areas, without access to transport and isolated.

3.3 Supporting and protecting vulnerable people

The following bullet points set out details of implications identified by officers:

- Not maintaining access to bus services would particularly impact on the elderly, disabled, young people, lower income groups and isolated communities.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The resource implications are discussed in the main body of the report.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Contracts will be in place for 2019/20 through a combination of procurement, contract extensions or existing contract lengths as appropriate.

4.3 Statutory, Legal and Risk Implications

The following bullet points set out details of implications identified by officers:

- There is a duty under the 1985 Transport Act to secure the provision of such public passenger transport services as the Council consider it appropriate to secure to meet any public transport requirements within the County which would not in their view be met apart from any action taken by them for that purpose. The duty, however, is only to consider and there is no duty to provide services.

4.4 Equality and Diversity Implications

The following bullet points set out details of implications identified by officers:

- Not maintaining access to bus services would particularly impact on the elderly, disabled, young people, lower income groups and isolated communities.
- Not maintaining access to bus services would remove or severely reduce the opportunity for residents to travel and risks isolating users of these services so they are unable to access education, work and other services.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

The Cambridgeshire Transport and Health JSNA reports that availability and accessibility of means of transport such as local bus routes are important enablers for travelling to services and social opportunities, especially for the most vulnerable residents. Transport is a gateway to participation and a vital element in the prevention of isolation and loneliness. Evidence shows that transport barriers can be a contributory cause of missed and cancelled health appointments, delays in care, and non-compliance with prescribed medication; leading to worse health outcomes.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes – Theresa Tilley
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	Yes – Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes – Debbie Carter-Hughes
Have the equality and diversity implications been cleared by your Service Contact?	Yes – Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes – Jo Shilton
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes – Christine May
Have any Public Health implications been cleared by Public Health	Yes – Stuart Keeble

Source Documents	Location
None	