

**REVIEW OF BUS SUBSIDIES**

*To:* **Cabinet**

*Date:* **31 January 2012**

*From:* **Executive Director: Environment Services**

*Electoral division(s):* **All**

*Forward Plan ref:* **N/A**

*Key decision:* **Yes**

*Purpose:* **To review the decision to phase out all subsidised bus service funding and consider how to take this process forward.**

*Recommendation:* **It is recommended that Cabinet:**

- a) Consider whether to confirm the decision to remove funding for services withdrawn in April 2011.**
- b) Consider whether to confirm the decision to phase out funding for all services over 3 years commencing 2012/13 as stated in the Integrated Plan; and**
- c) Approve the proposed strategy of identifying areas where subsidies are to be withdrawn and then moving to develop alternative provision, subject to full community engagement on the development of alternative service provision.**

<b><i>Officer contact:</i></b>		<b><i>Member contact</i></b>	
Name:	Bob Menzies	Name:	Councillor Criswell
Post:	Head of Passenger Transport	Portfolio:	Cabinet member for Community Infrastructure
Email:	<a href="mailto:Bob.menzies@cambridgeshire.gov.uk">Bob.menzies@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:Steve.Criswell@cambridgeshire.gov.uk">Steve.Criswell@cambridgeshire.gov.uk</a>
Tel:	01223 717866	Tel:	01223 699173

## **1. BACKGROUND**

- 1.1** Cambridgeshire County Council faces key financial challenges over the five years from 2011/12, with savings required to be made of over £540m. In 2011/12 the County Council needed to make £50.4m savings, the following year an additional £35.6m and the year after that £23.1m and subsequent savings targets in the order of £25m a year to be made in each subsequent year. To illustrate the scale of the challenge facing the Council, the savings required in 2011/12 were 2.3 times the size of the savings the Council had to find in 2010/11.
- 1.2** As part of the 2011-2012 Integrated Plan, it was decided to withdraw all subsidised bus funding over four years, a budget of £2.7million. This decision was based on the prevailing financial circumstances, a comprehensive consultation and Community Impact Assessment and the Council's determination to seek alternative and innovative ways to deliver transport in the future.
- 1.3** The only alternative approaches to the above decision would be to move funding from elsewhere within the County Council's budget, such as for road maintenance or libraries, or to increase council tax charges. In view of the financial challenge facing the County Council these areas and others are already subject to budget reductions and further cuts would have an additional adverse impact on them.
- 1.4** Following an application for Judicial Review Cabinet agreed on 5 July 2011 that a review of last year's Integrated Plan (IP) decision regarding bus subsidy reductions should take place. This review has been carried out as part of the 2012 IP.
- 1.5** As part of this process, views were sought through a public consultation on not only the principle of making the subsidy reductions but also on the impact of specific route reductions and all subsidised routes were included in the consultation. Views were also sought on the routes where subsidies have already been removed, to measure the level of impact this has had in these areas.

## **2. CONSULTATION RESPONSES AND COMMUNITY IMPACT ASSESSMENT**

- 2.1** The consultation ran from 14<sup>th</sup> September until 9<sup>th</sup> December 2011. In the analysis of the consultation responses the headline figures are that 1,894 responses were received, of which 77.6% were current bus users. The consultation was self selecting and the link to the consultation and details about how to receive paper copies was communicated: to all County Councillors, District Councillors, Parish and Town Councillors; through three press releases; via posters and flyers to bus companies; on the County Council's website and Shape your Place websites; Neighbourhood Panel Meetings; libraries; Fenland One Stop Shops; as well as to representative groups such as COPE, Age UK Cambridgeshire, Love Cambridge and ACRE to ask them to forward on to their members.

**2.2** Of the consultation responses, 81.8% did not support the withdrawal of all subsidies, with 15.3% undecided. 61.8% of respondents were female, 46.1% over 65, 22.3% in full time employment, 35.4% in households without a car, 36.6% with a longstanding illness, disability or infirmity and 55.7% have a concessionary bus pass.

**2.3** In terms of impact, the main reason for travel was 35.6% for essential shopping, 21% for non-essential shopping, 19.5% for attending healthcare and 15.3% for work. Comments received show that people are concerned about the loss of independence, increased social isolation, increased congestion and emissions, inability to shop for basics and an increase in demand for other county council services if subsidies are removed and as a result, services are not available.

**2.4** The responses about impact have been mapped by demographic grouping and these answers have been analysed to produce the following table. The highest identified impact was on people with a disability being able to do essential shopping (a score of 5.0) followed by people looking after a family and older people. People studying also reported a high impact on being able to reach their place of education.

Scored respondents answers to Q10: "If the bus service was no longer available, how significant would be impact the on you?" – By demographic, grouping. 6 = highest impact, 1 = lowest impact.

	Travelling to/from a place of study	Travelling to/from work	Attending hospital/doctor /dentist appointments	Visiting friends/relatives	Travelling to/from shops to do essential shopping (food shopping etcetera)	Travelling to/from shops to do non-essential shopping (clothes shopping etcetera)	Visiting leisure/recreational facilities	Visiting community / day centres	Total Number of valid answers
Older People aged 65+	1.4	1.3	4.1	2.8	4.7	3.9	2.5	1.4	740
Young People aged <24	4.4	3.7	3.2	3.8	2.9	3.8	3.8	2.1	68
People aged 25-64	2.1	3.3	3.7	3.4	3.9	4.0	3.4	1.8	662
Unemployed	1.9	3.5	4.1	3.7	4.6	4.3	3.8	2.4	30
Employed (all hours of employment)	2.1	3.9	3.4	3.1	3.4	3.7	3.2	1.6	493
People studying or training	4.9	3.4	3.1	3.8	2.8	3.8	4.1	2.0	55
People looking after family	2.1	1.7	4.3	3.4	4.9	4.7	3.6	1.9	36
People with a mobility limiting disability	1.7	1.9	4.7	3.3	5.0	4.2	2.9	2.0	255
All Non White Minority Ethnic Groups	2.1	2.7	3.2	3.2	3.6	2.7	2.9	1.8	55
<b>All Valid Answers</b>	<b>1.8</b>	<b>2.3</b>	<b>3.9</b>	<b>3.1</b>	<b>4.2</b>	<b>4.0</b>	<b>2.9</b>	<b>1.6</b>	<b>1470</b>

**2.5** Analysis of the responses to the questionnaire is attached as appendix 1. In addition, the individual free text responses to question 2a (Why do you or don't you support the decision) and question 17 (Please tell us...the impact on you of the withdrawal of these services...) have been e-mailed to all members, are on the web and are available on request. The above analysis and responses have been incorporated into a revised Community Impact Assessment (CIA) (appendix 2) which assesses the impact on particular groups if subsidies are removed and, as a result, services are not available. This assessment is based on the overall impact rather than assessing each route individually.

**2.6** Overall the CIA shows that the main groups protected under the Equality Act who may be impacted by a withdrawal of subsidised bus service funding are the old, women, the disabled and the young. There is no disparate impact

identified on those defined by gender reassignment, marriage and civil partnership, religion or belief, sexual orientation and race.

### **3. SERVICES WHERE FUNDING WAS WITHDRAWN IN APRIL 2011**

- 3.1** As part of the questionnaire, responses were sought on the impact on individuals of the removal of some services in April 2011, which were largely in the evenings, on Sundays, lightly used market day services or where alternative provision was available. Alternative provision included links by public transport to other towns and villages and in some cases using other means such as walking, taxis, or Shop Mobility.
- 3.2** 62.5% of respondents did not use any of the services withdrawn in April 2011. Of respondents who did use the services the main reason for travel was to do non-essential shopping at 20% followed by essential shopping (19.9%), health appointments (13.7%), visiting friends/relatives (13.3%), work (11.3%), leisure/recreation (10.4%), other (4.7%), study (3.9%) and visiting community/day centres (2.7%).
- 3.3** The results highlighting the impact on people who used the withdrawn services is shown under question 15 in appendix 1. Of these respondents 81.3% said the change had had “no impact whatsoever” for visiting community/day centres, 78.8% for study, 68.6% for work, 48.9% for leisure, 47.7% for visiting friends//relatives, 43.9% for health, 36.7% for essential shopping and only 31.8% had had no impact for non-essential shopping.
- 3.4** Respondents did highlight, however, that there had been a high impact on essential shopping for 32.6% of users, non-essential shopping 31.4%, health 30.8%, visiting friends/relations 25.5%, leisure 21%, work 15.9%, study 9% and 7% had had a high impact on them in terms of visiting community/day centres.
- 3.5** The above responses show that for the respondents who used the withdrawn services the highest impact was for essential shopping with the least impact on visiting community/day centres. Compared to the 77.6% of respondents who use the current contracted journeys 37.5% said they had used the withdrawn services.
- 3.6** Although the consultation shows that there have been impacts on residents following the withdrawal of services it is recommended that the decision to withdraw these services is maintained. This is due to the need for budget reductions considering the severe pressure on the County Council’s budget, the lower usage of these journeys compared to the remaining contracted services and because the withdrawn journeys are at lesser used times such as evenings or Sundays or where alternative provision is in place.

### **4. Legal duties**

#### **Statutory, Risk and Legal Implications**

- 4.1** Under the Transport Act 1985 s63 the Council has a duty to secure the provision of such public transport services as it thinks appropriate to secure to meet any public transport requirements within the County which would not be

met apart from any action taken by them for that purpose. It has power to enter into subsidy agreements and a requirement to have regard to elderly and disabled members of the public. Under the Transport Act 2000 as amended by the Local Transport Act 2008 the Council is under a duty to develop implement and keep under review policies for the promotion and encouragement of safe integrated efficient and economic transport to and from their areas.

- 4.2 Discharging our s63 duties involves a two stage test, deciding first what public transport requirements will not be met if we do not take action to meet them and second which of those requirements it is appropriate for the Council to secure having regard to all the circumstances including the 2000 Act duty. The Council is entitled to take the funding they have available into consideration in discharging these duties

### **Equality and Diversity Implications**

- 4.3 The Equality Duty set out in S149 of the Equality Act requires the Council to have **due regard** to the need to:
- **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
  - **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
  - **foster good relations** between people who share a protected characteristic and people who do not share it.
- 4.4 In summary before the Council can decide what to do about, in this case, subsidised services, it must assess and have in mind the need for the Council as a public authority to advance equality of opportunity, eliminate unlawful discrimination and foster good relations as per s 149. It then needs to decide whether a proposed decision will promote or detract from that objective. It should strive to promote it and avoid detracting from it unless some compelling reason forces it to do otherwise. If in this case financial stringency is a reason to do otherwise, then it must think about whether there is any better way to cope with the financial stringency which would not have this undesirable effect.

## **5. NEXT STEPS**

- 5.1 It is necessary to decide whether the removal of bus service subsidies should continue having regard to the Council's powers and duties in connection with public transport and taking into account the consultation responses. The current use of bus subsidies is sometimes considered a blunt instrument with services often provided for historical reasons rather than to meet the current needs of communities. Refocusing funding in a measured way through the Cambridgeshire Future Transport (CFT) programme if the current subsidies are phased out would provide an opportunity for alternative, more appropriate provision.
- 5.2 As members are already aware following a members' seminar on 16 September 2011 and Cabinet on 25 October, Cambridgeshire Future Transport is a project that commenced in February 2011 and aims to explore the potential to innovate and improve service accessibility, stimulate market

innovation and responses, enable the aligning of resources and priorities across boundaries and strengthens the connections with community outcomes including community joint ventures.

- 5.3** Responses to the consultation and the CIA show that there is a high level of concern about the potential reduction in bus services if all funding is withdrawn. For example, 64.8% of respondents strongly agreed that they were concerned about the impact of any withdrawal of service on them or their family. However, 67.7% of respondents felt that they were 'likely' or 'quite likely' to use alternative travel links if they were available in their local area.
- 5.4** In response to and as acknowledgement of the concerns identified in both the consultation responses and CIA, a more flexible approach to the provision of public transport services for communities is proposed where future provision could be provided through franchises, community transport providers, a small number of low cost socially necessary contracted services, services already provided elsewhere within Cambridgeshire County Council such as for education contracts or reduced commercially provided services. Additional forms of provision may also be identified as the CFT project progresses and this list is therefore not exhaustive. Alternatives will continue to be explored for services withdrawn in April 2011.
- 5.5** The above change in transport provision from the current traditional bus subsidies to a more appropriate alternative provision will be the basis of the CFT project. In order to facilitate the provision of services in this way the IP includes the allocation of additional funding for the CFT project rising to £1.5m by 2014/15.
- 5.6** Discussions with operators have indicated that some of the contracted services are close to being commercial if they are provided on a reduced level. This means that with some changes to service pattern, reasonably significant savings can be made whilst maintaining the essence of the services provided and it is proposed that Cabinet confirms this as an approach. It is proposed that a list of services that could be amended in this way and the implications from the timetable reductions be presented to Cabinet on 6<sup>th</sup> March for a Cabinet decision. It is envisaged that these changes could be implemented in May 2012.
- 5.7** For the remaining contracted services it is suggested that a clear process for progressing both the CFT programme and bus subsidy reductions needs to be agreed.
- 5.8** Experience from the franchise pilot currently operating in Duxford / Whittlesford area shows that it is difficult to engage with the community on CFT when they are concerned about the potential impact on their existing bus services. It is recommended, therefore, that to move this forward, Cabinet needs to give a clear signal of where the bus subsidy reductions will be made and when, which will allow focused community engagement and the development of alternatives. Without this clear signal, it is felt that proper engagement won't be achieved and the objective of developing alternative transport provision that meets the needs of the community won't be secured.

- 5.9** It is proposed therefore that a phased programme of subsidy reductions will be developed. A further Cabinet report in March will then set down specific areas where subsidies will be withdrawn in September 2012 as well as a broad programme of phased reductions for April 2013 and beyond. This will then trigger focussed community engagement, including town and parish councils, assessment of the impact on communities and development under CFT to provide replacement services from September 2012.
- 5.10** This will allow the remaining group of tendered services to be re-evaluated over the next three years in a phased programme to make the savings required as part of the IP as well as meeting the commitment to provide the same or better levels of accessibility for communities where possible. Consideration can also be given to continue a subsidy as a last resort where a particular situation of need dictates that this is the most appropriate solution. Although the proposed solution is not guaranteed to provide the required savings and accessibility outcomes the expectation is that it will do so. If this expectation is not realised then the programme will be revisited and reviewed.
- 5.11** Overall the net impact of the proposals on disadvantaged groups should be very limited. A degree of negative impact is unavoidable but bearing in mind the level of financial challenge there are no viable alternative ways of achieving the savings and accessibility outcomes.

## **6. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

### **6.1 Supporting and protecting vulnerable people when they need it most**

Maintaining accessibility through a phased and measured process protects individuals who need to travel and may not otherwise be able to do so.

### **6.2 Helping people live healthy and independent lives in their communities**

Maintaining accessibility through a phased and measured process enables individuals who need to travel and may not otherwise be able to do so live independent lives.

### **6.3 Developing the local economy for the benefit of all**

Maintaining accessibility through a phased and measured process would help to reduce congestion and grow wealth and prosperity in Cambridgeshire by enabling access to services and facilities.

### **6.4 Ways of Working**

A full Community Impact Assessment has been completed, informed by the public and stakeholder consultation. This demonstrates our determination to work with our key partners, provide appropriate services and demonstrate our clear local council credentials.

## **7. SIGNIFICANT IMPLICATIONS**

### **7.1 Resource and Performance Implications**

Refocusing current bus subsidy funding will enable appropriate accessibility solutions to be provided at reduced cost.

### **7.2 Statutory, Risk and Legal Implications**

The statutory, risk and legal implications are noted in section 4.1

### **7.3 Equality and Diversity Implications**

The equality and diversity implications are noted in section 4.2

### **7.4 Engagement and Consultation**

The engagement and consultation issues are noted in section 2.1

## **8. RECOMMENDATION**

### **8.1 It is recommended that Cabinet:**

- a) **Consider whether to confirm the decision to remove funding for services withdrawn in April 2011.**
- b) **Consider whether to confirm the decision to phase out funding for all services over 3 years commencing 2012/13 as stated in the Integrated Plan; and**
- c) **Approve the proposed strategy of identifying areas where subsidies are to be withdrawn, and then moving to develop alternative provision, subject to full community engagement on the development of alternative service provision.**