

SUBSIDISED BUS SERVICES REVIEW

To: Cabinet

Date: 6th March 2012

From: Executive Director: Economy, Transport and Environment

Electoral division(s): All

Forward Plan ref: N/A **Key decision:** No

Purpose: To consider a strategy for identifying areas where bus subsidies are to be withdrawn, the programme for withdrawing these subsidies, and implementing appropriate alternative services wherever possible.

Recommendation: It is recommended that Cabinet approve:

- a) The phased programme of subsidy withdrawal on an area by area basis as set out in Section 2 of the report
- b) A programme to engage in advance with communities in the areas to be affected by subsidy withdrawals, to identify their transport needs and implement appropriate alternative transport services wherever possible
- c) Engagement with alternative transport service providers throughout the County to build capacity in advance of the withdrawal of subsidies.

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1. BACKGROUND

- 1.1 On 30th January 2012, Cambridgeshire County Council's Cabinet confirmed the decision to phase out funding for all subsidised bus services over three years, commencing in 2012/13 as stated in the Integrated Plan (IP). A list of the current subsidised services and specific journeys if only part of a service is subsidised is attached as Appendix A.
- 1.2 Cabinet also approved the allocation of £1.5 million funding for the Cambridgeshire Future Transport (CFT) project to support the provision of focused, alternative, more appropriate and better value-for-money transport solutions.
- 1.3 Cabinet charged officers with preparing a programme for implementing the CFT project and bus subsidy withdrawals. It is proposed that alternative services be implemented before subsidies are withdrawn in a phased programme to make the savings required as part of the IP as well as meeting the commitment to provide the same or better levels of accessibility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 wherever possible.
- 1.4 Officers were also requested to provide an indication of any subsidised services that could be amended by being provided on either a reduced level or with some change to service pattern in order to reduce costs whilst maintaining the essence of the service provided.

2. IMPLEMENTATION PROGRAMME

- 2.1 There are a number of ways in which the order that subsidies are withdrawn could be considered. Services could be prioritised based on factors such as the expiry dates of the existing contracts, the annual cost of the existing contracts, the number of passenger journeys taking place on the contracts, the District in which the contract primarily operates, the availability of alternative transport provision or by the cost per passenger journey.
- 2.2 The proposed programme for subsidy withdrawal is a criteria-based approach which takes into account the following factors:
 - Coherent geographical areas
 - Current costs of services
 - Ability to implement alternatives
- 2.3 Rather than look at each service in isolation, there are more opportunities to better integrate services and make savings by looking at services in a specific geographical area. As well as links between existing local bus subsidy arrangements, an area based approach also enables other forms of transport such as education, social access, community transport, health etc to be included in the analysis.
- 2.4 In the south of the County, the main centres of population are linked to Cambridge and to a lesser extent to one another by frequent commercial services. These routes follow the main transport corridors with some

diversions to serve settlements en-route. The existing commercial network has therefore been taken as the basis for segmenting the south of the County into coherent areas for subsidy withdrawal and the development of replacement provision, which is likely to link into the commercial network.

- 2.5 The north and west of the County has a more sparse commercial bus network (reflecting the lower density of population), which mainly links the principal market towns. This part of the County has been split into areas centred on the market towns. It is considered that this approach gives due regard to the importance of these towns in providing essential facilities and as hubs around which alternative transport provision can be based.
- 2.6 Thirteen coherent areas have been identified through this process and these are shown on the map in Appendix B.
- 2.7 A two-stage approach has been used to decide the order in which the areas should be reviewed. The first stage has been to rank the areas by the cost of subsidies and the second stage has been to review the resulting ranking with regard to the existing and potential alternative provision.
- 2.8 For the first stage, the subsidised bus services were allocated to their appropriate area then ranked according to the highest cost per passenger service in each area.
- 2.9 After dividing the services by area and cost per passenger journey, the list has then been assessed in terms of both the existing and potential alternative transport provision. Although one of the aims of the CFT project is to encourage and develop alternative transport provision, this will inevitably take time to achieve. In some areas of the County, however, there are already well established community transport schemes or local transport operators who have expressed an interest in developing CFT solutions in their area. The existence of these alternatives has been used as a reality check to review the ranking of areas.
- 2.10 To allow the process of community engagement, consideration of needs, and development of alternatives, it is proposed that the subsidy withdrawals take place in the September and April of the next three years. The ranked list of areas has therefore been divided into six tranches.
- 2.11 Appendix C shows the list of current contracted bus services, the area in which they operate and the tranche date by which it is proposed that subsidies will be withdrawn. This indicative programme will need to be flexible and is subject to change if, for example, alternative transport provision opportunities are available at an earlier date or changes occur to the commercial bus network.
- 2.12 The work on community engagement and consideration of needs for the two areas in the first tranche will need to start as soon as possible following Cabinet's decision. Given the timescales involved, it is also proposed to start community engagement on the second tranche in the summer. Once the programme is underway, community engagement will typically begin some nine months before the scheduled subsidy withdrawal to allow time for Cambridgeshire Future Transport solutions to be developed and implemented to meet local needs.

- 2.13 In addition to the proposed programme, assistance and support will be given to develop existing community transport provisions in advance of the bus subsidy withdrawal programme where opportunities arise, as a means of building capacity
- 2.14 Regular reports will be presented to Cabinet advising on progress and making recommendations on alternative Cambridgeshire Future Transport solutions for each area.

3. POTENTIALLY COMMERCIAL SERVICES

- 3.1 The Cabinet paper presented on 30th January 2012 noted that early discussions with bus operators had identified some potential areas where services could become commercial or near commercial if they were provided on a reduced level.
- 3.2 Work continues with a number of operators and positive progress is being made. As these discussions relate to changes to commercial services they must remain confidential for reasons of commercial sensitivity until the operators are in a position to publicly commit. It is not therefore possible to detail any of these potential services at this stage but as more concrete proposals are developed these will be presented to Cabinet for a decision about whether to implement any resulting changes to the subsidised bus network.

4. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

4.1 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.

4.2 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.

4.3 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.

4.4 Ways of working

The Cambridgeshire Future Transport programme is based around local engagement to determine the appropriate services to best meet local transport needs.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource and Performance Implications

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

5.2 Statutory, Risk and Legal Implications

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.

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

5.3 Equality and Diversity Implications

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
- **foster good relations** between people who share a protected characteristic and people who do not share it.

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.

5.4 Engagement and Consultation

Engagement is key to the success of CFT and requires additional resource to that deployed thus far. We are currently in the process of recruiting two

community engagement officers and we are developing a model of engagement.

6. RECOMMENDATION

6.1 It is recommended that Cabinet approve:

- a) The phased programme of subsidy withdrawal on an area by area basis as set out in Section 2 of the report
- b) A parallel programme to engage in advance with communities in the areas to be affected by subsidy withdrawals, to identify their transport needs and implement appropriate alternative transport services
- c) Engagement with alternative transport service providers throughout the County to build capacity in advance of the withdrawal of subsidies.

Source Documents	Location
None	