

<b>Mr Roger Elkins, Cabinet Member for Highways and Infrastructure</b>	<b>Ref No:</b>
<b>December 2018</b>	<b>Key Decision:</b>
<b>Bus Strategy 2018-2026 and Financial Changes to the Non-Commercial Bus Network</b>	<b>Part I (Appendix D is exempt from publication)</b>
<b>Report by Executive Director Economy Infrastructure and Environment and Director of Highways and Transport</b>	<b>Electoral Division(s): All</b>
<p><b>Summary</b></p> <p>This report presents the final draft of the West Sussex Bus Strategy 2018 to 2026 together with recommended changes to financial support to the non-commercial bus network.</p> <p>West Sussex County Council (WSCC) currently invests £2.570m into the bus network that supports bus routes that are not commercially viable. In addition approximately £11m per year is required to fund the English National Concessionary Bus Pass. Sustained financial pressure on the Council means that funding needs to be reduced across all services to ensure a balanced budget is achieved. A proportion of these reductions are expected to come from financial support for the non-commercial bus network.</p> <p>A cross party Task and Finish Group has considered the WSCC Bus Strategy and also at how best to approach any reductions in financial support. In recognising that all services play a valuable role, their approach was to determine which categories of services were of greatest benefit to residents of West Sussex. The Bus Strategy, detail of the Task and Finish Group’s methodology and findings are included at the Appendix to this report.</p>	
<p><b>West Sussex Plan: Policy Impact and Context</b></p> <p>Local buses provide 27 million passenger journeys in West Sussex each year.</p> <p><i>Best Start in Life.</i> Local buses are used by many children and young people to access education and learning.</p> <p><i>A Prosperous Place.</i> Local buses provide an affordable alternative to the car for employees to commute to and from their place of employment and by residents to access shops and leisure facilities contributing to the local economy.</p> <p><i>A Strong, Safe and Sustainable Place.</i> Local buses provide safe and suitable travel for residents as well as contributing to the sustainability of rural areas. Well-used local buses emit lower emissions than cars, thus contributing to air quality.</p> <p><i>Independence in Later Life.</i> Local buses provide free off-peak travel options for older people entitled to a bus pass. This contributes greatly to their independence and combats social isolation.</p>	
<p><b>Financial Impact</b></p> <p>The financial implication is to reduce the Council’s financial contribution for supported bus services by £300,564 from 2019/20</p>	

## **Recommendations**

The Cabinet Member for Highway and Infrastructure is asked to approve:

- 1) The content and adoption of the West Sussex Bus Strategy 2018 to 2026, as set out in Appendix A
- 2) The funding of the non-commercial bus network is reduced by £300,564 from 2019/20 as set out in Appendix D (which is exempt from publication). Officers are instructed to continue to work with bus operators and local communities to mitigate the impacts of this reduction where possible
- 3) The establishment of an Executive Task and Finish Group to consider additional or enhanced community based transport offers.

## **PROPOSAL**

### **1. Background and Context**

- 1.1 Approximately 85% of local bus services in West Sussex are operated on a fully commercial basis by bus companies through a de-regulated market since 1986.
- 1.2 The remaining 15% are where the Council has chosen to contract socially necessary bus services where they are not commercially viable. The Council also provides grants for some local community transport schemes for residents unable to use conventional bus services or where they don't operate. In addition, the Council has a statutory duty to fund school transport for eligible children as well as make provision for the English National Concessionary Travel Scheme (Free off peak bus travel for older and disabled people).
- 1.3 The Council has developed relationships with the bus operators supporting the continued sustainability of commercial bus services that provide 27 million passenger journeys each year. The supported services and funding of school travel on local bus services where possible also helps sustain the commercial network.
- 1.4 The Council acts as a catalyst working with developers and bus companies to enable sustainable bus services serving new developments as an alternative to increased car use.
- 1.5 Bus services faces two key challenges which are increased congestion affecting commercial services mainly along the coast and in the towns in the north of the county (Crawley, Horsham and East Grinstead) and a lack of commercial viability for conventional bus services in rural areas.
- 1.6 The Bus Strategy is needed to ensure the future approach to supporting bus and community transport aligns with the West Sussex Plan 2017-2022 that sets out the direction and vision of the County Council and to respond to the Bus Services Act 2017.

- 1.7 Sustained financial pressure on Council funding means that part of overall Council wide savings need to come from financial support for the non-commercial bus network.

## **2. Proposal Details**

### **Bus Strategy**

- 2.1 The Bus Strategy supports the West Sussex Transport Plan 2011- 26 that outlines the County Council's broader transport direction and aspirations. It also sits alongside the West Sussex Walking and Cycling Strategy and will be used to consider funding priorities for bus and community transport services and infrastructure solutions in the context of future developments across the county. The draft Bus Strategy is included as Appendix A.
- 2.2 The Bus Strategy sets out a vision with the proposal that West Sussex will be a place where:
- (1) Bus services are punctual, reliable and accessible
  - (2) Bus users can plan, book and pay for travel using the latest technology
  - (3) Bus services give people a viable alternative to being a car owner
  - (4) Bus services allow older people to continue to live independently
  - (5) Bus operators and their services give a consistently good level of quality for users across the county
  - (6) Bus travel is affordable for users
  - (7) Air Quality is better as a consequence of investment in cleaner buses as opposed to cars
- 2.3 In order to achieve this vision the County Council has the following ambitions:
- (1) Give buses priority over other travel modes when congestion occurs
  - (2) Implement cross ticketing and easy payment systems
  - (3) Use the latest clean engine technology
  - (4) Prioritise investment in good accessible bus infrastructure for bus users
  - (5) Work with property developers to design developments to incorporate buses as a priority with suitable infrastructure
  - (6) Work with all tiers of Local Government in seeking funding for prioritised local services
  - (7) Explore whether it makes sense to use our own vehicles to provide services working with Community Transport where appropriate
  - (8) Work with bus operators to provide affordable fares for young people
- 2.4 It is proposed to achieve the ambition through powers within the Bus Services Act 2017 to enter into area-based Enhanced Partnerships with bus and community transport operators, district/borough councils and other key local stakeholders. In addition, work with Total Transport partners (these being Surrey and East Sussex County Councils, Brighton and Hove City Council and the NHS) will continue to develop joined up solutions.

## **Financial Support for the Non-Commercial Bus Network**

- 2.5 A cross party working group (the Task and Finish Group (TFG)) looked into how best to approach reductions in financial support. This work included meeting with and considering the views of bus operators, considering alternative funding options and taking account of the many comments from the public from a Bus User Survey. The Survey was used as an Impact Assessment giving the TFG an understanding of the use of existing surveys and the impact on users if they were to be changed.
- 2.6 In recognising that all services play a valuable role, the approach was to determine which categories of services were of greatest benefit to residents of West Sussex. These services comprise:
- Those routes which carry people that we have a legal duty to transport e.g. eligible school children
  - Those routes which serve isolated rural communities
  - Those routes where there are no alternatives
  - Those routes which help to maintain access to key services such as hospitals, shopping and work at appropriate times of day.
- 2.7 On that basis, the TFG considered all bus services for reduced financial support. Results from the survey and report on the approach and recommendations from the TFG are at Appendix B and C respectively.
- 2.8 Noting section 6, it is proposed that the following actions are taken:
- Officers continue to work with bus operators to identify options that seek to mitigate for the impact of the reduction in financial support. This should conclude by early in the New Year.
  - Once the task above is complete officers will then approach other councils (Districts/City/Town/Parishes) to see if local funding may be available to retain the current services in advance of any service changes that will take place from April 2019.
  - An Executive Task and Finish Group should be established as soon as is practical to consider additional or enhanced community based transport offers.

## **FACTORS TAKEN INTO ACCOUNT**

### **3. Consultation**

- 3.1 An 8 week public consultation was undertaken ending 6 June 2018 on the Bus Strategy. The consultation was widely advertised through press releases, posters and leaflets on local buses, through schools and parish councils and various other media.
- 3.2 Members have been consulted through receiving the questionnaire, as well as the Select Committee in June 2018. External consultees included district/borough councils, town and parish councils, schools, bus and community transport companies, other partners and bus / non-bus users.

3.3 The Bus User Survey/impact assessment took place from 8 October to 18 November 2018. The results can be found at Appendix B. The impact assessment comprised:

- Notifications publicised via a press release, placed prominently on our website, libraries, Help Points, council offices, and on buses.
- Letters to all WSCC members including County Local Committee (CLC) chairs
- Information paper available to CLCs
- Email letters to all District & Borough Councils and Parish/Neighbourhood Councils
- Direct contact made with affected schools and other appropriate organisations.
- Web and paper (where requested) feedback together with email and postal address.
- Registration on the 'Have Your Say' website
- Contact Centre support - signposting information to callers and sending paper questionnaires upon request.

3.4 The Environment, Communities and Fire Select Committee considered both the Bus Strategy and recommended changes to the supported bus services at its meeting on 6<sup>th</sup> December 2018. The Committee resolved that it:

- 1) Supports the principles of the draft Bus Strategy and notes the methodology adopted by the TFG and that the methodology applied only managed to identify around 50% of the savings the Cabinet Member was seeking to find.
- 2) Supports the recommendations of the TFG.

#### **4. Financial (revenue and capital) and Resource Implications**

4.1 The Bus Strategy implies new ways of working in the form of Enhanced Partnerships with bus operators and key stakeholders. This will involve existing officers from Highways and Transport, as well as the Communities directorates.

4.2 Revenue consequences of proposal

Public Transport Support Gross Expenditure Budget	Current Year 2018/19 £m	Year 2 2019/20 £m	Year 3 2020/21 £m	Year 4 2021/22 £m
Revenue budget	2.570	2.570	2.269	2.269
Effect of TFG recommendations	0	-0.301	0	0
Remaining budget	2.570	2.269	2.269	2.269

4.3 The implication of the findings in Appendix D is that financial support will reduce by £301k from April 2019.

4.4 The TFG took into account any arrangements that might generate income towards the overall cost of support for each supported service. Examples include income from other Councils and large employers.

4.5 There are no capital consequences arising from this proposal.

## **5. Legal Implications**

5.1 Bus services are operated under Council contracts are registered with the Traffic Commissioners Office. Any changes to the services will require three months of notice before the change is enacted and the contract price is changed or the arrangement ceases.

5.2 Changes to existing contracted services can be made with the existing supplier under the current terms unless the supplier of the Council determines that the changes are not suitable then three months of notice will be required allowing the Council to seek alternative arrangements through the letting under the contract.

## **6. Risk Assessment Implications and Mitigations**

6.1 It is recognised that any change to financial support could affect many people who rely on affected bus services. The complicated nature of bus services means that any funding reductions may bring risks which may be summarised as follows:

- Increased car use leading to congestion, increased highways maintenance costs and significant harm to the sustainable transport agenda.
- Increased social isolation, particularly rural communities and for older people. This can lead to increased demand on other services such as Community Transport. This was raised by the Select Committee on 6<sup>th</sup> December 2018.
- Increase demand on other WSCC resources such as Adults Services.
- Increased costs to the WSCC Home to School Transport (this was taken into account by the TFG in their review).
- Reduced support to the local economy and employment.
- Greater and disproportionate impact on lower income groups.
- Potential impact on the viability of smaller bus operators
- Increased risk of under capacity on remaining services i.e. the buses will be full and passengers may be unable to board.
- The effect on the changing shape of day care in the County.

6.2 In view of the risks outlined in 6.1 the approach to any reductions in spending on supported services has to be treated very carefully. To mitigate the risks of the impacts officers will work with the affected bus companies to see where services can be changed to mitigate any reductions where possible and to ensure the majority of the bus network remains commercially viable. This work shall feed into opportunities outlined in the Bus Services Act 2017 for the formation of Enhanced Partnerships with key stakeholders from across the communities.

6.3 Once the bus companies have outlined the best they can provide within the reduced funding available, the Council will engage with the other councils

(Districts/City/Town/Parishes) to see if local funding may be available to retain the current services. This will be undertaken in early 2019 in advance of any service changes that will take place from April 2019.

- 6.4 Further to a Notice of Motion considered at Full Council on 14 December 2018, an Executive Task and Finish Group will be formed early in 2019 to consider how the Council can work with local communities on the design and use of new and existing Community Transport solutions to mitigate changes in conventional bus services following the review. The Council will work with the other councils and other interested groups on the development of sustainable solutions to combat social isolation where possible.
- 6.5 The Bus Strategy does not impose additional risk on the Council and indeed will help to reduce the adverse impacts listed above. It is expected that the pro-active approach to reviewing existing and designing new bus and community transport through community engagement and Enhanced Partnerships will reduce the risk to the Council.
- 6.6 The Bus Strategy will help the Council to ensure that future developments are designed and built to accommodate bus services and infrastructure alongside other sustainable travel solutions to enhance health and well-being of residents and to enhance the local economy.

## **7. Other Options Considered**

- 7.1 In respect to the Bus Strategy the move to a franchising model as found in London was considered but is unsustainable due to need and cost to deliver. Rural solutions linked into commercial services can be achieved without the move to this model through Enhanced Partnerships giving greater local accountability.
- 7.2 Other options for funding and delivery have and continue to be explored. Such actions take time to come to fruition and the Council will take up such options whenever they become available. However the financial pressure on the Council means that action is required in advance of completing such work.

## **8. Equality and Human Rights Assessment**

- 8.1 **Equality Act.** An Equalities Impact Assessment has been completed and potential impact taken into account. Bus and community transport networks are designed based on both need and commercial viability. The Council has the power to intervene where the commercial network fails. Consideration of the available solutions takes into account the needs of all users.
- 8.2 **Human Rights.** None identified

## **9. Social Value and Sustainability Assessment**

- 9.1 The Bus Strategy is a strategic document that deals with the long term ambitions and priorities for bus and community transport services in West Sussex and does not cover more detailed commissioning decisions. Therefore no social value implications have been identified in this regard.

9.2 Financial reductions in the non-commercial bus network may have a negative impact on social value that officers will seek to mitigate working with local communities to seek to arrange local alternatives such as community transport solutions. WSCC has a good relationship with the main community transport operators in the county and will work with them sharing assets where necessary to provide local solutions where practicable.

## **10. Crime and Disorder Reduction Assessment**

10.1 None identified

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### **Appendices:**

**Appendix A** - Draft Bus Strategy

**Appendix B** – Impact Analysis Results

**Appendix C** – Task and Finish Group Approach

**Appendix D** – Task and Finish Group Service Recommendations (**exempt**)

Appendices Di and Dii are exempt from publication due to containing commercially sensitive information. (They are available to members upon request.)

### **Background Information**

[Bus Services Act 2017: new powers and opportunities - GOV.UK](#)