

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member - Environment
Date:	1 March 2011
Title:	Bus Subsidy Review
Reference:	2694
Report From:	Director of Environment

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1. Executive Summary

1.1. This report seeks approval for a programme to review existing supported bus services and the strategy for their support. The review is to be informed by the Members' Workshops in 2010, consultation as set out below and an Equalities Impact Assessment.

1.2. This report seeks to

- set out the background to the review;
- describe the consultation process;
- show how the County Council plans to maximise the contribution of the commercial bus operators;
- set out how the County Council will support communities to play the fullest part;
- set out the principles which will underpin the evaluation of future service provision, building on the Members' workshops in 2010 and proposed consultation; and
- identify key dates.

2. Contextual information

2.1. Under the terms of the 1985 Transport Act, the County Council has to identify socially necessary bus services which are not provided by the commercial bus operators. Hampshire County Council spends £6.7 million a year

supporting such services, which account for 28% of journeys and 15% of passenger trips. The Act does not set out the level of support required. In addition, a further £1.6 million of Government Rural Bus Subsidy Grant (RBSG) is used to support services in rural areas. £1.8 million is spent on Community Transport services such as Dial-a-Ride.

- 2.2. The County Council is facing a funding gap of £55 million due to the reduction in Government funding which means that the budget available for bus subsidy is being reduced. In addition, Government Rural Bus Subsidy Grant (RBSG) is being reduced by 33% or £544,000.
- 2.3. The available funding will be confirmed by a meeting of the County Council on 24 February and so that budget savings can be delivered within the current financial year, it is intended that revised services will be introduced in October 2011.
- 2.4. To allow the tender process and required Traffic Commissioner notification, and due to the volume of services involved - there are 116 contracts covering 220 services across the county - a special all day Decision Day on 27 July is proposed.
- 2.5. A paper will be presented to the Environment & Transport Select Committee meeting on 5 April.
- 2.6. Members will be engaged via a link to the consultation website on the Members' Portal and a Members' briefing as part of the half day briefing on 26 May.
- 2.7. Consultation will be through special Passenger Transport Forums which bring together a wide range of representative groups and providers, Parish and District Councils and local Members. There will be direct mailing to Parish and District Councils and a twelve week consultation by post and online (see attached draft questionnaire – Appendix 1) and a communications plan. The programme of Parish Transport Forums is as follows:

District(s)	Date	Times	Venue
Fareham and Gosport	Thursday 10th February 2011	1000-1200	GBC Offices, High Street, Gosport, PO12 1EB
Test Valley	Wednesday 16th February 2011	1000-1200	Crosfield Hall, Broadwater Road, Romsey, SO51 8GL
Basingstoke	Friday 18th February 2011	1000-1200	B&DBC Offices, Basingstoke, RG21 4AH
Havant	Thursday 3rd March 2011	1000-1200	Waterlooville Community Centre, Maurepas Way, Waterlooville, PO7 7AY
Eastleigh	Tuesday 8th March 2011	1000-1200	Hilldene Community Centre, 68 High Street, West End, Eastleigh, SO30 3DU

Rushmoor and Hart	Thursday 10th March 2011	1000-1200	Harlington Centre, Fleet Road, Fleet, GU51 4BY
Winchester	Wednesday 16th March 2011	1000-1200	HCC Offices, Ashburton Hall, EII Court, Winchester, SO23 8UD
East Hampshire	Wednesday 23rd March 2011	1000-1200	EHDC Offices, Penns Place, Petersfield, GU31 4EX
New Forest	Thursday 24th March 2011	1000-1200	NFDC Offices, Appletree Court, Beaulieu Road, Lyndhurst, SO43 7PA

- Procurement timetable:
- Review of services: Jan – May
- Consultation: March – May
- Working with bus companies: Feb - March
- Tender appraisal: April – June
- Revised services start October 2011

2.8. Two of the 11 tender areas are due for renewal from October 2011, Blackwater Valley and Eastleigh with values of £611,960 and £1,219,868 respectively and will follow the normal tender process – with tenders out in March.

2.9. Outside the tender areas, where operators have individual contracts which cover a group of services, these will be dealt with through negotiation to retain the best level of service within the likely revised budget. Where operators are contracted to provide route enhancements, such as an extra journey on a commercial service, they will be asked to take these over without subsidy, otherwise single tender arrangements will be followed. Where this is not possible, emergency 12 month contracts will be set up.

2.10. New tenders will be for four years with the option of two one year extensions which will allow reduced resources for renewal in the future.

2.11. Evaluation process. As the funding which produced the present network will no longer be available in full, the support criteria which produced that network need to be revised. The Executive Member inaugurated a series of workshops in 2010 through which Members contributed to this process.

2.12. Members identified a greater role for Community Transport and for the community itself. This aim will be supported by working with the voluntary sector to identify journey needs which they can meet and by assisting Parish Councils and voluntary groups through a Rural Tool Kit which will provide sources of advice and examples of best practice to enable local transport schemes to be developed and existing facilities publicised.

- 2.13. Members felt that local bus subsidy should support essential trips not provided by others, that were actually used and which ran to a regular timetable with easy access vehicles where possible. Essential journeys such as health or local shopping should be prioritised with work and education. Taxi-share or community transport should be used where the bus was no longer viable.
- 2.14. Public consultation will explore how services should be delivered for all communities with the aim that no community which has a service now will be left without transport; how services should be delivered in areas or times where use is low and the level of support for core routes which serve the majority of passengers. Options explored will include a greater role for communities and volunteers, use of bookable services such as taxi-share and how safety net or feeder services can best be delivered.
- 2.15. The proposed criteria will bring together the output of the Members' Workshops, public consultation and Equalities Impact Assessment and build on the criteria used for the countywide Area Review process in 2006-2008:
- 'That we seek to provide access to key services (employment, food shopping, doctors, education, leisure) which are not available locally by offering a link to one local centre or as a feeder to the wider transport network using transport appropriate to the level of use and where alternative transport services are not available nearby.'
- 2.16. Support will be informed by census and accessibility data, surveys and operator information and the consultation process. This will provide population, income and car ownership levels, usage of existing services, community priorities, local facilities and travel alternatives including other bus routes, train services and ferries.
- 2.17. The criteria set out in 2.15 above recognise that, although it is a useful benchmark, using cost per passenger trip alone does not take account of accessibility or local circumstances, journey purpose or the other transport services which may be available. The current maximum cost per trip is £2.50, which is the basis on which the existing budget is spent. If the bus subsidy budget needed to reduce in line with the 33% reduction in Government RBSG (see 2.2), the maximum cost per trip may reduce to £1.67 in order that the widest possible service can be provided.
- 2.18. The budget situation suggests that the needs of most users may be best met by supporting core services - the main routes which connect key destinations – as these are the most well-used of the supported journeys and serve most journey purposes. A safety net of services using community-led transport, shopper type routes and taxi-shares will underpin the aim that communities with an existing service retain an essential transport link as this approach can offer the widest geographic spread.

2.19. The actual level and pattern of services proposed for Executive Member Decision in July will reflect the approach above and will be informed by the consultation process and the results of the Equalities Impact Assessment.

3. Finance

3.1. The programme will be delivered through existing resources.

4. Future direction

4.1. The revised evaluation process will match future support to changing needs and available budget.

4.2. The consultation programme and Equalities Impact Assessment will ensure the decision process is properly informed.

5. Recommendations

5.1. That the consultation programme and approach contained in this report be approved.

5.2. That the method of evaluation contained in this report be approved.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. A detailed Equalities Impact assessment will be undertaken.

2. Impact on Crime and Disorder:

2.1. None.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

Delivering an effective public transport system within available funding levels provides an alternative to use of the private car.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

An effective public transport alternative matches provision to need and minimise carbon emissions.