

<b>Subject:</b>	<b>Supported Bus Services Network</b>		
<b>Date of Meeting:</b>	<b>14 June 2012</b>		
<b>Report of:</b>	<b>Strategic Director, Place</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nick Mitchell</b>	<b>Tel:</b> 29-2481
	<b>Email:</b>	<b>Nick.mitchell@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 The majority of bus services in the city are operated commercially and registered with the Traffic Commissioners but under the 1985 Transport Act bus operators cannot run loss-making services and cross-subsidise them from profitable routes. This part of the Act was intended to ensure there was healthy competition amongst bus operators. It is for this reason that local authorities are empowered to contract with bus operators for the provision of bus services which meet the needs of the general public but which are not provided commercially. The role of the local authority is thus to review the commercial network to identify missing links which are socially desirable but not commercially viable, and, subject to budget availability, to seek tenders to operate these supported routes.
- 1.2 Before the financial crisis in 2009 the council had been able to expand the network over the years in response to requests from passengers. The difficult financial challenges the council now faces means that it has had to review its continued financial commitment to supporting the network and seek efficiencies where possible and to maintain the majority of the most important services. In terms of bus passenger numbers across the entire network (including commercial) the council supports 3% of overall patronage. Within the proposed service changes in this report the council has ensured that only 0.35% of total bus passengers will be affected.
- 1.3 The pressures on local authorities' ability to continue to financially support bus networks is reflected nationally with some authorities reducing their budgets by 50% in some cases.
- 1.4 A comprehensive Network Area Review, including consultation with passengers and user groups, was carried out before the tenders were drawn up in the summer of 2011. The commercial operators were also approached to participate in a more detailed re-design of the existing network but were unable to provide support at the time.
- 1.5 The current batch of contracts for supported bus routes expires in September 2012 and, due to the value of the contracts, the process for letting new contracts is governed by the EU procurement rules. Permission to go out to tender for continuing these services was granted at a meeting of the Environment, Transport & Sustainability Cabinet Members Meeting on 04 October 2011.

- 1.6 Initial tender returns revealed cost increases up to 35% for continuing to provide the current service levels. Combining tenders and securing discounts through packaging routes with existing and new operators reduced this cost increase to 10% (£113,000). The cost increases are mainly due to a rise in diesel costs and a further 20% reduction in the rate of Bus Service Operators' Grant announced by Government.
- 1.7 At the council budget meeting on 23 February 2012 it was agreed that £113,000 savings from the supported bus network would be required as part of the council's need to meet its savings targets. The difference between the new tender prices and the available budget is thus £226,000.
- 1.8 Should the Committee accept the recommendation set out below, a high proportion of supported routes will be protected, even though for some services there have been higher tender increases than for others. The recommendation is for most School Bus services to be protected in recognition of the value of transport to educational establishments. The continuation of the award winning Breeze up to the Downs services is dependent on the current partnership arrangement with the National Trust, who contribute financially to their operation, and the South Downs National Park, from whom we are actively seeking funding.
- 1.9 The market for supported bus services has been stimulated to derive competition through the tendering process. The council is now able to award routes to more than one service provider and, for the first time in 8 years, there will be competition in the city for supported bus routes. The council will continue to review and monitor these services and further consider the possibility of re-designing the supported bus network to increase patronage and legibility. There will also be a strong emphasis on trying to simplify map information and promote the destinations of bus routes in a more clear manner.
- 1.10 With school services starting on 05 September and other services on 16 September, combined with a statutory standstill period and a 56 day notice period required by the Traffic Commissioners for changes to or cancellations of bus services, the deadlines required for this report are extremely tight.

## **2. RECOMMENDATIONS:**

- 2.1 That the Policy & Resources committee award contracts for the supported bus routes as set out in Appendix 1 in Agenda item 14 which is a Part Two Report.
- 2.2 That contracts for the additional services, shown in paragraph 3.14, are not awarded on the grounds of insufficient budget.

## **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

**Paragraphs 3.1 to 3.8 contain information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended) and are therefore set out in the Part Two Report relating to this item (Agenda item 14).**

- 3.9 The routes which are currently financially supported by the council comprise some entire routes (for example Routes 37B, 47, 52, 56 and 57), in addition to extensions to the time of operation, or diversions from the route, for routes otherwise provided commercially.
- 3.10 The process undertaken to secure supported bus services has been validated by Procurement & Legal departments.
- 3.11 A detailed analysis of all the services currently supported by the council has been created which takes into account cost per passenger, journey purpose, value for money and ranks the services in order (see Appendix 2). This analysis has been used to inform proposed service changes. Where possible the council has sought to protect services or shorten the routes to link up to other services to ensure people are still able to make their journey. For example the Number 52 can terminate at the Marina and passengers can pick up the Number 7 which has a 7 minute service frequency into the city centre. The number 74 school bus is duplicated by the 75 which with double Decker capacity can offer an alternative.
- 3.12 The council has also sought funding from external partners for the three 'Breeze up to the Downs' services which provides an important link to the South Downs National Park. The council is currently seeking contributions from partners and central government as part of the government's Local Sustainable Transport Fund tranche 2 bids. It will therefore not be included in the proposed service changes. The council will also be working with its potential partners to market and promote these services.
- 3.13 The council undertook an equalities impact assessment to try and ensure that proposed services changes do not overtly affect certain groups. The survey also focused on journey purpose to try and ensure that routes where the majority of people are travelling to work are protected as journey to work is the highest scoring purpose on the scoring matrix. Therefore routes that are predominately used for leisure (where external funding is not an option) are considered less of an impact and subject to the service changes, as leisure has been ranked as the lowest scoring priority on the matrix.
- 3.14 The service changes recommended are:  
 Winter Sunday evening services (21B, 27 , 81A, 26, 22, 24) no longer funded  
 These services run after 6pm on Sundays between September and May.

SAVING: £51,000 pa

Service 74. School day service from Lewes Road to Patcham no longer funded

SAVING: £34,000 pa

Service 52 Currently operates from City Centre to Ovingdean & Woodingdean.  
 New contract would operate from the Marina to Ovingdean & Woodingdean.

SAVING: £63,000 pa

Service 81 Monday – Saturday evenings. Old Steine to Goldstone Valley no longer funded  
SAVING: £43,000 pa

Service 96. Schoolday service from Carden Avenue to Blatchington Mill School no longer funded.

SAVING £38,000pa

TOTAL SAVING: £229,000 pa

3.15 The routes affected in 3.14 above serve the following areas:

Winter Sunday evening 21B Frequency: Hourly	Churchill Square – Queens Park – Marina
Winter Sunday evening 22 Frequency: Hourly	Churchill Square – Open Market – Race Hill – Woodingdean
Winter Sunday evening 24 Frequency: Hourly	Churchill Square – Lewes Road – Coldean – Hollingbury
Winter Sunday evening 26 Frequency: Hourly Alternative service: 46. Hourly frequency	Churchill Square – Open Market – Hollingbury – Coldean
Winter Sunday evening 27 Frequency: Hourly	Brighton Station – Rottingdean – Saltdean
Winter Sunday evening 27 Frequency: Hourly	Brighton Station – Seven Dials – Dyke Road – Westdene
Winter Sunday evening 81A Frequency: Hourly	Meadowview – Lewes Road – Old Steine

The above services run after 6pm on Sundays between September and May.

Service 74. Schoolday service from Lewes Road to Patcham via Lower Bevendean & Coldean. One return service per day. The majority of this route is also duplicated by school service 75.  
Alternative service: 75

Service 52 Currently operates from City Centre to Ovingdean & Woodingdean. New contract would operate from the Marina to Ovingdean & Woodingdean.  
Frequency: Hourly  
Alternative service: 7 (change at Marina)

Service 81 Monday – Saturday evenings. Old Steine – Hove Station - Goldstone Valley.

Frequency: Hourly

Service 96 Schoolday service from Carden Avenue – Westdene - Blatchington Mill School. One return service per day.  
Alternative service: 5B (via city centre)

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The council's Public Transport Team maintains a database of consultees on matters relating to public transport. There are 380 entries on this list, comprising residents' associations, community groups, affinity groups, ward councillors, MPs and user groups. The input from these groups has been sought to inform the Area Network Review. The consultation period lasted from 20 July 2011 to 09 September 2011.
- 4.2 The council received responses from around 100 individuals to the consultation document and these responses have informed the Area Network Review. The comments in the consultation replies, which were received by e-mail, telephone and by council officers at public meetings, were extremely varied, with reference made both to individual bus services and the supported bus network as a whole.
- 4.3 The council has an adopted methodology that is applied to the current supported network. This methodology consists of weighted scoring criteria to help ensure that supported bus routes meet the needs of the user and provide best value to the council and the wider community.
- 4.4 The methodology contains a range of criteria including historic services, cost per passenger, journey purpose, external funding used and interchange points on route.
- 4.5 The council has liaised with all commercial bus operators serving the City, in order to ensure that the supported bus network supplements and enhances the commercial network, to provide the best possible journey options for residents and visitors and to ensure the council does not duplicate or support any commercially viable routes.
- 4.6 The next steps are to engage with Bus Users UK and our list of consultees to ensure that they are fully aware of all the changes. Officers will also develop an information campaign so that those affected are fully aware of the situation.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 The Public Transport budget is planned to make a part-year saving of £66,000 in 2012/13, rising to £113,000 in a full year. The cheapest bid price for all the services (a combination of Brighton & Hove and Compass Travel) is £113,000 greater than the current contracts. Therefore a total of £226,000 needs to be saved from the total for new bids and other current ongoing contracts. The

proposed service changes set out in paragraph 3.10 show total savings of £229,000.

Changes to supported bus route providers also impacts on the concessionary fares budget as providers have individually negotiated agreements. The financial impact of these changes could result in increased costs of a maximum of £100,000 in 2012/13 however this will be monitored through the Targeted Budget Management process during 2012/13 and taken into account when setting the 2013/14 concessionary fares budget.

*Finance Officer Consulted: James Hengeveld*

*Date: 17/05/12*

#### Legal Implications:

- 5.2 Under section 63 of the Transport Act 1985, the council has a duty to provide subsidised bus services in part or parts of its areas where there are no commercial services *and* where it thinks it appropriate for such services to be provided. Services are tendered and let to commercial operators in return for payment from the council.

The powers of local authorities to subsidise public passenger transport services are subject to detailed tendering provisions laid down in the 1985 Act and Regulations made under the 1985 Act. In addition, where contracts exceed specified thresholds (as in this case) the EU procurement rules must be followed.

CSO 12.6 requires that any contract with a value over £75,000 must be in a form approved by the Monitoring Officer and must be made under Seal.

In deciding which contracts to award (and which services to provide), the council is required to have regard to the transport needs of members of the public who are elderly or disabled. When entering into agreements for bus subsidies, the council must have regard to the interests of the public and of persons using and providing public passenger services in the Brighton & Hove area. Due consideration of these factors is therefore required before any decision to amend or withdraw subsidised services.

*Lawyer Consulted:*

*Name: Jill Whittaker*

*Date: 22/05/2012*

- 5.3 Equalities Implications:

The provision of safe, accessible, affordable, and reliable public transport provides travel opportunities for all sectors of the community without access to private transport. The contracts specify that, where a whole route is funded, the vehicles used must be wheelchair accessible.

Equalities Impact Assessments have been conducted on the supported bus routes to gain knowledge of the profile of bus passengers using the service.

- 5.4 Sustainability Implications:

The provision of council supported bus services in areas where there is no commercial bus provision provides a sustainable alternative to car use, with

benefits to congestion and air quality. The contracts specify that, where a whole route is to be provided, the vehicles used must meet Euro 3 emissions levels. The council will continue to promote bus services to increase bus patronage which will result in improved carbon efficiency.

5.5 Crime & Disorder Implications:

It is not considered that there are any adverse implications for crime and disorder arising from the recommendations in this report.

5.6 Risk and Opportunity Management Implications:

It is not considered that there are any risks to the city council associated with this report. The successful contractor(s) will be paid four-weekly in arrears for services already delivered.

5.7 Public Health Implications:

It is not considered that there are any Public Health Implications from arising from the recommendations arising from this report.

5.8 Corporate / Citywide Implications:

The availability of safe, accessible, affordable, reliable and frequent public transport services are key to meeting each of the city council's core objectives. Most of the bus routes covered in this report represent the only routes serving certain communities, and without these routes there would be significant social exclusion.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix 1. Suggested tenders to award – Contained in Part Two Report
2. Appendix 2. Route analysis spreadsheet – Contained in Part Two Report

### **Documents in Members' Rooms**

- 1.
- 2.

### **Background Documents**

- 1.
- 2.

