

**Transport, Economy and
Environment Overview and Scrutiny
Committee
14 October 2015**

Proposed Reduction in Bus Subsidy

The Bigger Problem

| Savings | 2011/12 to 2014/15 £m | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m | On-going £m |
|----------------------------------|-----------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Pre-Feb 2014 savings | 91.1 | 2.3 | 0.1 | - | - | - | 93.5 |
| 2020 North Yorkshire Savings | - | 22.5 | 13.4 | 10.7 | 9.0 | 3.2 | 58.8 |
| Shortfall still to find | - | (7.2) | 1.8 | 6.3 | 3.6 | 9.7 | 14.2 |
| Total Savings Requirement | 91.1 | 17.6 | 15.3 | 17.0 | 12.6 | 12.9 | 166.5 |

1. **Over 8 years £167M equates to 34% reduction in spending power .**
2. Health funding may be able to make a contribution but NY difficulties
3. Above assumes 2% Council Tax increase in 2016/17 and beyond

Council Plan – key priorities

- opportunities for young people;
- tackling loneliness and social isolation;
- transport links;
- economic opportunity for all parts of the county;
- broadband connectivity;

It describes how the Council needs to change over the next few years, details some of our achievements in the last year and sets out our priorities for action for the next year. It also details where our funding comes from and what it is spent on.

Bus subsidy - What is required ?

In January 2014, the Executive asked the Corporate Director, Business & Environmental Services to prepare proposals which would reduce the amount spent on bus subsidies to £1.5m per annum.

A reminder

- 85% of bus trips are on Commercial Services which are not affected by our proposals.
- Commercial Operators are continuing to invest in developing their services.

Contract Services

- Our contract (subsidised) services are mainly in rural areas.
- Low populations = low usage
- We have considered the opportunities to increase revenue as an alternative to reducing cost – and in some cases this is part of our solution.
- A high percentage of our passengers use a concessionary bus pass which means that any passenger growth is paid for by the Council.
- Cost reductions mean less miles operated, fewer drivers hours and fewer vehicles.

Options considered

- All subsidised services have been reviewed as part of this process. We also took account of the recommendations from the Transport Economy & Environment Overview and Scrutiny Committee task group and whether our objectives could be met and a saving achieved by:
 - Operating contracted services three days each week.
 - Making more use of existing Community Transport Providers.
 - Encouraging new Community Transport Providers.
 - Withdrawing subsidy from services which cater primarily for fare paying pupils attending school.

Options taken forward

- **Commercial Services** When we reduced our subsidy budget in 2014, we were successful in working with operators to ensure that some services were retained on a commercial basis. Having had further discussions with operators we identified opportunities for services to be provided on a commercial basis. This included contracted journeys which are “add ons” to what are otherwise commercial services – our proposal is to withdraw our subsidy and allow operators to modify their commercial services accordingly.

Options taken forward

- **Providing services using the Council's Fleet**
The Council already provides local bus services in Skipton, Harrogate and Scarborough. In a number of cases we can reduce the amount of subsidy required by operating the services ourselves. This work has also enabled us to invite tenders on the basis of an amount of funding rather than a specific timetable which in turn means that we have more control over budgets through the tender process.

Options taken forward

- **Making sure we get value for money.** There are some services where we can make changes to reduce the number of vehicles and drivers required to provide the service and thus make a saving.

Options taken forward

- **Making best use of Community Transport** We have a number of contract services which could be provided more cost effectively by the community transport sector utilising volunteer drivers. We have explored some of these opportunities with the Community Transport Operators. The outcome is that we expect some existing services to be taken on as Community Transport Services through tendered contracts, however there are other areas where the sector does not currently have the capacity to expand and accommodate additional work. We will continue to work with those CT providers to support them in increasing capacity.

Detailed proposals

- Detailed proposals in the form of timetables were included in the consultation.

Consultation Process

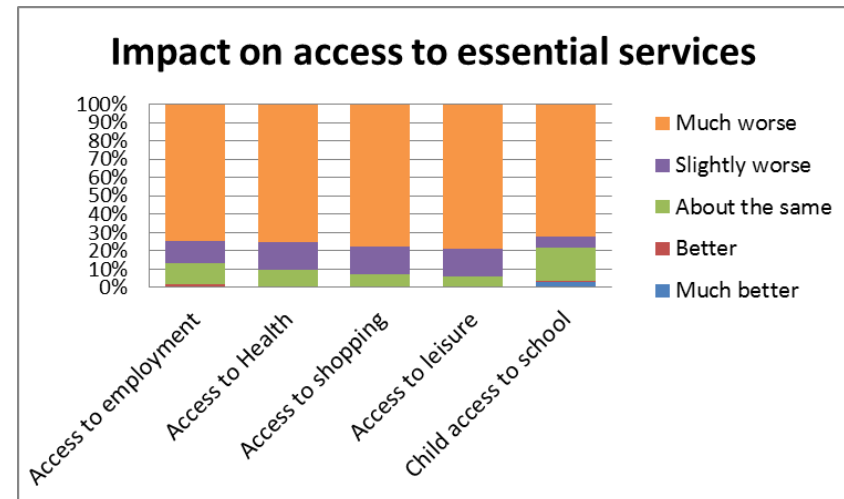
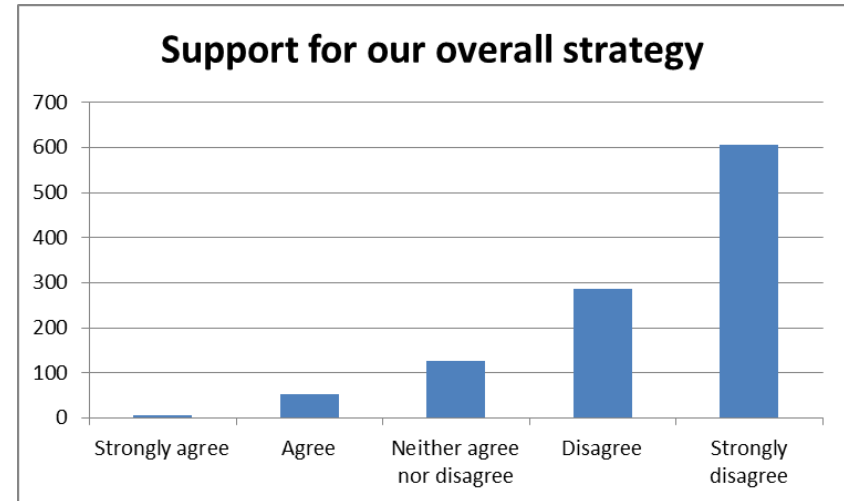
- The proposals were sent to 780 individuals and organisations. These included all County Councillors, District and Parish Councils, Members of Parliament, bus operators and representatives from special interest groups. Tweets were sent to 2800 businesses in the county and a press release was issued. This received good coverage in local papers as well as the BBC website. Posters were displayed on buses, in libraries and other public places. Library staff were available to provide assistance if required.
- An online questionnaire was designed to allow people to submit comments and we sent out almost 1000 paper copies of the questionnaire which were supplied with return envelopes.
- We identified a number of bus services where we had proposed significant changes and arranged additional consultation in the form of “drop-in” sessions where people would have an opportunity to discuss our proposals face to face. Staff from Integrated Passenger Transport and Stronger Communities Teams attended these sessions

Proposed Overall Strategy

- use the budget allocation for support for bus services to ensure that as many communities as possible have transport services which contribute to alleviating isolation and loneliness and allow people to live independently;
- support the local economy where possible, by maintaining access to the National Rail network and providing public transport links between towns and villages; and
- make sure that the services we subsidise give value for money.

Consultation Outcome

- Most people disagreed with our overall strategy.
- Most people said that if we implemented our detailed proposals their access to a range of “essential services” would be worse.



Consultation Outcome

- It was very clear, particularly from the “face to face” meetings that people really value the bus services they use.
- Reasons for use often very individual – can be difficult to get a collective view of “community needs”.
- Reductions in bus services will have a negative impact on peoples lives.

Changes following consultation

- In response to the consultation we have changed our original proposals.
- These changes are in our report and set out in the next few slides.

| Service | Description | Summary of original proposal | Proposed amendment to original proposal |
|---------|--------------------------------|--|--|
| 72 | Skipton – Grassington | Following discussions with the current operator it is anticipated that a 2 hourly or better service will be operated on a commercial basis between Grassington and Skipton | We have developed a minimum service level based on an in-house fleet operation and invited tenders on the basis of a specified amount of subsidy. Awaiting outcome of tenders and assessment by communities. |
| 72 | Grassington – Hebden – Buckden | A demand responsive community transport service will be provided on at least three days each week to provide connections from the Hebden & Buckden areas at Grassington with the proposed commercial service to/from Skipton | We have had a number of discussions with local representatives and propose to provide funding for a scheduled service provided on a community transport basis. The service will not include Hebden. Awaiting outcome of tenders. |
| 74 | Ilkley – Grassington | The scheduled bus service will be replaced with a demand responsive community transport service between Bolton Abbey and Grassington operating at least three days each week. | The replacement service will include Hebden. |

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| 54 | Northallerton - Richmond | This service will be revised to operate between Kirkby Fleetham and Northallerton | We have developed a revised timetable in response to comments received and invited communities to express a preference. |
| 55 | Richmond - Northallerton | Timetable changes | We have developed a revised timetable in response to comments received and invited communities to express a preference. |
| 31X | Helmsley – York | Service reduced to provide one return journey between Helmsley and York three days each week. School journey 256R between Easingwold and Ryedale School will be retained. | We have developed a minimum service level operating 6 days each week based on an in-house fleet operation and invited tenders on the basis of a specified amount of subsidy. Awaiting outcome of tenders and local assessment. |

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|------|--------------------------------|--|---|
| 840 | Leeds - Whitby (winter months) | The contracted journeys supplement a commercial service; subsidy for the contract journeys will be withdrawn. | We have invited tenders for a replacement of this contract and propose to retain the service at a lower cost. |
| DR18 | Glaisdale – Guisborough | It is proposed to work with local community transport providers and Parish Councils to implement a community transport network for the Esk Valley. | There is not enough capacity in the local CT sector to accommodate changes at present. Services will be retained. |
| DR10 | Esk Valley – Whitby; | It is proposed to work with local community transport providers and Parish Councils to implement a community transport network for the Esk Valley. | There is not enough capacity in the local CT sector to accommodate changes at present. Services will be retained |
| 99 | Whitby - Lealholm | It is proposed to work with local community transport providers and Parish Councils to implement a community transport network for the Esk Valley. | There is not enough capacity in the local CT sector to accommodate changes at present. Services will be retained |

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| 56/56R | Harrogate - Knaresborough - Ripon | Proposed Fleet Operation 0900 - 1335. New timetable with additional journeys on school days between Burton Leonard and Ripon which would be available to fare paying passengers these are shown separately on the timetable. |
| 57/57B | Harrogate - Knaresborough - Boroughbridge - Roecliffe | Proposed Fleet Operation 0930 - 1330. New timetable with additional journeys on school days between Ferrensby and Boroughbridge which would be available to fare paying passengers these are shown separately on the timetable. |
| 56/57 | Harrogate - Knaresborough | Revised timetable to integrate with existing Knaresborough – Wetherby service re-numbered service 60 |
| 58/59 | Staveley - Knaresborough | Proposed Fleet Operation. Re-numbered 58 & 59 with new timetable. |

We are in discussions with the current provider to retain the existing service levels at a lower price. We aim to make further savings by increasing passengers and revenue over the next 12 months at which time we will undertake a further review.

| | | | |
|-----------------|--|--|--|
| 142 /143 | Ripon – Boroughb ridge – York | Proposed Fleet Operation 0900 - 1520. There is a commercial service between Ripon & Boroughbridge School on school days, these journeys are shown separately on the timetable. | Agreement has been reached with the current operator to retain the existing service and a saving to be achieved over two years through increased passenger numbers. |
| 492/493 | Tadcaster – Sherburn in Elmet | Proposed Fleet Operation 0825 – 1500. New timetable with additional journeys on school days between Church Fenton and Sherburn in Elmet which would be available to fare paying passengers these are shown separately on the timetable. | No change to original proposal. Awaiting outcome of tenders and local assessment. |
| 180/181 | Castle Howard - York | Proposed Fleet Operation - new timetable serves Malton, Castle Howard and York with some connections at Monks Cross for York. | The amount of saving proposed for this service has been reduced to try and secure a viable service through tendering. Awaiting outcome of tenders and local assessment. |
| 780/X1 | Harrogate - Wetherby | Timetable revised some journeys extend to Harrogate as new service 60 | No changes proposed. |

Equalities Impact Assessment

- It concludes that, whilst there will be an adverse impact, the proposals are reasoned, transparent and fair, and therefore the adverse impact is justifiable.
- We recognise the importance of monitoring the impact of any changes post implementation and will continue to work with the HAS Prevention team, other Council teams and local agencies to identify and address any issues which arise.

Recommendation

The Committee is invited to consider the report and decide whether it wishes to reach a view to recommend to the Executive.

The Council's Executive is scheduled to consider the final report on this matter at their meeting on the 8th December 2015.