



Member Briefing: Bus Patronage and Subsidies

1. Background

- Spend on subsidised bus services has reduced significantly over the last 5 years, particularly when inflationary pressures are taken into account.
- Much of this has been achieved via tendering efficiencies; increasing commercial revenues through short term investment to grow commercial routes and targeted marketing and promotional work. Extensive reviews have taken place of all supported services and this has seen under used journeys withdrawn, frequencies reduced and a focus rationalising rural services to reduce the number of different destinations offered.
- Routes are assessed based on value for money and contribution to wider policy objects such as supporting employment, education or accessibility. (see appendix 1 for further details.) High cost routes have been withdrawn or significantly revised and since 09/10 the average subsidy cost per passenger carried has dropped from 64p in 09/10 to 46p in 11/12.
- Cuts have been targeted to minimise customer impacts but there has still been adverse reaction from some local communities. This shows that significant value is placed on public transport, although sometimes as a “safety net” rather than being regularly used.
- The relationship between subsidised bus routes and those operated commercially is a key part of the overall network provision. Around 20% of buses in Buckinghamshire are directly contracted to Transport for Buckinghamshire but when our targeted support to enhance commercial routes, such as by subsidising early morning, evening or weekend journeys is taken into account then this figure rises to 60%.
- The Transport for Buckinghamshire contract contains a commitment to provide a 3% reduction in budget each year.

2. Commercial Pressures

- There are significant financial pressures on bus companies and these have resulted recently in two local bus operators going into administration – Jeffs Coaches and Woottons Travel – and six commercial routes being withdrawn.
- Operating costs continue to rise ahead of inflation (up 4.1% in the year to June 2012); the downturn has impacted on fares income and the Department for Transport has reduced the value of fuel rebate (Bus Service Operators Grant) by 20%.



3. Bus Patronage

- Despite a downward trend of -1.2% nationally (outside London), patronage levels in Buckinghamshire grew by 2.3% from 2008/9 to 2011/12. This is despite a 12.7% cut in bus subsidy before the impact of inflation and in the context of rising costs of operation and the financial downturn.
- Estimates for 2012/13 are showing an overall decline due largely to a sharp drop in travel on urban routes. Inter urban routes continue to grow although some of this represents higher frequency interurban services abstracting travel from traditional town routes. It is intended that from 2013/14 a revised methodology will be used to reflect this.

3.1 Aylesbury Urban Services

- The drop in urban travel is particularly marked in Aylesbury and is the result of the continued financial downturn with both less travel being made and, given the relatively short distances and flat terrain, previous bus users walking.
- Earlier growth has come from the success of the heavily promoted “Rainbow Routes” branded network and the development of new routes serving Fairford Leys and Watermead. These routes have now reached a plateau with occupation complete and further growth unlikely.
- Focus in 2013/14 will be on the new developments at Berryfields and Buckingham Park and this is reflected in the increased patronage predicted. Developer contributions have been secured to fund bus routes to both.

3.2 High Wycombe Urban Services

- The takeover of Carousel Buses by the Go-Ahead Group in early 2012 saw a rationalisation of their network and the immediate withdrawal of two services – routes 1 and 2A/2C. Arriva also reduced frequency on a number of their routes. This combined with the economic climate has contributed to the drop in patronage and although the impact is less marked than in Aylesbury. Walking in particular is less attractive due to the steep gradients.

3.3 Interurban Services

- These continue to show growth and are the main focus of investment by the commercial operators. Sustained growth has allowed Transport for Buckinghamshire financial support to be tapered off for Line 280, 300, 800 / 850 and the A40.
- Main developments for 2013/14 include the agreement between Arriva and Carousel to run an increased joint timetable between Aylesbury, Amersham and Chesham and frequency enhancement to the Aylesbury to Buckingham Service.

3.4 Rural Services

- Almost all rural services are subsidised by Transport for Buckinghamshire. Significant financial efficiencies have been achieved through combining individual routes into integrated contracts and rationalising the number of destinations being offered. This has seen the average “subsidy cost per passenger” reduce considerably whilst retaining a comprehensive network of rural routes.
- Patronage on rural routes remains fairly static while at the same time the number of journeys being made by Concessionary Pass holders is rising. This continues to create revenue pressures and ultimately both are funded by Transport for Buckinghamshire.
- Our rural subsidised routes provide access to a local centre at least once per week for smaller settlements (market day services) with larger villages having daily links. Given the high proportion of free pass holders travelling on these routes there is limited scope for generating income and now that contract efficiencies have been made any further cuts will result in rural routes being withdrawn.

4. Community Transport

- A number of successful projects have been undertaken to strengthen and develop community transport, both to meet the needs of those unable through disability to access public transport; where low volume or infrequent travel make scheduled bus routes unviable or to meet a particular locally identified need.
- This includes support for Dial-a-Rides; the Winslow and Princes Risborough Community Buses; voluntary car schemes; the Community Transport Information Hub and the Community Transport Challenge Fund.
- This involves close partnership working with Community impact Bucks, the Buckinghamshire NHS Trust and District Councils.

5. Future Trends and Risks

- Significant levels of new housing are planned, particularly across Aylesbury Vale and these will contribute passenger growth. An estimated 72,000 additional passenger journeys per year will be generated by the Berryfields, Buckingham Park and Windsor Park sites. Further plans exist for East of Aylesbury, Hampden Fields and Fleet Marston.
- In High Wycombe the Wycombe Marsh, Daws Hill Lane development, Coachway and Cressex Island are estimated to contribute 33,000 additional passengers.
- Commercial investment in Line 280 in Aylesbury and Route 1 in High Wycombe will add further growth to interurban services.
- Cost pressures remain a concern and it is expected that further marginal commercial mileage will be withdrawn.

- Significant pressure is likely from the concessionary fares budget as rising operating costs lead to an above inflation settlement.
- Cost pressures could lead to higher tender prices
- The long term impact of the wider financial position is difficult to predict.
- Department of Transport have confirmed they will devolve Bus Service Operators Grant for tendered bus routes to Transport Authorities as of Jan 2014. Details and budget have not been announced but there are significant risks that BCC will not receive enough funding to make up the shortfall for our services; that no future funding recalculation will take place meaning that we will not receive funding for any commercial routes withdrawn after Jan 2014 and that funding is not ring fenced for public transport beyond 2016/17.

6. Travel Bucks Strategy

- The Travel Bucks Strategy was adopted by the Council in Summer 2012 and aims to develop a sustainable model for public transport provision which offers value for money, choice and opportunities for local communities to deliver their own demand responsive community transport to help solve local accessibility issues.
- The 2010 Comprehensive Spending Review delivered a 14.3% cut in the Council's Government funding - about £11.1m for 2011/12. In 2012/13, the Council will lose a further 10.4% - about £8m and further savings will be required for the following two years. This has meant that the Council's Gross Expenditure on subsidised bus services has reduced from £5.4m in 2009-10 to £4.0m in 2012/13 and there are extreme financial pressures for this to be reduced even further.
- The Travel Bucks Strategy builds on the discussions that took place at the Rural Transport Workshop in December 2009 and the Rural Transport Conference in March 2010. A 10 week public consultation was also held from January 2012 – March 2012 to seek public opinion on the Travel Bucks Strategy proposals.

To view the full strategy visit: [Travel Bucks Strategy](#)

Note: Figures within this document were accurate at Feb 2013.



Appendix

Evaluating supported bus services

The Evaluation Matrix shows the relative scoring of supported routes according to a range of policy and value for money criteria. It forms a guide from which to make more detailed assessments. Consultations with Members and communities are then used to ensure that local views are gained. This is particularly relevant for rural services.

It provides a weighted value measure for each supported bus service, allocating a positive score to those services which contribute to each of the following Local Transport Plan objectives, and a graduated score according to the scale of benefit (operational or financial) delivered by the service:

Objective	Measures	Scoring
Does the service contribute to improving travel choices as a means of reducing car dependency and helping tackle congestion? (up to 27 points)	Does it meet an identified transport need?	10 if yes
	Does it provide a primary urban service?	5 if yes
	Does it provide a secondary urban service?	5 if yes
	Does it form part of the core inter-urban network?	5 if yes
	Does it provide a core Evening bus service?	3 if yes
	Does it provide a core Sunday bus service?	3 if yes
	Does the service operate at peak employment times?	3 if yes
Does the service provide for entitled pupils or students to travel to & from school/college?	3 if yes	
Does the service contribute to improving accessibility to essential services? (up to 25 points)	Does it provide the principal core service to one or more large rural communities (over 2,000 pop.)?	5 if yes
	Does the service provide fully accessible buses?	5 if yes
	What % of service users are elderly or disabled?	1 to 5
	How many people only have access to this service?	1 to 5
	Does the service contribute to NI175?	5 if yes
How much is the service used by the local community? (up to 23 points)	How many passengers use the service each year?	1 to 10
	Are there alternative services available in the area?	1 to 5
	How many times/days a week does the service run?	1 to 8
Does the service provide value for money? (up to 30 points)	Does each journey on the service carry at least 5 passengers in total?	10 if yes
	Does each journey carry at least 5 passengers who would not otherwise be able to make the journey by public transport?	5 if yes
	What is the average subsidy paid for each passenger journey?	-5 to +5
	Does the cost of subsidising the service exceed £5 for each passenger who would not otherwise be able to make the journey by public transport?	10 if no

Objectives for supporting bus services

Financial support for bus services is used to deliver against one (or more) objectives:

- (a) Providing improved public transport to support economic growth.
- (b) Reduce car use at peak travel times, contributing to a reduction in traffic congestion.
- (c) Providing improved public transport travel choices to reduce car use and improve environmental and air quality standards.
- (d) Delivering a core network of hourly (or better) bus routes connecting the larger rural communities with one or more local or regional centres
- (e) Providing a basic level of service to smaller communities to ensure a reasonable level of accessibility to shopping and healthcare services
- (f) Providing access to employment opportunities from the larger rural communities and within the main towns.
- (g) Meeting specific transport needs for people who are elderly or disabled.

Some supported bus services have evolved through different circumstances, including:

- (h) A need to avert the loss of bus services that would otherwise have been withdrawn
- (i) A joint commitment with a neighbouring authority to provide or maintain a service
- (j) Evening and Sunday services that serve an identified demand (e.g. Sunday shopping)
- (k) Services established with grant funding from government through Rural Bus Grants
- (l) Services providing transport for non-entitled children travelling to and from school
- (m) Services established at the request of a local community or committee
- (n) Services secured on behalf of another authority (e.g. a district council).



Committee Item Proposal: Bus Usage & Public Transport Links in Buckinghamshire

Proposal subject	Bus usage and Public transport links across Buckinghamshire
Committee chairman	Warren Whyte
Officer contact	Kama Wager, Policy Officer (Overview & Scrutiny) supporting the Environment, Transport and Locality Services select committee; Tel: 01296 382615; kwager@buckscc.gov.uk
Background to the item	<p>It was a recommendation from the previous Overview and Scrutiny Commissioning Committee that members of the new Environment, Transport and Locality Services Select Committee look at public transport links across the county, <i>to provide a fuller picture of bus usage and future needs in the county, considering;</i></p> <ul style="list-style-type: none">• <i>Current and projected bus usage in Buckinghamshire</i>• <i>Bus connections with other transport networks and,</i>• <i>Linkages to strategic priorities, for example, to economic development.</i> <p>More widely, members have raised concerns over rural connectivity and accessibility to services, the implications of funding cuts, and questions have been raised around whether bus services are based on historic demands which may not meet the future demands.</p> <p>The Department for Transport have confirmed they will devolve Bus Service Operators Grant for tendered bus routes to Transport Authorities as of January 2014. Details and budgets have not yet been announced but there are significant risks that BCC will not receive sufficient funding to make up the shortfall for services; that no future funding recalculation will take place meaning that the authority will not receive funding for any commercial routes withdrawn after January 2014; and that funding is not ring-fenced for public transport beyond 2016/17.</p> <p>The local authority will be under increased pressure to subsidise or provide alternatives to routes that are no longer commercially viable but deemed “socially necessary”, whilst budgets continue to reduce.</p>

<p>Proposal</p>	<p>This paper seeks member support for a committee item on Bus usage and Public Transport choices in Buckinghamshire and the role effective transport options play in helping the council achieve its strategic priorities.</p> <p>Possible areas the committee may want to examine include:</p> <ul style="list-style-type: none"> • Scale and impact of further reductions on marginal bus services to inform development of viable transport choices for any affected areas; • Effectiveness of alternative access options based on local experience; • Implementation and impact of the Travel Bucks Strategy to date, and its ability to cope with further reductions in funding for bus services; • Identify any areas poorly served by buses and the impact of this, and any alternatives to buses in the county; • Identifying any overlaps between transport services the authority operates/commissions and whether there is scope to coordinate any of these services. <p>Two possible angles the proposed committee work could take are:</p> <ol style="list-style-type: none"> 1. Addressing the issue of accessibility (focus on rural areas and community transport). 2. Addressing issues of economy/congestion (focus on urban and interurban services). <p>The information paper attached and the supporting documents (Travel Bucks Strategy) set out the background information on bus usage and the key future risks, as well as the council's plans to mitigate these.</p> <p>Dependent on member decision on the options outlined in this paper, a future committee item could lead to:</p> <ol style="list-style-type: none"> i) Further research/evidence gathering on the topic; ii) Committee seeking further information session/progress update on the topic from relevant service areas/officers; iii) Identification of areas in which the committee can make valuable recommendations.
<p>Timescales</p>	<ul style="list-style-type: none"> • 24 July 2013 – Proposal to committee • August/September – further research conducted/commissioned (dependent on committee decision). • November/December – committee item to examine defined topics (dependent on committee decision)