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## **Highways and Transport Committee**

**23 November 2023**

### **Local Bus Support Criteria – Consultation Outcomes**

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**Report of: Tom Moody, Director of Infrastructure and Highways**

**Report Reference No: HTC/16/23-24**

**Ward(s) Affected: All Wards**

#### **Purpose of Report**

- 1 The Council provides financial support to local bus services which are not commercially viable but are considered to be socially necessary. To guide these investment decisions, the Council prioritises revenue expenditure using a set of bus support criteria adopted in August 2011.
- 2 In November 2022, Committee agreed to review the criteria and launch a public consultation to seek the views of residents and stakeholders on proposals to update the bus support criteria.
- 3 The purpose of this report is to update Committee on the consultation results and seek approval of an updated set of bus support criteria.
- 4 The report also provides an update on proposals to spend the first year funding awarded to the Council's Bus Service Improvement Plan (BSIP+) in 2023/24, following engagement with operators engaged in our Enhanced Partnership.

#### **Executive Summary**

- 5 The bus network in Cheshire East plays a key role in providing access to jobs and services and connecting people and places. Local bus services support the delivery of the Council's strategic priorities for economic growth, environmental sustainability, social inclusion and health and wellbeing.

- 6 The Council's bus support criteria provide a methodology for evaluating bus services and their contribution to the strategic priorities of the Council. The criteria are framed around three key objectives – 1) economy and environmental sustainability, 2) access and social inclusion, and 3) bus service performance.
- 7 A consultation was launched on 26 June 2023 for a six-week period. In total, 995 responses were received. The consultation sought views on additional criteria proposed for our approach, as well as asking respondents to prioritise and rank the overall objectives for locally supported bus services.
- 8 In summary, there was broad agreement to the introduction of three new criteria, which reflect issues of increased importance/relevance since the criteria-based approach was adopted in 2011. These additional criteria are:
  - Contribution to carbon reduction
  - Bus provision in areas of deprivation
  - Post Covid patronage recovery (fare paying & concessions)
- 9 When respondents were asked how important they consider each objective to be, 'access and social inclusion' was seen as the most important (93% either 'extremely important' or 'very important'). When asked to rank the objectives in priority order, 'access and social inclusion' was ranked highest, followed by 'economy and environmental sustainability' and 'bus service performance'. In the criteria assessment it is therefore proposed to weight the objectives as follows:
  - Access and social inclusion – weighted 50%
  - Economy and environmental sustainability – weighted 30%
  - Bus service performance – weighted 20%
- 10 Appendix 1 presents the proposed new bus support criteria which is recommended to Committee for approval. The notes describe the proposed changes to methodology that is used to ensure that each criteria is based on a robust dataset to enable objective assessment and a consistent, fair and equitable process. The previous criteria approved in 2011 is included at Appendix 2 for comparison.
- 11 The report also provides an update on the BSIP / BSIP+ funding allocated to Cheshire East from the Department for Transport (DfT). This funding is intended to deliver measures that will grow long-term patronage and revenues, and importantly maintain essential social and

economic connectivity for local communities. DfT guidance states that the Council should work in partnership with local bus operators to make best use of this funding to increase bus patronage in the borough.

- 12 For 2023/24, the first year of BSIP+ funding, the Cheshire East Council allocation is £1,187,596. The six proposed initiatives are listed at paragraph 24 and an indicative apportionment of funding has been proposed at Appendix 4. However, this is subject to further development of project costs, through engagement with local bus operators and suppliers.
- 13 For 2024/25, the Council have been allocated a further £1,187,596 in BSIP+ funding. In October 2023, the DfT also announced a third round of BSIP funding allocations for 2024/25 and the indicative allocation for Cheshire East is £2,268,000. A delivery plan for next financial year is currently being developed, upon the publication of further advice from DfT and will be reported in due course. Members are advised to note that DfT intends to publish further guidance to local authorities on the use of funding for future years and we intend to brief members further on future years allocations when this guidance is available.

#### RECOMMENDATIONS

The Highways and Transport Committee is recommended to:

1. Approve the proposed new bus support criteria included at Appendix 1 as a basis for prioritising the Council's revenue expenditure on local bus services.
2. Approve the proposals for spending the Council's first allocation of BSIP+ funding for the current financial year (2023/24) and delegate the authority to spend the funding to the Director of Infrastructure and Highways, in consultation with the Enhanced Partnership Board. The projects delivered through this initial programme will inform the development of future programmes across the borough.
3. Note that future year programmes for BSIP / BSIP+ funding are still to be finalised and will be reported to Committee in due course. A briefing will be provided for the Committee upon publication of DfT's updated guidance for 2024/25, to ensure members have opportunity to guide the development of future year's programmes.

## **Background**

- 14 The bus network in Cheshire East is made up of 37 bus services of which 26 services (70%) are financially supported by the Council and 11 services (30%) are operated commercially. The Council currently spends £2.5m supporting bus services which are not commercially viable but are deemed important to run and are socially necessary.

### New Criteria – Rationale

- 15 A detailed review of the existing 10 criteria found that they all remain relevant and have an important role in evaluating and prioritising supported bus services. However, to bring the criteria up to date and reflect current strategic priorities, it was proposed to add 3 new criteria.
- 16 The first addition is a metric to reflect the contribution of local bus travel to carbon reduction. The Council has committed to becoming carbon neutral in its own operations by 2025 and in January 2022 a further pledge was made to become a carbon neutral borough by 2045. The emission standard of vehicles used to deliver particular services has been included as a new criteria. Services will be scored based on whether they use Full or Hybrid EV/Hydrogen, Euro 6, or Euro 5 and below.
- 17 The second new criteria incorporate the Indices of Multiple Deprivation (IMD) and recognises that areas of deprivation typically rely on bus services for access to facilities and amenities. This metric ensures that the social value of bus services is considered, particularly in the context of the general rise in cost of living.
- 18 The third new criteria recognise the challenge for the bus industry in returning to pre-Covid patronage levels. While fare paying patronage on average has returned to around 80% of pre-covid levels, concessionary travel (which constitutes half of total passengers for many services) still remains at around 60%. The lower levels of patronage are affecting the viability of services going forward.

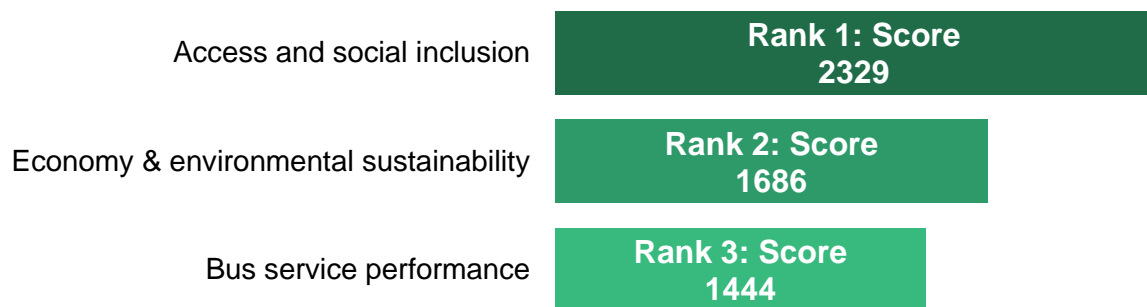
### Consultation Results

- 19 In total there were 995 responses to the survey. 39% of respondents stated that they typically travel by bus once / twice a week or more often. 18% travelled by bus once / twice a month, 33% did not travel by bus very often and 9% not at all. The consultation therefore attracted responses from a significant number of infrequent / occasional bus passengers, as well as those who use buses every week.
- 20 The consultation found broad support for the inclusion of the 3 new criteria with the majority in agreement (see table below).

<b>Proposed New Criteria</b>	<b>Strongly Agree or Tend to Agree</b>
Contribution to carbon reduction	64%
Bus provision in areas of deprivation	79%
Number of fare-paying passengers since the Covid pandemic (compared to 2019)	53%
Number of concessionary fare passengers since the Covid pandemic (compared to 2019)	56%

- 21 Respondents were also asked the relative importance of the three overarching objectives around which the criteria are framed, and it was clear that ‘access & social inclusion’ was the highest priority for respondents. Whilst most respondents could see the importance of the other two objectives (‘economy & environmental sustainability’ and ‘bus service performance’) they were considered less important.

Considering all the information that you have received about the objectives and their associated criteria; how would you rank them in terms of priority for supported funding?



Base for score = 910. Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is a sum of all weighted rank counts.

- 22 A full breakdown of the consultation results can be found at Appendix 3.

### Bus Service Improvement Plan Plus (BSIP+) – Funding

- 23 BSIP+ funding has been awarded to the Council to target improvements to the bus network in Cheshire East. Requirements for the funding have been set out by the Department for Transport (DfT) to deliver measures

that will grow long-term patronage and revenues, and importantly maintain essential social and economic connectivity for local communities.

- 24 The BSIP refresh is currently awaiting revised DfT guidance. However, the aspirations within the original BSIP (published in October 2021) have been considered, as well as a review of recent changes to the bus network and engagement with local bus operators (as part of the Cheshire East Enhanced Partnership), which has led the Council to develop initial priorities for the BSIP+ funding in 2023/24.
- 25 The six initial priorities for 2023/24 will ensure that the year 1 allocation can be utilised within the timescales for expenditure defined by DfT (12 months from September 2023) and include:

Initiative 1	Develop a “Buses in Cheshire East” website, to provide a one-stop shop for bus service information.
Initiative 2	Trial a young person’s concessionary fare pass, providing cheaper bus fares for 16-19 year olds within Cheshire East. Also, develop a concessionary fare offers for Cheshire East Care-leavers (16-25 years) by working alongside officers in Childrens Social Care.
Initiative 3	Introduce a multi-operator ticket in Macclesfield and surrounding area, with the subsequent development of a similar Crewe-area product if the concept in Macclesfield proves to be successful.
Initiative 4	Promote the Greater Manchester ‘System One’ ticketing options available to residents in the north of Cheshire East, enabling them the purchase access to local public transport services throughout Greater Manchester.
Initiative 5	Develop ‘hub stops’ along the service 38 route (Macclesfield – Crewe), to complement the introduction of new vehicles by the bus operator. This will demonstrate improved quality and a better bus passenger experience on a core inter-urban route within Cheshire East. The approach will provide a template for other key bus routes to be improved with funding in future years.
Initiative 6	Local bus service enhancements – deliver minor service adjustments put forward by operators and elected representatives (Cheshire East Council and Town & Parish Councils) and prioritised in conjunction with the Enhanced Partnership Board.

- 26 These priorities have been identified jointly with our local operators in the Enhanced Partnership. They align with both the national BSIP objectives of 'cheaper fares', 'easier to use for passengers' and 'easier to understand services', as well as the Cheshire East BSIP principles of 'simplification of fares' and 'make services easier to understand and improve information provision'. These initial projects are capable of providing templates and proofs-of-concept for wider application within Cheshire East whilst also ensuring our 2023/24 funding allocation can be deployed before September 2024, as required by DfT.
- 27 The DfT published a Memorandum of Understanding (MoU) regarding the BSIP+ funding, which provides guidance on the types of schemes that can be funded. Extracts below:
- The authority may use the funding to target it on the actions that they and the local operators through their Enhanced Partnership (where relevant) believe will deliver the best overall outcomes in growing long term patronage, revenues and thus maintaining service levels, whilst maintaining essential social and economic connectivity for local communities. In some places that may involve ensuring existing connections are maintained (either by conventional services or DRT).
  - We expect you to use the funding to maintain existing service levels or measures that are consistent with Departmental guidance on BSIPs, bearing in mind that we have changed the BSIP rules, enabling BSIP and BSIP+ allocations to be used for supporting existing services, as set out in the 17 May 2023 announcement. Funding decisions should be based on local circumstances and need. The Authority can enhance the frequency of existing services, expand routes or provide new services using this funding.
  - The funding should not be used to support generic marketing or advertising costs that are not directly related to specific improvements (such as fares change or new services). We would expect bus operators to fund routine marketing costs.
- 28 Therefore, the funding of the priorities has been considered against these requirements, and those proposed for BSIP+ are outlined in Appendix 4. An indicative split of funding for 2023/24 has been proposed; however, this is subject to further development of costs, through engagement with local bus operators.

## **Consultation and Engagement**

- 29 The Council conducted a 6-week consultation on the bus support criteria from 26 June until 6 August 2023. The consultation was held online with paper copies being made available at Libraries and Contact Centres throughout Cheshire East. The consultation was promoted to:
- Residents of Cheshire East
  - The Cheshire East Digital Influence Panel
  - Local stakeholders including relevant community groups and organisations.
  - Local bus operators
- 30 In total, 995 responses were received during the consultation (988 survey responses and 7 email responses). A report providing a summary of the consultation results is included as Appendix 3. The consultation has informed the new proposed bus support criteria.

### Reasons for Recommendations

- 31 The criteria enable bus services to be scored and prioritised using a fair, transparent and accountable process to manage contracts within budget constraints, provide maximum value for money and support wider strategic priorities of the Council set out in the Corporate Plan.
- 32 The recommendations relating to use of the first allocation of BSIP+ funds (2023/24) have been developed to reflect priorities shared by the local bus operators whilst also enabling full utilisation of funding to DfT's stated timescales.

### Other Options Considered

- 33 The alternative option is to do nothing and continue with the existing scoring criteria which was developed in 2011. However, the criteria would not fully reflect corporate priorities, strategic transport framework and the significant challenges to the bus industry following the Covid-19 pandemic. The needs of local communities have changed in terms of the way people work, commute and socialise, so it is important that the scoring criteria reflects a changing bus network.

Option	Impact	Risk
Do nothing	The bus support criteria will be outdated (adopted in August 2011).	The criteria will not reflect the demands of the current bus network, the



		changing needs of local people, or the strategic priorities of the Council.
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## Implications and Comments

### *Monitoring Officer/Legal*

- 34 The BSIP+ funding has been allocated primarily to those Council's which did not receive BSIP funding. The conditions of the BSIP+ funding is that it will be spent in accordance with the Enhanced Partnership Plan and Scheme adopted by the Council. BSIP+ funding can also be used for supporting existing services. Failure to spend the BSIP+ funding in line with the Enhanced Partnership Plan and Scheme and/or the MoU would likely lead to a reduction or suspension in funding in future years.
- 35 BSIP+ funding must be spent on bus service improvements and cannot be used for other measures which primarily benefit other modes of transport.
- 36 In implementing the new bus service support criteria, the Council must have due regard to the transport needs of all of the residents in the borough, which includes disabled persons, persons who are elderly or have mobility problems and persons with young children. The new bus support criteria must have due regard for the EqIA and the Council's adopted Enhanced Partnership Plan and Scheme.

### *Section 151 Officer/Finance*

- 37 In 2023/24 the Council has a budget of £2,562,396 for supported local bus services. These costs will be funded by the Council's supported bus budget, DfT Local Transport Fund (LTF) grants, DfT Bus Service Operator Grant (BSOG) allocation, other fee income and the Council's revenue budget.
- 38 The budget for 2024/25 is subject to the Council's Medium Term Financial Strategy (MTFS) review and will be agreed in February 2024.
- 39 The Council has been awarded £1,187,596 from the BSIP+ funding from central government. DfT make clear in the associated Memorandum of Understanding that to be eligible for future funding, including 2024/25 BSIP+ funding, the overall authority bus budget must be maintained at least at the same level. DfT expect the grant funding to

be spent within a reasonable timeframe and outputs delivered within 12 months of funding receipt.

- 40 The DfT have also announced BSIP / BSIP+ funding allocations for 2024/25 which are set out in the table below. A delivery plan for next financial year is currently being developed and will be reported to Committee in due course.

Cheshire East – Funding Allocations	2023/24	2024/25
BSIP +	£1,187,596	£1,187,596
BSIP	£0	£2,268,000

### *Policy*

- 41 Cheshire East’s Corporate Plan recognises the importance of the bus network in supporting key strategic objectives such as reducing air pollution, reducing carbon emissions, enabling housing and employment growth, improving quality of place, and protecting the environment.
- 42 The Local Transport Plan (2019-2024) outlines the role transport will play in supporting the long-term goals to improve the economy, protect the environment, improve health and wellbeing and the quality of place. The proposed bus support criteria reflect this framework, to deliver social, economic and environmental improvements.
- 43 Cheshire East’s Bus Service Improvement Plan (BSIP) sets out the ambition for the bus network to improve the speed, reliability and quality of public transport, to encourage more residents to choose bus, make fewer car journeys and contribute to carbon reduction targets.

<p><b>An open and enabling organisation</b></p> <p><b>(Include which aim and priority)</b></p> <ul style="list-style-type: none"> <li>• Ensure that there is transparency in all aspects of council decision making.</li> <li>• Support a sustainable financial future for the council, through</li> </ul>	<p><b>A council which empowers and cares about people</b></p> <p><b>(Include which aim and priority)</b></p> <ul style="list-style-type: none"> <li>• Work together with our residents and partners to support people and communities to be strong and resilient.</li> </ul>	<p><b>A thriving and sustainable place</b></p> <p><b>(Include which aim and priority)</b></p> <ul style="list-style-type: none"> <li>• A great place for people to live, work and visit.</li> <li>• To reduce the impact on our environment.</li> </ul>
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<p>service development, improvement and transformation.</p> <ul style="list-style-type: none"> <li>Promote and develop the services of the council through regular communication and engagement with all residents.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce health inequalities across the borough.</li> </ul>	<ul style="list-style-type: none"> <li>A transport network that is safe and promotes active travel.</li> <li>Thriving urban and rural economies with opportunities for all.</li> <li>To be carbon neutral by 2025.</li> </ul>
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### *Equality, Diversity and Inclusion*

- 44 The Council has fully evaluated the equality implications of the proposed changes through an Equality Impact Assessment (EqIA). An EqIA is appended to this report (see Appendix 5).
- 45 The Council has engaged with protected equality groups, including people with disabilities and mobility problems. 54% of respondents to the consultation survey were aged 65+ and 35% of respondents felt their activity is limited due to a health problem / disability. There responses have been analysed and incorporated into the EqIA.

### *Human Resources*

- 46 There are no direct implications for Human Resources.

### *Risk Management*

- 47 There are risks associated with not having a suitable set of criteria in place – continuing with the 2011 criteria would mean we are not considering the current challenges and priorities for the bus network.
- 48 In terms of governance and corporate oversight, a Bus Strategy Programme Board has been established including colleagues from key enabling services, namely legal, finance, research & consultation and communications. This will ensure that the process of applying the bus support criteria is robust, as well as oversight of the BSIP+ funding.

### *Rural Communities*

- 49 The Corporate Plan outlines targets to reduce areas of the borough not served by public transport. The Council has already demonstrated a commitment to this through its successful bid for DfT funding as part of the Rural Mobility Fund, subsequent operation of the Go-too service and continued delivery of the boroughwide FlexiLink service.

50 The Corporate Plan also identifies the desire for thriving and active rural communities by 2025. The importance of local buses for rural communities has been reflected within the scoring criteria ensuring that bus services remain accessible for those who need them most. Accessibility indicators are included within the support criteria to ensure areas with no reasonable travel alternatives score highly.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

51 The Corporate Plan outlines the significant pressures in Children’s Services, particularly placements for looked after children and services for children with special educational needs, including home to school transport. A significant number of school children across the borough use buses to access educational establishments and this is considered as part of the prioritisation process.

*Public Health*

52 There are pockets of deprivation in Cheshire East related to income, health and life chances. Bus services enable a greater proportion of residents to access important services such as health care facilities. The continued delivery of these services therefore helps to address the Corporate Plan target to reduce health inequalities across the borough. The Index of Multiple Deprivation (IMD) is used to prioritise services based on their ability to serve highly deprived areas.

*Climate Change*

53 Cheshire East Council have committed to be carbon neutral by 2025 and to influence carbon reduction across the borough in order to become a carbon neutral borough by 2045 – the decarbonisation of the transport network is a key component of this programme of work. The scoring criteria considers the emission standards of vehicles in operation with EV/Hydrogen and Euro 6 vehicles looked at more favourably.

<b>Access to Information</b>	
Contact Officer:	Richard Hibbert <a href="mailto:Richard.hibbert@cheshireeast.gov.uk">Richard.hibbert@cheshireeast.gov.uk</a>
Appendices:	1 – New Proposed Bus Support Criteria (November 2023) 2 – Original Bus Support Criteria (August 2011) 3 – Consultation Summary Report

	4 – BSIP+ Indicative Budget Allocation 5 – Equality Impact Assessment
Background Papers:	None