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## **Highways and Transport Committee**

**25 January 2024**

### **Notice of Motion – £2 Bus Fare Cap**

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

**Report Reference No: HTC/40/23-24**

**Ward(s) Affected: All**

#### **Purpose of Report**

- 1 The purpose of this report is to outline a response to the Notice of Motion proposed at Full Council on 18th October 2023 that stated: -  
  
“This Council asks the Director of Highways and Infrastructure to develop and launch a publicity strategy to locally promote the extension and usage of the £2 bus fare cap.”
- 2 This report explains what the national £2 bus fare cap seeks to achieve and the funding sources that the Department for Transport has made available for its implementation.
- 3 This report also details the effects of the £2 fare cap locally, particularly for operators participating in the Cheshire East Enhanced Partnership for buses, whilst explaining how the partnership will help in responding to the Notice of Motion to Council.

#### **Executive Summary**

- 4 The Notice of Motion to Council relates to the national £2 fare cap applying to local bus services. First launched for 3 months, the scheme has proven hugely popular and was extended by Government until 31 October 2023, as part of a post-pandemic recovery plan for local bus networks. The fare cap contributed to a fall of 7.4% in bus fares across England, outside London, last year.
- 5 On 23<sup>rd</sup> October 2023, the Department for Transport announced that, using part of the savings from HS2, the £2 fare will be extended until the end of December 2024.

- 6 Nationally, over 140 bus operators running more than 5,000 routes are participating in the scheme. In Cheshire East, all bus companies operating scheduled local bus services are participating in the £2 fare cap scheme.
- 7 The Department for Transport monitors the effectiveness of the £2 Fare Cap to assess its impact in growing patronage. The evaluation will continue over the coming months and provide richer conclusions on its effects along with a value-for-money evaluation of the scheme in early 2024.
- 8 Evidence to date is that there is a high level of public awareness of the national fare cap, including locally, with the £2 single fare reported to be the most popular ticket purchase by bus users. Further details about the national scheme can be found at the link: [Bus services: grants and funding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/bus-services-grants-and-funding).
- 9 The Council hosts an Enhanced Partnership with local bus operators, which provides a regular forum to consider measures to promote greater use of local bus services. At a recent meeting of the Partnership Board, the proposals for deploying the next tranche of Bus Service Improvement Plan Plus (BSIP+) funding awarded to Cheshire East (see Agenda Item on Supported Local Buses). This programme for the current financial year, plus equivalent programmes for future years, provide opportunity to promote the Fare Cap further.

#### RECOMMENDATIONS

The Highways and Transport Committee is recommended to:

1. Note the update on the £2 Fare Cap applying to local buses in England.
2. Endorse that the Council continues to work in partnership with local bus operators to publicise the fare cap.
3. Note the high level of public awareness of the fare cap and comment on the potential future opportunities for the Council to promote it further.

## Background

- 10 A Notice of Motion was submitted to Council on 18/10/2023 that stated:  
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“This Council asks the Director of Highways and Infrastructure to develop and launch a publicity strategy to locally promote the extension and usage of the £2 bus fare cap.”

- 11 The Department for Transport (DfT) monitors the effectiveness of the £2 Fare Cap to assess its impact in growing patronage. The evaluation will continue over the coming months and provide richer conclusions on its effects along with a value-for-money evaluation of the scheme in early 2024.
- 12 Initial findings from the DfT’s monitoring, after the first 2 months of the scheme, were as follows:

***Around two-thirds of people reported some degree of awareness of the £2 fare cap***

This is supported by the findings from the separate Transport Focus survey carried out in March 2023 that found over half of people (59%) were aware of the £2 fare cap and a further 12% were somewhat aware. Transport Focus also found a slight increase in awareness between January and March 2023.

***Patronage appears to be continuing to recover following the COVID-19 pandemic and early evidence suggests the £2 fare cap may be playing a role in this recovery***

Analysis for January and February 2023 suggests year-on-year patronage has increased by 20%. While it is currently too early to determine the contribution of the £2 fare cap to any patronage change, indicative signs suggest it is playing a role in increasing or maintaining patronage:

***There has been an increase in the number and proportion of single bus journeys***

Preliminary analysis suggests that more than 50 million single tickets were sold over January and February 2023, over 34 million (around two-thirds) of which would benefit from the £2 bus fare cap.

Single tickets accounted for a higher proportion of ticket sales in January/February 2023 compared to 2022. This suggests that some passengers are switching between ticket types to save money.

***People making additional bus trips with the £2 bus fare cap in place are likely to be existing bus users and make a small number of additional trips***

Overall, 10% of respondents to the survey report taking more journeys by bus since the £2 fare cap was introduced.

Of those, 40% reported between 1 to 2 additional bus trips per week and a similar proportion (38%) reported between 3 to 5 additional bus trips.

Frequent bus users are more likely to report undertaking more journeys by bus, since the £2 fare cap was introduced, than infrequent bus users.

***The scheme is perceived as making a positive impact on the cost of living***

Around 30% of respondents to the survey said that the £2 fare cap has had a positive impact on their disposable income. The latest Transport Focus survey found that 8 in 10 respondents agreed that the fare cap will help people with the cost of living.

- 13 In the current financial year, Cheshire East Council has been awarded £1.187m in BSIP+ funding. This is intended to enable the Council to work with local bus operators to improve local bus services, offering better quality services to meet local needs. This can include promotion of a range of tickets and incentives. A similar value allocation is available in 2024/25.
- 14 The Councils Enhanced Partnership Board for local bus services has considered how this funding may be used to promote bus use in Cheshire East. The key components of an initial programme are reported to Committee in a separate report (for decision), comprising:

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.

A number of these initiatives provide opportunities to further promote the Fare Cap.

- 15 Additionally, the Council's corporate communications team and strategic transport team will work together to promote the £2 bus fare cap, using a range of media, including:
- (a) Promote via social media and add to our content schedule. We can look to use the government social media assets.
  - (b) Include in our All-member Bulletins.
  - (c) Include in the town and parish council newsletter we issue.
  - (d) Promote internally via Team Voice.
  - (e) Promote via local bus user groups.
  - (f) Increase public awareness advertising on vehicles operating on routes in Cheshire East, including advertising on vehicles in the council's municipal fleets e.g. Flexilink and ANSA vehicles.
- 16 Committee is requested to note the high level of public awareness of the fare cap and comment on these potential future opportunities for the Council to promote it further.

- 17 The National £2 Fare Cap is not funded, nor has any plans to be funded, directly by the local authority. Bus operators are reimbursed for costs arising from participation in the scheme directly from the Department for Transport.

### Consultation and Engagement

- 18 Engagement with the local bus operators and passenger groups has been facilitated by recent meetings of the Cheshire East Enhanced Partnership Forum (26<sup>th</sup> October 2023) and the Enhanced Partnership Board (15<sup>th</sup> November 2023).

### Reasons for Recommendations

- 19 The local bus network in Cheshire East currently benefits from local operators participating in the national fare cap scheme.
- 20 The Department for Transport has made additional funding available to support local bus services (BSIP+ funding) as part of a post-pandemic strategy for patronage to recover. This funding may, in part, be used to promote and publicise the fare cap.
- 21 The council and its partners in the Cheshire East Enhanced Bus Partnership are supportive of measures to promote local bus routes, including the £2 Fare Cap.

### Other Options Considered

- 22 Other options considered are summarised in the following table.
- 23 Options appraisal:

Option	Impact	Risk
1) Do nothing	Rely in current levels of awareness of the fare cap, including through any awareness campaigns nationally or locally by bus operators.	Lower levels of awareness locally than desirable, especially for people who are not regular bus users.
2) Local publicity and promotional campaign including web site, social media, at stop and on bus advertising. (Preferred option)	Increased awareness of the fare cap in Cheshire East, supported by local operators in the Enhanced Partnership, potentially leading to greater uptake of the	Need to avoid any duplication of messaging with periodic national (DfT) or operator campaigns.

	scheme especially by people who use buses infrequently.	
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## **Implications and Comments**

### *Monitoring Officer/Legal*

- 24 There are no legal implications because this report is a response to a Notice of Motion and the report is merely for noting.

### *Section 151 Officer/Finance*

- 25 The introduction of a fare cap reduces the income from bus fares. However, this is not a matter for the council's budget as it is dealt with by the DfT and bus operators based on national formulae.
- 26 The BSIP+ funding is a separate grant to the council to "improve local bus services and promote patronage". The council can use some of this grant to promote the fare cap.

### *Policy*

- 27 This report has no current policy implications.

### *Equality, Diversity and Inclusion*

- 28 There are no equality implications because of this response to the Notice of Motion.

### *Human Resources*

- 29 There are no Human Resource implications because of this response to the Notice of Motion.

### *Risk Management*

- 30 There are no risk management implications because of this Notice of Motion.

### *Rural Communities*

- 31 There are no specific implications because of this Notice of Motion.

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

- 32 There are no specific implications because of this Notice of Motion.

### *Public Health*

- 33 The result of this Notice of Motion has no direct implications on Public Health, that being either: -
- a positive, neutral or negative overall impact on the health and wellbeing of Cheshire East residents
  - a greater (positive or negative) impact on some groups compared to others (e.g., rural vs urban; younger vs older; poorer vs more affluent; etc.)

### *Climate Change*

- 34 The result of this response to the Notice of Motion will continue to help the council to reduce its carbon footprint and achieve environmental sustainability by reducing energy consumption and promoting healthy lifestyles. No additional cash collections are envisaged, thus reducing carbon footprint of the service.

<b>Access to Information</b>	
Contact Officer:	Richard Hibbert Head of Strategic Transport & Parking <a href="mailto:Richard.hibbert@cheshireeast.gov.uk">Richard.hibbert@cheshireeast.gov.uk</a>
Appendices:	None
Background Papers:	