

CHESHIRE EAST COUNCIL

REPORT TO: Environment & Prosperity Scrutiny Committee

Date of Meeting: 24 April 2012
Report of: Strategic Director – Places and Organisational Capacity
Subject/Title: Transport Policy Update
Portfolio Holder: Cllr Rod Menlove

1.0 Report Summary

- 1.1 The council currently spends approx. £19m on fulfilling various transport needs. Given the significant financial challenges facing the authority, it is inevitable that such a significant commitment of funding would be subject to efforts to make efficiencies and other savings. The Total Transport Transformation Programme is the response from Cheshire East Council to the financial challenges as they relate to Highways, Transport and Fleet Services. Transport is a key element of service delivery for Adults and Children's Services.
- 1.2 This report summarises the likely changes to transport policies that have been either agreed or are to be considered over coming months.

2.0 Decision Requested

- 2.1 The committee is asked to:
- 2.1.1 Note the upcoming potential changes to transport policies and associated funding, particularly the upcoming public consultation on public transport support and the changes to home to school transport entitlements.

3.0 Reasons for Recommendations

- 3.1 The council's adopted business plan for the period 2012-2015 contains a number of changes pertaining to transport support. There are reductions in budgets for home to school transport, public transport, flexible / community transport and management and administration of transport. Committee are also reminded of changes to adult social care transport support that are in the process of being implemented.

- 3.2 These changes potentially lead to a diminution of service for current users. For some aspects of the changes in service delivery, widespread public consultation has already taken place, notably in the areas of adult social care transport and home to school transport provision. In respect of public transport policy changes, Cabinet adopted revised support criteria last summer, and significant analysis has been undertaken by officers to construct a scoring and ranking mechanism to assess current support against these criteria. Further potential changes require public consultation to assess the impact on affected groups.
- 3.3 Home to school transport policies have been the subject of separate scrutiny by the Childrens and Families Scrutiny Committee. A joint task and finish group – comprising members drawn from both that Committee and Environment and Prosperity Scrutiny Committee – has examined in detail proposals to amend home to school policies. The Task and Finish Group has reported to the CFS Scrutiny Committee, who have in turn made recommendations to Cabinet. Cabinet are shortly to decide what – if any – changes may result.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including - Climate change - Health

- 6.1 Transport policies link directly to the Local Transport Plan (LTP). The proposals contribute towards delivery of the Council's Climate Change agenda and Air Quality Strategy by including carbon emissions as part of the assessment criteria, which has associated health benefits. In terms of wider Council policy, changes to transport policy must promote equality of access to local services. Finally, changes link to the council's adopted financial strategies embodied in the adopted business plan.

7.0 Financial Implications

- 7.1 The council's business plan requires reductions in budgets for transport. Appendix 1 sets out the required reductions. In terms of public transport, local transport authorities are free to decide the total budget that they wish to devote to supporting services, in the context of their overall resources available and the identified needs of the local area. Whilst central government has traditionally provided specific funding pots (e.g. Rural Bus Subsidy Grant and Rural Bus Challenge Grant), those grants have now been absorbed into the Council's Revenue Support Grant and this element of funding is discretionary.

- 7.2 The reduction anticipated in the Business Plan is £500,000 in 2012/13 and subsequent financial years. There is associated additional funding of £100,000 to provide flexible transport solutions throughout the Borough.
- 7.3 In terms of home to school transport, the council is obliged to offer certain individuals transport to school through the imposition of statutory duties. There are other aspects of provision which the council is under a duty to consider providing and to take into account in deciding its policies, but is not obliged to provide. These aspects have been subject to review, and it is currently the subject of Cabinet consideration. Should the recommendations be adopted, the savings that would result would be of the order of £375,000 a year in 2012/13, and £600,000 a year subsequently. This contributes to the overall reduction in home to school transport funding required in the council's adopted business plan (£1m reduction in 2012/13, additional £0.5m reduction in 2013/14 onward).
- 7.4 The changes in respect of finding alternative travel arrangements for adult social care clients are now well-advanced, leading to in-year savings. It is calculated that as at 1 April 2012, around 80% of clients have migrated to suitable alternative transport. Once the changes are complete, the overall saving to the authority is around £800,000 - £1,000,000 annually.
- 7.5 Finally, there are changes to discretionary transport policies such as grant aid for charitable organisations and the ability of holders of concessionary bus passes to use them on flexible transport services. These changes are likely to reduce expenditure by around £135,000 a year.

8.0 Legal Implications

- 8.1 The Transport Act (1985) imposes duties on and grants powers to local authorities to establish policies and carry out certain functions in relation to public transport.
- 8.2 Section 63, (1) states:

In each non-metropolitan county of England and Wales it shall be the duty of the county council—

(a) to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose

- 8.3 In addition:

A non-metropolitan county council in England and Wales or, in Scotland, a . . . council shall have power to take any measures that appear to them to be appropriate for the purpose of or in connection with promoting, so far as relates to their area—

(a) the availability of public passenger transport services other than subsidised services and the operation of such services, in conjunction with each other and with any available subsidised services, so as to meet any public transport requirements the council consider it appropriate to meet; or

(b) the convenience of the public (including persons who are elderly or disabled) in using all available public passenger transport services (whether subsidised or not).

8.4 Finally:

It shall be the duty of a county council or (as the case may be) of a regional or islands council, in exercising their power under subsection (6) above, to have regard to a combination of economy, efficiency and effectiveness.

It shall be the duty of any council, in exercising or performing any of their functions under the preceding provisions of this section, to have regard to the transport needs of members of the public who are elderly or disabled and to the appropriate bus strategy

8.5 The criteria adopted by the council discharges the statutory obligation to: firstly, establish policies; secondly, secure appropriate public transport to discharge these policies; finally, takes into account the needs of members of the public who are elderly or disabled, and has due regard to economy, efficiency and effectiveness.

8.6 The council is required to identify the impacts on certain protected groups to ensure equality of opportunity. For example, there must be an assessment made of the impacts on groups or individuals who are disabled, who belong to ethnic or racial groups, and on the grounds of age or sex discrimination. A full equality impact assessment will be undertaken.

8.7 Under section 508B of the Education Act 1996, the Council is required to provide free transport for “eligible children”, who are defined in Schedule 35B of the Act, where the Council considers it necessary for the purpose of facilitating attendance at school.

8.8 “Eligible children” include children:

- a) with special educational needs, disability or mobility problems;
- b) who cannot reasonably be expected to walk because of the nature of the route to school;
- c) who live outside walking distance and no suitable alternative arrangements have been made for them; and
- d) who are entitled to free school meals or their parents receive the maximum amount of tax credits.

8.9 In addition, local authorities have the discretion under other sections of the Act to make transport arrangements for those who are not “eligible children” and transport arrangements made under those sections do not have to be provided free of charge, subject to that charge being reasonable in the circumstances.

9.0 Risk Management

9.1 None

10.0 Background and Options

Total Transport Transformation

10.1 Cheshire East Council is driving forward a major transformation programme which aims to revolutionise the way in which transportation is delivered across the borough. The aim is to meet the future needs of residents by providing more effective and efficient public services. The programme includes the development and implementation of a new LTP setting out the strategic priorities for transport over the next 15 years.

Cheshire East's Local Transport Plan (2011-26)

10.2 Cheshire East's LTP is framed around the seven priorities of the Sustainable Community Strategy (SCS) so that the role of transport in delivering the economic, environmental and social ambitions for the area is clearly understood. The LTP provides the strategic framework for transport in the borough and aims to shape investment in local highway and public transport networks over the next 15 years.

10.3 Following extensive stakeholder and community consultation, the strategic priorities for transport in Cheshire East are to "ensure a sustainable future" and "create conditions for business growth". The first LTP implementation plan includes a commitment to introduce new public transport support criteria to prioritise investment in local public transport services in line with strategic priorities for transport.

Cheshire East Public Transport Support

10.4 Currently 85% - 90% of the bus network in Cheshire East is operated commercially and the remaining 10% - 15% is subsidised by the Council. Cheshire East Council currently spends £2.3m on subsidising local bus services, which are not commercially viable but are considered to be required following assessments of local need, as required by the Transport Acts. In addition, the Council provides £450k of funding to support community transport.

10.5 The statutory duty for local transport authorities to support services does not include a clear definition of what this means in practice, so it is for each local authority to decide what it considers to be required locally, and prioritise the range of community travel needs. There is a specific duty to identify the needs of older and disabled residents; a duty that the council currently discharges through the support for community transport, and has been specifically taken into account in identifying and applying appropriate support criteria.

Revised Support Criteria

10.6 Establishing new locally determined criteria, specific to Cheshire East, has created a framework to guide decision-making on which services to support in order to achieve maximum value for money in a climate of budget constraints. All existing public transport contracts and any requests for additional services are subjected to an evaluation process to identify those services deemed suitable for council support.

10.7 A range of potential criteria have been explored, including:

- Assessment of utility of service / journey purpose (e.g. health, employment)
- Assessment of travel time
- Cost per passenger journey
- Total revenue / total cost ratio by service
- Number of passengers – total, average, minimum
- Passenger trends / commercial potential
- Availability of alternative transport services (e.g. community transport), particularly in respect of residents with significantly impaired mobility
- Deprivation measures, socio-economic measures or geographic criteria
- Specific links to economic regeneration
- Travel to work corridors
- Impact on carbon emission (e.g. air quality management area, congestion hotspots)
- Settlement size, with larger settlements typically favoured over smaller
- Integration between modes of transport
- Ability to attract external funding / cross-departmental internal resources

10.8 Last Summer, Cabinet decided to adopt a range of criteria based on three main objectives - LTP priorities, accessibility and financial considerations:

- **LTP Priority Themes** – Public transport has a role to play in “creating conditions for business growth” and “ensuring a sustainable future” by supporting access to employment and economic regeneration, as well as encouraging modal shift towards greater use of public transport.
- **Accessibility** – Community consultation on both the Sustainable Community Strategy (SCS) and LTP identified a desire for improved integration between different modes of transport, particularly bus and rail services. It will also be important to consider the level of travel choice and alternative options available to avoid communities becoming socially isolated and excluded.
- **Financial Considerations** – The current financial challenges, which are expected to continue over the coming years, require the need to ensure maximum value for money. In addition, there is a statutory duty to consider the economy, efficiency and effectiveness of the supported network. Cost per passenger will continue to be an important factor to consider, as well as whether a service attracts external funding from other sources, the number of

passengers using the service and the commercial potential (e.g. patronage trends).

These detailed criteria are shown at Appendix 2.

Impact of Revised Funding for Public Transport

- 10.9 The council current spends £2.2m a year subsidising public transport. In the business plan adopted by Council for the period 2012-15, a reduction of support of £0.5m has been agreed.
- 10.10 Each current contract has been scored and ranked to assess the relative cost effectiveness of each service, and how closely it meets the adopted strategic criteria.
- 10.11 The types of services which score highly and could potentially be considered “high priority” are mainly weekday services operating on urban or inter-urban routes. There are also a number of evening and Sunday services providing access to hospital in Crewe and leisure facilities in Greater Manchester.
- 10.12 The routes which score highly provide access to employment and essential services, as well as serving congestion hotspots and air quality management areas. They are considered “multi-use” in terms of journey purpose. These services also carry a significant number of passengers with relatively low cost per passenger. Cheshire East Transport will seek to work with transport providers to determine if these services could potentially be adopted by the commercial market, if they present a suitable commercial opportunity.
- 10.13 The types of services with lower scores which could potentially be considered “low priority” are those services where there are alternatives relatively close to the supported route, where the journey type tends towards “single purpose” journeys, or where the assessment of strategic fit is otherwise classed as low. Services in this category include Sunday services and weekday services operating in rural areas with low passenger numbers, or are high cost per passenger relative to other services.
- 10.14 The Committee is asked to note that – despite the initial assessment undertaken by officers – the “score” that each service has been allocated is the first step in assessing which services should continue to be supported by the taxpayer. The council is under an obligation to involve and consult local residents and others on proposed changes, and – unlike in prior years – the council does not have sufficient information on the range of impacts and mitigation to make decisions without detailed consultation.

Mitigating Impacts

- 10.15 It is accepted that even though the relative numbers of current users of some subsidised services may be small, there is still an impact on the passengers who currently use such services. It is therefore appropriate to outline the mitigating factors behind the subsidy withdrawals,

- 10.16 For those services with a relatively low score for accessibility, it means there are suitable alternative services within reasonable walking distance of the service at risk. Whilst the alternative service may not be a direct service (ie requires a change of bus partway through the journey) or may not operate at the same time as the service at risk, it is considered that there is a suitable alternative already in place.
- 10.17 For some services, there is potentially a compromise with commercial operators who will be encouraged to operate some or the entire route commercially. For example, some services operate with relatively low levels of subsidy per passenger, and it may be that with additional marketing, promotion and publicity of these services they may become commercially viable. Also, through acceptance of increased fares, it may be possible to shift the balance away from taxpayer support in favour of a greater share of cost being borne directly by passengers. For some services, relatively moderate fare increases may render the service commercially viable.
- 10.18 Council has approved an increase in funding for flexible transport provision. This will enhance “ring and ride” type services, where residents must pre-book transport on a shared basis with other users. These services provide for essential travel eg to health care, shopping, social and leisure facilities, and are a way of providing for basic human needs. They are not appropriate for the needs of eg commuters, who require regular, repeat transport for more than 2 days a week. For this reason, it may not be possible to mitigate the impacts in every case.
- 10.19 It should be noted that whilst every effort has been and will be made to mitigate impacts, withdrawals of support for public transport are inevitably an unpopular and unwelcome development. Cheshire East Transport will endeavour to accommodate any reasonable request for examination of issues in particular areas to identify alternative solutions should significant adverse impacts result from the implementation of the required budget reductions.
- 10.20 Current subsidised routes and their associated score allocated under the adopted weighting and scoring mechanism are shown in Appendix 3. Even with the proposed service reductions, the council will still be supporting more than 1.5 million passenger journeys a year, and committing to budget support of £1.7m a year for public transport, and £300,000 for flexible transport. Any changes to subsidies – whether they be withdrawals or other adjustments to amount - are timetabled for implementation in October 2012, subject to appraisal by Cabinet.

Home to school transport changes

- 10.21 The Committee is aware of the potential changes to home to school transport policies that are currently under consideration. The council’s adopted business plan for 2012-15 contains reductions in funding for home to school transport of £1.5m annually - £1m of the reductions are expected to be made in 2012/13, and the remainder over the subsequent 2 years. At its meeting on

30 April 2012, Cabinet will give consideration to the following recommendations:

- Free transport will no longer be provided for children attending denominational schools through parental choice on the grounds of a parent's religion/faith; withdrawal of which to take place for all students – whether current recipients or future applicants – from September 2012. Exceptions are provided for secondary-school age children from low income families attending a choice of their 3 nearest qualifying schools between 2 and 6 miles from home, or up to a maximum of 15 miles to the nearest school preferred by reason of a parent's religion or belief, in accordance with statutory responsibilities.
- That the savings resulting from the withdrawal of entitlement on grounds of religion / faith in 2012/13 be redirected to provide one-off funding to the affected educational establishments. It would be for each establishment to have freedom over how it uses this one-off funding to support alternative travel options to students. It is estimated that such savings would be of the order of £150,000, which would be distributed on an equitable basis to relevant establishments.
- That a reduced devolved grant – £375,000 a year (equating to approximately 50% of current net expenditure) - be offered to all Sixth Forms and Further Education Colleges accepting Cheshire East resident students for post 16 mainstream transport subsidies. The respective grants to be awarded on the basis of the 2011/12 data and the efficacy of this to be reviewed yearly.
- That the Council, in full partnership and consultation with parents, carers and special schools look at alternatives around SEN transport to improve outcomes by promoting a positive culture of independence for children, young people and families. In addition, the Council undertake further reviews of provision such as where transport is provided by way of the Education and Inspections Act (2006) and social care transport needs.

10.22 The changes to home to school transport policy potentially may result in greater use made of alternative modes of travel, such as walking, cycling, use of public transport, or greater car usage. Members of Committee were including on the Task and Finish Group considering the changes in policy, which examined a range of different issues raised during the public consultation. Officers were asked to make recommendations to Cabinet based on two reports that resulted from the Task and Finish Group investigations.

Adult social care transport

10.23 As a result of the increasing numbers of clients adopting a “personalised” approach to their social care arrangements, there has been a substantial reduction in the amount of commissioned transport on the council's own passenger transport fleet. The number of adults has reduced to the extent that it is no longer viable to operate a fleet for the remaining clients (both

adults and children). Therefore the provision of the remaining statutory transport for children is subject to tendering to the commercial market.

10.24 In relation to the alternative transport provision for adults, around 80% of clients previously using council fleet transport have now migrated to alternatives. This has reduced costs substantially; around £800,000 a year compared to the previous arrangements. Cheshire East Transport will continue to support colleagues in Adult Services in finding suitable and sustainable client transport.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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