

CHESHIRE EAST COUNCIL

REPORT TO: Environment & Prosperity Scrutiny Committee

Date of Meeting: 8th August 2012
Report of: Strategic Director, Places and Organisational Capacity
Subject/Title: Potential Changes to the Council's Support for Public Transport
Portfolio Holder: Cllr Rod Menlove

1.0 Report Summary

- 1.1 The Council currently spends £2.2m (net of income) supporting public transport in the Borough. The adopted Business Plan (2012-15) for Cheshire East Council anticipates a reduction of £0.5m in that support, subject to a full public consultation on the equality impacts. This report sets out a series of options for how best to meet the transport needs of local communities within the context of reduced budgets.
- 1.2 The proposals have been developed, informed and influenced by three key sources of evidence and assessment: 1) the Council's adopted public transport support criteria which fully reflect the key themes and aspirations contained within the Local Transport Plan; 2) passenger journey data provided by local bus operators; and 3) the results and analysis of the recent public consultation exercise.
- 1.3 The report explores the potential to reduce the Council's financial support whilst minimising the impact on protected equality groups, particularly older and disabled people. Even with the anticipated budget reduction, the Council will still be committing to a substantial level of support for public transport. The total expenditure on public transport support – once concessionary travel, infrastructure expenditure, publicity and information etc is included - is some £6.2m.

2.0 Decision Requested

- 2.1 Endorse the recommendations to withdraw school day services, reducing expenditure by approximately £0.25m per annum;
- 2.2 Comment on the recommendations to withdraw further public transport support of approximately £0.5m per annum, subject to a more detailed assessment of the impacts on protected groups and likely mitigating measures;
- 2.3 Consider whether the Committee wish to contribute to the Equality Impact Assessment and in particular on any mitigation measures which could be adopted.

3.0 Reasons for Recommendations

- 3.1 The proposals have been developed by merging three key sources of evidence which together provide a robust assessment of the impact. The Council's public transport support criteria (adopted in August 2011) provide a fair, transparent and accountable process to score and rank each current supported transport contract against objective criteria. The criteria reflect wider aspirations for the area contained within the Sustainable Community Strategy and the Corporate Plan. They are also directly linked to the Local Transport Plan, which set out the strategic priorities for transport in Cheshire East – to “create conditions for business growth” and “ensure a sustainable future”. The criteria utilise passenger journey data from local bus operators, such as the number of passenger journeys and proportion of concessionary pass holders to gauge the number and characteristics of those affected.
- 3.2 To look in closer detail at the impact of any changes at a local and individual level, a full and extensive consultation exercise was undertaken across the borough from 27 April until 22 June 2012. The results from the consultation have informed and influenced the emerging Equality Impact Assessment to consider the impact of any changes on certain equality groups with protected characteristics, such as older people, people with disabilities, people with mobility or learning difficulties etc. The Committee is invited to contribute to the Equality Impact Assessment.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including – Carbon Reduction – Health

- 6.1 The adopted criteria link directly to the Local Transport Plan and consider the impact on wider policy agendas including economic development, air quality and carbon reduction, which has associated health benefits. The criteria also consider a range of accessibility indicators with an aim to promote equality of access to local services. Finally, the revised criteria ensure the longer term financial sustainability of supported transport contracts.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 Local transport authorities are free to decide the total budget that they wish to devote to supporting local transport services. 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 largely discretionary. So long as a local authority has undertaken an assessment of unmet need under the Transport Act, it is a matter for members to decide how far they wish to meet those needs, taking into account the revenues available, and having in mind the duty to consider the economy, efficiency and effectiveness of provision. Members must also have in mind the requirement to make decisions based on the need to ensure equality is promoted and inequality minimised as far as is reasonably practicable.

7.2 The Council's Business Plan (2012-15) anticipates a reduction of expenditure on local bus support of £500,000, with a reinvestment of £100,000 in alternatives for those passengers most directly affected by any potential withdrawals of service. The changes that were envisaged in the recent public consultation are expected to lead to the savings of approx £400,000 which is the agreed level of saving required. The Council also supports local flexible transport provision. The support for such demand responsive transport is largely constrained by the budget available.

7.3 In the light of emerging financial pressures facing the authority, and the process of identifying new and more cost-effective ways of supporting service delivery, budgets devoted to services are kept under constant review. Accordingly, it is appropriate for the service to recommend the scope for reductions in expenditure and for them to be considered by Cabinet.

8.0 Legal Implications (Authorised by the Borough Solicitor)

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.

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).

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.

- 8.3 The Council has previously adopted the Local Transport Plan, and associated bus support criteria, to ensure it discharges the statutory obligation to: firstly, establish policies; secondly, secure appropriate public transport to discharge these policies; finally, take into account the needs of members of the public who are elderly or disabled, and has due regard to economy, efficiency and effectiveness.
- 8.4 Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies etc on certain protected groups to ensure equality is promoted, and inequality minimised. 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, on the grounds of age or sex discrimination etc. The results from the public consultation are informing the Equality Impact Assessment (EIA), which is, in turn, informing the proposals being recommended for consideration by Cabinet. The consultation analysis in Appendix 3 is feeding directly into the EIA, which is currently being drafted and will be published along with the Cabinet proposals.

9.0 Risk Management

- 9.1 In recommending how best to achieve the savings identified in the Business Plan, there is a need to manage implementation carefully to minimise the reputational risk to the authority in withdrawing, or providing alternative ways of delivering, public transport services which are relatively low priority in comparison to other services. In addition, there are risks that reduced financial support for public transport may lead to threats to the viability of individual bus companies, especially in the light of changes to central government public transport grants. Finally, there are risks that the council may be challenged that it has not adequately discharged its statutory duties in respect of consultation or the level of support given to meeting local transport needs.

10.0 Background and Options

- 10.1 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 £2.2m net of income on subsidising local bus services, which are not commercially viable but have previously been considered to be necessary to meet transport needs that would otherwise be unmet. In addition, the Council provides £450k of funding to support community transport. Finally, the council spends an additional £3.95m on public transport support, such as through concessionary fares, infrastructure, information and publicity etc.

- 10.2 The statutory duties contained in the Transport Act for local transport authorities to support services which are deemed to meet transport needs that would otherwise be unmet does not include a clear definition of what this means in practice. There is a specific duty to identify the needs of older and disabled residents; such duty is also contained in the Equality Act, which imposes an overriding duty upon the authority to ensure that inequality is minimised and equality promoted through its policies and actions.
- 10.3 The Council currently adopts a variety of measures to try to promote equality and minimise inequality through its transport policies. For example, the Council spends around £450,000 a year on supporting flexible, demand responsive transport that is used mainly by older people, or by people with a disability such as blindness / partial sight, physical disability, infirmity etc. The public consultation exercise has been specifically designed so that a full understanding of older and disabled residents' needs is gained, and how well the Council's support is meeting those needs.

Local Transport Plan (2011-26)

- 10.4 Cheshire East's Local Transport Plan (LTP) is framed around the seven priorities of the Sustainable Community Strategy 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.
- 10.5 The LTP sets out the strategic priorities for transport in Cheshire East, which are to "create conditions for business growth" and "ensure a sustainable future". As part of the first implementation plan, new public transport support criteria were developed to prioritise investment in local public transport services in line with the overall strategic priorities for transport.

Public Transport Support Criteria

- 10.6 In August 2011, Cabinet adopted new locally determined support criteria, specific to Cheshire East, which provides a framework to guide decision-making on future investment in local bus, rail and community transport services financially supported by the Council. The full criteria can be found at Appendix 1.
- 10.7 The criteria aim to provide a fair, transparent and accountable process to manage contracts within budget constraints, provide maximum value for money and support wider strategic considerations. The criteria enable existing contracts to be tested against three main objectives listed below:
- **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** – It is important to consider the level of travel choice and alternative travel options available to avoid communities becoming socially isolated and excluded. Community consultation has identified a desire for improved integration between different modes of transport, particularly bus and rail services.
 - **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 is 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.
- 10.8 The criteria have been translated into a scoring mechanism which ranks contracts in priority order ranging from “most meets strategic needs to “least meets strategic needs”. It then follows that when seeking greater value for money from the supported network, it is those contracts that score lower relative to other services that are considered first. The full list of contracts ranked in priority order to assess the relative ranking and hence priority attached to each service is included at Appendix 2.
- 10.9 The types of services which score highly and are considered “higher 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 the hospital in Crewe and social, cultural and leisure facilities in Greater Manchester that are not served by alternative provision, whether commercial or subsidised. These services are considered “multi-use” in terms of journey purpose and carry a significant number of passengers with relatively low cost per passenger.
- 10.10 Many of the services with lower scores which are considered “lower priority” are school services that operate during term time only for children who live too close to school for children to be entitled to transport at taxpayer expense or are attending a school that is not the nearest suitable educational establishment. These bus services are predominantly “single-purpose” in providing access to school only. Other services in this category include Sunday services and weekday services operating with low passenger numbers and/or are high cost per passenger relative to other services.

Public Consultation Process

- 10.11 In order to gain an understanding of the impacts that reduced support and potential changes to “lower priority” services might have on public transport users, particularly older and disabled residents, the Council undertook an 8 week consultation between 27 April and 22 June 2012.
- 10.12 A questionnaire was constructed to record formal feedback and collect both quantitative and qualitative evidence. Both paper and electronic versions of the survey were available. Objective information (e.g. how often do you use a bus, which bus do you use etc) was captured, as well as more subjective data,

such as a description of personal impact should subsidy be withdrawn from a particular route.

- 10.13 The consultation included a series of 10 consultation events held at various locations across the Borough. Officers from Cheshire East Transport were available to answer both generic questions (e.g. how to complete the questionnaire) and specific questions, such as the potential impact on individual bus service users, and alternatives should subsidy be withdrawn. These sessions were held in a variety of locations and at different times of day to enable a reasonable opportunity for people to engage face-to-face on various transport issues.
- 10.14 Consultation material was made available in all libraries and customer contact centres. Direct email and postal information was sent to an extensive list of consultees, ranging from community groups and voluntary organisations to businesses and neighbouring authorities. Publicity was provided to bus companies to place on vehicles, parish council clerks were provided with information and the Council's website was used to prominently display and promote the consultation. Finally, the material was brought to the attention of all Cheshire East Council members. It is considered that this attempt to bring the consultation to the notice of as many people as possible has resulted in a reasonably high level of responses.

Consultation Results & Analysis

- 10.15 1,610 responses were received. It is important to note that a higher proportion of older residents, those with a limiting long term illness or disability, and those without access to a car took part in the consultation than found in the adult population of Cheshire East. This is likely to reflect the profile of bus users both in the borough and across the country.
- 10.16 A number of headline statistics from the overall survey results are listed below:
- Analysis shows a general distribution of respondents throughout Cheshire East
 - The majority of respondents are older people (60% are aged 65+)
 - 45% consider themselves to have a limiting long term illness or disability
 - 44% of respondents did not have access to a car within the household
 - More than two thirds of respondents use bus services at least once a week
 - The main journey purpose is for access to shops and services
 - Consultation feedback was received on the majority of supported bus services
 - Overall more than half of respondents said they would not use flexible transport
- 10.17 For these statistics to be meaningful in informing and influencing the proposals, it is important to analyse responses in relation to each individual bus service. This level of analysis reveals that the scale of impact in withdrawing subsidy can vary considerably, particularly when considering the needs of older and disabled people as protected equality groups.

10.18 The table below illustrates the different types of services supported by the Council, the annual cost and the estimated number of passengers per annum.

Type of Service	Gross expenditure	Proportion of expenditure	No. of passengers per annum
School Days	£258,906	9%	208,542
Mon to Fri/Mon to Sat	£2,141,573	78%	1,668,371
Evenings	£224,337	8%	209,633
Sunday	£104,294	4%	89,513
Market/Single Day	£20,474	1%	16,357
TOTAL	£2,749,584	100%	2,192,416
Income received	(£552,990)		
Net expenditure	£2,196,594		

10.19 The analysis of impacts by each individual bus service has focused on the contracts with lower scores against the Council's support criteria and are therefore considered lower priority relative to other services. Of these services, twenty-one are school day services which operate during term time and are predominantly "single-purpose" in providing access to school only. These services cost the taxpayer £258,906 per annum.

Analysis of School Day Services

10.20 The Committee have previously been advised of the relatively low strategic priority accorded to public transport support that supports "schools" public transport. The journeys supported by the Council provide access to school during term time only. The Council's support generally provides one journey to school in the morning and a return journey in the afternoon – in school holidays these journeys are not available. There are few passengers other than schoolchildren; nevertheless, the equality impact on both the children and the other passengers affected should subsidy be withdrawn must be taken into account.

10.21 The table below lists all the school day public bus services financially supported by the Council, along with the number of responses received through the consultation for each service. These services generally received low response rates – indeed eight services received no response or feedback from the public.

No.	School Day Services – Route Description	No. of responses
61	Audlem – Nantwich	21
K80	Congleton Area – Eaton Bank School	19
79	Rode Heath – Alsager	13
K98	Park Lane – Congleton High School	9
95	Goostrey – Holmes Chapel	8
891	Middlewood – Poynton High School	7
K96	Congleton Area – Eaton Bank School	6
K95	Congleton Area – Eaton Bank School	6

K79	Congleton – Macclesfield, All Hallows	3
100	Middlewich – Northwich, St. Nicholas	2
71	Tytherington – Poynton High School	2
737	Weston – Shavington/Crewe	1
K78	Mossley/Congleton – All Hallows	1
77	Betley – Brine Leas	0
78	Crewe – Malbank School	0
68	Coppenhall – St.Thomas More/St.Marys	0
K44	Weston – Shavington/Malbank Schools	0
69	Bradfield Green – St.Thomas More/St.Mary's	0
71	Aston/Wrenbury – Brine Leas/St.Thomas More	0
63	Swanwick – Brine Leas/St.Thomas More	0
E41	Lach Dennis – Holmes Chapel School	0

10.22 Each of the consultation responses for these school-day services has been analysed in detail and a summary of the responses for each service is included as Appendix 3.

10.23 Those who would be most affected by the withdrawal of support for school day services are children who live too close to school to be entitled to transport at taxpayer expense, or are attending a school that is not the nearest suitable educational establishment. As such, there is no additional statutory requirement to consider their needs, other than in the context of the promotion of sustainable school travel. Any children who are travelling on these public bus services and are eligible for transport assistance under the council's adopted Home to School Transport Policy would be found alternative travel arrangements by Cheshire East Transport.

10.24 The Council's support for public bus services which carry school children not eligible for home to school transport is a significant benefit – however, this level of provision is not available to all. There is currently inequity in the way school day public bus services are supported in some areas but not others, which is a result of historical arrangements and decisions prior to Local Government Reorganisation. It is therefore recommended that:

- all financial support for such services should now cease;
- that appropriate alternative provision be found for children entitled to transport under the council's Home to School Transport policy;
- that – in the interests of economy and efficiency – should it be found to be more cost effective to continue to support public transport than secure private hire transport – that Cheshire East Transport be authorised to depart from the policy to ensure the council's statutory responsibilities for home to school transport are fulfilled.

Other Public Transport Services

10.25 There are a number of other supported bus services that the council currently supports. Work is ongoing to compile a detailed evaluation of the other supported routes to identify the equality impacts. This work is currently underway and a summary of next steps is shown below:

Next Steps

10.26 It is clearly necessary that before any further recommendations can be made to Cabinet, a full evaluation of the impacts of possible subsidy withdrawal needs to be undertaken. An Equality Impact Assessment is being constructed. Within this impact assessment, three issues need to be addressed:

- the impacts on protected groups in the absence of any form of mitigation;
- the proposed mitigation, such as additional or revised flexible transport, amended supported public transport;
- the impacts not able to be mitigated – the residual impacts.

10.27 In addition, a full assessment of all responses must be undertaken to understand the impacts on all bus services and bus users. An evaluation of the responses received is being constructed to understand the impacts of subsidy withdrawal in the absence of mitigation; the next steps will be to identify appropriate mitigation, such as amended timetables of other services, or promotion of voluntary car schemes. Many suggestions have been made by bus users and others over how to mitigate adverse impacts, and these will be fully explored and evaluated.

10.28 It would appear that such mitigation will require inputs from representative groups, such as voluntary sector partners representing blind or physically disabled residents. In addition, it is suggested that the committee may wish to contribute to the process. Finally, since the timetable for reporting recommendations to Cabinet has now been extended, there is scope for further input into the detailed recommendations to be made.

11.0 Access to Information

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

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