

Highways and Transport Committee

Date of Meeting:	24 November 2022
Report Title:	Bus Support Criteria
Report of:	Tom Moody, Director of Highways and Infrastructure
Report Reference No:	HT/66/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1.** 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.
- 1.2.** The Council currently prioritises revenue expenditure to support bus services using a set of criteria adopted in August 2011. There is a need to update the criteria to reflect current corporate priorities, policy objectives in the Local Transport Plan (LTP), the needs of local communities and the challenges facing the bus industry following the Covid-19 pandemic.
- 1.3.** This report outlines the proposed approach to reviewing the Council's bus support criteria, providing an up-to-date framework to guide future expenditure on those local bus services that are financially supported by the Council.

2. Executive Summary

- 2.1.** It is over 11 years since the current bus support criteria were adopted. In that time, the travel needs of local communities have changed, the bus industry has changed significantly, and new transport policy/strategy has been published both nationally and locally. There is a need to reflect these changes in the Council's bus support criteria so that the framework for decision-making is current and in line with the Council's corporate priorities to be open, fair and green.

2.2. Appendix 1 sets out the current criteria which were adopted in August 2011. The existing set of 10 criteria are framed around three objectives –

- 1) Local Transport Plan (LTP) priority themes,
- 2) Accessibility and
- 3) Financial considerations.

These objectives are weighted 35%, 40% and 25% respectively i.e accessibility is weighted highest at 40%. The proposed consultation will seek stakeholder views on whether this balance of weightings is appropriate or in need of adjustment.

2.3. A detailed review of the current criteria has found that they remain relevant for prioritising expenditure on local bus services. In addition, it is recommended that 3 new criteria be added to the current framework so that it reliably takes account of prevailing opportunities and challenges for the local bus network.

2.4. The 3 new criteria, which are intended to complement the existing metrics, are as follows:

- **Decarbonisation** – Following the publication of the DfT Transport Decarbonisation Plan in July 2021 and in line with the Council's Environment Strategy, the aim is to build into the criteria consideration of carbon emissions of bus services based on the type of engines they use EV/Hydrogen, Euro 6, 5 or 4 vehicles.
- **Areas of Deprivation** – are particularly reliant on local buses to meet travel needs. For this metric, the percentage of route length that is in the top 25% most deprived areas (based on the Index of Multiple Deprivation) will be used to score each bus service. This metric ensures that the social value of bus services is considered.
- **Patronage Recovery Post Covid** – Recovery post-covid is still ongoing and continues to significantly impact the viability of many bus services across the borough. Fare paying patronage, on average, has returned to around 80% of pre-covid levels, although there is significant variation between bus routes. Concessionary travel - which is approximately half of total patronage for many services - remains at around 60% of pre-pandemic levels. These metrics allow the Council to assess services based on their rate of recovery across all ticket types and users.

2.5 It is proposed to simplify the wording of the three key objectives to avoid technical language and focus on the strategic outcomes that the bus network is expected to support, namely;

- 1) supporting the economy and environmental sustainability,

2) improving access and social inclusion and

3) bus service performance.

Appendix 2 illustrates the proposed new criteria with the changes / additions highlighted in red.

- 2.6** It is proposed to undertake public and stakeholder consultation on the revised criteria in the New Year. To ensure that the review process is open and transparent, the Council will need to make clear that the consultation is on the criteria and setting a framework to guide future decision-making. It will be important to stress that no changes to bus services are proposed as part of the work to review the bus support criteria.

3. Recommendations

- 3.1.** That the Highways and Transport Committee:
- 3.1.1.** Approve the approach to updating the Council's local bus support criteria.
- 3.1.2.** Agree the need to introduce additional criteria on decarbonisation, deprivation and patronage recovery post Covid, as proposed in the report, as a basis for consultation.
- 3.1.3.** Approve the proposal to carry out a period of public consultation and stakeholder engagement on the bus support criteria in line with section 7.

4. Reasons for Recommendations

- 4.1.** The proposed criteria enable existing and any potential future contracts to be tested using a fair, transparent and accountable process to manage contracts within budget constraints, provide maximum value for money and support wider strategic priorities in the Council.
- 4.2.** With the imminent withdrawal of Covid bus recovery funding at the end of March 2023, there is considerable uncertainty affecting both supported and commercial bus services in Cheshire East. It is therefore important to have a robust framework in place to prioritise expenditure.
- 4.3.** This decision-making framework relates to the Council's provision of fixed route scheduled bus services to enhance the network that can be provided commercially. Any consideration of the role of flexible, demand responsive transport, such as FlexiLink and Go-Too is the subject of a further report to Committee.
- 4.4.** In July 2021, the Department for Transport (DfT) published the Transport Decarbonisation Plan setting out plans to decarbonise the entire transport system in the UK. The DfT are also set to release new LTP guidance for consultation this autumn placing decarbonisation at the centre of future transport planning. In Cheshire East, the Council have 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 criterion. Services will be scored based on whether they use EV/Hydrogen, Euro 6, 5 or 4 vehicles.

- 4.5.** The proposal to incorporate the Indices of Multiple Deprivation (IMD) recognises that areas of deprivation typically rely on bus services for access to facilities and amenities, therefore this metric ensures that the social value of bus services is considered, particularly in the context of the general rise in cost of living.
- 4.6.** A significant challenge for the bus industry is the current patronage levels compared to pre-Covid levels in 2019. 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.

5. Other Options Considered

- 5.1.** 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 support criteria will be outdated.	The criteria will not reflect the demands of the current bus network and the changing need of local people.

6. Background

- 6.1.** In 2019, 70% of bus services in Cheshire East were supported by the Council and approximately 30% were operated commercially i.e. with no financial support from the Council. The local bus network in Cheshire East is facing a number of challenges due to a long-term structural decline in patronage, compounded by recent loss of ridership during the Covid-19 pandemic. The bus industry has also faced cost increases associated with fuel and driver wage rates.

- 6.2.** Since the outbreak of Covid-19, the government has been supporting the industry through the Bus Recovery Grant (BRG) and Local Transport Fund (LTF) – both are due to end in March 2023. In addition, concessionary travel reimbursement to operators has continued to be paid at pre-Covid levels, rather than actual patronage figures. As the additional funding ends, it is uncertain what this might mean for the bus industry nationally and locally.
- 6.3.** These circumstances are not unique to Cheshire East and the Council are working in partnership with bus operators to stabilise and improve the network over time. In July 2022, the Committee agreed to the establishing of an Enhanced Partnership for buses and the inaugural meeting is due to take place in autumn 2022. The partnership provides a mechanism to work in collaboration with the bus industry in Cheshire East.

7. Consultation and Engagement

- 7.1.** A period of public consultation and stakeholder engagement is proposed to ensure the criteria reflects the views of the bus industry, service users and wider stakeholder and public opinion. The consultation is planned to be launched in January 2023 for 6 weeks. A Consultation Plan is being developed in conjunction with the Council's Research & Consultation Team.
- 7.2.** It is important for the Council to be open and transparent on the purpose of the consultation, which is to review the proposed criteria as a framework for decision making going forward. It will be important to make clear that the consultation will not propose any direct changes to existing bus services in the borough.
- 7.3.** The Council will engage with bus operators by means of the Enhanced Partnership Board and Forum. Within the Forum, all bus operators who operate within the Cheshire East Enhanced Partnership Plan and Scheme area will be invited and entitled to participate, ensuring that the whole industry have an opportunity to input to the consultation.

8. Implications

8.1. Legal

- 8.1.1.** In developing and implementing the revised bus service support criteria, the Council must have regard to the transport needs of all of the residents in the borough, which may include disabled persons, persons who are elderly or have mobility problems and mothers with young children. Development of plans will need to be in accordance with statutory and legal requirements for public consultation and stakeholder engagement and Equalities Impact Assessment.

8.2. Finance

8.2.1. The Council has an annual revenue budget of £1.969m to support local bus services in Cheshire East. The proposals in this report do not propose any changes to the Council's supported bus budget.

8.2.2. In response to the Covid-19 pandemic, the Department for Transport (DfT) have allocated additional grant funding to support the bus sector during the recovery period. The Local Transport Fund (LTF) supports the provision of local authority supported bus services, which are not commercially viable but considered socially necessary.

8.2.3. The table below indicates the DfT grant funding allocations for 2022/23.

2022/23	£
DfT LTF Grant (6 April – 4 October 2022)	£383,682
DfT LTF Grant (5 October – 31 December 2022)	£191,341
DfT LTF Grant (1 January – 31 March 2023)	To be confirmed

8.2.4. The review of the support criteria has been undertaken by Council staff in the Strategic Transport & Parking Service and therefore funded through existing staffing budgets. The costs of the public consultation and stakeholder engagement will be funded through the transport policy budget.

8.3. Policy

8.3.1. Cheshire East's Corporate Plan recognises the importance of the bus network in supporting key strategic objectives such as reducing air pollution, achieving carbon neutrality, enabling housing and employment growth, improving quality of place, and protecting the environment.

8.3.2. 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 and make attractive places to live, work and play. The proposed bus support criteria reflect this framework, to deliver social, economic and environmental improvements.

8.3.3. 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.

8.4. Equality

- 8.4.1. The Council will ensure the equality implications of the proposed changes are fully evaluated through an Equality Impact Assessment (EqIA). A draft EqIA is appended to this report (see Appendix 3).
- 8.4.2. The Council has held early engagement with protected equality groups, including people with disabilities and mobility problems. Discussions have been held and engagement will continue with Cheshire Centre for Independent Living and Cheshire Eye Society.

8.5. Human Resources

- 8.5.1. There are no direct implications for Human Resources.

8.6. Risk Management

- 8.6.1. 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.
- 8.6.2. In terms of governance and corporate oversight, a Project Board has been established including colleagues from key enabling services, namely legal, finance, research & consultation and communications. This will ensure that the process of updated the bus support criteria is robust.

8.7. Rural Communities

- 8.7.1. 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.
- 8.7.2. 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.

8.8. Children and Young People/Cared for Children

- 8.8.1. 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, therefore access to education has been included as a journey purpose in the criteria.

8.9. Public Health

- 8.9.1. 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. Access to health care facilities is included as a journey purpose that each service is scored against and IMD are used to prioritise services based on their ability to serve highly deprived areas.

8.10. Climate Change

- 8.10.1. 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.

Access to Information	
Contact Officer:	Richard Hibbert, Head of Transport Strategy Richard.hibbert@cheshireeast.gov.uk 07866 157324
Appendices:	1 – Current Bus Support Criteria (August 2011) 2 – Proposed Bus Support Criteria (November 2022) 3 – Draft Equality Impact Assessment
Background Papers:	N/A