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## **Highways and Transport Committee**

**19<sup>th</sup> September 2024**

### **Bus Service Review 2024 – Results & Recommendations**

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

**Report Reference No: HTC/32/24-25**

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

#### **Purpose of Report**

- 1 The report presents the findings of a strategic review of the Council's financial support for local bus services. The review was undertaken to ensure that spending provides value for money and best meets the needs of passengers within prevailing budget constraints.
- 2 The Council's existing supported bus contracts expire at the end of March 2025. The process to re-procure services is scheduled to begin in October, with new contracts due to start in April 2025. The outcomes from the bus service review and associated consultation have informed the service specifications and this report presents the proposed changes to the supported bus network.

#### **Executive Summary**

- 3 The bus network in Cheshire East plays a key role in providing access to jobs and services by connecting people to places. Buses are an essential component of an integrated transport network. They have a vital role in delivering key Council policy priorities for the economy, social cohesion, public health and environmental sustainability, including decarbonisation.
- 4 Currently the local bus network is made up of 37 bus services, of which 21 services are fully supported by the Council (57%), a further 8 are partially supported by the Council (22%), such as evening journeys. 8 services (22%) operate on a fully commercial basis. The Council currently spends £2.8m per annum supporting bus services which are

not commercially viable but are deemed important and socially necessary. In addition, the Council spends a further £541,564 on the provision of flexible transport (FlexiLink) provided by Ansa Transport (part of Ansa Environmental Services Ltd, a company wholly owned and controlled by the Council).

- 5 In line with our Bus Service Improvement Plan (BSIP), there is a need to safeguard current network stability through our supported bus services. The bus service review assessed opportunities to encourage more bus use and to transfer supported services to the commercial network. It also provides the opportunity to adjust service provision to improve performance and passenger uptake and get better value out of what the Council is spending.
- 6 The methodology for the review was approved by this Committee on 4<sup>th</sup> April 2024, incorporating the Council's adopted bus support criteria, performance data, accessibility analysis and an 8-week public consultation. This report includes a number of appendices which set out the detailed findings from the strategic review:
  - Appendix 1 – Bus Service Review 2024 Summary Report
  - Appendix 2 – Flexible Transport Review Summary
  - Appendix 3 – Consultation Summary Report
  - Appendix 4 – Supported Bus Network Proposals
  - Appendix 5 – Equality Impact Assessment
- 7 As part of the review, careful consideration has been given to the blend between fixed route and flexible transport services. There are many lessons learnt from the DfT funded Go-Too pilot project which can be applied across the borough and there are clear opportunities to modernise the FlexiLink service and respond to consultation results from both September 2023 and May/June 2024.
- 8 This report seeks approval to adjust service provision, where appropriate, to maximise value for money and ensure the best possible coverage within financial constraints. The majority of the supported bus network is performing well with either stable or growing patronage, so the aim is to ensure continuity of service provision for residents from April 2025 onwards (see Appendix 4).
- 9 The recommended adjustments have been informed by public consultation and appointment of a suitable bus operator for each contract will be subject to competitive tendering.

## RECOMMENDATIONS

The Highways and Transport Committee is recommended to:

1. Note the findings of the Bus Service Review 2024 (see Appendix 1 and 2) and the associated Consultation Summary Report (see Appendix 3).
2. Approve the current proposals for a revised supported bus network, as below and in Appendix 4, whereby the Council will;
  - a) Cease revenue support for the 70 Nantwich to Tiverton (2 journeys daily) and replace with access to flexible transport (see below). Reconfigure the 72 and 73 Nantwich rural services (serving Wrenbury and Audlem) and provide a direct local bus service linking Nantwich to Leighton Hospital.
  - b) Increase frequency of service on the northern section of route 391/392 between Poynton and Stockport to hourly.
  - c) On a trial basis, extend FlexiLink hours of operation to include 16:30-21:00 and provision of a Saturday service (09:00-18:00) and make it available for use by all passengers who do not have access to a fixed-route bus service.
  - d) All other Council supported bus services are largely unchanged as a result of these recommendations (see Appendix 4).
3. Delegate authority to the Director of Highways and Infrastructure to:
  - a. finalise the remaining proposals for supported bus services, including any necessary service adjustments;
  - b. finalise supported bus service specifications for procurement;
  - c. identify the most cost effective delivery model for flexible transport which also meets the provision for home-to-school special educational needs & disability transport, in consultation with the Director of Education, Strong Start and Integration;
  - d. procure the Council's supported bus services including flexible transport;
  - e. award supported bus service contracts to start in April 2025.

### Background

- 10 Since the Council's first BSIP was prepared in 2021, considerable progress has been made in stabilising the bus network following the Covid-19 pandemic. There were 2.8 million passenger journeys made between 2022 and 2023, which is a good base to build from, but it is recognised that we currently have relatively low passenger numbers in Cheshire East compared to other parts of the country.
- 11 Working with local bus operators as part of our Enhanced Partnership, our ongoing mission is to grow patronage in the context of the cost-of-living crisis and changes to working and shopping patterns. The Council

continue to safeguard current network stability through our supported bus services.

- 12 The BSIP 2024 sets out an ambitious improvement programme for bus services, which is initially focused on quality enhancements to encourage network growth. Over the period of the BSIP (2024-2035), our vision is to transform the bus network to provide attractive, reliable and convenient connections, which enable more residents to choose the bus and make fewer car journeys.
- 13 The bus service review was progressed in the context of the overall BSIP vision and the Council's support for local bus services is a key component of network stability, whilst focusing on growing patronage and encouraging more services to become commercial over time.
- 14 The objectives of the bus service review are to:
  - a. Maximise opportunities to focus limited resources in the areas of greatest need.
  - b. Ensure supported services complement, not compete, with commercial services.
  - c. Maximise opportunities to extend the role of commercial services or transfer supported services to the commercial network.
  - d. Ensure that the network is coherent in terms of passenger needs, bus operations and value for money.
  - e. Work in partnership with operators to develop the best possible outcomes.
  - f. Identify opportunities to modernise flexible, demand responsive transport to complement fixed route bus service provision.
- 15 The methodology was based on an evidence-led approach which ensured our planning is informed and influenced by robust data and stakeholder consultation (see Appendix 1 and 2).

## **Consultation and Engagement**

- 16 An 8-week consultation was undertaken from 7<sup>th</sup> May until 3<sup>rd</sup> July 2024. In total, 2,115 responses were received including 2,074 paper / online survey responses and 41 emails (see Appendix 3).
- 17 The consultation was mainly hosted online with paper versions made available at libraries and contact centres, as well as being posted directly to all FlexiLink service users (given the eligibility criteria of age 80+ and disability). It was promoted to:
  - Residents of Cheshire East and the general public
  - The Cheshire East Digital Influence Panel

- Town and Parish Councils
  - Local stakeholders including relevant bus user groups, businesses, community groups and other organisations.
- 18 The consultation was promoted with press releases, social media outputs and direct emails to a wide variety of stakeholders, including education and health sector representatives and equality groups.
- 19 A Bus Enhanced Partnership Forum meeting was held in Sandbach on 8<sup>th</sup> May 2024, which provided the opportunity to launch the consultation and raise awareness amongst bus operators, user groups, town and parish councils, local businesses and wider stakeholders.

### Reasons for Recommendations

- 20 The proposals in Appendix 4 ensure that the Council’s expenditure on local bus services meets the needs of residents and continues to provide value for money. With supported bus contracts coming to an end on 31<sup>st</sup> March 2025, there is a need to review and adjust existing service provision to ensure the Council continues to provide services in a lawful manner. Implementing the review proposals ensures that spending provides value for money and best meets the needs of passengers within prevailing budget constraints.

### Other Options Considered

- 21 If supported bus service contracts are not re-procured, contracts would expire and services would cease at the end of March 2025. The review provided the opportunity to evaluate the network and make appropriate adjustments which are expected to benefit passengers and maximise value for money within budget constraints.

Option	Impact	Risk
Do Nothing	Supported bus contracts will end and supported services will stop operating in March 2025.	Ceasing all supported bus services will have a knock-on effect on commercial routes leading to their withdrawal (at least in part).
Do Same	Re-procure supported bus contracts as currently provided. The bus network will operate as it does currently without	No assessment of need or value for money and the opportunity for service adjustments to improve performance will not be realised.

	maximising value for money.	
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## Implications and Comments

### *Monitoring Officer/Legal*

- 22 The statutory basis for subsidising public passenger transport services is found within Section 63 of the Transport Act 1985. A condition of a subsidy is where the service in question would not be provided, or would not be provided to a particular standard, without subsidy, and provided that open and competitive tenders are invited for the provision of the service.
- 23 In exercising or performing this function, the council must have regard to the transport needs of the elderly and the disabled.
- 24 The Council should keep any policies, plans and strategies under review and updated as necessary. The last bus service review took place in 2017 which predates the current adopted Local Transport Plan.
- 25 When the bus market was deregulated in the 1980s there was no clear definition of a socially necessary service. Rural areas are less likely to have bus services as there is less population density when compared to urban areas. It was expected that local authorities would be able to subsidise routes that bus operators did not find profitable, but there is no requirement for local authorities to provide socially necessary bus services. Over time, pressures on local authority budgets have made it more difficult for local authorities to fund services that are not commercially viable.
- 26 Local authorities have powers to provide services, under tender, to meet public transport requirements within their area that would not be met in any other way. This is common practice. Some services in any given area are likely to be subsidised as councils have deemed them important routes for social and economic reasons. Bus operators must give notice to the local authority and Traffic Commissioner that they plan to introduce, change or withdraw a bus route.
- 27 The procurement of the supported bus service contracts will need to be compliant with public procurement law as well as the Council's Contract Procedure Rules. Ongoing support from Procurement and Legal will be required throughout the procurement process.

Section 151 Officer/Finance

- 28 The Council has a budget of £2,852,061 to support local bus services. In 2024/25 the forecast variance at first quarter is -£24,206.

Budget	2024/25	2025/26
Supported Bus Services	£2,852,061	£2,852,061
Flexible Transport	£541,564	£1,341,564*

\* Council budget £541,564, plus £800,000 DfT BSIP grant (see table below)

- 29 The Council's flexible transport service (FlexiLink) is currently provided by Ansa Transport and the budget is therefore included in the Management Fee.
- 30 As the majority of the supported bus network is performing well with stable or growing patronage, the aim is to ensure continuity of service provision from April 2025 onwards.
- 31 The proposals under 'Recommendation 2' of this report have the following resource implications:

Consultation Proposal	Description
Proposal 1: <b>Nantwich rural services</b>	The proposal requires the same level of resource as currently provided (two vehicles and drivers) but the resource will be deployed in a different way to provide a link between Nantwich and Leighton Hospital and maximise value for money.
Proposal 2: <b>391/392 service*</b>	The proposal will increase the resource requirement from two vehicles and drivers to three vehicles and drivers. This will enable the frequency on the northern section of route between Poynton and Stockport to be enhanced to hourly.
Proposal 3: <b>Flexible Transport</b> *– Trial Expansion	Additional hours of operation on a weekday (16:30-21:00) and provision of a Saturday service (09:00-18:00). The enhancement to the flexible transport service will be funded by the DfT BSIP grant (£800,000) which will supplement the Council's existing budget.

\* These proposals remain subject to affordable tender prices being received from operators after a procurement exercise.

- 32 The proposed extension of flexible transport is intended to be a trial, funded by both the Council’s existing budget for flexible transport (£541,564) and the DfT BSIP grant (£800,000) allocated in 2024/25, which will be carried forward into 2025/26 (see table below).
- 33 In 2024/25, the strategic transport team have incurred additional costs for consultancy support to work through the bus service review methodology, undertaking the consultation and using the results to inform the final proposals. These costs will not be incurred in 2025/26 and the expenditure will be transferred to fund ‘Proposal 2’ above.
- 34 The Council has been awarded BSIP funding from central government (see table below). DfT make clear in the terms and conditions of funding that the overall local authority supported bus budget must be maintained at least at the same level. The indicative delivery programme for the 2024/25 BSIP funding was approved by this Committee on 20<sup>th</sup> June 2024.

	2023/24	2024/25
BSIP + (Phase 2)	£1,187,596	£1,187,596
BSIP (Phase 3)	0	£2,268,000
Total	£1,187,596	£3,455,596

### *Policy*

- 35 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.
- 36 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 methodology used to undertake the bus service review reflects this framework, considering social, economic and environmental impacts of bus services across the borough.
- 37 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.



<b>An open and enabling organisation</b>	<b>A council which empowers and cares about people</b>	<b>A thriving and sustainable place</b>
<p>Ensure that there is transparency in all aspects of council decision making.</p> <p>Support a sustainable financial future for the council, through service development, improvement and transformation.</p> <p>Promote and develop the services of the council through regular communication and engagement with all residents.</p>	<p>Work together with our residents and partners to support people and communities to be strong and resilient.</p> <p>Reduce health inequalities across the borough.</p>	<p>A great place for people to live, work and visit.</p> <p>To reduce the impact on our environment.</p> <p>A transport network that is safe and promotes active travel.</p> <p>Thriving urban and rural economies with opportunities for all.</p> <p>To be a carbon neutral council by 2027 and borough by 2045.</p>

### *Equality, Diversity and Inclusion*

- 38 The Council has fully evaluated the equality implications of the bus service review through an Equality Impact Assessment (EqIA). The EqIA has been updated and finalised following the public consultation, including feedback from protected equality groups, particularly young people, older people and people with disabilities. The EqIA is included at Appendix 5.

### *Human Resources*

- 39 There are no direct implications for Human Resources. Depending upon the approach to procurement of the FlexiLink (flexible transport) service, there will need to be consideration of impacts on operational teams currently based in ANSA Transport, with possible TUPE implications to another service provider. These considerations will be included in the transformation plan for ANSA Transport.

### *Risk Management*

- 40 In terms of governance and corporate oversight, a Bus Strategy & Delivery Programme Board has been established including colleagues from key enabling services, such as legal, finance, procurement, research and consultation, and communications. This has ensured that the process of undertaking a bus service review and associated consultation is robust. A detailed risk register for the bus service review

has been developed and will be maintained during the re-procurement, contract award and mobilisation of services from April 2025 onwards.

### *Rural Communities*

- 41 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 operations of the Go-Too service and continued delivery of the boroughwide FlexiLink service. The proposed expansion of flexible transport provision (see Appendix 2) further supports accessibility for residents in rural communities.
- 42 The Corporate Plan also identifies the desire for thriving and active rural communities by 2025. The Council's Rural Action Plan (2022) highlights the importance of public transport links to help small businesses access markets or making it practical for employees to seek work in rural communities. Transport can also bring customers and tourists to local rural businesses such as shops, hotels and B&Bs. The importance of local buses for rural communities has been reflected within the review methodology through accessibility analysis, considering how best to serve areas of the borough that are not served by conventional fixed route services, whilst offering services that are value for money. This accessibility analysis ensures bus services remain accessible for those who need them most.

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

- 43 It should be noted that the operation of FlexiLink (flexible transport) is interworked with provision of home-to-school SEND transport, utilising the same fleet of vehicles. Any changes to the provision of flexible transport must take account of the practical and cost implications that impact on home-to-school transport services (and vice versa). The methodology took account of requirements for home to school transport, including the current transformation programme that is working to optimise travel to and from schools and colleges, including through the provision of more Available Walking Routes to Schools.
- 44 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 the proposals in Appendix 4 do not impact on home to school transport provision.

## Public Health

- 45 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. It should be noted the FlexiLink (flexible transport) is disproportionately use by elderly and vulnerable residents for access to healthcare, social care and welfare services and 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 currently used to prioritise services and has been used as part of this methodology to assess accessibility within highly deprived areas where bus routes provide a lifeline for these communities.

## Climate Change

- 46 Cheshire East Council have committed to become carbon neutral by 2027 and to influence carbon reduction across the borough in order to become a carbon neutral borough by 2045. Growing patronage on local bus services is a key part of the programme to decarbonise of the transport network in the borough.

<b>Access to Information</b>	
Contact Officer:	Richard Hibbert <a href="mailto:Richard.Hibbert@cheshireeast.gov.uk">Richard.Hibbert@cheshireeast.gov.uk</a>
Appendices:	<ol style="list-style-type: none"><li>1. Bus Service Review 2024 Summary Report</li><li>2. Flexible Transport Review</li><li>3. Consultation Summary Report</li><li>4. Supported Bus Network Proposals</li><li>5. Equality Impact Assessment</li></ol>
Background Papers:	Bus Service Improvement Plan (BSIP) 2024