



OFFICER REPORT TO LOCAL COMMITTEE SPELTHORNE

THE SURREY BUS REVIEW

18 January 2010

KEY ISSUE

The County Council is undertaking a County-wide review of its network of supported public bus services. The review is being carried out in phases, with Spelthorne services included in Phase One. Proposals for implementation in September 2010 are currently being consulted upon. The Local Committee is invited to give its views on the proposals.

OFFICER RECOMMENDATIONS

Spelthorne Local Committee is asked to:

- (i) Give its views on the general approach and principles of the Bus Review
- (ii) Give its views on proposals for services in the Spelthorne area as part of the Bus Review Consultation process.

1 INTRODUCTION AND BACKGROUND

1.1 Surrey's buses are successfully meeting many people's travel needs, with over 28 million passenger trips made per year. 250 services are provided by a range of 30 bus operators, and passenger satisfaction (measured by NI 177) is rising. There are good links to London bus services and the rail network, and take-up of concessionary fares for people over 60 has been excellent.

1.2 But this success is underpinned by considerable subsidy support from the County Council. Buses in Surrey can be run in three ways:

- By bus operators as commercial ventures, without subsidy or contract from us
- By Transport for London, with some element to re-charge to us

- By bus operators with subsidy from Surrey County Council

Subsidy is the least satisfactory means, yet this has been growing: 15m of the 28m annual trips are now made on subsidised services.

- 1.3 The cost of this subsidy has grown sharply in recent years: net subsidy has risen from £4 million in 2001/2 to over £11 million now. This is clearly unsustainable, and if no action were taken, will grow by another £2m over the next two years.
- 1.4 Some public services run only to serve secondary schools or Further Education Colleges, commonly known as 'school specials'. These are separate from closed 'coach' services run for children entitled to free travel. Across the County there are over 45 services carrying about 2,400 children each day, at a net cost of £1.4m pa. Subsidy per child per journey ranges from £1 up to almost £10.
- 1.5 Local Committee Members will know that the County Council's finances are under severe pressure. Costs are rising, the recession means that income is falling, and financial support from central government is under threat. Overall a 20% reduction is likely across all County Council services.
- 1.6 In this context it is clear that bus subsidy needs to be reviewed and challenged. The Pegasus service has a high level of subsidy, and Cabinet has decided to discontinue it from July 2010. The wider bus network is complex, meeting many different needs, and so a wide-ranging strategic review was launched in May 2008. In September this year Cabinet approved initial proposals for consultation with Local Committees and stakeholders, to be reported back with proposals for change in March 2010.

2 ANALYSIS

- 2.1 The Bus Review evaluated three possible options for the way forward:
 - 1.) Do Nothing – accept current trends and fund the current network
 - 2.) Reduce services using 'Criteria': these may be financial, or a mix of policy-driven and financial criteria
 - 3.) Undertake a fundamental re-design of the bus network
- 2.2 To 'Do Nothing' would obviously cause the least disruption, but would mean subsidy costs would rise to an unsustainable level. Even apart from the cost issue, the current network of routes, which has grown up historically, does not always match the pattern of need.
- 2.3 Traditionally bus services have been trimmed or reduced using 'criteria' which can be policy or finance-based. An example of each would be:
 - Policy-based: 'points' score for services to eg hospitals
 - Financial: eg remove any services costing more than £1.50 per passenger trip

But cuts on this basis are opposed by the public, and can leave an illogical network which is vulnerable to further decline – a ‘Beeching’ effect.

2.4 A major study by our consultants WSP during 2008 recommended strategic network redesign as the optimum way forward. This gives the opportunity to examine residents’ needs and levels of patronage to ‘tailor’ services better. It can provide savings, by providing a more attractive and commercially sustainable network which minimises the need for subsidy. However network redesign also involves a greater degree of change, and is harder to explain.

2.5 The project team also studied various other options for stabilising bus subsidy or improving services. Some are being implemented in parallel with network review:

- Procurement action on bus contracts. Passenger Transport Group always works closely with corporate Procurement to ensure bus contracts are procured in the most effective way. A major Procurement study during 2008 found that benefits could be obtained by ‘e-procurement’ for bus contracts. New contracts during 2009 will be procured in this way: any extra savings achieved will be a gain.
- Increasing fares. National indices show that fares in Surrey cannot be increased without starting to drive away passengers. Most fares in Surrey are set by the bus companies rather than the County Council.
- Running buses in-house. It has been suggested that the County Council should participate in the bus market, and run buses itself. However Surrey County Council does not have the appropriate commercial expertise, and this would not save money.
- Private sector sponsorship. Commercial funding for routes is sought and achieved wherever possible, but this tends to be a short-term gain.
- Smaller buses or community transport. Surrey benefits from a strong range of community transport provision, but the unit costs of running small buses are no less than larger buses.

2.6 Fundamental network redesign can create a more fit for purpose network, and can offer some compensating benefits, although benefits will diminish as higher savings are required. Network redesign in Surrey is based on several ‘principles’. Route planning should:

- Design and market the network as a cohesive whole
- Focus on areas and corridors of strong demand
- Ensure the network offers the potential for commercial growth
- Protect routes which serve areas of greatest social need
- Where possible, increase the frequency of services on major routes, for a more attractive service
- Where possible, reinstate some evening and Sunday services
- Reduce service on poorly-used routes
- Rationalise parallel routes, remove some diversions
- Reduce or remove ‘school special’ services

2.7 It would be impractical to re-design routes across the whole County at once, so a phased approach has been adopted. In any given area bus contracts now all end on the same date, and it is costly to either terminate contracts

early or extend them. These ends dates therefore form the basis of the review phasing. In each phase new routes would begin in Sept, to catch the start of the school year:

Phase 1	New routes Sept 2010 and Spelthorne	Woking, Elmbridge, Runnymede,
Phase 2	New routes Sept 2011	Surrey Heath and Tandridge
Phase 3	New routes Sept 2012 Valley, and Waverely	Epsom, Leatherhead, Mole

- 2.8 In parallel with public consultations, detailed information from on-bus surveys and bus operator ticketing returns is being analysed to give an accurate picture of both current bus usage, and the usage predicted following changes. Patronage figures do also include those travelling free as they are recorded on the ticket machine without a ticket being issued. All this information will underpin the selection of route options.

3 OPTIONS

- 3.1 The principal SCC-funded Spelthorne routes included in the review are 218, 566/7, 400, 426/446, 451/461, 438, 555 and 557. Other local services are not included in the review as they are not subsidised by the County Council, or are Transport for London (TFL) services. Looking at current bus provision, Spelthorne borders London and so benefits from London area frequency on some routes, together with the London fare structure. Transport for London services provide a number of excellent travel opportunities for residents.
- 3.2 Proposals changing these services have been widely publicised in the review, on both the County Council web-site (Bus Timetables/Your Buses Your Say) and in leaflets in libraries and other outlets. Bus routes usually cross Borough/District boundaries, so the complete text for North Surrey is shown in the Pdf in Annexe A.
- 3.3 Services in the district provide connections to both Heathrow and the local hospitals – Ashford and St Peters.

Under the consultation proposals, route 555 service to Hatton Cross and **Heathrow** is retained at 2 buses per hour. Savings options that have to be considered include reductions in levels of pre 7am and Sunday services and terminating at Hatton Cross. Tangible ongoing BAA support (re-instatement of their funding contribution) would help achieve a level of affordable provision.

The roughly parallel hourly service 557 as far as Hatton Cross is proposed for withdrawal as cost per passenger journey is on the high side. However, as a hospital link the service could be argued to be socially important.

There are no other changes proposed for Heathrow area services (71, 203, 441) from Spelthorne.

- 3.4 Proposals used for consultation suggest that apart from Charlton, Studios Estate, Shepperton Green and parts of Upper Halliford, other areas of

Spelthorne continue to have direct/indirect links to Ashford Hospital much as currently provided.

- 3.5 Any reduction in direct services to **hospitals** relates to the proposed withdrawal of services 400 and 557. The Committee should note that Primary Care Trusts do not contribute to subsidy funding for conventional bus services.

Consultation proposals show reductions in buses between Staines and St Peter's Hospital from three to two per hour. Consultation proposals also show the loss of a direct link to St Peter's from Stanwell, Ashford, Sunbury and Shepperton (service 557). Journeys would require a change in Staines, as part of the "hub and spoke" agreed principle. The rationale for the removal of the route is given above.

- 3.6 The rationale behind removing route 400 is based on patronage levels. Data shows that around 90 of the 115 daily passengers are students travelling to and from Thamesmead school in Shepperton. Apart from the school, the service is extremely poorly used with around 25 passenger trips made across 14 individual journeys during the day.

- 3.7 The principal Spelthorne SCC subsidised routes cost the County Council a total subsidy cost of £1,489,572 pa. As the Committee has specifically requested financial and patronage data a table giving information on the principal bus services in the area is included at Annex B. This table does not include TFL or commercial services.

- 3.8 We hope the table is clear, but please note that:

- Column A is an average figure for Mondays to Fridays, using data for the whole month of March 2009
- The bus services are divided by contract, as delineated by the horizontal rules
- Some contracts cover more than one service, but with a composite cost. Data derived from the cost of provision may be shown for the whole contract, rather than for individual services within it. This cannot be effectively dis-aggregated
- Cost and patronage data cannot be dis-aggregated to Borough/District level
- Full details of current bus routes can be found from details of services published for the Bus Review consultation

Officers can explain the figures in more detail at the meeting.

CONSULTATIONS

- 4.1 Consultation on the Bus Review was approved by Cabinet on 29 Sept 2009, and the consultation period runs until 31 January 2010. Results of the consultation with firm proposals for route changes in the Phase 1 areas will be reported to Cabinet on 2 March 2010. Current consultation therefore covers two separate aspects:

- The general approach and principles of the Review
- Detailed proposals for the Phase 1 areas

A similar consultation process will be conducted during autumn 2010 and 2011 on detailed proposals for the latter two Phase areas.

- 4.2 Consultation is being supervised by the Passenger Transport Task Group established by Transportation Select Committee, and is taking a variety of forms:
- Full information and feedback survey on the County Council web-site, with a special e-mail address for views and comments.
 - A meeting of 120 stakeholders in the Passenger Transport Assembly held on the 13 November
 - In Phase 1 areas, displays in libraries, with hard copy leaflets and survey forms in many different outlets, including Borough/District offices and Help Shops
 - Surgery sessions at local libraries
 - In Phase 1 areas, presentations of detailed proposals to Local Committees
 - A separate engagement meeting with headteachers of schools (in all Phases) affected by the 'school special' changes

Consultation in the later Phase areas will take a similar format.

- 4.3 A surgery session was held in Staines High Street on December 14th in conjunction with Bus Users UK. Approximately 30 local residents came to ask questions and give their views on the proposals. Feedback is being received via the online survey and survey response forms on all the Spelthorne principal services with larger volumes of comments relating to the 557, 218 and 451/461 services.
- 4.4 Views and feedback from all sources are being carefully analysed, and will feed into final proposals. Local 'intelligence' about particular needs and routes is particularly welcome.

5 FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

- 5.1 The Bus Review aims to save between £2m and £4m pa from the current subsidy spend of £11m pa, and to avoid the increases that would otherwise have taken place. But it is not possible to predict the exact revised level of subsidy until:
- All consultation responses have been analysed
 - Tenders for the new Phase 1 routes have been received in April 2010. Tender prices are volatile depending on a variety of market conditions.

The best estimates possible will be reported to Cabinet in May 2010.

6 EQUALITIES AND DIVERSITY IMPLICATIONS

- 6.1 Public buses are a universal rather than a targeted service, and any changes or reductions could reduce travel options for some vulnerable residents who do not have access to a car. The Bus Review maintains an Equalities Impact Analysis to ensure that these groups are not affected disproportionately. The Review will also:

- Maintain, or if possible enhance, services to areas of relative deprivation, including Surrey's Priority Areas
- By means of survey and ticketing analysis, ensure that the needs of vulnerable bus users are recognised as far as possible within financial constraints

7 CRIME AND DISORDER IMPLICATIONS

- 7.1 The Review does not have specific implications for Crime & Disorder, but the County Council does have continuing policies to improve the quality of both buses and bus stops wherever possible. It is hoped that the Review will provide routes with greater commercial viability, which will enable bus operators to invest in more modern, high quality buses.

8 CONCLUSION AND RECOMMENDATIONS

- 8.1 The Local Committee is asked to:
- (i) Give its views on the general approach and principles of the Bus Review
 - (ii) Give its views on proposals relating to the principal Spelthorne services included in the review, to feed into the consultation process.

9 REASONS FOR RECOMMENDATIONS

- 9.1 The Committee's views are welcomed, to ensure that the Review's recommendations are based on an accurate appreciation of local needs and priorities.

10 WHAT HAPPENS NEXT

- 10.1 The Committee's views will feed into the wider consultation process. All stakeholders, including Local Committees, will be contacted with the final recommendations prepared for the Cabinet.

LEAD OFFICER: Paul Millin, Passenger Transport Group Manager
TELEPHONE NUMBER: 020 8541 9365
E-MAIL: Paul.millin@surreycc.gov.uk

CONTACT OFFICER: Peter Wylde, Policy Project Manager
TELEPHONE NUMBER: 020 8541 9925
E-MAIL: pwylde@surreycc.gov.uk