

Local Transport Review
Cabinet 23 Sept 2014

Neighbouring County Approaches to the Funding Challenge

This Annexe summarises how our immediate neighbouring County Councils are responding to the funding challenge in local bus provision. It is based on meeting and visits to East and West Sussex, Hampshire, and Kent. The key information is shown in the attached table.

7

Savings challenges and current proposals

General comments

All the Councils face the same corporate revenue budget pressure to varying degrees, and bus service support may have been seen as a relatively 'easy' area for savings. The scale of savings sought varies considerably, driven by political and departmental choices. In some cases, savings are sought from a broader raft of public transport expenditure, rather than from just service subsidy itself.

Common approaches to seeking savings are:

- Engage further with the Community Transport sector (voluntary or paid) to mitigate withdrawals of conventional rural bus services, possibly with demand-responsive operation, which is not universally popular.
- Apart from Kent, all are actively planning or consulting on a reducing subsidy support, which could lead to bus service withdrawals or reductions. This involves working with operators to establish which services might in time become commercially sustainable, or more commercially sustainable, including compromises in the offer to the travelling public.
- Change the reimbursement formulae for statutory or discretionary concessionary fare schemes (eg. elderly/disabled, students etc)
- Maximise external funding opportunities, such as section 106, LSTF, LEP funding, to offset the impact of revenue funding reductions.

The focus will be on services that support:

- The economy (including access to employment)
- Access to schools and colleges
- Access to primary health care sites
- Basic food shopping opportunities.

These are in the category of "social need", but any subsidy prioritisation or planning to cater for this must ensure that the bus network remains cohesive and marketable.

There is no Statutory Minimum in terms of supported bus service provision and none of the authorities have devised their own. Due to the small physical links in bus networks between Surrey and adjoining counties, there is little scope for jointly tendering network services. However, Surrey is introducing revised procurement processes which in time could be rolled out in conjunction with neighbouring authorities.

East Sussex

A £2.23m saving across public transport expenditure in 2014/15 and 2015/16 is required. £0.5m of this would come from a proposal to reduce the elderly/disabled concessionary fare scheme to the statutory minimum, but the rest would come largely from reductions in bus support. A Commissioning Approach has been adopted, and a public consultation exercise seeks views on various measures from April 2015, such as reducing service frequencies, reducing 5 or 6 days per week services to perhaps 2 or 3 days a week, or withdrawing complete services.

Hampshire

The bus support budget has been reduced by 45% since 2011, following a network review. A public consultation has been undertaken with a view to reducing public and community transport spend from April 2015 by £1.25m to £1.5m. A critical review of evening/Sunday bus services, 0900 to 0930 use of older person's concessionary passes, non-statutory services to schools, and evening and Sunday Dial-a-Ride operation are included.

Kent

Previous reviews of the socially necessary network have not resulted in significant cuts and to date Kent have retained broadly the same levels of subsidy and service levels. Kent have completed a review of their Kent Freedom Pass scheme which provides subsidised travel for non statutorily-entitled students aged 11-16 and currently costs Kent CC about £13.1m per annum. As a result, from September the cost of the scheme to parents will increase from £100 to £200 and free journey times will also be capped to allow travel on Mondays to Fridays between 0600 and 1900 in focussing the benefit on school travel only. This is targeted to save £3m per annum. A proposed re-structure of their Public Transport Team is also being designed to assist explore opportunities for saving through a closer relationship between Socially Necessary Bus Service and School Transport procurement.

West Sussex

There has been a saving of £1.9m per annum since April 2011 through service reductions and contract cost negotiations. There is no immediate pressure to further reduce bus service support. Further savings are being sought from the Transport (including school transport) and Countryside budgets, but the bus support budget is not being specifically targeted.

Our Review team has also looked at examples of approaches further afield. Savings proposals in other County areas include:

- Dorset. £0.85m saving enacted, involving loss of some rural services, some school services, all subsidised evening and Sunday services and any Saturday service which does not average 20 or more passengers per journey
- Oxfordshire. 50% reduction in spending over next four years and better integration of local bus and school transport planning

- Worcestershire. Initial plan to remove entire £3m bus service support subsidy, thus relying on the commercial market, replaced by a reduced budget of £1.1m in order to secure some key services, after a public outcry.

This page is intentionally left blank