



**Economic Prosperity, Environment and Highways Board**  
11 June 2015

**Surrey County Council Local Transport Review**

**Purpose of the report:** This report is going to the Economic Prosperity, Environment and Highways Boards for review, ahead of it being shared with Cabinet for consideration on 23 June 2015.

**SUMMARY OF ISSUE:**

Surrey County Council (SCC) is subject to pressures on its funding. This means that SCC needs to review its spend on the services that it provides for the county's residents.

One of these is local transport. The County Council's Medium Term Financial Plan (MTFP) includes a requirement to make savings through a Local Transport Review of £2m by 2017/18.

The Local Transport Review was established to deliver the required savings via three streams: financial support to local buses, concessionary fares available to qualifying older and disabled people and community transport for people who cannot use conventional local bus services. The review seeks to find efficiencies, integrate services and grow the commercial value of the bus and community transport network.

This report outlines how the year one savings for the review can be achieved in 2015/16 and describes the effect on services in the East and West of Surrey. The savings plans have been drawn up following a wide reaching public consultation, from October 2014 to February 2015, with 6,800 residents and stakeholders having their say on the services that matter most to them. A further round of public consultation, from May to June 2015, gave residents and stakeholders an opportunity to feedback on the detailed proposals for changes to local bus services.

Further proposed changes in other areas of Surrey will be consulted on in the subsequent two years of the review, to ensure the required savings are achieved.

## **RECOMMENDATIONS:**

Following the Local Transport Review report to Cabinet on 23 September 2014; It is recommended that Cabinet:

1. Approve the proposed changes to local bus services in Surrey, as detailed in **Annex E** of this report. These changes will take effect from 29 August 2015.
2. Agree that SCC retains its policy in relation to concessionary fares as described in paragraph 3.
3. Require that the Cabinet Member for Environment Planning and the Strategic Director for Environment and Infrastructure report back to Cabinet on the consideration of further proposals for change to local bus services in Surrey in the financial years 2016/17 and 2017/18.

## **REASON FOR RECOMMENDATIONS:**

These recommendations will enable SCC to achieve the required savings needed from the Local Transport Review, as outlined in the MTFP. It will also ensure that Cabinet is kept fully informed throughout, and can take decisions on changes based on best practice in subsequent years of the review.

Recommendations for change are based on:

- Responses to two public consultations.
- Full understanding of the impact on the changes to the public (including those with protected characteristics) and the environment.
- Maintaining services that residents rely on the most such as services that get people to employment, healthcare, school and essential shopping.
- A funding arrangement with partners that is financially sustainable in the long term.

## **DETAILS:**

### **Background: Previous Cabinet recommendation**

1. On 23 September 2014, a report was considered by Cabinet that gave details of the current challenges in the provision of and financial support for local transport services in Surrey. SCC invests significant council funding in local bus services, concessionary fares and community transport. A breakdown of this spend in 2014/15 is summarised below:

| <b>Transport Stream:</b>            | <b>Annual revenue spend:</b> |
|-------------------------------------|------------------------------|
| Local bus contracts                 | £8.949m                      |
| Concessionary fares                 | £8.676m                      |
| Community transport                 | £0.643m                      |
| Bus Service Operators Grant (BSOG)* | £1.125m                      |
| <b>Total</b>                        | <b>£19.393m</b>              |

\*The £1.125m of BSOG represents a fuel duty rebate grant that SCC disburses to bus operators on behalf of government.

2. Nearly half of SCC's current annual spend on local transport is for local bus contracts. Of the 29 million passenger trips made each year on Surrey's buses, half are on services that SCC subsidises. Each day 80,000 passenger trips are made on Surrey's buses. Surrey has approximately 200 services in operation, of which nearly 75% receive funding to some degree to maintain the current level of provision. This funding support is being reviewed to maintain services that are the most important to residents and provide an arrangement that is sustainable in the long term.
3. SCC reimburses operators for the revenue forgone in allowing concessionary pass holders to travel for free. This is a statutory obligation under the English National Concessionary Travel Scheme (ENCTS). Alongside these statutory allowances, SCC currently funds two additional concessions in Surrey at a cost of £0.105m per year.
  - i. Surrey residents who hold a disabled person's bus pass have no time restriction on travel, meaning they can also travel for free before 09:30 and after 23:00 Monday to Friday, all day Saturday, Sunday and Public Holidays.
  - ii. Companion passes (C+) are issued to qualifying Surrey residents (already disabled or older person's bus pass holders) who cannot travel without assistance. This means a pass holder who needs assistance can take someone with them to enable travel, such as a friend, carer or relative. This companion can also travel for free. There are currently 3,127 C+ bus pass holders in Surrey, with the vast majority of these issued to disabled users.
4. In the last year, almost 8 million passenger trips were made on Surrey buses by concessionary pass and C+ holders. Two main areas of the concessionary fare travel scheme have been reviewed including:
  - Operators are reimbursed for fare revenue forgone using an agreed Department for Transport (DfT) methodology. This process is being reviewed to ensure that it offers best value for money.
  - The two additional concessions have been re-assessed to determine whether the council should maintain them.
5. Community transport is a discretionary service for residents who find it difficult to use conventional public transport due to physical impairment, sensory or learning disabilities, geographic isolation etc. SCC's grant funding support of £0.643m to the community transport sector helps sustain community transport services, including Dial a Ride and Voluntary Car Schemes. Of the approximate 550,000 supported passenger trips undertaken per year on these services, 100,000 are provided by Voluntary Car Schemes using volunteers. **Annex A** gives further information on community transport and sets out the approach for reviewing grant funding allocations, in partnership with community transport operators and district and borough councils.
6. The Bus Review in 2010 made important savings, efficiencies and enhancements in its operation of local transport. However, SCC's budget for supporting these local transport services is coming under increasing pressure because:
  - Bus operating costs have risen faster than general inflation.

- Increased road traffic in Surrey means bus services are becoming less efficient, resulting in higher operating costs.
7. In light of these pressures mentioned above, the current funding level for the support of local transport services is not sustainable. The Local Transport Review has been tasked with reducing local transport costs by £2m by 2017/18.
  8. On 23 September 2014 Cabinet agreed:
    - That officers be authorised to carry out a wide-ranging consultation on proposed changes to Local Transport with partners, stakeholders, and the wider public, during the period October 2014 to January 2015.
    - At a further meeting in spring 2015, Cabinet consider a report incorporating an equality impact assessment and costed proposals for change which take into account views expressed in the consultation.

### **Overview of the public consultation process**

9. The public consultation authorised by Cabinet wanted to understand:
  - How important bus and community transport services are to our residents? And how this would impact them if it was reduced or no longer there?
  - What could be done to encourage more people to travel by bus/increase their bus travel?
  - How important and valued the two extra SCC funded concessions are to our qualifying English National Concessionary Travel Scheme (ENCTS) pass holders?
10. The public consultation launched on 8 October 2014 and was originally set to run until 14 January 2015. However, it was extended until 2 February 2015 in light of the overwhelming response to the consultation. Residents and stakeholders could participate by filling out a questionnaire (online and hard copy), emailing or writing to the project team or attending one of our public roving bus events.
11. **Annex B** describes how widely we engaged with partners, stakeholders and the general public in this consultation. In summary, this campaign provided:
  - Full information on a dedicated web page which included a link to an online questionnaire ([www.surreycc.gov.uk/transportreview](http://www.surreycc.gov.uk/transportreview)).
  - Emails and letters to stakeholders informing them of the public consultation and encouraging them to participate.
  - Posters advertising the public consultation were printed and distributed at multiple locations around the county to raise awareness.
  - Hard copy questionnaires were available from multiple locations across the county including libraries, local council offices and, on request, via the contact centre. They were also available in easy read and large print formats.
  - Other communication medium were used to promote the consultation including online advertising, social media (Facebook & Twitter), online newsletters, editorial copy for local newsletters and paid for press advertising.

- A comprehensive stakeholder engagement plan was undertaken during the consultation with over 40 events held. This included a roving bus event that was organised to visit 6 destinations across Surrey over three days in January, giving residents and bus users an opportunity to find out more about the review and submit their feedback.
12. We also engaged Bus Users UK to provide expertise on its programme of public engagement as part of the consultation process. They assisted with event design to ensure that the passenger's voice was fairly represented. A summary of the support they provided, and their conclusion on this consultation process, can be found in **Annex C**.
  13. In this consultation, some stakeholder groups stressed how important it was for residents and stakeholders to see the detailed proposals for change to individual bus services before they were agreed. Based on this feedback, a further public consultation was launched on 11 May and ran to 8 June 2015. The aim was to obtain, and understand, views on the proposed changes that had been drawn up following the first consultation.
  14. **Annex D** describes the approach for how we again consulted widely with our partners, stakeholders and general public. This second campaign broadly followed a similar approach to the first consultation, although resources were focused on areas where there were proposed changes to local bus services.

#### **Responses to the first public consultation (8 October 2014 – 2 February 2015)**

15. Over 6,800 residents and stakeholders told us about the local transport services that matter most to them. This feedback played an important part in the review and helped draw up plans for change. **Annex B** gives a more detailed breakdown on the views submitted in this consultation.
16. The key findings in this consultation were:
  - More than 4 in 5 (85%) of respondents to the consultation consider the bus service that they use to either be important or very important to them. They told us that buses are used to take them to/from shops/ schools/ colleges / university and work, to attend medical appointments, to visit friends and relatives, and for leisure and recreational activities.
  - The feedback given in the questionnaire, and at our stakeholder meetings about the two extra SCC funded concessions (free disabled travel before 09:30 or after 23:00 and free companion passes), suggested that these are highly valued and vital to our users. We were told that withdrawal of these could cause isolation, frustration, depression and greatly reduce independence in an already vulnerable and disadvantaged community. More information about the value of these extra concessions can be found in **Annex C**.
  - More than 4 in 5 (83%) respondents to the consultation told us that if there was better information, improved infrastructure or if a better journey experience could be offered that they would increase their current bus travel or start to travel by bus.

## Responses to the second public consultation (8 May 2015 – 11 June 2015)

17. Over 900 residents and stakeholders had their say on the proposed changes to local bus services. The feedback submitted in this consultation has informed the final proposals that have been drawn up. **Annex D** gives further detail on the responses submitted in the second consultation.
18. The key findings in this consultation were:
  - About 1 in 3 (33%) of respondents who told us they use the 446 (Woking-Addlestone-Staines) or the 557 (Woking-Chertsey-Sunbury-Heathrow Airport) said that the proposed changes to these services would make it difficult for them to access St Peter's Hospital.
  - Precisely 1 in 4 (25%) of respondents who told us they use the 459 (Kingston-Weybridge-Addlestone-Woking) or the 557 (Woking-Chertsey-Sunbury-Heathrow Airport) said that the proposed changes to these services would limit their access to and from work.
  - Over half (52%) of respondents who told us that they use the 458 (Kingston-Walton-Staines) said that the proposal to increase the frequency of this service would have a positive impact on them.

## Proposed changes to local bus services

19. A significant proportion of the proposed savings for year one of the Local Transport Review (2015/16) have come from an adjustment in the amount paid for subsidised local bus services. The preferred approach for recognising these savings has been through sensible negotiations, retendering of services, encouraging commercialisation and by re-planning the network of services. By adopting this approach, the overall impact and potential hardship on service users has been reduced.
20. This approach has also had to take account of the review conducted by Abellio and Arriva of their non subsidised local bus services in the North-West of Surrey, which, in some cases, has required a reshaping of their routes to achieve what they feel will be the best option for future fares income. This has meant that the council has had to review the services it subsidises in the same areas to avoid competitive duplication and to provide integration into a cohesive network.
21. The local bus team have worked with operators to re-negotiate certain contracts to reach a compromise in what is provided within a lower-price framework and, subsequently, provide the council with better value for money.
22. New prices have been obtained for ten bus services by means of a re-tendering exercise. Two contracts involving eight services are proposed for award to one operator, whilst two others involving two services have been awarded to another operator.
23. Working closely together, Procurement & Commissioning and the Travel & Transport Group have jointly put in a place a new arrangement for tendering local bus contracts. The Dynamic Purchasing System (DPS) is a procurement procedure compliant with the Public Contract Regulations. It is a fully

electronic system, used to award individual bus service contracts. It will streamline procurement for both suppliers and authorities; providing more flexibility for suppliers to apply which, in turn, will increase competition in the long term to drive better value for authorities.

24. Twelve “School Specials” public bus services have been commercialised and enhanced involving, in some cases, integration with certain Home-to-School “closed door” services provided by Children, Schools & Families. In these instances, it has led to future savings for the Education Transport budget.
25. The actions explained, in paragraphs 21 to 24, have resulted in annual savings of £0.309m **without** changing the current level of service offered.
26. The savings previously outlined are a beneficial outcome for the review, especially in light of the increasing bus operator costs mentioned in paragraph 6. However, to make the required savings needed for the review, it has resulted in some proposed service compromises on routes, frequencies, days of operation or timetables. The proposals have been drawn up through partnership working with the relevant operators by:
  - Encouraging operators to sustain services on a commercial or more commercial basis, thus reducing the requirement for funding support.
  - Taking due regard of key outputs from the first consultation exercise and avoiding, as much as possible, impacts on the services or sections of route that see the most patronage.
  - Retaining where possible key journey purposes such as work, school/college, health care and general food shopping.
  - Considering other important factors such as school place planning, other future developments, economic growth etc.
27. **Annex E** gives the details of the proposed changes to local bus services. The columns show:
  - Service number, current route, present operator, frequency and days of operation, borough and district served.
  - Annual one-way passenger journeys for 2014/15, number of respondents to the first and second consultation indicating usage.
  - Potential effect on the current route, number of people on an average weekday estimated as potentially impacted by the proposed change.
  - Current annual cost, new annual cost, cost saving in 15/16 and annual cost saving.
28. Subject to Cabinet approval of the proposed changes to local bus services, there may be further minor adjustments during final service planning and mobilisation. However, if a bus service is not listed in **Annex E**, no changes are proposed as part of the review for this year. It must be stressed though that SCC will be reviewing more local transport services in the coming two years, to ensure the necessary savings are made over the three year period of the review.
29. Proposed changes to services in year one are expected to occur at the beginning of the academic year (from 29 August 2015) aligning generally with the year when current contracts are scheduled to expire. This review has concentrated on those contracts due to expire at the end of August 2015. However, during these discussions bus operators opportunities to

renegotiate other contracts have been realised. This process will be repeated elsewhere in Surrey in the two subsequent years of the review.

30. The services proposed to change from 29 August 2015 are expected to have an impact on a small number of passengers who use these services. Most of those shown as impacted in **Annex E** will still have a reasonable level of access to a bus service but may, in a few instances, as a result of the proposed change:

- No longer be able to make a direct journey that will now require a change of bus.
- Require a short walk to reach a bus stop.
- Experience a less frequent service.

31. One exception is the proposal to withdraw the service 22 and 513 on a Saturday, where 17 current passengers will not have an alternative bus service.

32. The estimated number of people is shown as impacted, in **Annex E**, has been derived from current origin and destination passenger journey data collected by bus operators' electronic ticket machines over a period of several weeks. Passengers that still have a bus service to their required destination, albeit with a different service number or route, are excluded.

33. It should be noted that, within the proposals, there are a number of new physical links or improved travel facilities which will encourage patronage growth and help offset potential losses resulting from other changes. These include:

- More direct or faster services e.g. 446 (Woking to Chertsey and Staines), 514 (Kingston to Thames Ditton), 514 (Byfleet to Addlestone).
- More travel choice e.g. more buses for the Colesmead Road area of Redhill, new destination opportunities for Wray Common/Timperley Gardens area of Reigate (service 357) and a new link from Woldingham to Caterham Tesco.
- Improved frequency e.g. 458 (Kingston to Staines via Walton) increasing from one to two buses per hour.
- Later evening services e.g. 458 (Kingston to Staines).
- A new Sunday bus service introduced e.g. for Thames Ditton village area (515 Kingston-Guildford).

34. By implementing the proposed changes to local bus services, together with the savings outlined in paragraph 25, the total annual subsidy to operators will reduce by **£0.838m**. This is a full year effect. The saving in 2015/16 for this is less at **£0.584m**, as most of the proposed changes will come into effect part way through the financial year from 29 August 2015 subject to Cabinet approval. This is summarised in the table in paragraph 46.

#### **Other savings proposals for 2015/16**

35. A review of community transport funding in 2015/16 has contributed a total of £0.040m in savings to the local transport review. This has been achieved by ceasing ad hoc support to voluntary organisations for transport support, training and vehicle hire but with **Page 30** changing the level of service offered.



SCC will continue to grant fund organisations who provide Dial a Ride, Taxi Voucher and Voluntary Car Scheme services in 2015/16. However, more detailed work will be undertaken with our community transport and district & borough council partners in the coming months to revise grant allocations for 2016/17.

36. As part of a wider package of measures to mitigate the impact of traffic congestion from new developments in Surrey, further funding has been secured. This will be used to support and maintain local bus services, assisting with improving public transport accessibility and providing more sustainable travel opportunities. Applying existing, and anticipated, Section 106 sums (development related contributions) will contribute an annual saving of £0.140m for five years. Other funding will need to be secured to maintain services beyond this period. Further funding, and income, will be negotiated as significant developments come forward through the planning process.
37. As travel is free to a concessionary pass holder, SCC has to then reimburse the bus operator for the fare revenue using the agreed DfT methodology. In 2014/15, reimbursement was paid at a rate of 52.30% but this process has since been reviewed to ensure it offers best value for money. SCC agreed that the reimbursement rate for 2015/16 be set at 51.44% using DfT recommended methodology, as published in November 2014. This revised rate to operators and anticipated lower usage of the concessionary pass in Surrey, based on data trends, will contribute an estimated saving of £0.025m in 2015/16.

#### **Extra concessions funded by SCC**

38. The two non-statutory extra concessions for a qualifying concessionary pass, i.e. no time restrictions on travel for disabled pass holders and companion passes that are issued to pass holders who cannot travel without assistance, are estimated to cost the council £0.150m per year. As part of the review, these have been re-assessed to determine whether the council should maintain this enhanced offer.
39. Analysis of the feedback received told us that withdrawal of these could cause isolation, frustration, depression and greatly reduce independence in an already vulnerable and disadvantaged community. The relatively small saving made could be negated by increasing the need on other service areas within the council, such as Adults Social Care etc. This broad assessment recommends that SCC continues to maintain these enhanced concessions.

#### **Update on other savings work streams**

40. The review has looked at other areas of spending within its scope, aiming to find savings, efficiencies and opportunities to grow the commercial value of the network which would minimise the need for reductions in the core support for local bus services. These are not due to yield savings in 2015/16; however, they may contribute savings in the period of the review or beyond. The table below, on pages 10-11, summarises the latest progress on this.

| Measure                                                                                                       | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Knowledge Transfer Partnership (KTP) market research project                                                  | A joint KTP project with Stagecoach and The University of Surrey to increase patronage on bus services in Surrey, by establishing new ways of identifying customer needs, behaviours and user experience and by making bus services more appealing to new users. Application of detailed analysis of potential passenger demands informed through market research, and other trend data, will provide customer insight and information to support bus company management decisions to increase financial return, reducing reliance on council funding. | SCC successfully applied to Innovate UK to fund a 3 year KTP project. The 3 year grant of £0.100m (which must be matched by SCC) will fund an MSc graduate associate, to be employed by The University of Surrey and coached by two specialist university academics. The graduate will look at how to improve patronage on local bus routes within Surrey. The project will also aim to deliver a commercial product that will allow bus operators to make informed decisions about where to invest in service improvements.                                                                                                                                           |
| Invest in a community transport alternative                                                                   | A venture to work with 2 or 3 parish councils to develop a community transport alternative to smaller rural bus services.                                                                                                                                                                                                                                                                                                                                                                                                                              | Initial meetings with Parish Councils have helped identify local transport issues and challenges that providing community alternatives would encompass. This measure will require patient work with parish councils. More detailed work will need to be undertaken on the operational viability of community alternatives working in certain areas.                                                                                                                                                                                                                                                                                                                    |
| Capital investment (including Local Growth Fund (LGF) and Local Sustainable Transport Fund (LSTF) Programmes) | Grow the commercial value of the network through investment in capital infrastructure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Working in partnership with our Boroughs and Districts, bus operators and major employers, we will continue to develop and implement a programme including bus stop accessibility improvements, better passenger waiting facilities, marketing and information (including Real Time Passenger Information) to encourage more passengers to use bus services. This, in turn, will increase bus operator income and reduce the call for public funding. In 2015/16, these works will primarily focus on the revised Abellio network.<br><br>Current schemes such as the Egham Sustainable Travel Plan, Greater Redhill Sustainable Travel Plan and the Blackwater Valley |

|  |  |                                                                                                                                                                                         |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | Connectivity Scheme, together with future schemes in the programme, will provide important funding to support initiatives consistent with the objectives of the Local Transport Review. |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### **RISK MANAGEMENT AND IMPLICATIONS:**

41. The two highest risks identified in the Local Transport Review are:

- Proposed changes to local bus services are likely to have an impact in some form on communities and passengers in the affected areas. There is likely to be public opposition on any changes that could impact the most vulnerable people in our society, which could lead to an increase need for subsidised services.
- The application of developer funding will only sustain services until the end of 2019/20. Once this runs out, other funding will need to be secured to maintain services. This presents a savings pressure to Local Bus services in the long term future.

42. When the intention to review local transport services was first announced, there was a concern that large scale changes could be made to the bus network to make the required savings needed from the review. However, the proposed changes to local bus services, as identified in **Annex E**, represent a less than expected impact with only 234 passengers affected. Furthermore, a large majority of these passengers will still have reasonable access to a bus service.

43. In the second consultation, every effort has been made to ensure that our residents understand why particular changes are proposed in certain areas and what alternative services are available to them.

44. The project team recognises that an alternative to the application of developer funding will need to be found to sustain services on a longer term. Further work will be carried out over the subsequent years of the review to identify longer term income opportunities.

### **Financial and Value for Money Implications**

45. The Local Transport Review is an agreed MTFP savings programme which has a requirement to deliver £2m in savings by 2017/18. A sum of £0.019m has been spent to assist with the production of publicity materials required for two public consultations. This relatively small cost has delivered two high quality consultations, each receiving an excellent level of response ensuring that we have listened to our resident's views before drawing up final proposals for change.

46. Paragraphs 34 to 37 describe, in full, the detail of the proposed savings for 2015/16. If Cabinet agree to the proposed changes to local bus services, this together with the other savings proposals in the review; will achieve £0.789m in savings for 2015/16. The full year effect will be greater at £1.043m. This is because most of the changes to local bus services will come into effect part way through the financial year from 29 August 2015. This is summarised in the table below on page 12:

| Line                                                | Method                                                                                                                                                                                               | 2015/16 saving | Annual saving  |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| 1                                                   | Through contract price negotiations, retendering of services or by operators converting services <b>without</b> changing the current level of service offered.                                       | £0.275m        | £0.309m        |
| 2                                                   | Proposed changes to local bus services                                                                                                                                                               | £0.309m        | £0.529m        |
| <b>Local Bus Savings (Lines 1 and 2 above)</b>      |                                                                                                                                                                                                      | <b>£0.584m</b> | <b>£0.838m</b> |
| 3                                                   | Ceasing ad hoc support to voluntary organisations for community transport support, training and vehicle hire, but <b>without</b> changing the level of service offered.                              | £0.040m        | £0.040m        |
| 4                                                   | Application of developer related contributions to support the local bus budget                                                                                                                       | £0.140m        | £0.140m        |
| 5                                                   | Revised concessionary fare reimbursement rate and anticipated lower pass usage (This savings figure is estimated based on data trends, as it's not possible to quantify until actual usage is known) | £0.025m        | £0.025m        |
| <b>Other Savings Proposals (Lines 3 to 5 above)</b> |                                                                                                                                                                                                      | <b>£0.205m</b> | <b>£0.205m</b> |
| <b>Total Saving</b>                                 |                                                                                                                                                                                                      | <b>£0.789m</b> | <b>£1.043m</b> |

#### **Section 151 Officer Commentary**

47. The Section 151 Officer confirms that all material financial issues and risks have been considered in this report. The MTFP includes a requirement to make transport savings, including £2m by 2017/18 (of which £0.75m is required in 2015/16) through the Local Transport Review. The report outlines how savings can be delivered. If the recommendations are agreed, part-year savings of £0.789m are expected to be achieved in the current financial year, rising to £1.043m the following year. Further reports will show how the remaining saving can be achieved.

## **Legal Implications – Monitoring Officer**

48. Under Section 63(1)(a) of the Transport Act 1985, Local Transport Authorities must 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.
49. For the purpose of providing such services, the council has power to enter into an agreement providing for service subsidies, but only where the service in question would not be provided, or would not be provided to a particular standard, without subsidy. The reference to a standard to which a service is provided includes (a) the frequency or timing of the service, (b) the days, or times of day, when the service is provided, or (c) the vehicles used to provide the service.
- 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 transport services (whether subsidised or not). In exercising this power, the council has to have regard to a combination of economy, efficiency and effectiveness.
50. In exercising or performing any of the functions described above, the council has to have regard to the transport needs of members of the public who are elderly or disabled.
51. The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet in this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters are dealt with in the equalities paragraphs of the report and in the attached equalities impact assessment.
52. In considering this Report, Cabinet must consider the results of the consultation, as set out in the reports attached, the response of the Service to those results, and conscientiously take these matters into account when making its final decision.

## **Equalities and Diversity**

53. The Local Transport Review has sought to understand the impact that the proposed changes to local bus services would have on bus service users and Surrey residents, especially those with protected characteristics. A full Equalities Impact Assessment (EIA) has been carried out (See **Annex F**).
54. The EIA has used a variety of data and feedback sources including:

- Responses received during two public consultations.

- Feedback given at our stakeholder events during the public consultation period, especially those given during meetings with the Surrey Coalition of Disabled People, Surrey Disability Alliance Networks and other equality groups.
- National surveys and bus operator patronage data.
- ESP Systex Concessionary Fares Card Management System data.
- Local information (Surrey-i).

55. Potential impacts are perceived to mainly be negative. Any changes to local bus services are likely to impact people with protected characteristics who rely on services to access work, employment, education, health care, places of worship and essential shopping. Mitigating actions have been developed to ensure the likelihood of any potential inequalities is reduced.

56. 234 passengers, identified as using services proposed for change in **Annex E**, could be negatively impacted by the proposed changes. This could mean they have to walk further to reach a bus stop or may need to change bus to get to their required destination. However, a very small number of these passengers (17 in total), that are unique to services 22 and 513 on a Saturday, will have no alternative service.

57. Our recommendation that SCC continues to fund the two extra concessions for qualifying concessionary pass holders (free disabled travel and free companion passes) is likely to have a positive impact on the protected characteristics age, disability and carers.

#### **Other Implications:**

58. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

| Area assessed:                                                   | Direct Implications:                                  |
|------------------------------------------------------------------|-------------------------------------------------------|
| Corporate Parenting/Looked After Children                        | Some implication – described below                    |
| Safeguarding responsibilities for vulnerable children and adults | No significant implications arising from this report. |
| Public Health                                                    | Some implication – described below                    |
| Climate change                                                   | Some implication – described below                    |
| Carbon emissions                                                 | Some implication – described below                    |

#### **Corporate Parenting/Looked After Children implications**

59. Most looked after children attend mainstream schools and some may travel to school on the public bus network. They may not qualify for bespoke transport under the usual entitlement criteria and could be affected by some of the outcomes from the revised services.

#### **Public Health implications**

60. In the first consultation, residents told us that they use local bus services to attend medical appointment at GP's, health centres or one of Surrey's Acute Hospitals. Services to these healthcare destinations will be retained, where

possible, but in some cases a user may now have to change bus to reach their preferred healthcare destination.

61. Bus travel itself encourages older people to remain active and mobile in visiting shops, friends, and family. 533 respondents to second phased consultation stated that they were over 65. Of these respondents, 42 said that the proposed changes could reduce their options to travel by bus.

#### **Climate change/carbon emissions implications**

62. The proposed changes to local bus services would, in theory, lead to a reduction in emissions, as there would be a decrease in the total miles travelled by buses. However the net effect could lead to a slight increase in emissions, equivalent to the energy used in 4 homes a year. This would be due to a switch by a number of existing bus passengers, to some form of car transport including:

- Driving alone.
- Obtaining a lift, either as part of an existing journey being made by car or as a direct result of the change in bus service.
- Taking a taxi.

63. However this should be seen as a worst case scenario, and will likely lead to much less because:

- Most existing passengers are likely to retain access to some form of local transport.
- Furthermore, the proposals include enhancements to some services and these tend to encourage increases in bus patronage.
- The last bus review in 2010 estimated that patronage would fall by 17% but patronage actually remained static.

#### **WHAT HAPPENS NEXT:**

64. If Cabinet approves the recommendations the next steps will be:

- Formally award new contracts to the relevant operators.
- Launch a full communication programme with residents and stakeholders from July to ensure bus users are aware of the changes that will take effect from 29 August 2015.
- Begin preparations for year two of the Local Transport Review, which will include a public consultation on proposed changes to local bus services in 2016/17.

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#### **Consulted:**

The Local Transport Review has consulted:

- Environment and Transport Select Committee
- Local Transport Review Member Reference Group
- Local Committee Chairmen's Group and Local Area Committee's
- Bus Users UK and North-West Surrey Bus Users Group
- Surrey Coalition of Disabled People and Surrey Disability Alliance Networks
- Public and other stakeholders

**Annexes:**

- A - Community transport delivery strategy
- B - First consultation summary report
- C - Report on consultation events held in association with Bus Users UK
- D - Second consultation summary report (to follow)
- E - Table of proposed changes to local bus services from 29 August 2015
- F - Equality Impact Assessment

**Sources/background papers:**

- Surrey County Council Local Transport Review, Cabinet paper, 23 September 2014
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